

Commercial Strata Unit

Product Disclosure Statement and Strata Unit Insurance Policy



POLICY

This Policy is underwritten by QBE Insurance (Australia) Limited
ABN 78 003 191 035, AFS Licence No. 239545 of 82 Pitt Street, Sydney



About this booklet

This booklet contains 2 separate sections: Part A and Part B.

Part A – Product Disclosure Statement (PDS)

Part A of this booklet contains a Product Disclosure Statement (PDS). The PDS is designed to assist you to make informed choices about certain cover which is available under this Policy.

We are required by law to provide you with a PDS in relation to:

- (a) Buildings cover: when the building you propose to insure is used principally as a residence and any outbuildings, fixtures and structural improvements on the site, used primarily for domestic purposes.
- (b) Contents cover: when the contents you propose to insure are kept in a building that is used principally as a residence.
- (c) Personal Accident cover: this cover is only available if you live in a Strata unit.

This PDS gives you a summary of the significant benefits and risks associated with each of these covers. Also included in this PDS is information that will apply to all covers under this Policy relating to:

- Duty of Disclosure
- Privacy
- General Insurance Code of Practice
- How to Make a Claim
- Dispute Resolution
- Taxation Implications
- Cancelling your Policy
- Cooling – off Information

You should read these sections carefully.

Part B – Policy Terms and Conditions

Part B of this booklet contains the Policy Terms and Conditions, which detail all the terms, conditions and exclusions relating to the Policy. It is Part B which forms part of your legal contract with us.

If we issue you with an insurance policy, you will be given a Policy Schedule. The Policy Schedule sets out the specific terms applicable to your cover and should be read together with the Policy Terms and Conditions.

The Policy Terms and Conditions and the Policy Schedule we send to you form your legal contract with us so please keep them in a safe place for future reference.

If you require further information about this product, please contact your Financial Services Provider.

About QBE Australia

QBE Insurance (Australia) Limited is a member of the QBE Insurance Group (ASX: QBE). QBE Insurance Group is Australia's largest international general insurance and reinsurance group, and one of the top 25 insurers and reinsurers worldwide. The company has been operating in Australia since 1886 and continues to provide industry-leading insurance solutions that are focused on the needs of intermediaries and their clients.

QBE is a household name in Australian insurance, backed by sizeable assets, and well known as a strong and financially secure organisation.

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PART A – PRODUCT DISCLOSURE STATEMENT (PDS) FOR COMMERCIAL STRATA UNIT PACK POLICY

Insurer

The Policy is underwritten by QBE Insurance (Australia) Limited, ABN 78 003 191 035, AFS Licence No. 239545 of 82 Pitt Street, Sydney.

Other documents may form part of the PDS. Any such documents will be dated and will include a statement identifying them as part of the PDS. If any major omissions, updates or corrections need to be made to the PDS a Supplementary PDS may be provided. In either case the relevant document will be provided to you with the PDS.

Significant benefits and features

We believe the most significant benefits of this insurance Policy are that it protects:

Policy 1: Buildings/Contents

We believe the most significant benefits of this Policy 1 are:

- (a) it provides protection to your building and contents against accidental loss or damage
- (b) unless otherwise specified, claims are settled on a replacement and reinstatement basis.

Policy 1 provides cover for:

- extra costs necessarily incurred to comply with requirements of any Act of Parliament, by-law or regulation of any municipal or other statutory authority
- property in the course of erection, construction, alteration, addition or renovation where the value of the work is no greater than \$250,000
- cash, treasury notes, savings schedules, stamps, money orders and other negotiable instruments up to \$5,000 in total while in the personal custody of a unit owner
- works of art, antiques and curios, up to \$1,000 each and \$5,000 in total.

