

commercial strata

insurance product disclosure statement and policy



This is an important document. If you cannot read and understand English, please use an interpreter to explain it to you before entering into this contract of insurance.

Questo è un documento importante. Se non avete una buona conoscenza dell'Inglese, per favore fatevelo spiegare da un interprete prima di concludere un contratto di assicurazione.

Αυτό είναι πολύ σπουδαίο έγγραφο. Αν έχετε δυσκολία με τα Αγγλικά, παρακαλείστε να μεταχειρισθείτε διερμηνέα να σας το εξηγήσει προτού συνάψετε μια ασφαλιστική συμφωνία.

這是一份重要文件。如你不諳英語，在投保前，請先用傳譯員為你解釋保險合約。

ان هذه الوثيقة هامة. إذا كنت لا تجيد الإنكليزية، يرجى استعمال مترجم كي يشرحها لك قبل أن تدخل طرفاً في عقد تأمين.

Dies ist ein wichtiges Dokument. Falls Sie die englische Sprache nicht beherrschen, lassen Sie es sich von einem Dolmetscher erklären, bevor Sie einen Versicherungsvertrag eingehen.

Đây là một văn kiện quan trọng. Nếu quý vị không thông thạo tiếng Anh, xin vui lòng nhờ thông dịch viên giải thích để quý vị hiểu rõ trước khi ký tên vào hợp đồng bảo hiểm.

Este es un documento importante. Si Ud. No tiene conocimientos sólidos de inglés, pida a un intérprete que le explique el documento antes de contratar el seguro.

នេះគឺជាឯកសារមួយដែលមានសារៈសំខាន់ ។ ប្រសិនបើអ្នកពុំសូវចេះភាសាអង់គេសច្បាស់លាស់ទេ សូមស្នើសុំអ្នកបកប្រែភាសាឲ្យពន្យល់ប្រាប់អ្នកមុនពេលអ្នកយល់ព្រមចុះកិច្ចព្រមព្រៀងធានារ៉ាប់រងណាមួយ ។

Welcome to the security of CGU Insurance

This booklet is important

Commercial Strata Insurance Product Disclosure Statement

This Product Disclosure Statement (PDS) contains two sections:

- ◆ **Important Information** - contains general information about your Commercial Strata Insurance policy; and
- ◆ **The Commercial Strata Insurance Policy** - contains the terms and conditions of your Commercial Strata Insurance policy.

To assist you to locate specific items in this PDS, a table of contents is provided on pages 2 to 4.

Please read this PDS before you apply for insurance.

If we accept your application for insurance, you will receive a schedule that sets out details of the insurance you have taken out.

If you need more information about this PDS or your policy, please contact your insurance adviser.

Important Information

The purpose of this PDS	5
Who is the insurer	5
How to contact us	5
Your cooling-off period	5
How to apply for insurance	5
Endorsements	5
Calculating your premium	5
How to make a claim	5
How we handle your personal information	5
When you provide your personal information to us	5-6
When you provide personal information to us about another person	6
Privacy of your personal information – for marketing purposes	6
When you provide your personal information to us – for marketing purposes	6

General Insurance Code of Practice

Our commitment to you	6
How to resolve a complaint or dispute	6-7

Your duty of disclosure

What you must do when you apply to take out this policy	7
Who you are answering the questions for	7
If you do not answer our questions in this way	7
Renewal, variation, reinstatement or extension of your policy	7
If you do not comply with your duty of disclosure	7

Intermediary Remuneration

Adequate sum insured

Strata Insurance requirements

The Commercial Strata Insurance Policy

Your Policy

The Agreement

General definitions

General conditions

General exclusions

Claims procedure

Important notices

	Page
Section 1 – Property	
Definitions	13-14
Cover	14
Limitations	14
Additional benefits	15-17
Variation and extension	17
Settlement of claims	17-19
Exclusions	19-20
Special clauses	20
Special condition	20
Claims procedure	21
Section 2 – Public Liability	
Introduction	22
Definitions	22-23
Cover	23
Limitations	23
Excess	23
Additional benefits	23
Exclusions	23-25
Special conditions	26
Claims procedure	26
Section 3 – Fidelity Guarantee	
Introduction	27
Definitions	27
Cover	27
Additional benefit	28
Settlement of claims	28
Exclusion	28
Special conditions	28
Claims procedure	28
Section 4 – Office Bearers Liability	
Introduction	29
Definitions	29
Cover	29
Limitations	29
Exclusions	30
Claims procedure	30
Special conditions	31

	Page
Section 5 – Voluntary Workers Personal Accident	
Introduction	32
Definitions	32
Cover	32
Who we will pay	32
Table of cover	33
Limitations	34
Exclusions	34
Claims procedure	34
Special condition	34
Section 6 – Machinery	
Introduction	35
Definitions	35
Cover	35
Limitation	35
Additional benefits	35-36
Settlement of claims	36
Excess	36
Exclusions	36-38
Claims procedure	38

Important Information

The purpose of this PDS

The PDS has been prepared to assist you in understanding your Commercial Strata Insurance policy and making an informed choice about your insurance needs.

This PDS sets out important information about the insurance and the terms and conditions and limitations of the policy. The policy terms and conditions are set out in this PDS under the heading 'The Commercial Strata Insurance Policy' commencing on page 8.

Who is the insurer

CGU Insurance Limited is the insurer of the insurance policy. Our Australian Business Number is 27 004 478 371. Our Australian Financial Services Licence Number is 238291. In this booklet the insurer is called 'we', 'us' or 'our'.

How to contact us

You may contact us by any of the following ways:

- ◆ In person at any CGU Insurance office.
- ◆ By telephone on 13 15 32.
- ◆ By writing to us at CGU Insurance, GPO Box 9902 in your capital city.
- ◆ By email on our website www.cgu.com.au

Your cooling-off period

We will refund all premium paid for cover under your policy if you request cancellation within 21 days of its commencement. To do this, you must advise us in writing and return the schedule to your nearest CGU Insurance office. You will not receive a refund if you have made a claim under your policy.

How to apply for insurance

Complete our application form. If we accept your application for insurance, you will receive a schedule that sets out details of the insurance you have taken out.

Endorsements

We may alter the terms, conditions, limits and exclusions of your policy by endorsements. You need to read the policy terms and conditions which commence on page 8, your Schedule, and any endorsements applicable to your policy for full details of the cover under your policy.

Calculating your premium

The premium payable by you will be shown on your Schedule.

The key factors that influence the premium calculation are reflected in the questions asked, and information sought at the time of your enquiry or application for Commercial Strata Insurance. These factors include the activities carried out at the premises, the materials used in the construction of the premises, the value of the premises, and your previous insurance and claims history.

Premiums are subject to Commonwealth and state taxes and/or charges. These include the Goods and Services Tax and stamp duty. The amount of these taxes and/or charges will be shown on your Schedule.

How to make a claim

When something happens that you believe you can claim for, please contact your nearest CGU Insurance office, or call 1300 657 083. Details about making a claim are shown in the policy terms and conditions under 'Claims procedure' on page 11.

How we handle your personal information

We are committed to handling your personal information in accordance with the *Privacy Act*.

We need to collect, use and disclose your personal information in order to consider your application and to provide the cover you have chosen.

You can choose not to give us some or all of your personal information, but this may affect our ability to provide you with cover.

When you provide your personal information to us

You acknowledge and consent to us collecting and using your information to:

- ◆ consider your insurance application and any subsequent application for insurance;
- ◆ underwrite and price any policy issued by us or our related entities;
- ◆ calculate and offer discounts;
- ◆ issue you with a policy;
- ◆ administer the policy; and
- ◆ investigate, assess and pay any claim made by or against you.

For these purposes, you acknowledge and consent to us collecting your personal information from, and disclosing it on a confidential basis to your intermediary* or the third party who you have been dealing with in respect to this insurance policy and who referred you to us, other insurers, our related entities, insurance reference bureaus, law enforcement agencies, investigators and recovery agents, lawyers,

any credit provider that has security over your property, assessors, repairers, suppliers retained by us to supply goods and services, advisers and/or the agent of any of these.

When you provide personal information to us about another person

You must be authorised to do so, and you must inform that person, unless informing them would pose a serious threat to the life or health of any individual:

- ◆ who we are;
- ◆ how we use and disclose their information; and
- ◆ that they can gain access to that information.

Privacy of your personal information - for marketing purposes

In order to enhance its relationship with you, your intermediary may use your personal information that you have provided to us to offer you other products and services, which may be of benefit to you.

When you provide your personal information to us - for marketing purposes

You acknowledge and consent to your personal information being used on a confidential basis by us or your intermediary to contact you by mail, phone or email to provide you information on offers, products and services or for planning, market research and product development.

In using your personal information for these marketing purposes, we and your intermediary may use and disclose your personal information to offer you our or your intermediary's product and services directly, or to any other organisation to carry out the above marketing purposes on our or your intermediary's behalf. However:

- ◆ CGU Insurance Ltd (CGU Insurance) and your intermediary will not use your information in this way if you have already told CGU Insurance or your intermediary not to;
- ◆ you must inform CGU Insurance or your intermediary if you do not want your personal information disclosed or used for these marketing purposes.

* The intermediary is a company or individual through which you purchased this insurance, or the company named on the inside front cover of this booklet.

General Insurance Code of Practice

The purpose of the Code is to raise standards of practice and service in the general insurance industry.

The objectives of the Code are:

- ◆ to promote better, more informed relations between insurers and their customers;
- ◆ to improve consumer confidence in the general insurance industry;
- ◆ to provide better mechanisms for the resolution of complaints and disputes between insurers and their customers; and
- ◆ to commit insurers and the professionals they rely upon to higher standards of customer service.

Our commitment to you

We have adopted and support the Code and are committed to complying with it.

Please contact us if you would like more information about the Code.

How to resolve a complaint or dispute

1. Talk to us first

If you have a complaint, the first thing you or your insurance adviser should do is speak to one of our staff. If your complaint relates specifically to a claim, speak with the claims officer managing your claim.

If the staff member or claims officer are unable to resolve the matter for you, you or your insurance adviser may speak to a manager. The manager will usually provide you with a response to your complaint within 15 business days. If this timeframe is impractical for any reason such as the need for more information or further investigation, they will discuss with you alternative timeframes. If you are not satisfied with our response or we cannot agree with you on alternative timeframes, you can go to step 2.

2. Seek a review

If the matter is still not resolved the manager will refer you or your insurance adviser to the relevant dispute handling department or area who will conduct a review of your dispute and will usually provide you with a response to your dispute within 15 business days. If the timeframe is impractical, we will discuss with you alternative timeframes.

If you are still not satisfied with our response to your dispute or we cannot agree on alternative timeframes, you can go to step 3.

3. Seek an external review

You are entitled to seek an external review of our decision. We will provide you with information about options available to you, including, if appropriate, referring you to the external dispute resolution scheme administered by the Insurance Ombudsman Service Limited (IOS) (to be known as the Financial Ombudsman Service (FOS) from 1 July 2008).

You will not be able to have your dispute resolved by the IOS if your dispute does not fall within the scope of the IOS's Terms of Reference.

Further information about our complaint and dispute resolution procedures is available by contacting us.

Your duty of disclosure

When you take out, renew, or change or vary a policy, or when you make a claim, you have a duty to answer our questions truthfully and provide us with any information that could affect our decision to insure you, or the terms of your policy. This is called your 'duty of disclosure'.

What you must do when you apply to take out this policy

When applying to take out insurance we will ask you certain questions. When answering these questions, you must be honest, and you have a duty under the *Insurance Contracts Act 1984* to tell us anything:

- ◆ known to you; and
- ◆ which a reasonable person in the circumstances, would include in answer to any question.

We will use your answers to help us decide whether to insure you and anyone else under this policy, and on what terms.

Who you are answering the questions for

It is important that you understand you are answering the questions in this way on behalf of yourself and anyone else that you want to be covered by the policy.

If you do not answer our questions in this way

If you do not answer our questions in this way, we may reduce or refuse to pay a claim, or cancel the policy. If you answer our questions fraudulently, we may refuse to pay a claim and treat the policy as never being in place.

Renewal, variation, reinstatement or extension of your policy

When your policy is renewed, varied, reinstated or extended you have a duty, under the *Insurance Contracts Act 1984*, to tell us anything that you know, or could reasonably be expected to know, is relevant to our decision whether to accept the risk of insurance and on what terms.

Your duty does not require the disclosure of anything that:

- ◆ diminishes the risk to be undertaken by us;
- ◆ is of common knowledge;
- ◆ we know, or in the ordinary course of business, ought to know; or
- ◆ is a matter as to which your duty has been waived by us.

If you do not comply with your duty of disclosure

If you fail to comply with your duty of disclosure, we may be entitled to reduce our liability under the policy in respect of a claim, or we may cancel the policy.

If your non-disclosure is fraudulent, we may also have the option of avoiding the contract from its beginning.

Intermediary Remuneration

CGU Insurance Limited pays remuneration to insurance intermediaries when we issue, renew or vary a policy the intermediary has arranged or referred to us. The type and amount of remuneration varies and may include commission and other payments. If you require more information about remuneration we may pay your intermediary you should ask your intermediary.