Policy 1 also provides the following additional benefits:

- architects', surveyors', consulting engineers', and other fees incurred in the process of repair or replacement following insured loss or damage
- costs reasonably incurred in extinguishing a fire at the situation or in the vicinity of the situation which threatens the building or contents, including the cost of recharging fire fighting appliances, and of shutting off the supply of water or other fire extinguishing agent
- reasonable costs of removal of debris, demolition and temporary repairs necessary following insured loss or damage, BUT NOT in connection with liability for pollution of any kind
- reasonable costs up to \$50,000 for rewriting or reconstructing records and other documentation suffering insured loss or damage

- reasonable cost of repair of any electric motor not exceeding 4 kilowatts damaged by fusion. Fusion is the process of fusing or melting together of the windings of an electric motor following damage to their insulating material as a result of overheating caused by electric current (We do not pay for repair or replacement of additional parts or service items, including worn or broken bearings or switches.)
- reasonable costs up to \$2,000 of locating the cause of insured damage caused by liquid escaping and up to \$500 to repair the cause of loss or damage
- property in the open air within the boundaries of the situation up to \$5,000 in total during any period of insurance
- up to \$1,000 per unit for maintenance fees owed by unit owners which you are unable to collect due to their units being unfit for habitation as the result of damage covered under this Policy.

Policy 1 also provides the following additional benefits over and above your sum insured: Where you have made a claim for loss or damage insured under this Policy 1, we will also pay the following additional benefits over and above your sum insured:

- loss or damage by any cause not excluded by this Policy 1, to growing plants, trees, shrubs, and lawn (including rockeries and edging at the situation up to but not exceeding \$1,000 in respect to any one loss
- professional fees which you incur with our written consent in the preparation of a claim under this Policy 1

The maximum we will pay for all claims under this additional benefit in any one period of insurance is:

- 25% of the total amount of your claim or
 - \$10,000
- whichever is the lesser.

Policy 1 does not cover certain things

Claims may be refused in certain circumstances. Please refer to the Commercial Strata Unit Pack Policy Terms and Conditions which follows this PDS for full details of the terms and conditions of cover and exclusions.

Policy 1 will not cover loss or damage to your Buildings/Contents:

- (a) resulting from or caused by storm, hail or wind to:
 - retaining walls
 - textile awnings
 - pathways, tennis courts
 - jetties
 - pool covers or liners, or
 - other property in the open air unless it forms all or part of a permanent structure designed to function without the protection of walls or roof.
- (b) flood - In this Policy 1 'flood' means the inundation of normally dry land by water from any watercourse, lake, canal, dam or reservoir.
- (c) erosion, subsidence, earth movement or collapse other than as a direct result of the action of:
 - the sea

- high water, or
 - tidal wave
- (d) tsunami- in this Policy 1 'tsunami' means a sea wave caused by a disturbance of the ocean floor or by seismic movement
- (e) water entering the building through an opening made for the purpose of alterations, additions, renovations or repairs
- (f) inherent defects, structural defects, faulty workmanship, faulty design or any gradual process
- (g) wear, tear, rust, corrosion, depreciation or gradual deterioration
- (h) settling, shrinking or expansion in buildings, foundations, walls or pavements
- (i) mechanical, electrical or electronic breakdown where fusion does not occur
- (j) tree roots.

Policy 4: Personal Accident

We believe the most significant benefits of this Policy 4 are that it offers members 24 hour cover for losses resulting from an accident. In this Policy 4 'member' means any unit owner or other person working on your behalf without fee or reward or any expectation of fee or reward.

This Policy 4 provides:

- lump sum payments (capital benefits) for accidental death and other listed conditions, and
- periodic payments (weekly benefits) to replace income that is lost following an accident.

Policy 4 does not cover certain things

Claims may be refused in certain circumstances. Please refer to Commercial Strata Unit Pack Policy Terms and Conditions which follow this PDS for full details of the terms and conditions of cover and exclusions.

Policy 4 will not cover you if the claim arises directly or indirectly out of any of the following:

- (a) unless the member obtains and follows proper and qualified medical advice as soon as possible after the accident
- (b) where death or disability occurs or is contributed to by:
- intentional self injury or suicide
 - mental illness
 - intoxication or use of drugs by a member
 - pregnancy of a member
 - a member acting with reckless disregard for their own safety
 - where the member is under the age of 12 years.