Adequate sum insured

In the event of a major loss, your sum insured should be sufficient to allow for full replacement or repair of your property. Your sum insured should represent the Full Insurable Value.

If you make a claim and your Buildings, Common Contents and Specified Items are insured for less than their Full Insurable Value, it may affect how much we will pay. We will consider your Buildings, Common Contents and Specified Items to be underinsured if the sum insured is less than 80 per cent of the Full Insurable Value. The underinsurance or average clause is shown on page 20. It is important that you read and understand this clause.

Strata Insurance requirements

There are specific requirements in each state and territory that deal with insurance for strata properties. You should check that your insurance meets those requirements.

The Commercial Strata Insurance Policy

Your Policy

Please read this policy before you apply for insurance. This policy sets out the terms, conditions, limits and exclusions that apply for the insurance we make available to you.

If we accept your application for insurance, you will receive a schedule that sets out details of the insurance you have taken out.

Our agreement with you is made up of this policy, your schedule and any endorsements we send you. Endorsements are notices we send you to confirm changes to your insurance.

Together, they make up your insurance contract with us. Read them carefully and keep them together in a safe place.

If you need more information about this insurance policy, please contact our agent or your broker. We are happy to give you personal attention and service in relation to this or any other insurance enquiry.

The Agreement

In return for you having paid or agreed to pay the premium to us, we will indemnify you in the manner and to the extent described in your policy with us.

You are insured for those items, including variations and extensions, for which a sum insured or limit of indemnity is shown in your Schedule or which are otherwise indicated in the Schedule as being operative.

However:

1. the sum insured under any item is as shown in the Schedule or as otherwise detailed in the policy;
2. where the insurance is varied or extended by any additional benefit, special clause, variation and extension or endorsement, the insurance provided by such additional benefit, special clause, variation and extension or endorsement is subject to the applicable terms, conditions, limits and exclusions of the policy.

General definitions

Some of the words and terms used in this policy have a special meaning.

When the following words or terms are used in this policy, they have the meaning set out below:

Business means the ownership of the property of the strata or community title scheme described in the Schedule.

Committee Member means a person who is a member of the committee of the governing body of the strata scheme or community title scheme described in the Schedule and who owns a unit or is appointed by the owner of a unit to represent that owner.

Electronic Data means facts, concepts and information converted to a form useable for communications, display, distribution, interpretation, or processing by electronic or electromechanical data processing or electronically controlled equipment.

Excess means the amount shown in the Schedule, this policy, or any endorsement which you must contribute to the cost of any claim under this policy.

Flood means when water from a river, creek, lake, swamp, watercourse, reservoir, dam or navigable canal (whether they are in their original state or have been modified) overflows onto normally dry land. Water that escapes from an irrigation canal is not Flood. We also regard rainwater on your property:

1. that cannot run off into a river, creek, lake, swamp, watercourse, reservoir, dam or navigable canal (whether they are in their original state or have been modified) because it is overflowing in flood; and/or
2. that mixes with the floodwater coming from the river, creek, lake, swamp, watercourse, reservoir, dam or navigable canal (whether they are in their original state or have been modified),

as Flood.

Indemnity Value means the cost necessary to reinstate, replace or repair the property to a condition substantially the same as but not better or more extensive than its condition at the time of the destruction, loss or damage, taking into consideration its age, condition and remaining useful life.

Lot means an area defined by horizontal and vertical lines shown on the plan of the strata scheme or community title scheme described in the Schedule.

Period of Insurance means the period of insurance shown in the Schedule.

Schedule means the current schedule to your policy.

Situation means the situation(s) shown in the Schedule.

Software means programs, procedures and routines associated with the operation of electronic or electromechanical data processing or electronically controlled equipment, including any operating system.

Terrorism means an act, which may include but is not limited to an act involving the use of force or violence and/or threat thereof, of any person or group(s) of persons, whether acting alone or on behalf of or in connection with any organisation(s) or government(s), which from its nature or context is done for, or in connection with, political, religious, ideological or ethnic or similar purposes or reasons, including the intention to influence any government and/or to put the public, or any section of the public, in fear.

Unit means an area marked as a unit on the plan for the strata scheme, or community title scheme described in the Schedule.

Unit Owner means the registered owner or proprietor of a Unit or Lot.

We, Us, Our, Company means the insurance company named in the Schedule.

You, Your, Insured means the person(s) or entity named in the Schedule as the insured.

Other words may be defined in the specific sections of this policy. If so, the definitions that apply only to the cover under that section are shown under the heading of 'Definitions' in that section.

General conditions

1. (a) Your duty

Our liability to pay a claim under the policy is subject to the following conditions:

(1) Payment of the premium

We will not pay any claim unless you have paid the premium.

(2) Notification of changes

You must notify us as soon as possible of any change materially varying any of the facts or circumstances existing at the commencement of this policy or following any renewal of this policy.

(3) Reasonable precautions

You must take all reasonable precautions to prevent destruction, loss or damage to property or bodily injury to other people and must comply (and take steps to ensure that your employees, servants and agents comply) with all statutory obligations and bylaws or regulations imposed by any public authority for the safety of property or person.

(4) Observance of policy terms

The observance of the terms and conditions of the policy by you and by any other person entitled to indemnity under this policy.

(b) Transfer of interest

No interest in this policy can be transferred without our written consent.

(c) Our rights of conduct and recovery

Subject to the provisions of the *Insurance Contracts Act 1984*, we have the right to recover or obtain contribution from, any person against whom you may be able to claim and the right to take action in your name.

We shall have full discretion in the conduct, defence or settlement of any claim. You and any other person entitled to benefit under this policy must not hinder these rights and must give all such information and cooperation as we may require.

2. Jurisdiction

Any dispute arising from this policy will be determined by Australian courts and in accordance with the laws of the state or territory of Australia in which the policy was issued.

3. Cancellation

(a) Under Section 60 of the *Insurance Contracts Act 1984*, we may cancel this policy or any section at any time, by giving notice in writing to you of the date from which cancellation is to take effect, where you have:

- (1) Failed to comply with your duty of utmost good faith.
- (2) Failed to comply with your duty of disclosure at the time when this policy or any section of the policy was entered into, varied, altered, or renewed.
- (3) Made a misrepresentation to us during the negotiations for this policy, but before we agreed to issue this policy.
- (4) Failed to comply with a provision of the policy.
- (5) Failed to pay the premium for this policy.
- (6) Made a fraudulent claim under this policy, or any other contract of insurance (whether with us or another insurer) that provided cover during any part of the Period of Insurance of this policy.
- (7) Failed to comply with a requirement in this policy that you notify us of an act or omission which occurred after this policy was entered into.
- (8) Failed to notify us of any specific act or omission or such a notification as is required under the terms of this insurance policy.

We may deliver such notice to you personally or by post, at your address last notified to us.

(b) Under Section 60 of the *Insurance Contracts Act 1984*, we may cancel this policy at any time where:

- (1) it is in force by virtue of Section 58 of the *Insurance Contracts Act 1984*; or
- (2) it is an interim contract of general insurance.
- (c) You may cancel this policy at any time by notifying us in writing.
- (d) After cancellation, we will refund the premium for the time remaining on the policy, less any non-refundable duties, unless you have made a fraudulent claim.

4. Inspections

We (or agents appointed by us) have the right to inspect and examine, by mutual appointment, any property insured.

See also 'Special conditions' in each section of the policy.

General exclusions

Any cover we provide is subject to the following exclusions.

We will not pay for any loss, damage, destruction, or liability caused by or arising directly or indirectly from:

1. (a) Any consequence of war, invasion, act of foreign enemy, hostilities or warlike operations (whether war be declared or not), civil war, rebellion, revolution, insurrection, civil commotion assuming the proportions of or amounting to an uprising, military or usurped power.
- (b) Terrorism.
- (c) Confiscation or nationalisation, or requisition or destruction of or damage to property by or under the orders of any government or public or local authority other than loss, damage or destruction which occurs as a result of an order if it prevents or attempts to prevent fire or other damage covered by this policy.
- (d) Ionising radiations or contamination by radioactivity from any nuclear fuel or from any nuclear waste.
- (e) Nuclear weapons or nuclear material.
2. We will not cover any loss, damage or liability intentionally caused by you or a person acting with your consent.

3. Date Recognition Special Exclusion

There is no insurance under this policy in respect of any claim of whatsoever nature which consists of, or arises directly or indirectly out of or in connection with the failure or inability of any:

- (a) electronic circuit, microchip, integrated circuit, microprocessor, embedded system, BIOS or other instruction set, hardware, software, firmware, program, computer, data processing equipment, telecommunication equipment or systems, or any similar device; or any

- (b) media or systems used in connection with any of the foregoing,

whether your property or not, at any time to achieve fully and successfully, any or all of the purposes and consequential effects intended by the use of any number, symbol or word to denote, represent or express a date including, but without being limited to, any failure or inability to recognise, capture, save, retain or restore and/or correctly to manipulate, interpret, transmit, return, calculate or process any date, data, information, command, logic or instruction as a result of or in connection with:

- (i) anything referred to in (a) or (b) recognising, using or adopting any date, day of the week or period of time, otherwise than as, or other than, the true or correct date, day of the week or period of time; or
- (ii) the operation of any command or logic that has been programmed or incorporated into anything referred to in (a) or (b) above.

Exception to Date Recognition Special Exclusion

However, this special exclusion will not exclude any claim for subsequent loss or destruction of or damage to any property or consequential loss which is solely and directly caused by a defined contingency (as defined hereunder), arising under Section 1 – Property, but only to the extent that such claim would otherwise be insured under that section.

Definition

For the purposes of this special exclusion only, 'defined contingency' shall mean fire, lightning, explosion (other than loss or destruction of or damage to boilers and pressure vessels), aircraft and other aerial devices or articles dropped from them, riot, civil commotion, strikers, locked out workers, persons taking part in labour disturbances, malicious persons, earthquake, storm, flood, escape of water from any tank or apparatus or pipe, impact by any road vehicle or animal, or theft (other than theft by employees).

This special exclusion does not apply in respect of Section 5 – Voluntary Workers Personal Accident, if provided by this policy.

4. Electronic Data and/or Software Special Exclusion

There is no insurance under this policy in respect of any claim of whatsoever nature which consists of or arises directly or indirectly out of or in connection with:

- (a) (1) total or partial destruction, distortion, erasure, corruption, alteration, misinterpretation or misappropriation of Electronic Data and/or Software;

- (2) error in creating, amending, entering, deleting or using Electronic Data and/or Software; or
- (3) total or partial inability or failure to receive, send, access or use Electronic Data and/or Software for any time or at all,

from any cause whatsoever, regardless of any other contributing cause or event whenever it may occur.

Exception to Electronic Data and/or Software Special Exclusion

- (b) However, for all sections of the policy except those dealing specifically with public liability, office bearers liability, voluntary workers personal accident and/or machinery, in the event that a peril listed below (being a peril insured by this policy but for this exclusion) is caused by any of the matters described in paragraph (a) above, this policy, subject to all its provisions, will insure:
 - (1) physical loss of or damage or destruction to property insured directly caused by such listed peril; and/or
 - (2) consequential loss insured by this policy.

Further, this exclusion does not apply in the event that a peril listed below (being a peril insured by this policy but for this exclusion) causes any of the matters described in paragraph (a) above:

fire, lightning, thunderbolt, aircraft or other aerial devices or articles dropped from them, earthquake, tsunami, subterranean fire, volcanic eruption, storm, tempest, rainwater, snow, sleet, wind, hail, water, liquids or substances discharged, overflowing or leaking from fixed apparatus, fixed appliances, fixed pipes or other systems, riots, civil commotions, strikes or locked out workers or persons taking part in labour disturbances, explosion, impact by vehicles, animals or trees or branches of trees, communication masts, towers, antennae, satellite dishes, meteorites, breakage of glass, or theft of Electronic Data and/or Software solely where such theft is accompanied by theft of the computer hardware, firmware, medium, microchip, integrated circuit or similar device containing such Electronic Data and/or Software.

- 5. We will not provide any cover, for a period of 48 hours from the time of the commencement of your insurance, for Damage or loss caused by:
 - (a) bushfire or grassfire; or
 - (b) a named cyclone.

This Exclusion does not apply, however, if this insurance commences directly after another insurance policy covering the same property expired, without a break in cover.

See also 'Exclusions' in each section of the policy.

Claims procedure

General – All Sections

See also 'Claims procedure' in each section of the policy.

What you must do when you make a claim

You must make your claim as soon as possible after you suffer a loss. If you do not make it within 30 days, we may reduce what we pay you to take account of any disadvantage we suffer by the delay.

You must also:

1. Take all reasonable steps to minimise the loss, damage or liability and to prevent any further loss, damage or liability. We will not be liable for any further damage arising out of the continued use of damaged property, until such property is repaired to our satisfaction.
2. Try to preserve any damaged or defective appliances, plant or things which might prove necessary or useful as evidence in connection with any claim.
3. As far as possible, and with due regard for safety, make no alteration or repair without our consent.
4. Keep all damaged property for inspection by us.
5. Advise the nearest Police Station in the case of property lost, stolen, or vandalised, and obtain a written Police report if requested by us.
6. Tell us of any prosecution or inquest that may be held and send to us any document relating to your claim within 72 hours of you receiving the document.
7. At your own expense, provide us with all records, vouchers, invoices, and other documents, information, explanations and other evidence together with a statutory declaration, as we may require for the purpose of investigating or verifying a claim under this policy. You must cooperate fully in this regard.
8. Provide us with a statement detailing other insurances which may also provide cover on any property or liability we have insured.

What you must not do in the event of a claim

You must not:

1. Authorise repairs to, or arrange replacement of, any of the property relevant to the claim without our consent unless by not authorising the repairs, the safety of people is put at risk.
2. Make any admission of liability or payment or promise or offer of payment in connection with any claim, without our written consent.

Important notices

1. Claims covered

In respect of all sections, other than Section 3 – Fidelity Guarantee and Section 4 – Office Bearers Liability, this policy does not provide cover in relation to events that occurred before cover under the relevant section was entered into.

2. Public Liability claims – Section 2

This section only provides cover in relation to Personal Injury or Damage to Property that occurs during the Period of Insurance for this section.

3. Fidelity Guarantee claims – Section 3

This section only provides cover in respect of acts of fraud or dishonesty committed within the 12 months prior to the date of discovery by you and discovered during the Period of Insurance for this section.

4. Office Bearers Liability – Section 4

This Section only provides cover when:

- (a) facts or circumstances that may give rise to a claim are notified to us during the Period of Insurance in which they first become known; or
- (b) a claim is made against a Committee Member and is notified to us during the Period of Insurance in which the claim was first made.

5. Voluntary Workers Personal Accident – Section 5

For cover under this section, in relation to:

- (a) Illness or disease – this policy does not cover illness or disease.
- (b) Hernia – this policy does not cover hernia.

6. Excess

If you make a claim under the policy, you may be required to pay one or more excesses.

Any limit of indemnity will apply after you have contributed any applicable excess.

We take into account a number of factors when setting the excess. These include factors relating to the activities carried out at the premises and your previous insurance and claims history. At the time of your enquiry or application for Commercial Strata Insurance, the amount of the excess will be advised to you.

7. Liability assumed under agreement

Liability cover provided by this policy does not cover liability which you have agreed to accept unless you would have been so liable in the absence of such agreement.

8. Acceptance of the application

This insurance will not be in force until the completed application has been received and the risk accepted by us. We reserve the right to decline any application.

9. Workers' compensation

The insurances provided by this policy do not include workers' compensation. It is compulsory that Workers' Compensation Insurance for all employees be in force and separate cover should be arranged.

10. Goods and Services Tax

Where we make a payment under this policy for the acquisition of goods, services or other supply, we will reduce the amount of the payment by the amount of any input tax credit that you are, or will be, or would have been entitled to under A New Tax System (Goods and Services Tax) Act 1999 in relation to that acquisition, whether or not that acquisition is actually made.

Where we make a payment under this policy as compensation instead of payment for the acquisition of goods, services or other supply, we will reduce the amount of the payment by the amount of any input tax credit that you would have been entitled to under A New Tax System (Goods and Services Tax) Act 1999 had the payment been applied to acquire such goods, services or other supply.

11. Delay of Cover

We will not provide any cover, for a period of 48 hours from the time of the commencement of your insurance, for Damage or loss caused by:

- (a) bushfire or grassfire; or
- (b) a named cyclone.

This Exclusion does not apply, however, if this insurance commences directly after another insurance policy covering the same property expired, without a break in cover.

12. Headings

The Headings included throughout this policy are intended for information and convenience only and will not affect or be relevant to the construction of the terms of the policy.

Section 1 – Property

Definitions

In this section:

Buildings means:

1. The building together with outbuildings, foundations, annexes and gangways.
2. Structural improvements including:
 - (a) Fixtures, lifts, elevators, escalators and equipment all permanently fixed and non-portable.
 - (b) Paths, driveways, terraces, walls, gates, fences, letterboxes, signs, exterior lights, masts, towers, antennae and aerials, satellite dishes, storage tanks including fixed attachments and fixed accessories thereof.
 - (c) Swimming pools, saunas and spas all permanently fixed including fixed attachments and fixed accessories thereof.
 - (d) Tennis courts.
3. Materials and supplies intended for use in the construction, alteration, erection, addition or repair of the Buildings to an amount not exceeding 10 per cent (10%) of the sum insured for Buildings, up to \$100,000.
4. Pipes, ducts, wires, cables, meters, and switches used in connection with the provision of lighting, heating, cooling, communication, water supply, drainage, sewerage and other underground services.
5.
 - (a) Room heaters, stoves, air-conditioners, fans, light fittings and hot water services all permanently fixed and non-portable.
 - (b) Other fixed (non-portable) apparatus or appliances attached to the gas, plumbing, drainage or sewerage system, or to the electrical system (other than by means of a flexible or tensile cord to a power point).
6. Exterior blinds and awnings.
7. Fixed coverings to walls, floors and ceilings but excluding fixed carpets.
8. Fire extinguishment equipment or electronic surveillance equipment installed in or on the building, owned by you.
9. Marinas, wharves, docks, jetties and pontoons.

But Buildings does not include:

10. Buildings undergoing demolition.
11. Property including removable fixtures that a tenant or lessee is liable for under the terms of a rental agreement.

12. Temporary floor coverings, carpets, carpet underlay, curtains, blinds, window coverings.
13. Paint, wallpaper or other wall and ceiling finishes or coverings within a Unit if it is located in New South Wales.
14. Land, dams and reservoirs other than tanks.

Common Contents means:

1. Furniture, furnishings, carpets, curtains, internal blinds.
2. Machinery, machinery foundations, machinery settings and machinery beddings, plant, tools, instruments and utensils of trade, unfixed or portable equipment, office equipment, safes, strongrooms, fire extinguishment equipment and electronic surveillance equipment.
3. Computers, all equipment connected to and operating from computers, disks, tapes, cards or other materials used for storing data, and all software programs.
4. Documents but only for their value as stationery.
5. Paintings, curios, works of art, tapestries, Persian and similar rugs or carpets up to \$5,000 for any one item, pair, set or collection.
If an item forms part of a pair, set or collection, the value of the entire pair, set or collection is to be regarded as the value and not the value of the item alone.
6. Plants, shrubs and trees whilst in the Buildings up to \$2,500 for any one item, owned by you, whilst at the Situation, or whilst temporarily removed from the Situation for the purpose of repair or service.

But Common Contents does not include:

7. Specified Items.
8.
 - (a) Watercraft over 7.5 metres in length, aircraft, registered mobile plant, motor vehicles, motorcycles, trailers or caravans, including accessories tools and spare parts whilst attached to or within the watercraft, aircraft, registered mobile plant, motor vehicle, motorcycle, trailer or caravan.
 - (b) Locomotives or rolling stock.
 - (c) Live animals, birds, fish or any other living creature.
 - (d) Growing crops and pastures.
 - (e) Plants, shrubs and trees growing in the open air unless otherwise expressly covered under this section.
 - (f) Jewellery, furs, bullion, precious metals or unset precious stones, unless covered as Specified Items.

- (g) Money, other than the cover you are entitled to under Special benefit 3(f) - Money on page 17.
- (h) Personal property of Committee Members, Unit Owners or any other person or party unless otherwise expressly insured under this policy.
- (i) Fittings, furniture, furnishings, machinery, plant or stock of a business, Committee Members, Unit Owners, tenants or lessees of Units, or visitors.

Damage (with 'Damaged' having a corresponding meaning) means physical loss, damage or destruction by any cause not otherwise excluded.

Debris means the residue of damaged property insured, excluding any material which is itself a pollutant or contaminant and which is deposited beyond the boundaries of the Situation.

Documents means written or printed deeds, wills, agreements, manuscripts, maps, plans, drawings, records, computer data, designs, books of account, books, letters, certificates, and other documents or forms of any nature (excluding any bearer bonds or coupons, bank or currency notes, other negotiable instruments, book debts) owned by you.

Full Insurable Value means the amount necessary to fully indemnify you within the terms of this section.

Money means current coin, bank notes, currency notes, cheques, credit card sales vouchers, negotiable securities, postal orders, money orders, unused postage and revenue stamps, public transport tickets, lottery tickets, phone cards, stored value or similar type cards, and includes cash boxes, alarm bags or any other portable container used to convey money, all belonging to you, but does not include any of these in the possession of, or carried by, professional money carriers, professional carriers or common carriers.

Pandemic Disease means Highly Pathogenic Avian Influenza in Humans or any other diseases declared to be quarantinable diseases under the Quarantine Act 1908.

Pollution or Contamination means the discharge, dispersal, release or escape of smoke, vapours, soot, fumes, acids, alkalis, chemicals, liquids or gases, waste materials or other irritants, contaminants or pollutants into or upon any property, land, atmosphere or any water course or body of water (including ground water).

Property Insured means the property shown in the Schedule under this section.

Removal of Debris means:

1. The removal, storage and disposal of Debris and of any thing which caused insured damage, from the Situation.
2. The removal, storage and disposal of Debris from premises, roadways, services, railways or waterways owned by any other person or entity where you are liable at law to remove, store or dispose of such Debris as a result of insured damage, together with the cost of cleaning up, but provided that such liability has not arisen as a result of any agreement made by you unless liability would have attached in the absence of such agreement.
3. The demolition, dismantling, shoring up, propping or underpinning of Property Insured or the carrying out of other temporary repairs to Property Insured as a result of insured damage.
4. The demolition and removal of Property Insured which is necessary for the purpose of repair or replacement as a result of insured damage.

Specified Items means property specifically described in the Schedule under specified items, owned by you, whilst at the Situation, or whilst temporarily removed from the Situation for the purpose of repair or service.

See also the 'General definitions' on pages 8 to 9 that apply to all sections

Cover

We will indemnify you for Damage to Property Insured, whilst at the Situation.

Limitations

Our total liability during any one Period of Insurance or for any claim arising out of one event, or series of events arising directly or indirectly from one source or original cause, will not exceed for each item specified in the Schedule, the sum insured shown in the Schedule for that item. In addition, we will also pay any amounts provided for under 'Additional and Special benefits' 2 to 3.

Common Contents

Common Contents are automatically included in the building sum insured and are covered for up to one per cent (1%) of the sum insured for Buildings. Any sum insured shown on the Schedule for Common Contents is in addition to the cover for one per cent (1%) of the building sum insured.

Storm – gates, fences and retaining walls

If your gates, fences or retaining walls suffer Damage as a result of storm, we will pay up to \$20,000 for any one incident.

Additional benefits

1. If we indemnify you under this section, we will also provide indemnity for the following, but only to the extent that the sum insured has not already been exhausted.

(a) **Architects', surveyors' and legal fees**

Legal fees, fees of architects, surveyors, consulting engineers, and clerks of work's salaries for estimates, plans, specifications, quantities, tenders and supervision necessarily incurred in the reinstatement or repair of the Buildings, Common Contents and Specified Items insured as a result of such damage, but not costs, fees or other expenses for preparing a claim made under this section.

(b) **Reinstatement of sum insured**

Following a claim under this section other than a claim for a total loss, whether actual or constructive, we will reinstate the sum insured from the date of loss, provided you pay or agree to pay any additional premium that may be required by us.

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

If an insured building is Damaged in circumstances for which a claim is payable under this section and the cost of reinstatement is more than 50 per cent (50%) of the cost of reinstatement if the building had been totally destroyed and reinstatement is only legally permissible with a reduced floor space ratio index, we will pay in addition to any other amount payable on reinstatement of the building, the difference between the actual cost of reinstatement incurred in accordance with the reduced floor space ratio index and the cost of reinstatement which would have been incurred had a reduced floor space ratio index not been applicable. In calculating the amount payable under this Additional benefit, any payment made by us shall include the extra cost payable under clause 1(b) of 'Settlement of claims' on page 18. Any amount payable under this Additional benefit shall be paid upon the completion of the rebuilding works as certified by the architect acting on your behalf in the reinstatement of the building.

(d) **Undamaged foundations**

Where a building or an installation constructed on its own foundations is damaged in circumstances for which a claim is payable under this section but its foundations are not destroyed and due to legal requirements, reinstatement of the building has been carried out upon another site, the abandoned

foundations shall be considered as having been destroyed. If, however, the resale value of the original building site is increased by virtue of the presence of the abandoned foundations, then such increase in resale value shall be regarded as salvage and that amount shall be paid to us by you upon completion of the sale of the site, or shall be deducted from the final amount of any moneys payable by us under this section, whichever shall occur later.

(e) **Rewriting of records**

The reasonable costs associated with the rewriting, re-installing, replacement or restamping of your Documents, following Damage to Common Contents in circumstances for which a claim is payable under this section. We will also cover your Documents when they are outside your Lot but in a building within Australia if you store them in a safety deposit box at a bank or entrust them to your strata manager or Committee Members. Our maximum liability under this Additional benefit is limited to an amount not exceeding 10 per cent (10%) of the Common Contents sum insured.