These are only some of the events that are not covered by this Policy 4. Please read the Commercial Strata Unit Pack Policy Terms and Conditions which follow this PDS for full details of all relevant Policy exclusions.

The amount of any claim made against the Policy may be reduced

Policy 1: Buildings/Contents

- (a) where an excess applies (any applicable excess will be shown in your Policy Schedule). A separate excess applies to earthquake claims
- (b) where you have not requested the insured value of any item to be specified in the Policy Schedule and where the value of that item exceeds any applicable sum insured sub limit
- (c) where the claim is for fusion and we apply depreciation because of the age of the motor
- (d) where you do not comply with a condition of this Policy and this contributes to any loss or damage.

Significant risks

This product may not match your expectations

This product may not match your expectations (for example, because an exclusion applies). You should read the PDS (Part A of this document) and the Policy Terms and Conditions (Part B of this document) carefully. Please ask your Financial Services Provider if you are unsure about any aspect of this product.

Your sum insured may not be adequate

Building and contents

Unless specified otherwise, the Policy provides replacement or reinstatement conditions for buildings and contents, which means that claims are settled without us deducting an amount for age, depreciation or wear and tear. This means it is important that the sum insured you select covers the cost of replacing your building and contents on a new for old basis.

Personal accident

To ensure that the amount of insurance is adequate to cover losses in the event of a claim, you should establish an adequate sum insured when you or the member first arrange your cover and also take care to amend the sum insured when your situation changes.

If you apply for a weekly benefit sum insured that is less than the earnings you or the member stand to lose, your periodic payments will be capped to the weekly sum insured you choose.

If you apply for a weekly benefit sum insured that is more than the earnings you or the member stand to lose, your periodic payment will be capped to the earnings that you or the member actually lose. In other words, we will not pay more than your actual loss.

Overdue premium

You must pay your premium on time otherwise your Policy may not operate.

If you pay an annual premium and you have not paid by the due date or your payment is dishonoured, or, if you pay your premium by instalments and your first instalment payment is dishonoured, this Policy will not operate and there will be no cover.

If you pay your premium by instalments and any instalment remains unpaid for:

- 14 days or more we may refuse to pay any claim
- 1 month or more we may cancel this Policy.

For more detailed information regarding payment options refer to the section headed 'How you can pay your premium' in Part B (Terms and Conditions).

A claim may be refused

We may refuse to pay or reduce the amount we pay under a claim if you do not comply with the Policy conditions, if you do not comply with your Duty of Disclosure, or if you make a fraudulent claim.

The cost of this Insurance Policy

The total premium is the amount we charge you for this insurance Policy. It includes the amount which we have calculated will cover the risk, and any taxes and government charges. The premium and any taxes and government charges will be shown on your Policy Schedule.

When calculating your premium we take a range of rating factors into account. These factors, and the degree to which they affect your premium, will depend upon the information you provide to us.

Policy 1: Buildings/Contents

The following factors have a significant impact on the calculation of your premium:

Building and Contents

- geographic location
- the material the building is constructed of
- sum(s) insured
- your claims and insurance history
- how the building is used (e.g. occupation of the tenants)
- the level of excess that you have selected.

Policy 4: Personal accident

The following factors have a significant impact on the calculation of your premium:

- the sums insured you choose.

Premium payments can be made annually or by instalments. You should arrange your method of payment through your Financial Services Provider. A quote for premium may be obtained from your Financial Services Provider.

Duty of Disclosure – What you must tell us

Under the Insurance Contracts Act 1984 (the Act), you have a Duty of Disclosure. The Act requires that before a policy is entered into, you must give us certain information we need to decide whether to insure you and anyone else to be insured under the policy, and on what terms. Your Duty of Disclosure is different, depending on whether this is a new Policy or not.

New business

Where you are entering into this Policy for the first time (that is, it is new business and is not being renewed, varied, extended or reinstated) you must tell us everything you know and that a reasonable person in the circumstances could be expected to tell us, in answer to the specific questions we ask.

When answering our questions you must be honest.

- **Who needs to tell us**

It is important that you understand you are answering our questions in this way for yourself and anyone else whom you want to be covered by the Policy.

- **If you do not tell us**

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 having worked.

Renewals, variations, extensions and reinstatements

Once your Policy is entered into and is no longer new business then your duty to us changes. You are required before you renew, vary, extend or reinstate your Policy, to tell us everything you know and that a reasonable person in the circumstances could be expected to know, is a matter that is relevant to our decision whether to insure you, and anyone else to be insured under the Policy, and if so, on what terms.

- **You do not have to tell us about any matter**

- that diminishes the risk
- that is of common knowledge
- that we know or should know in the ordinary course of our business as an insurer, or
- which we indicate we do not want to know.

- **If you do not tell us**

If you do not comply with your Duty of Disclosure we may reduce or refuse to pay a claim or cancel your Policy. If your non-disclosure is fraudulent we may treat this Policy as never having worked.

Privacy

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

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

We may need to disclose personal information to our reinsurers, (who may be located overseas), insurance intermediaries, insurance reference bureaux, credit reference agencies, our advisers and those involved in the claims handling process (including assessors and investigators), for the purposes of

assisting us and them in providing relevant services and products, or for the purposes of litigation. We may disclose personal information to people listed as co-insured on your policy and to family members or agents authorised by you. We may also disclose information to organisations which conduct customer service surveys on our behalf. We will request your consent to any other purpose.

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

You also have the opportunity to find out what personal information we hold about you and, when necessary, correct any errors in this information. Generally we will do this without restriction or charge. For further information about our Privacy Policy or to access or correct your personal information, please contact The Compliance Manager, QBE Insurance (Australia) Limited, GPO Box 82 Sydney NSW 2001. Telephone: (02) 9375-4656, Fax: (02) 8275-9022 or Email: compliance.manager@qbe.com

The General Insurance Code of Practice

QBE Insurance (Australia) Limited is a signatory to the General Insurance Code of Practice. The Code aims to:

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

Dispute resolution

We will do everything possible to provide a quality service to you. However, we recognise that occasionally there may be some aspect of our service or a decision we have made that you wish to query or draw to our attention.

We have a Complaints and Dispute Resolution Procedure which undertakes to provide an answer to your complaint within 15 working days.

If you would like to make a complaint or access our internal dispute resolution service please contact your nearest QBE office and ask to speak to a dispute resolution specialist.

If you are not happy with our answer, or we have taken more than 15 working days to respond, you may take your complaint to the Insurance Ombudsman Service (IOS), an ASIC approved external dispute resolution body.

The IOS resolves certain insurance disputes between consumers and insurers and will provide an independent review at no cost to you. QBE is bound by the determination of the IOS but the determination is not binding on you.

We will provide the contact telephone number and address of the IOS office upon request.

Taxation implications

Goods and Services Tax

The Policy has provisions relating to GST. In summary, they are as follows but please read the provisions in full. They can be found in Part B Terms and Conditions, under the heading 'How Goods and Services Tax affects any payments we make'.

- The amount of premium payable by you for this Policy includes an amount on account of the GST on the premium.
- When we pay a claim, your GST status will determine the maximum amount we pay.

Other taxation implications

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

Cancelling your Policy

How you may cancel this Policy

- You may cancel this Policy at any time by telling us in writing that you want to cancel it. You can do this by giving the notice to your Financial Services Provider.
- Where 'you' involves more than one person, we will only cancel the Policy when a written agreement to cancel the Policy is received from all persons named as the insured.

How we may cancel this Policy

- We may cancel this Policy in any of the circumstances permitted by law by informing you in writing.
- We will give you this notice in person or send it to your address last known to us.

The premium

We will refund to you the proportion of the premium for the remaining period of insurance.

Cooling-off information

If you want to return your insurance after your decision to buy it, you may cancel it and receive a full refund. To do this you may notify your Financial Services Provider electronically or in writing within 21 days from the date the Policy commenced.

This cooling-off right does not apply if you have made or are entitled to make a claim. Even after the cooling-off period ends, you still have cancellation rights however your Financial Services Provider may deduct certain amounts from any refund for administration costs or any non-refundable taxes.