(f) **Removal of debris**

The reasonable costs associated with the Removal of Debris.

2. If we indemnify you under this section, we will also provide indemnity for the following, whether or not the sum insured shown on the Schedule has been exhausted.

(a) **Capital additions**

Alterations and additions to Buildings, up to \$100,000, in respect of Property Insured at any one Situation.

(b) **Fire extinguishment costs**

Costs and expenses, including wages of your employees, up to \$25,000 necessarily and reasonably incurred:

- (1) A. in extinguishing fire at or in the vicinity of, and threatening to involve; or
B. in preventing or diminishing imminent Damage to; or
C. in gaining access consequent upon Damage to,
the Property Insured.
- (2) In the replenishment of fire fighting appliances and apparatus.
- (3) For the purpose of shutting off the supply of water or other substances which are accidentally discharged from any fire protective equipment or otherwise.

- (4) In the Removal of Debris from the Situation by Fire Brigade Services.

We will also pay for this Additional benefit where there has been no Damage to Property Insured.

(c) Temporary protection and security guard

The temporary protection and employment of security guards to safeguard the Property Insured, up to \$25,000, pending repair or replacement, consequent upon Damage for which a claim is payable.

(d) Exploratory costs

The reasonable cost of identifying and locating the source of the Damage for which a claim is payable, where such Damage is caused by the discharge, overflowing or leakage from fixed apparatus, fixed appliances, fixed pipes or other systems used to hold or carry liquid of any kind, but we will not pay for the repair or replacement of such apparatus, appliances, pipes or other systems which give rise to the Damage. Our maximum liability under this Additional benefit is limited to \$25,000 for any one event.

(e) Government fees

Any fee, contribution or other impost payable to any government, local government or other statutory authority, incurred by you because payment of such fee, contribution or impost is a condition precedent to the obtaining of consent to repair or replace any Buildings insured under this section. We shall not be liable for payment of any fine or penalty imposed by such authorities. Our maximum liability under this Additional benefit is limited to \$10,000 for any one event.

(f) Emergency accommodation or loss of rent receivable

For all amounts paid by us under this Additional benefit, we will also treat Unit Owners as though they were you.

Where a Unit or Lot is unable to be lived in or tenanted as a result of Damage, we will pay:

- (1) if the Unit or Lot is rented, an amount equal to the rent that the owner of the Unit or Lot receives, including outgoings payable by a tenant or lessee, until the Unit or Lot is relet;
- (2) if the Unit or Lot is occupied by the owner, an amount equal to the amount that the Unit or Lot could have been rented for. We will pay this amount until the Unit or Lot becomes fit to be lived in or occupied.

- (3) the reasonable costs and expenses necessary to remove, store, and return a Unit Owner's contents; and
- (4) if you live in your Unit permanently, the reasonable cost of emergency accommodation for the first four (4) nights, up to a maximum of \$250 per night per Unit.

We will also pay for the rent you lose and costs described in (1) to (4) above if a Unit or Lot is unable to be lived in or occupied as a result of any of the following incidents:

- (5) the outbreak of a human infectious or contagious diseases other than a Pandemic Disease at the Situation. We will not cover you unless a government, public or statutory authority closes or evacuates a Unit or Lot as a direct result of the disease. We will only pay up to 30 days for loss of rent and costs relating directly to any one incident.
- (6) the failure of electricity, gas, water or sewerage services so that you or your tenants cannot live in or occupy a Unit or Lot. The failure of the service must be as a direct result of Damage to the property of a land-based public supply enterprise.
- (7) Damage to property in the immediate vicinity of your Situation or a common area of your building which prevents or hinders the use of, or access to, a Unit or Lot so as to make it unable to be lived in or occupied.
- (8) murder or suicide at the Situation.
- (9) defects in the drains or other sanitary arrangements at the Situation. We will only pay claims when a government or local authority does not allow a Unit or Lot to be lived in or occupied following these incidents.

For any claims paid under (6) to (9) above, we will not cover any rent you lose or costs you incur during the first forty-eight (48) hours from the date of the incident, and the maximum period we will pay for is thirty (30) days for any one incident.

Unless we make payments under any of (4) to (9) above, the maximum period we will pay for under this Additional benefit will not exceed 24 months from the date of the Damage, and our maximum liability will not exceed 15 per cent (15%) of the sum insured for Buildings.

Any sum insured shown on your Schedule for emergency accommodation or loss of rent receivable is in addition to the 15 per cent (15%) allowed under this Additional benefit.

(g) Claims preparation costs

The reasonable costs incurred with our consent for the preparation of a claim under this section. The most we will pay during any term of this policy is \$10,000.

Special benefits

3. We will provide indemnity for the following, whether or not the sum insured shown on the Schedule has been exhausted.

(a) Common Contents in the open air at your Situation

If Common Contents suffer Damage in the open air at your Situation, we will pay up to \$7,500 for any one event.

(b) Common Contents temporarily removed

If Common Contents suffer Damage while they are in transit or storage at a different Situation, we will pay up to \$7,500 for any one event.

(c) Landscaping

If your landscaping suffers loss or damage caused by fire, theft, vandalism or the impact of a vehicle, we will pay up to \$5,000 for any one event.

We will only cover plants, trees or shrubs growing in the ground, lawns, rocks and landscaping under this benefit.

(d) Personal property

We will pay up to \$10,000 for any one event to replace or repair items belonging to other people if they suffer Damage while they are in your physical or legal control. However, we will not cover cash.

(e) Lock and key replacement

If a key or code for an external lock to a Unit or your building is stolen during a theft or attempted theft, or if you reasonably believe that the key may have been duplicated, we will pay to re-code the lock or replace the key and the barrels of the locks it was designed to operate.

The most we will pay for all claims made under this benefit during the Period of Insurance is \$1,500.

However, we will not pay a claim under this benefit if theft or attempted theft described above are caused by tenants.

(f) Money

Loss of Money in the custody of your strata manager or a Committee Member authorised to act on your behalf. The most we will pay for any one incident is \$5,000.

However,

(i) we will not cover loss caused by:

- ◆ collusion, embezzlement or misappropriation.
- ◆ shortages in receiving or paying out money resulting from clerical or accounting errors.

(ii) we will not cover loss:

- ◆ from an unattended vehicle.
- ◆ unless it is discovered within three (3) days of the incident.

The 'Underinsurance/Average' clause in this section does not apply to the Additional benefits and Special benefits in 1 to 3 above.

Variation and extension

Cover only applies if shown in your Schedule.

1. Flood

Exclusion 1(d) does not apply.

2. Catastrophe - Buildings

We will pay up to an additional 15 per cent (15%) of the Buildings sum insured if your Buildings are Damaged as a result of a government-declared catastrophe or emergency.

However, we will not pay any claim under this extension, unless:

- (i) your Buildings are totally destroyed as a result of a government-declared catastrophe or emergency, and
- (ii) the sum insured for Buildings accurately reflects the Full Insurable Value.

Settlement of claims

For the purpose of these settlement of claims clauses:

Replacement Cost means the cost necessary to replace, repair or rebuild the Property Insured to a condition substantially the same as but not better or more extensive than its condition when new.

Indemnity Value, refer to 'General definitions' on page 8.

Underinsurance/Average, refer to 'Special clauses' on page 20.

In the event of a claim for:

1. **Buildings, Common Contents or Specified Items**, other than for Buildings awaiting demolition as specified in clause 2 below:

- (a) Where the Schedule indicates that replacement cost applies, the amount payable will be the Replacement Cost.

Conditions

- (1) The work of rebuilding, or replacing, or repairing, or restoring (which may be carried out upon another site and in any manner suitable to your requirements, but subject to our liability not being thereby increased) must be commenced and carried out with due diligence, failing which we will not be liable to make any payment beyond the amount which would have been payable had Replacement Cost not been shown in the Schedule.
- (2) Where Buildings, Common Contents or Specified Items are damaged in part only, our liability will not exceed the sum representing the Replacement Cost which we would have been called upon to pay if the Buildings, Common Contents or Specified Items had been wholly destroyed.
- (3) No payment beyond the amount which would have been payable under 'Settlement of claims' clause 1(c) below, will be made, until a sum equal to the Replacement Cost has been incurred.
- (b) Where the Schedule indicates that extra cost of reinstatement applies, we will also pay the extra cost of reinstatement including any demolition or dismantling of the Buildings, Common Contents or Specified Items, incurred to comply with the requirements of any lawful authority.

Conditions

- (1) The work of reinstatement (which may be carried out wholly or partially upon another site if the lawful authority so requires, but subject to our liability not being thereby increased) must be commenced and carried out with due diligence, failing which we will not be liable to make any payment beyond the amount which would have been payable under 'Settlement of claims' clause 1(c) below.
- (2) The amount payable will not include the additional cost incurred in complying with requirements of any lawful authority

or requirements with which you had been duly required to comply prior to the happening of the event causing the Damage.

- (3) Underinsurance/Average will not be applied to the amount payable under this clause 1(b).
- (4) If the Damage is less than 50 per cent (50%) of the Replacement Cost of the Buildings, Common Contents or Specified Items, the amount payable under this clause 1(b) is limited to the extra cost necessarily incurred in reinstating the Damaged portion only.
- (c) Where the Schedule does not indicate that Replacement Cost or extra cost of replacement applies, we will at our option:
- (1) reinstate, replace or repair Buildings, Common Contents or Specified Items insured or any part thereof subject to an allowance for age, condition and remaining useful life; or
- (2) pay the cost of such reinstatement, replacement or repair of such Buildings, Common Contents or Specified Items to a condition substantially the same as but not better or more extensive than its condition at the time of the Damage, taking into consideration age, condition and remaining useful life, but we will not be liable to make any payment until the cost of reinstatement, replacement or repair is incurred; or
- (3) pay you the cost of such reinstatement, replacement or repair whichever is the less; or
- (4) pay you the Indemnity Value of such Buildings, Common Contents or Specified Items at the time of the Damage.

2. **Buildings awaiting demolition**, we will pay you the salvage value of the Damaged building materials.

3. **Land value**

Provided your Buildings sum insured is not otherwise exhausted, we will also pay for any loss of land value following your claim as a result of government or local authority legislation that reduces the floor area of your Buildings. Loss of land value is the difference between the value of the land just before the damage or loss occurred and the value of the land just after the damage or loss occurred. We will reduce the amount we pay you for the loss of land value by any amount that you receive as compensation for this loss. The most we will pay is the unused portion of your Buildings sum insured.

4. Fixed coverings and carpet damage

We will pay for fixed coverings to walls, floors and ceilings, including carpets, only in the room, hall or passage in which the Damage occurred.

5. Matching materials

We will try to match any material used to repair your Buildings with the original materials. If we cannot, we will use the nearest equivalent to the original materials available. We will not pay any costs for replacing undamaged property.

Exclusions

This section does not cover loss or damage:

1. Caused by, or as a consequence of:

- (a) Heating or any process involving the direct application of heat. This exclusion shall be limited to the item or items immediately affected and shall not extend to Damage to other Property Insured, which results from such heating or any process involving the direct application of heat.
- (b) Action of the sea, tidal wave or high water unless it happens immediately following and is as a result of an earthquake, earth tremor or seismological disturbance under the sea.
- (c) Storm surge – the increase in sea level that usually occurs with an intense storm or cyclone.
- (d) Flood.
- (e) Fraudulent misappropriation, embezzlement, fraud or dishonest acts committed by you or by any of your employees acting alone or in collusion with any other person or persons, forgery, erasure, counterfeiting.
- (f) Clerical or accounting errors.
- (g) Incorrect siting of Buildings as a result of error in architectural design or specification, faulty workmanship or non-compliance with the requirements of any Government, Local Government or Statutory Authority.
- (h) Demolitions ordered by Government, Public or Local Authorities as a result of your failure or the failure of your agents to comply with any lawful requirement.
- (i) Erosion, subsidence, landslide, collapse or any other movement of earth unless it happens immediately following and is as a result of an earthquake, explosion or a storm, or water leaking or escaping from pipes, gutters, drainpipes or other fixed plumbing apparatus.
- (j) Mechanical, hydraulic, electrical or electronic breakdown, failure, malfunction or derangement of any instrument, machine, device, or temperature controlling equipment.
- (k) Moths, termites, other insects, vermin, rust or oxidation, mould, mildew, pollution or contamination, wet or dry rot, corrosion, change of colour, dampness, variations in temperature, evaporation, disease, inherent vice or latent defect, structural defect, loss of weight, change in flavour, texture or finish, stain or smoke from industrial operations.
- (l) Birds or animals that peck, bite, chew or scratch.
- (m) Wear and tear, fading, scratching or marring, gradual deterioration, developing flaws, normal upkeeping or making good.
- (n) Error or omission in design, plan or specification, or failure of design.
- (o) Normal settling, seepage, shrinkage or expansion in Buildings or foundations, walls, pavements, roads, and other structural improvements, creeping, heaving, vibration.
- (p) Tree roots.
- (q) Faulty materials or faulty workmanship.
- (r) Legal liability of any nature other than as provided for in this section.
- (s) Consequential loss of any kind, including, but without limiting the generality of this exclusion, loss due to delay, lack of performance, loss of contract or depreciation in the value of any undamaged property, except as provided for in this section.
- (t) The explosion, implosion, rupture, collapse, bursting, cracking or overheating of any boiler (other than a boiler used for domestic purposes), economisers or other pressure equipment, including pipes, valves and other apparatus forming part of these. This exclusion shall be limited to the items immediately affected and shall not extend to Damage to other property caused by any of the circumstances referred to in this exclusion
- (u) Storm, tempest, rainwater, snow, sleet, wind or hail to:
 - (1) shadecloth, exterior textile awnings or blinds; or
 - (2) property in the open air, unless such property is a permanent structure designed to function without the protection of walls or roof. However, we will cover Common Contents in the open air at your Situation up to \$7,500 for any one event as described under Special benefit 3(a).