PART B – POLICY TERMS AND CONDITIONS FOR COMMERCIAL STRATA UNIT PACK POLICY

Insurer

The Policy is underwritten by QBE Insurance (Australia) Limited, ABN 78 003 191 035, AFS Licence No. 239545 of 82 Pitt Street, Sydney.

Our agreement with you

This Policy is a legal contract between you and us. You pay us the premium, and we provide you with the cover you have chosen as set out in the Policy, occurring during the period of insurance shown on your Policy Schedule or any renewal period.

The excesses set out in the section headed 'What you must pay if you make a claim – Excess' apply to all claims except where otherwise stated. The amount of any excess that applies to your Policy will be shown on your Policy Schedule.

The exclusions in the section(s) headed 'When you are not covered' and conditions in the section headed 'General Conditions' apply to all types of cover.

Your Policy

Your Commercial Strata Unit Pack Policy consists of Part B (Terms and Conditions) of this booklet and the Policy Schedule we give you.

Please read your Policy carefully, and satisfy yourself that it provides the cover you require.

If you want more information about any part of your Policy, please ask us, or your Financial Services Provider.

The address and telephone number of your QBE Australia branch are on your Policy Schedule.

You should keep your Policy Booklet and Policy Schedule together in a safe and convenient place for future reference.

Providing proof

So that your claim can be assessed quickly you should keep the following:

- receipts or other confirmation of purchase
- valuations
- documents which substantiate your earnings
- any medical certificates that relate to your claim.

We may ask you for these if you make a claim. You must be able to prove to us that you have suffered a loss that is covered by this Policy before we will pay you for it.

Other party's interests

You must tell us of the interests of all parties (e.g. financiers, owners, lessors) who will be covered by this insurance. We will protect their interests only if you have told us about them and we have noted them on your Policy Schedule.

How you can pay your premium

You can pay your premium:

- in one annual payment by cash, cheque, credit card or EFTPOS, or
- in monthly instalments by direct debit from your credit card or from your account with your financial institution.

Paying your annual premium

You must pay your annual premium by the due date. If we do not receive your premium by this date or your payment is dishonoured this Policy will not operate and there will be no cover.

Paying your instalment premium

If you are paying your premium for the first time by instalments we will deduct instalments each month on the day of the month that you nominate as your payment date.

If you are renewing your Policy and you paid your previous Policy by instalments, we will continue to deduct instalments for your renewed Policy on the day of the month you previously nominated as your payment date, unless you tell us otherwise.

If you have nominated the 29th, 30th or 31st of the month as your payment date, we will deduct your instalment payment on the next day if those dates don't occur in a month.

Details of your instalments are shown on your Policy Schedule.

If your first instalment of premium when you take out your Policy or renew it is dishonoured, this Policy will not operate and there will be no cover.

We will not pay a claim under this Policy if, at the time the claim occurred, any instalment of premium has remained unpaid for 14 days or more.

If any instalment of premium has remained unpaid for 1 month, we may cancel this Policy. We will send you a notice giving you details of the action we intend to take and when any cancellation will become effective.

We are entitled to deduct from any amount we pay you under a claim any unpaid premium or instalment of premium.

If you are paying your premium in instalments by direct debit from your credit card or financial institution account, you must tell us if those details change. You must do this no later than 7 days before your next instalment is due.

Preventing our right of recovery

If you have agreed not to seek compensation from another person who is liable to compensate you for any loss, damage or liability which is covered by this Policy, we will not cover you under this Policy for that loss, damage or liability.

How Goods and Services Tax affects any payments we make

The amount of premium payable by you for this policy includes an amount on account of the GST on the premium.

When we pay a claim, your GST status will determine the amount we pay.

When you are:

- a) not registered for GST, the amount we pay is the sum insured/limit of indemnity or the other limits of insurance cover including GST.
- b) registered for GST, we will pay the sum insured/limit of indemnity or the other limits of insurance and where you are liable to pay an amount for GST in respect of an acquisition relevant to your claim (such as services to repair a Damaged item insured under the Policy) we will pay for the GST amount.

We will reduce the GST amount we pay for by the amount of any input tax credits to which you are or would be entitled if you made a relevant acquisition. In these circumstances, the Input Tax Credit may be claimable through your Business Activity Statement (BAS).

You must advise us of your correct Australian Business Number & Taxable Percentage.

Any GST liability arising from your incorrect advice is payable by you.

Where the settlement of your claim is less than the sum insured/limit of indemnity or the other limits of insurance cover, we will only pay an amount for GST (less your entitlement for Input Tax Credit) applicable to the settlement. This means that if these amounts are not sufficient to cover your loss, we will only pay the GST relating to our settlement of the claim.

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

GST, Input Tax Credit (ITC), Business Activity Statement (BAS) and Acquisition have the same meaning as given to those expressions in A New Tax System (Goods and Services Tax) Act 1999 and related legislation as amended from time to time.

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

Words with special meanings

Some key words and terms used in this Policy have a special meaning.

If words and terms are only used in just one Section of the Policy, we will describe their special meaning in that Section.

Wherever the following words or terms are used in the Policy, they mean what is set out below:

Word or Term	Meaning
Situation	The situation where your building is located, shown on the Policy Schedule.
Unit owner	A person or other entity who is a registered owner or proprietor of a unit forming part of the insured building.
You, your	The body corporate or corporation named in the Policy Schedule, or if there is no strata title, the person or company named in the Policy Schedule.

Cover for Your Commercial Strata Unit

This Policy comprises the following components:

Policy 1: Buildings/Contents

Policy 2: Legal Liability

Policy 3: Office Bearers Liability

Policy 4: Personal Accident

Policy 5: Fidelity Guarantee

Policy 6: Machinery Equipment

These Policy components are described in the following sections.

Policy 1: Buildings/Contents

If you have chosen this cover it will be shown on your Policy Schedule.

What you are insured against

We insure you against accidental loss or damage and malicious damage to the building or contents.

Words with special meanings applicable to Policy 1

What 'Building' means

'Building' means the building at the situation shown on the current schedule, and includes:

- (a) outbuildings and structural improvements including swimming pools, spas, saunas and jetties used for domestic purposes
- (b) services (whether underground or not) that are your property or which you are liable to repair or replace or pay the cost of repair or replacement
- (c) paved pathways, paved driveways, retaining walls, fences and gates
- (d) paint and wallpaper in common areas and inside individual units
- (e) ducted air conditioners, stoves, ovens, hot water systems, built in cupboards and bathroom fittings
- (f) any other items defined as buildings by the relevant legislation in the State or Territory where the building is located.

What 'Building' does NOT mean

'Building' does not include:

- (a) temporary wall coverings, temporary ceiling coverings, temporary floor coverings, window coverings, internal blinds, carpets, light fittings, other than in common areas
- (b) window mounted air conditioners, clothes dryers, dishwashers, microwave ovens, washing machines and any free standing or portable appliances
- (c) fixtures removable by a lessee or tenant at the end of a lease or tenancy
- (d) earth, gravel or other unpaved surfaces
- (e) property in the course of erection, construction, alteration, addition or renovation where the value of the work is more than \$250,000
- (f) bridges, canals, roadways, railway tracks and tunnels, dams and reservoirs other than tanks and their contents
- (g) land, but we do not exclude structural improvements in or on the land if unless they are specifically excluded in this Policy 1
- (h) vacant premises awaiting or undergoing demolition.

What 'Contents' means

'Contents' means furniture, furnishings, plant and equipment that is your common property or for which you are responsible or for which you have assumed responsibility to insure, while in the building or temporarily removed to another building for repair or servicing.

What 'Contents' does NOT mean

'Contents' does not include:

- (a) cash, treasury notes, savings schedules, stamps, money orders and other negotiable instruments except up to \$5,000 in total while in the personal custody of a unit owner
- (b) jewellery, furs, bullion, precious metals and precious stones
- (c) works of art, antiques and curios, except up to \$1,000 each and \$5,000 in total
- (d) motor vehicles, caravans, trailers, watercraft, aircraft or accessories of any of these items
- (e) floor coverings, window coverings, internal blinds, carpets and light fittings other than in common areas.