- (v) Kidnapping, bomb threat, threat of contamination, hoax, extortion or any attempt at any of these.
- (w) Trickery.

The above exclusions (i), (j), (k), (l), (m), (n), (o), (p) and (q) shall be limited to the items immediately affected and shall not extend to Damage to other Property Insured occasioned by a peril not otherwise excluded and caused by any of the circumstances referred to in these exclusions.

2. To:

- (a) Money and negotiable securities, other than the cover you are entitled to under Special benefit 3(f) - Money on page 17.
- (b) Any electrical appliance or device (including wiring) caused by electric current artificially generated. Should fire ensue, we will be liable only for the damage directly caused by the ensuing fire.
- (c) Property insured, where the Situation becomes unattended and remains so for any period of more than 60 consecutive days, unless our written agreement to continue cover has been obtained.
- (d) Swimming pools or similar structures as a result of hydrostatic pressure.
- (e) Property being cleaned, repaired or restored.

See also 'General exclusions' on pages 10 to 11 that apply to all sections

Special clauses

1. Underinsurance/Average

In the event of Damage insured under this section, we will not be liable for more than that proportion of the Damage which the sum insured on Buildings, Common Contents and Specified Items at the Situation at the time of Damage bears to 80 per cent (80%) of the Full Insurable Value of such Buildings, Common Contents and Specified Items at such Situation at the time of the Damage.

Conditions:

- (a) Our liability is limited to the sum insured at the Situation as shown in the Schedule.
- (b) This clause will not apply if the amount of any Damage does not exceed 10 per cent (10%) of the sum insured at the Situation.

Example:

Item value \$200,000

80% of value = \$160,000

Sum insured \$144,000

Therefore if a \$100,000 loss occurs, we would pay

$\frac{\$144,000}{\$100,000} \times \$100,000 = \$90,000$

\$160,000

We would pay \$90,000 (less any Excess).

2. Earthquake, Subterranean Fire, Volcanic Eruption Excess

You will bear the first \$20,000 or one per cent (1%) of the total sum insured at the Situation, whichever is the lesser, in respect of Damage to Property Insured caused by earthquake, subterranean fire, volcanic eruption, or fire occasioned by, or happening through, or in consequence of, earthquake, subterranean fire or volcanic eruption, occurring during any period of 72 consecutive hours.

3. Excess for all other claims

For all other claims for Damage to property other than those to which the Earthquake, Subterranean Fire, Volcanic Eruption Excess applies, you will bear the Excess specified in the Schedule.

4. Release Clause

Without prejudicing your position under this section, you may release any railways, statutory governmental, semi-governmental or municipal authority from any liability if required by the terms of any written and executed contract, to do so.

Special condition

Sprinkler Installations

It is a condition of this section that, in regard to any property, being Property Insured in which an automatic sprinkler system is installed and which is owned by you, or where you are responsible for the operation or maintenance of the automatic sprinkler system, you shall:

1. Ensure that the property is protected as required by law by an approved installation of automatic sprinklers, automatic external alarm signal and automatic alarm signal connected with a Fire Brigade Station or other legally approved monitoring organisation.
2. Exercise due diligence to ensure that any system and alarm signal are at all times maintained in good working order.
3. Ensure that such system will be regularly maintained in accordance with Australian Standard AS1851 (Part 3).
4. Notify us, in writing and as soon as reasonably practicable, of any alterations or additions to the automatic sprinkler installation.

See also 'General conditions' on pages 9 to 10 that apply to all sections

Claims procedure

1. As soon as possible after the happening of any occurrence, accident or event which may give rise to a claim against us, you or your legal representative must:
 - (a) Advise details to us and send written confirmation within 30 days.
 - (b) Take all reasonable steps to minimise the loss, damage or liability and to prevent any further loss, damage or liability. We will not be liable in respect of any further damage arising out of the continued use of damaged property, until such property is repaired to our satisfaction.
 - (c) Use best endeavours to preserve any damaged or defective appliances, plant or things which might prove necessary or useful by way of evidence in connection with any claim and so far as possible, with due regard for safety, no alteration or repair shall be made without our consent.
 - (d) Retain all damaged property for inspection by us.
 - (e) Advise the nearest Police Station in the case of property lost, stolen, or vandalised, and obtain a written Police report if requested by us.
 - (f) Advise us of any impending prosecution or inquest.
 - (g) Forward to us every communication, writ or summons within 72 hours of receipt by you or service upon you.
2. Where a claim arises, you must not authorise repairs to, or arrange replacement of, any of the property relevant to the claim without our consent other than as provided for under 1(c) above. Please refer to 'Claims procedure' on page 11 for details of other obligations you have in the event of a claim.

Section 2 – Public Liability

Introduction

This section forms part of your policy only if shown in your Schedule as an insured item.

Definitions

In this section:

Public Liability means:

Your legal liability to pay damages for an Occurrence (and for consequential loss caused by the Occurrence) in the course of your Business.

Business for this section includes, in addition to the general definition of business, the provision by you, incidental to your business, of any canteen, social or sporting club or first aid, fire or ambulance service.

Personal Injury means:

1. Bodily injury, death, sickness, disease, disability.
2. Shock, fright, mental anguish.
3. False arrest, false imprisonment, wrongful detention, malicious prosecution.
4. Libel, slander, defamation of character, humiliation.
5. Wrongful eviction, wrongful entry or other invasion of privacy.

Damage to Property means:

1. physical damage to;
 2. physical destruction of;
 3. loss of use of;
- property.

Property means:

1. physical property not in your possession or control;
2. premises that you occupy for the purpose of the Business; and
3. Vehicles not owned by you but in your possession or control while in a car park owned by you;
 - (a) not forming part of a building construction or work site; and
 - (b) for the use of which you do not charge a fee.

Occurrence means:

Personal Injury or Damage to Property that:

1. is neither intended nor expected from the standpoint of a reasonable person in your position;
2. is caused by an Event; and
3. occurs:
 - (a) within the Geographical Limits; and
 - (b) during the Period of Insurance.

Event means:

1. a single incident;
2. a series or number of incidents either having the same original cause or attributable to the one source; or
3. continuous or repeated exposure to substantially the same general conditions.

Geographical Limits means:

1. the Situation as shown on the Schedule;
2. elsewhere in Australia excluding the ownership of any building, land or structure other than at the Situation shown in the Schedule; and
3. elsewhere in the world, excluding:
 - (a) occurrences arising from the performance of manual work; and
 - (b) the ownership, occupancy or tenancy of any building, land or structure.

North America means:

1. the United States of America and Canada; and
2. any state or territory incorporated in, or administered by, or from, either the United States of America or Canada.

Pollutants means:

Any solid, liquid, gaseous or thermal irritant or contaminant, including, but not limited to, smoke, vapour, soot, fumes, acids, alkalis, chemicals and waste. Waste includes material to be recycled, reconditioned or reclaimed.

Vehicle means:

Any type of machine on wheels, on skis or on self-laid tracks, designed to be moved other than by manual or animal power and includes any trailer whilst attached to a vehicle.

Loading or Unloading goods onto or from a Vehicle means:

The single action of transferring the weight of the goods (or of a portion of a consignment of goods) onto or from the Vehicle.

Use as a Working Tool means:

Use for excavating, digging, grading, drilling, lifting, pumping, spraying, vacuuming and the like. It does not include use for:

1. Loading or Unloading goods onto or from a Vehicle, by use of a crane mounted on the Vehicle;
2. transit to or from or within a work site; or
3. transport or haulage.

Watercraft means:

Any vessel, craft or thing designed to float on or in, or travel on or through, water.

Aircraft means:

Any vessel, craft or thing designed to transport people or goods in, or through, the air or space.

Hovercraft means:

Any vessel, craft or thing designed to transport people or goods over land or water, supported on a cushion of air.

See also the 'General definitions' on pages 8 to 9 that apply to all sections.

Cover

We will indemnify you against Public Liability.

Limitations

1. Public Liability

The maximum amount that we will pay for Public Liability:

- (a) For one Occurrence (other than an Occurrence in connection with Pollutants), will be the limit of indemnity for Public Liability shown in the Schedule.
 - (b) For one Occurrence in connection with Pollutants, will be the limit of indemnity shown in the Schedule for Public Liability, less the sum of the indemnities that we have already paid for Public Liability in connection with Pollutants, that arose during the Period of Insurance.
2. Where your liability arises from Personal Injury or Damage to Property caused repeatedly or continuously by one Event, the Personal Injury or Damage to Property:
 - (a) shall be an Occurrence only if the Personal Injury or Damage to Property was first discovered during the Period of Insurance; and
 - (b) if so, shall be deemed to be a single Occurrence.
 3. Personal Injury or Damage to Property that is first discovered before the Period of Insurance shall not be an Occurrence.
 4. Where we are indemnifying more than one legal entity, for Public Liability in respect of one Occurrence, the maximum amount we will pay in total for all legal entities we are indemnifying, will be the limit of indemnity for Public Liability.

Excess

Any excess specified in your Schedule as applying to this section, shall apply to each Occurrence.

Additional benefits

1. Your legal costs

- (a) In the case of:
 - (1) Public Liability; or
 - (2) a claim of Public Liability being made against you;

for which indemnity is or would be available under this section, we will pay your legal costs.

- (b) Your legal costs means:
 - (1) the legal costs and expenses, that you incur with our written agreement, in defending a claim of Public Liability made against you; and
 - (2) the legal costs and expenses of any claimant against you for Public Liability, that you are liable to pay.
- (c) In the case of Public Liability subject to or determined by:
 - (1) The law outside North America, the indemnity for your legal costs will not be limited by any limit of indemnity.
 - (2) The law in North America, the indemnity for your legal costs shall be limited to the amount by which the applicable limit of indemnity is not exhausted by the indemnity for the Public Liability.

2. Cover for others

Provided that they observe, fulfil and are subject to the definitions, terms, conditions and exclusions of this section, we will also indemnify, as though they were you, the following that are not named in the Schedule:

- (a) Any of your directors, officers or employees, but only for liability incurred by them while acting within the scope of their duties in such capacity.
- (b) Any canteen, or social or sporting club, or first aid, fire or ambulance service provided by you and incidental to the business.

Exclusions

We will not indemnify you against the following:

1. Employer's liability (Workers' Compensation)

- (a) Liability for personal injury to any person arising out of, or sustained in the course of, the employment of such person in your service, or through the breach of any duty owed to that person, where you:
 - (1) are indemnified or entitled to be indemnified (either in whole or in part)

in respect of claims for damages under a policy of insurance (which expression includes arrangements made by you to provide accident insurance for your workers under a licence to self insure) arranged (whether required by law or not) in accordance with any workers' compensation legislation or accident compensation legislation; or

(2) would have been indemnified or entitled to be indemnified had you arranged a policy of insurance as required by such legislation.

- (b) Liability for personal injury to any person arising out of, or sustained in the course of, the employment of such person in your service in Western Australia, other than a person of whom you are deemed to be an employer by reason only of Section 175 of the Workers' Compensation and Injury Management Act 1981 (WA).
- (c) Liability for mental anguish suffered by any person arising out of, or in the course of, that person's employment by, or service to, you.
- (d) Liability for personal injury arising out of the harassment, libel, slander, defamation or humiliation of, or discrimination against, any person while in your service or while employed by you.
- (e) Liability of a type in respect of which indemnity previously would have been provided under a policy of insurance arranged in accordance with any workers' compensation legislation or accident compensation legislation, but in respect of which indemnity has been withdrawn or reduced as a consequence of a change to the scope, terms, provisions, or requirements of such legislation made after the commencement of the current Period of Insurance of this policy.
- (f) Any other liability imposed by the provisions of any workers' compensation legislation or accident compensation legislation or any industrial award, agreement or determination.

2. **Discrimination and harassment**

Liability for discrimination or harassment in breach of statute.

3. **Assault or battery**

Liability for assault or battery committed by you or at your direction, unless it was committed for the purpose of preventing or eliminating danger to persons or property.

4. **Waiver of rights**

Liability in respect of all or part of which you, by an agreement, have released or waived your right to recover indemnity or contribution from another.

5. **Contractual liability**

Liability assumed by you under an agreement, unless such liability would have attached to you in the absence of that agreement.

6. **Intentionally or recklessly caused Personal Injury or Damage to Property**

Liability in connection with Personal Injury or Damage to Property intentionally or recklessly caused by you or the risk of which you deliberately courted.

7. **Faulty workmanship**

Liability to perform, complete or rectify any work undertaken by you or on your behalf, or to pay the cost of performing, completing or rectifying such work.

8. **Loss of use of Property**

Liability for loss of use of Property that has not been physically damaged or destroyed, caused by or arising out of:

- (a) a delay in, or lack of, performance, by you or on your behalf, of any contract or agreement; or
- (b) the failure of work performed by you or on your behalf, to meet the level of performance, quality, fitness or durability warranted or represented by you.

9. **Aircraft, Watercraft and Hovercraft**

Liability in connection with your ownership or physical or legal control of, or use by you or on your behalf of, any:

- (a) Aircraft.
- (b) Land, building or structures in an area where Aircraft land or take off, or are housed, maintained or operated.
- (c) Watercraft greater than eight metres in length, except while stored on land.
- (d) Hovercraft.

10. **Vehicles**

- (a) liability for Personal Injury or Damage to Property in connection with a Vehicle when that Vehicle is required by law to be registered, or to have compulsory indemnity cover against your liability, or when such indemnity cover is in force; or
- (b) liability for Damage to Property in connection with a Vehicle that is registered.

Exclusions 10(a) and 10(b) will not apply where the liability arises from:

- (c) the delivery of goods to the Vehicle before the Loading of the goods onto the Vehicle, or arises from the collection of goods from the Vehicle after the Unloading of the goods from the Vehicle; or
- (d) the Use of the Vehicle, or plant or attachment to the Vehicle, as a Working Tool.

11. Earthquake, civil commotion, etc

Liability in connection with:

- (a) earthquake, subterranean fire, or volcanic eruption; or
- (b) riot, strike, or civil commotion.

12. Pollution

Liability:

- (a) in connection with pollution occurring in North America or subject to jurisdiction of North America.
- (b) to pay the cost of preventing discharge, dispersal, release or escape of Pollutants; or
- (c) for:
 - (1) an Occurrence in connection with the discharge, dispersal, release or escape of Pollutants; or
 - (2) the cost of testing, monitoring, containing, removing, cleaning up or neutralising Pollutants.

Exclusions 12(c)(1) and 12(c)(2) will not apply where the discharge, dispersal, release or escape of Pollutants:

- (3) is caused by a single incident;
- (4) is instantaneous;
- (5) is clearly identifiable; and
- (6) is confined to one specific location.

13. Asbestos

Liability caused by, arising out of, or in connection with the use or presence of, asbestos.

14. Building and demolition

Liability in connection with:

- (a) the erection or demolition of buildings;
- (b) the alteration of or addition to buildings not owned or occupied by you; or
- (c) the alteration of or addition to buildings owned or occupied by you where the total cost of the alteration or addition exceeds \$100,000.

15. Vibration and removal of support

Liability for Damage to Property in connection with:

- (a) vibration; or
- (b) removal or weakening of, or interference with, support to land, buildings or any other property.

16. Treatment, design and professional risks

Liability caused by or arising out of your performance of or failing to perform the following:

- (a) rendering of professional advice or service;
- (b) prescription or administration of treatment of or to persons (including but not limited to, grooming, beauty, cosmetic, pharmaceutical, and therapeutic treatment), other than first aid;
- (c) making or formulating a design or specification within the architectural, engineering, scientific, actuarial, statistical, economic, financial, medical or chemical domain.

17. Libel and slander

Liability in connection with the publication or utterance of a libel or slander:

- (a) made before the commencement of the Period of Insurance;
- (b) made by you or at your direction with knowledge of its falsity; or
- (c) related to publishing, advertising, broadcasting or telecasting activities conducted by you or on your behalf.

18. Fines and punitive damages

Liability for fines or penalties, or punitive, exemplary or aggravated damages.

19. Foreign non-admitted cover

Liability under the law of any country, state or territory (outside the Commonwealth of Australia) that requires such liability to be insured or secured with an insurer or organisation licensed in that country, state or territory to grant such insurance or security.

20. Cranes

Liability for the operation of a crane in an unsafe condition.

See also 'General exclusions' on pages 10 to 11 that apply to all sections

Special conditions

1. Reasonable care

You shall:

- (a) Take all reasonable precautions to prevent:
 - (1) Public Liability.
 - (2) Personal Injury or Damage to Property.
- (b) Comply with, and ensure that your employees, servants and agents comply with, all laws, bylaws, regulations and recognised standards for the safety of persons or property.
- (c) Ensure that only competent employees use, operate, maintain and service plant and equipment.
- (d) Maintain all premises, fittings, plant and equipment in sound condition.

2. Cranes

You shall at all times, in the operation of cranes, observe and enforce observance of, all laws, bylaws, regulations and recognised standards for the safety of persons or property.

3. Welding, flame cutting, application of heat

You shall ensure that all welding and flame cutting complies with the Australian Standard "AS1674.1-1997 and AS1674.2-2003 Safety in Welding and Allied Processes" and its amendments.

(It is a detailed code designed to protect persons and property from injury by fire or explosion in the course of cutting, heating or welding operations.)

4. Conduct of your defence

When you make a claim for indemnity against Public Liability under this section, we shall have the right to conduct of your defence, to instruct lawyers to provide advice as to your liability and to represent you.

5. Payment of limit of indemnity

We may at any time pay to you the appropriate limit of indemnity (after deducting from it any amounts already paid) or any lesser amount for which a claim or claims may be settled. In doing so, we will relinquish the conduct of, and will be under no further liability in connection with, such claim or claims except for costs and expenses incurred before we made such payment.

See also 'General conditions' on pages 9 to 10 that apply to all sections

Claims procedure

1. As soon as possible after the happening of any Occurrence or Event which may give rise to a claim against us, you or your legal representative must:
 - (a) Advise details to us and send written confirmation within 30 days.
 - (b) Take all reasonable steps to minimise the loss, damage or liability and to prevent any further loss, damage or liability. We will not be liable in respect of any further damage arising out of the continued use of damaged property, until such property is repaired to our satisfaction.
 - (c) Use best endeavours to preserve any damaged or defective appliances, plant or things which might prove necessary or useful by way of evidence in connection with any claim and so far as possible, with due regard for safety, no alteration or repair shall be made without our consent.
 - (d) Retain all damaged property for inspection by us.
 - (e) Advise us of any impending prosecution or inquest.
 - (f) Forward to us every communication, writ or summons within 72 hours of receipt by you or service upon you.
2. Where a claim arises, you must not authorise repairs to, or arrange replacement of, any of the property relevant to the claim, without our consent, other than as provided for under 1 (c) above.
3. Please refer to 'Claims procedure' on page 11 for details of your other obligations in the event of a claim.

Section 3 – Fidelity Guarantee

Introduction

This section forms part of your policy only if shown in your Schedule as an insured item.

Definitions

In this section:

Claim Documents means:

1. the documentation created in the preparation of, or evidencing, a claim; and
2. all records and documents which may assist us to investigate:
 - (a) a claim; or
 - (b) a Loss; or
 - (c) your right of recovery in consequence of a Loss;

including electronic records, computer records, video and audio recordings, working papers, internal memoranda, reports, accounting records and audit documents.

Committee Member in addition to the 'General definition' of Committee Member means:

1. A person who is a member of the committee of the governing body of the buildings, and who:
 - (a) owns a Unit in the buildings; or
 - (b) has been appointed by an owner of a Unit to represent that owner.
2. A former Committee Member during a period of not more than 30 days following the cessation of that person's service.
3. A Group of Committee Members, which means:
 - (a) Two or more Committee Members acting in collusion.
 - (b) A Committee Member acting alone and also acting as a member of a Group of Committee Members.
 - (c) Two or more Groups of Committee Members having a Committee Member in common.

But Committee Member **does not include**:

4. A member of the committee of the governing body of the buildings, who is an authorised strata manager, director, partner, representative or employee of a strata management company, with whom you, or the owner of a Unit in the buildings, have entered into a management agreement.

Limit of Indemnity means the limit of indemnity of Fidelity Guarantee Insurance shown in the Schedule for all Losses during the Period of Insurance.

Limit per Committee Member means the limit per Committee Member for Fidelity Guarantee Insurance, shown in the Schedule, in respect of any Loss or all Losses caused by an act or acts of the one Committee Member.

Loss means direct loss:

1. of:
 - (a) money;
 - (b) negotiable instruments; or
 - (c) goods;which:
 - (d) belong to you; or
 - (e) are in your possession and for the loss of which you are liable;
2. occurring in the ordinary course of your Business;
3. caused directly by an act of fraud or dishonesty:
 - (a) of an identified Committee Member; and
 - (b) committed within 12 months before discovery by you of the act of fraud or dishonesty, and
4. discovered by you:
 - (a) during the Period of Insurance; or
 - (b) if this section is not renewed or is cancelled, within 12 months after the Period of Insurance or the date of cancellation of this section of the policy;

but in either case no later than 12 months after the cessation of participation of the Committee Member on the committee of the governing body of the buildings.

But loss **does not include** any indirect or consequential loss whatsoever.

See also the 'General definitions' on pages 8 to 9 that apply to all sections

Cover

1. After you have:
 - (a) provided to us the Claim Documents; and
 - (b) made available to us for interview all persons nominated by us who in our opinion will be helpful to assist us to investigate your claim or a Loss;we will indemnify you against Loss, in the manner, and to the extent, provided for in this section.
2. The amount of the indemnity will be determined in accordance with the clauses under the heading 'Settlement of claims'.

Additional benefit

Claims preparation fees

If we are liable to indemnify you against a Loss and where the Limit per Committee Member and the Limit of Indemnity are not otherwise exhausted, the cover is extended to indemnify you against:

1. the fees payable by you to your auditors; and
2. all other costs, charges and expenses;

reasonably and necessarily incurred by you with our consent in the preparation of a claim. Our liability for this Additional benefit is limited to an amount not exceeding 10 per cent (10%) of the Limit per Committee Member or \$20,000 whichever is the lesser.

Settlement of claims

1. Our total liability for all Losses and Claims preparation fees during the Period of Insurance shall not exceed the Limit of Indemnity shown on the Schedule.
2. Our liability for all Losses relating to acts of fraud or dishonesty committed by one Committee Member, or any Group of Committee Members, or any number of Groups of Committee Members that contain one common Committee Member, will not exceed the Limit per Committee Member shown on the Schedule.
3. Our liability will be reduced by the sum of all moneys to which a Committee Member who caused a Loss would have been entitled, but which are retained by you or which you are entitled to retain.
4. We will be liable only for that part of the Loss that exceeds the Excess shown on the Schedule or on any endorsement to this section.

Exclusion

This section does not cover Loss arising from an act committed by a Committee Member after you have knowledge of, or reasonable cause to suspect, the commission by the Committee Member of an act of fraud or dishonesty, unless if, when you first obtained the knowledge or reasonable cause for suspicion:

1. the money, negotiable instruments, or goods, which are the subject of the Loss, were in the possession of the Committee Member; and
2. you immediately took all reasonable action to regain possession of the money, negotiable instruments or goods.

See also 'General exclusions' on pages 10 to 11 that apply to all sections.

Special conditions

1. Notification of Loss

You must:

- (a) notify us in writing within 14 days after discovery by you of Loss, or any act of fraud or dishonesty, by a Committee Member, or reasonable cause for suspicion thereof, which may give rise to Loss; and
- (b) deliver to us as soon as practicable, but no later than 3 months after the notice in (a), the Claim Documents and full details in writing of your claim under this section and the Loss.

2. Observance of system of audit, supervision and checks

You must observe the system of audit, supervision and checks which, in connection with this section, you stated to us that you observe.

3. Notification of alteration of risk

You must as soon as practicable notify us, in writing, of any change that will or might increase the risk, including your non-observance of the system of audit, supervision and checks which, in connection with this section, you stated to us that you observe, so that we may either cancel the section or agree to the variation of its terms and conditions.

4. Prevention of further Loss after discovery

You must, immediately when you discover Loss, take all reasonable steps to regain possession of the money, negotiable instruments or goods and take all reasonable steps to prevent further Loss occurring.

See also 'General conditions' on pages 9 to 10 that apply to all sections

Claims procedure

Please also refer to 'Claims procedure' on page 11 for details of your other obligations in the event of a claim.

Section 4 – Office Bearers Liability

Introduction

This section forms part of your policy only if shown in your Schedule as an insured item.

Definitions

In this section:

Claim means the allegation of a Wrongful Act in:

1. any writ, summons, application or other document that originates from any legal or arbitral proceeding, cross claim or counter claim issued against or served upon a Committee Member; or
2. any written or verbal demand communicated to a Committee Member.

Committee Member in addition to the general definition of Committee Member means a member or former member of the committee of the governing body of the buildings, who owns a Unit in the building or is appointed by the owner of a Unit in the building to represent that owner. If a Committee Member is a former member, that former member must have owned a Unit in the building or have been appointed by the owner of a Unit in the building to represent that owner, at the time the Wrongful Act was committed.

This does not include:

1. any member of the committee of the governing body of the buildings:
 - (a) who is an authorised strata manager, director, partner, representative or employee of a strata management company;
 - (b) with whom you, or the owner of a Unit in the buildings, have entered into any management agreement; or
2. any former member of the committee of the governing body of the buildings:
 - (a) who was an authorised strata manager, director, partner, representative or employee of a strata management company;
 - (b) with whom you, or the owner of a Unit in the buildings, had entered into any management agreement.

Inception Date means the date on which cover commenced under this section and from which date continuous cover has remained in force. If there has been a break in the continuity of cover, the inception date will be the date on which cover recommenced following the most recent break in the continuity of cover under this section.

Loss means money payable by reason of:

1. (a) a judgment ordered by a court of competent jurisdiction; or
(b) any arbitration award or settlement of Claims, negotiated with our consent;
but does not include:
 - (c) money payable by way of any fine, penalty, punitive, exemplary or aggravated damages.
2. (a) the legal costs and expenses, incurred with our written agreement, in defending a Claim; and
(b) the legal costs and expenses of any claimant, awarded against a Committee Member.

Wrongful Act means any actual or alleged:

1. incorrect act;
2. making of an incorrect or misleading statement;
3. breach of duty;
4. failure to act as required; or
5. failure to carry out a duty properly;

by a Committee Member whilst acting in his or her capacity as a Committee Member.

You, Your, Insured means the entity named in the Schedule and is extended to include Committee Members.

See also the 'General definitions' on pages 8 to 9 that apply to all sections.

Cover

We will indemnify a Committee Member for Loss, arising from a Wrongful Act that occurs after the Inception Date and which results in a Claim, that is:

1. first made against him or her during the Period of Insurance; and
2. notified to us during that Period of Insurance.

Limitations

1. The maximum amount we will pay for one Claim will be the limit of indemnity shown in the Schedule less the sum of the indemnities that we have already paid in respect of all other Claims during the Period of Insurance.
2. In the event that the limit of indemnity is increased after the Inception Date of this section, such increased limit of indemnity will only be available against Loss for any Wrongful Act committed after the date of the increase in the limit of indemnity.

Exclusions

1. We will not indemnify a Committee Member for any Claims in respect of or by reason of:
 - (a) The gaining of a personal profit or advantage to which the Committee Member was not entitled, or for which the Committee Member was accountable to the governing body of the buildings, or to any other individual member thereof.
 - (b) Money or gratuity given to a Committee Member, that was not approved by the governing body of the buildings and for which the approval of the governing body of the buildings is required, or is required by law.
 - (c) Bodily injury, illness or death of any person, or damage or loss to any property including loss of use or consequential loss.
 - (d) Any Loss for which a Committee Member will be reimbursed or is entitled to be reimbursed by the governing body of the buildings pursuant to its bylaws or other constituting documents.
 - (e) A conflict of the duty or interest of a Committee Member.
 - (f) An intentional exercise of the powers conferred on a Committee Member for a purpose other than the purpose for which such powers were conferred by the bylaws or other constituting documents of the governing body of the buildings.
2. We will not indemnify a Committee Member for any Claims:
 - (a) Made or threatened or in any way intimidated before the commencement of the Period of Insurance of this section.
 - (b) Arising from a Wrongful Act committed before the Inception Date of this section.
 - (c) Arising from any facts or circumstances of which a Committee Member had become aware prior to the Inception Date of this section, and which a reasonable person in the position of a Committee Member would, prior to the Inception Date of this section, have considered may give rise to a Claim under this section.
 - (d) Arising from any facts or circumstances notified to any insurer under any previous policy.
 - (e) Arising out of any matter disclosed by a Committee Member or on his or her behalf in applying for this insurance.
 - (f) First notified to us after the expiry of this section.
 - (g) Brought against a Committee Member in a court of law outside Australia.
 - (h) For libel or slander.
 - (i) Brought about or contributed to by any dishonest, fraudulent, criminal or malicious act or omission by a Committee Member.
 - (j) Arising out of seepage, pollution or contamination, or the breach of any statute regulation or bylaw prohibiting or controlling emissions, effluent or pollution of any kind or from any enforcement action or proceeding brought under or pursuant to any such statute regulation or bylaw.
 - (k) Arising from an obligation under a warranty (other than a warranty of authority), agreement or contract entered into by a Committee Member. This exclusion will not apply to liability that would have attached in the absence of such warranty, agreement, or contract.

See also 'General exclusions' on pages 10 to 11 that apply to all sections.

Claims procedure

1. You or a Committee Member must advise us in writing immediately upon:
 - (a) becoming aware of any Claim made against a Committee Member;
 - (b) receiving any notice from any person who intends to make a Claim against a Committee Member; or
 - (c) becoming aware of any circumstance or event which may result in a Claim being made against a Committee Member.
2. You and the Committee Members must not do any of the following:
 - (a) Pay, promise to pay or offer payment, or admit responsibility for a Wrongful Act.
 - (b) Incur any costs or expenses for a Claim, unless we agree to them.
3. Please also refer to 'Claims procedure' on page 11 for details of your other obligations in the event of a Claim.

Special conditions

1. Conduct of your defence

When a claim for indemnity is made under this section, we have the right to conduct of the defence, to instruct lawyers to provide advice as to the Committee Member's liability and to represent the Committee Member.

2. Payment of limit of indemnity

We may at any time pay to the Committee Member the appropriate limit of indemnity (after deducting from it any amounts already paid) or any lesser amount for which a Claim or Claims may be settled. In doing so, we will relinquish the conduct of, and will be under no further liability in connection with, such Claim or Claims except for costs and expenses incurred before we made such payment.

3. As a condition precedent to the right of a Committee Member to be indemnified under this section, the Committee Member must give us immediate notice in writing of:

- (a) any Claim made against him or her, whether or not the potential amount of our liability might exceed the Excess;
- (b) the receipt of notice from any person of an intention to make a Claim against him or her.

4. You and the Committee Members must not admit liability or settle any Claim or incur any costs without our written consent.

5. If, during the Period of Insurance of this section, a Committee Member first becomes aware of any facts or circumstances which may give rise to a Claim, he or she must give written notice to us of those facts or circumstances, during the same Period of Insurance in which he or she first became aware of them.

Any Claim which may subsequently be made, arising out of those facts or circumstances, will be deemed to be a Claim in that Period of Insurance, irrespective of when such Claim may actually be made.

See also 'General conditions' on pages 9 to 10 that apply to all sections.

Section 5 – Voluntary Workers Personal Accident

We will not pay the Benefit for Event A3 until the condition for which you are claiming has continued for at least one year.

Please also refer to the 'Limitations' and 'Exclusions' on page 34.

Who we will pay

We will only pay Benefits to you or, if requested by you, to the Insured Person or his or her personal legal representative. You cannot give anyone else an interest in this policy without our written consent.

Introduction

This section forms part of your policy only if shown in your Schedule as an insured item.

Definitions

In this section:

Benefit(s) means the amount calculated by multiplying the percentage shown as the benefit for the event as set out in the table, by the amount shown on your Schedule.

Event(s) means the event(s) set out in the 'Table of cover'.

Insured Person means a person engaged in voluntary work, for you and authorised by you.

Medical Practitioner means a doctor in general practice who is qualified and licensed to practise medicine in the place where he or she is practising, or a specialist medical doctor to whom the Insured Person is referred by such a doctor in general practice.

Occupation means any trade, business, profession or employment for which the Insured Person receives an income.

Personal Weekly Income means the average weekly income earned by the Insured Person (after deducting the average weekly expenses incurred in earning that income) over the period that the Insured Person has been continuously engaged in his or her Occupation, or over 52 weeks, whichever is the shorter period, immediately before the date that the Event happened.

See also the 'General definitions' on pages 8 to 9 that apply to all sections.

Cover

If any of the Events, set out in the 'Table of cover', happens to the Insured Person during the Period of Insurance, we will pay the Benefit set out next to that Event. Your Schedule sets out which of the Events are covered and the amount of the Benefits.

The Event must result solely and directly from an injury suffered by the Insured Person in an identifiable accident which occurred not more than one year before the Event, while:

- (a) doing voluntary work which you have organised and which you control, for you; or
- (b) travelling to, from, or during such voluntary work; but not while travelling by air.

Table of cover

The Events		The Benefits	
A1	The Insured Person becoming totally incapable of carrying out all of the usual duties of his or her usual Occupation. There must be no usual duties at all that the Insured Person can carry out.	100%	of the weekly amount specified for events A1 and A2 in the Schedule, for each week of continuing incapacity.
A2	The Insured Person, being a person who does not engage in any Occupation, becoming totally incapable of carrying out some of his or her usual home duties, and necessarily incurring the cost of employing domestic help as a result.	25%	
A3	The Insured Person becoming totally and permanently incapable of carrying out any Occupation at all. There must be no duties and no Occupation at all that the Insured Person can carry out.	100%	of the amount specified for event A3 in the Schedule, as one lump sum.
C1	Death.	100%	of the amount specified for events C1 to C17 in the Schedule, as one lump sum.
C2	Total and irrecoverable loss of all sight in both eyes.	100%	
C3	Total and permanent loss of the use of both hands.	100%	
C4	Total and permanent loss of the use of both feet.	100%	
C5	Total and permanent loss of the use of one hand and one foot.	100%	
C6	Total and permanent loss of the use of one arm or the greater part of one arm.	80%	
C7	Total and permanent loss of the use of one leg.	75%	
C8	Total and irrecoverable loss of all sight in one eye as well as irrecoverable loss of at least 50% of the sight of the other eye.	75%	
C9	Total and permanent loss of the use of one hand, or four fingers and the thumb of one hand, or the lower part of one arm.	70%	
C10	Total and permanent loss of the use of one foot or the lower part of one leg.	60%	
C11	Total and permanent loss of hearing.	50%	
C12	Total and irrecoverable loss of the lens of, or of all the sight in, one of two eyes.	50%	
C13	Burns or disfigurement of more than 50% of the body.	20%	
C14	Total and permanent loss of the use of either phalanx of either thumb.	15% each	
C15	Total and permanent loss of the use of any phalanx of any finger.	4% each	
C16	Total and permanent loss of the use of any toe other than a great toe, or either phalanx of either great toe.	6% each	
C17	Total and permanent loss of hearing in one ear.	15%	

Limitations

1. We will only pay Benefits for a maximum of 52 weeks for event A1 or A2 as a result of any one accidental injury.
If the Insured Person returns to the usual duties of his or her usual Occupation, and then suffers an aggravation or relapse of the original injury, we will treat this aggravation or relapse as a continuation of the original claim and not as a new claim. The time in between, when the Insured Person returned to his or her usual duties, will not count toward the limit of 52 weeks.
2. We will only pay Benefits for one of the events A1 or A2 for the same period of time.
3. If you have made a claim for any of events C1 to C17, the most we will pay for event A3, as a result of the same accidental injury, is the amount, if any, by which the Benefit for event A3 is more than the amount already claimed.
4. If more than one of events C1 to C17 happens to the Insured Person during the Period of Insurance, we will only pay for the Event that has the greatest Benefit. The most we will pay is 100 per cent of the amount specified for events C1 to C17 in the Schedule.
5. The most we will pay for event A1 is 85 per cent of the reduction in the Insured Person's Personal Weekly Income, resulting from event A1, which is not replaced from any other source.
6. The most we will pay for event A2 is the cost actually and reasonably incurred by the Insured Person for the employment of essential domestic help.
7. The most we will pay in total for all Insured Persons who are injured while travelling in one vehicle, vessel or craft is \$1,000,000.

Exclusions

1. We will not pay claims for any Event which is caused by, or made more serious by:
 - (a) Any deliberately self-inflicted injury.
 - (b) Any deliberate taking of poisonous substances or drugs except as prescribed by a medical practitioner.
 - (c) The Insured Person being under the influence of, or addicted to, alcohol.
 - (d) Hernia.
 - (e) Any injury suffered in an accident which occurred before this cover commenced.
 - (f) The Insured Person taking part in a sporting activity.
 - (g) The Insured Person travelling by air or taking part in other aerial activities.
 - (h) The Insured Person taking part in a riot or civil commotion, or criminal activity.

2. Age limits

We will not pay any Benefits for injury to any person who is under the age of 15 years or over the age of 75 years at the time that the accident occurs.

See also 'General exclusions' on pages 10 to 11 that apply to all sections.

Claims procedure

1. You must tell us in writing as soon as possible after the Insured Person suffers any injury that may result in a claim.
2. You or the Insured Person must pay the cost, if any, of certificates, reports or other evidence that we may require (except as in 3, below, and the special condition, below).
 - (a) Our claim forms include certificates of incapacity to be filled in on behalf of the Insured Person.
 - (b) We will only consider an initial certificate of incapacity from a Medical Practitioner.
 - (c) We may require additional supporting proof if you or the Insured Person are claiming for any period of incapacity before the date on which the initial certificate was issued.
 - (d) We will tell you if we need you to provide any other specific information.
 - (e) We will consider certificates of continuing incapacity from a Medical Practitioner or from a registered physiotherapist, registered chiropractor or registered osteopath if appropriate to the Insured Person's injury.
3. The Insured Person must be available as reasonably required for examination by any Medical Practitioner(s) chosen by us. We will pay for the examination(s).
4. Please refer to 'Claims procedure' on page 11 for details of your other obligations in the event of a claim.

Special condition

When an Insured Person dies, we may require a post-mortem examination. We will pay for this examination.

See also 'General conditions' on pages 9 to 10 that apply to all sections.

Section 6 – Machinery

Introduction

This section forms part of your policy only if shown in your Schedule as an insured item.

Definitions

In this section:

Breakdown means sudden and unforeseen physical destruction or physical damage to Machinery which requires repair or replacement to enable normal working to continue.

Collapse means unforeseen and unexpected physical destruction, damage, distortion, bending, or crushing, of any part of Pressure Equipment caused by force of steam, gas or fluid pressure or vacuum, including damage caused by overheating resulting from insufficiency of water.

Explosion means unforeseen and unexpected physical destruction or physical damage caused by sudden and violent rending of the permanent structure of the Pressure Equipment by force of internal steam, gas or fluid pressure (including pressure of ignited flue gases) causing displacement of any part of the Pressure Equipment together with forcible ejection of its contents.

Machinery means the electric, electronic, mechanical or hydraulic machinery, or Pressure Equipment belonging to you, **but does not include:**

1. Wiring, fittings and outlet sockets of electric lighting or electric power circuits.
2. Calculators, photocopiers, typewriters, mobile phones, pagers, computers and other office machinery.
3. Telephone and closed circuit television installations.
4. Any Mobile Machinery, vessel, craft or thing made or intended to fly, float or travel, or things stored in or mounted upon such Mobile Machinery, vessel, craft or thing.
5. Gaming, gambling, amusement, vending machinery, audio or visual entertainment equipment.
6. Machinery hired by you.

Mobile Machinery means any mechanically operated or driven machine on wheels or self-laid tracks.

Pressure Equipment means those parts of the permanent structure of a boiler, pressure vessel, economiser or superheater and attaching pipe systems which are subject to steam, gas or fluid pressure or vacuum, all belonging to you.

See also the 'General definitions' on pages 8 to 9 that apply to all sections.

Cover

The Machinery shown in the Schedule is insured whilst at the Situation, against Breakdown, or Collapse and Explosion occurring in the Period of Insurance.

Limitation

In respect of Machinery, our total liability for any claim arising out of one event or series of events arising directly or indirectly from one source or original cause will not exceed the sum insured shown in the Schedule.

Additional benefits

1. Increased cost of working

If the sum insured under this section is not otherwise exhausted, in respect of each event resulting in a claim that has been admitted under this section for Breakdown of Machinery or Explosion or Collapse of Pressure Equipment, we will pay the reasonable expenses necessarily incurred for:

- (a) Temporary repairs.
- (b) Hiring of substitute machinery.
- (c) Overtime.
- (d) Express freight including overseas airfreight.

We will not be liable for:

- (1) Expenses for specialists or consultants to travel to or from Australia.
- (2) Airfreight by aircraft specifically chartered for the purpose.
- (3) Overtime charges which exceed 50 per cent (50%) of the cost of carrying out the repairs at ordinary rates.
- (4) Breakdown of Machinery or Explosion or Collapse of Pressure Equipment which has been hired or is on loan to you from a third party.

Our maximum liability under this Additional benefit is \$25,000 or 15 per cent (15%) of the total sum insured, whichever is the lesser, for any one event.

2. Cover for additional machinery

Cover is extended to include other Machinery, delivered and installed, after the inception of this section at any of the Situations described in the Schedule, excluding items not owned by you.

- (a) Such additions must be of a similar type and class as described in the Schedule.
- (b) Such additions must be free from known defects and comply with all applicable statutory requirements.
- (c) Cover will not attach until such additions have become your responsibility and have operated satisfactorily at design load, for eight hours in total.

- (d) Section limits and Excesses will remain the same for such additions.
- (e) You must notify us of such additions in writing within 30 days of the commencement of such additions.
- (f) You must pay the extra premium required by us for the insurance of such additions.

Settlement of claims

In the event of a claim for:

1. Breakdown

In respect of Breakdown of Machinery, we will at our option, repair or replace the damaged items or pay the cash equivalent of such repair or replacement. We will also pay the cost of liquids or refrigerant gas or insulating oil necessary to complete the repairs.

The amount payable will include the cost of transport, labour and the onsite cost of parts. If it is necessary to replace parts which are unavailable or obsolete, we will not pay more than the estimated cost of similar parts for similar type of plant currently available. If similar parts are found to be unobtainable, we shall not pay more than the manufacturers or suppliers latest list price.

We will not be responsible for the costs of any alterations, improvements, maintenance or overhauls carried out on the occasion of the repair or replacement.

2. Explosion or Collapse of Pressure Equipment

We will at our option, repair or replace the damaged items or pay the cash equivalent of such repair or replacement as follows:

- (a) In the case of repairable damage, we will pay the cost of repairs necessary to restore the Pressure Equipment to its condition immediately before the Explosion or Collapse.
- (b) In the case where the Pressure Equipment cannot be repaired at a cost less than the value of a new equivalent unit, we will pay the cost of installing and commissioning replacement Pressure Equipment of equivalent quality and size. If the Pressure Equipment is replaced with one that is of a better kind, quality or size, we will pay the cost that would have been incurred if an exact replacement had been installed.
- (c) If the repair or replacement is not effected within 12 months of the Explosion or Collapse, we will only pay the Indemnity Value of the Pressure Equipment immediately prior to the Explosion or Collapse.

The amount payable will include the costs of transport, labour, the onsite cost of parts and airfreight.

We will not be responsible for the costs of any alterations, improvements, maintenance or overhauls carried out on the occasion of the repair or replacement.

Excess

We will deduct the Excess and the value of any salvage obtained following repair or replacement.

Exclusions

We will not pay for:

1. Consequential financial loss, loss of use, or other indirect loss.
2. Liquidated damages or penalties for delay or detentions or in connection with guarantees of performance or efficiency.
3. Repair or replacement necessitated by:
 - (a) Wasting or wearing out of parts, caused by or resulting from ordinary use or working or gradual deterioration;
 - (b) Corrosion, cavitation, erosion, deposits of scale, sludge or other sediment;
 - (c) Any direct consequences of progressive or continuous influences from working or atmospheric or chemical action other than accidental contact with acids or other corrosive substances causing damage which manifests itself within 24 hours of such accidental contact;
 - (d) Rusting or scratching of painted or polished surfaces;
 but we will be liable for other physical damage to Machinery or Pressure Equipment insured by this section, resulting from such causes.
4. The cost of removal of Machinery from a borehole and subsequent replacement.
5. Machinery or Pressure Equipment that has not been commissioned.
6. In respect of Machinery for Breakdown:
 - (a) Loss, destruction or damage directly or indirectly caused by or arising from or in consequence of:
 - (1) Fire resulting from explosion or otherwise, lightning, thunderbolt, spontaneous combustion, fermentation, heating or any process involving the direct application of heat.

- (2) Aircraft or other aerial devices or articles dropped from them, or sonic boom.
 - (3) Earthquake, subterranean fire, volcanic eruption.
 - (4) Storm, tempest, rainwater, snow, sleet, wind, hail, water from or action of the sea, tsunami, tidal wave, high water, flood.
 - (5) Water, liquids, or substances discharged, overflowing or leaking from apparatus, appliances, pipes or other systems unless such apparatus, appliances, pipes or other systems form part of the Machinery.
 - (6) Riots, civil commotions, strikes or locked out workers, or persons taking part in labour disturbances, or acts of vandalism, or acts of any lawfully constituted authority in connection with the foregoing acts, cessation of work whether total or partial.
 - (7) Explosion.
 - (8) Attempts by civil authorities to prevent the spread of fire.
 - (9) Theft or attempted theft.
 - (10) Unexplained inventory shortages or disappearances.
 - (11) Unloading on delivery to, or loading prior to dispatch from the Situation.
 - (12) Incorrect siting, demolitions ordered by Government or Public or Local Authorities.
 - (13) Erosion, subsidence, or collapse or any other movement of earth.
 - (14) Testing and commissioning, intentional overloading or experiments.
 - (15) Faults or defects known to you or any employee whose knowledge in law would be deemed to be yours and not disclosed to us at the time this insurance was arranged.
 - (16) Any process of heat treatment, welding, grinding, cutting, drilling, shaping or the application of tools to the property other than for the purpose of lifting the insured machine/item.
 - (17) Damaged or faulty doors, lids, catches, latches, locks or any door or lid closing or securing mechanism or device of a cold chamber.
- (b) Loss of or physical destruction or damage caused to:
- (1) Bits, drills, knives, saw blades, heating elements, fuses, electronic valves and tubes, magnetron units, contacts which spark or arc.
 - (2) Dies, moulds, patterns, blocks, stamps, punches.
 - (3) Coating or engraving on cylinders and rolls.
 - (4) Crushing, hammering or grinding surfaces, wear plates, screens, tyres, batteries, burner jets or other parts which by their use and nature suffer a high rate of wear or gradual deterioration.
 - (5) Sieves, flexible pipes, seals, jointing and packing materials, filters, ropes, chains, belts, elevator and conveyor belts or bands, cables (other than electrical conductors), brushes, refractory materials, fire bars, unless as a result of Breakdown.
 - (6) Fuels, chemicals, filter substances, heat transfer media, cleansing agents, lubricants, oils, catalysts or other operating materials. We will not pay for loss of or damage to refrigerants or transformer oils due to defective valves, glands, seals, gauges, or loose connections of pipes.
However, we will pay for the loss of or damage to refrigerants or transformer oils due to breaking of pipes or flared joints.
 - (7) Materials in the course of or undergoing processing.
 - (8) Foundations and masonry – unless specifically included and described in the Schedule.
 - (9) Below ground turbine pump, submersible pump or motor unless such pump or motor is fitted with an effective pressure or flow cut out switch which will stop the motor if the normal pumping pressure or flow is interrupted.
 - (10) Any unattended engine unless such engine is fitted with an effective automatic safety engine monitoring device and such device stops the engine in the event of a lubricating or cooling fault or failure.
7. In respect of Pressure Equipment:
Repair or replacement caused by:
- (a) Wasting or wearing away whether by leakage, corrosion or by the action of the fuel or otherwise.
 - (b) Slowly developing deformation or distortion.
 - (c) Cracks, fractures, blisters, lamination, separation, flaws or grooving which have not penetrated the entire thickness of the material, even if repair or replacement may be necessary at some time in the future.

However, exclusions 7(a), 7(b) and 7(c) will not apply to subsequent Explosion or Collapse.

- (d) Explosion or Collapse of any Pressure Equipment if at the time of such Explosion or Collapse:
 - (1) The pressure on the pressure limiting device(s) upon the particular Pressure Equipment was in excess of that permitted in the applicable Australian Standards, codes and laws.
 - (2) Any pressure limiting device was removed or rendered inoperative.
- (e) Loss, destruction or damage to Pressure Equipment where such equipment:
 - (1) is operated in an unsafe condition;
 - (2) does not comply with Australian Standards, codes or laws; or
 - (3) has not been inspected in accordance with Australian Standard AS3788 as amended, and any other applicable Australian Standards, codes or laws.

8. In respect of Machinery and Pressure Equipment:
Any increase in the cost of repair or replacement necessitated by compliance with any ordinance or law regulating repair, alterations, construction, installation or operation of the insured Machinery or Pressure Equipment.

See also 'General exclusions' on pages 10 to 11 that apply to all sections.

Claims procedure

1. As soon as possible after the happening of any occurrence, accident or event which may give rise to a claim against us, you or your legal representative must:
 - (a) Advise details to us and send written confirmation within 30 days.
 - (b) Take all reasonable steps to minimise the loss or damage and to prevent any further loss or damage. We will not be liable in respect of any further damage arising out of the continued use of damaged property, until such property is repaired to our satisfaction.
 - (c) Use best endeavours to preserve any damaged or defective appliances, plant or things which might prove necessary or useful by way of evidence in connection with any claim and so far as possible, with due regard for safety, no alteration or repair shall be made without our consent.
 - (d) Retain all damaged property for inspection by us.
 - (e) Advise us of any impending prosecution or inquest.
2. Where a claim arises, you must not authorise repairs to, or arrange replacement of, any of the property relevant to the claim without our consent other than as provided for under 1(c) above.
3. Please also refer to 'Claims procedure' on page 11 for details of your obligations in the event of a claim.

The information in this PDS was current at the date of preparation. CGU may update some of the information in the PDS from time to time without needing to notify you. You can obtain a copy of any updated information by calling 13 15 32 or visiting cgu.com.au. We will give you a free paper copy of any updates if you request them. If it becomes necessary, we will issue a supplementary or replacement PDS.

Preparation date:
01/06/2008



Insurer
CGU Insurance Limited
ABN 27 004 478 371
AFS Licence No. 238291