How we will pay for loss or damage

Unless otherwise specified in the Policy Schedule, claims will be settled on the basis of reinstatement and replacement and extra costs, as follows:

Reinstatement and replacement

Reinstatement and Replacement means:

- (a) where property is destroyed
 - if a building the rebuilding of the building
 - or, if property other than a building the replacement of the property by similar property
 - in either case in a condition equal to but not better or more extensive than its condition when new
- (b) where property is damaged, the repair of the damage and the restoration of the damaged portion of the property to a condition substantially the same as but not better or more extensive than its condition when new.

Basis of settlement

The basis of settlement of any claim will be the cost of reinstatement of the property destroyed or damaged at the time of the destruction or damage as follows:

- (i) the work of rebuilding, or replacement, or repairing as the case may be (which may be carried out upon another site and in any manner suitable to your requirements but subject to our liability will not be increased because you have chosen to rebuild at another site or in another manner), must be commenced and carried out with reasonable despatch but not more than 6 months after the loss or damage occurred unless you have written agreement from us, if you do not, we settle upon your claim on an indemnity basis

- (ii) when any property to which this clause applies is damaged or destroyed in part only, our liability will not exceed the sum specified in the Policy Schedule
- (iii) no payment beyond the amount which would have been payable under this section will be made until a sum equal to the cost of reinstatement has been actually incurred.

All other insurances covering the property by or on your behalf will be on a similar reinstatement basis.

Extra cost

We will also pay in respect of property insured under this section the extra cost of reinstatement including demolition or dismantling of such property necessarily incurred to comply with the requirements operative at the time of reinstatement of:

- (a) any Act of Parliament or regulation, or
- (b) any by-law or regulation of any municipal or other statutory authority

provided in either case that:

- (i) the work of reinstatement (which may be carried out wholly or partially upon another site if the Act, by-law or regulation of any municipal or other statutory authority requires it provided that our liability will not be increased because you are required to reinstate your property at another site) must be commenced and carried out within a reasonable time. If you do not we will not be liable to make any payment beyond the amount which would have been payable under this section if this clause had not been incorporated
- (ii) the amount recoverable will not include the additional cost incurred in complying with any Act, regulation, by-law or requirement with which you had been required to comply prior to the happening of the damage
- (iii) if the cost of reinstatement of the damage directly caused by any of the insured loss is less than 50% of what would have been the cost of reinstatement of the property insured had such property been destroyed, the amount recoverable will:
 - be limited to the extra cost necessarily incurred in reinstating only that portion damaged, and
 - not include any extra cost in relation to any portion of the property not damaged, and
 - not exceed, in any event, the sum which we could have been called upon to pay if such property had been wholly destroyed.

Floor space ratio index (plot ratio)

Where buildings are damaged and reinstatement of the damage is limited or restricted by:

- (a) any Act of Parliament or regulation, or
- (b) any by-law or regulation of any municipal or other statutory authority

resulting in either case in the reduction of the floor space ratio index (plot ratio) of the site, then we will pay, in addition to any amount payable on reinstatement of such buildings, the difference between:

- (i) the actual costs incurred in reinstatement, subject to the reduced floor space ratio index (plot ratio), and
- (ii) the estimated cost of reinstatement at the time of damage had the reduced floor space ratio index (plot ratio) not applied.

Provided that our liability under the above sections headed 'Reinstatement and replacement', 'Extra cost' and 'Floor space ratio index (plot ratio)', in total shall not exceed the limit of indemnity stated in the Policy Schedule in respect of the buildings which are the subject of the claim.

Indemnity

If the basis of settlement is shown in the Policy Schedule as indemnity, we will pay the cost to repair or replace the insured property less an equitable amount for age, wear, tear, depreciation and we will make an adjustment for the general condition and remaining useful life of the individual item or components that are damaged.

What you must pay if you make a claim - Excess applicable to Policy 1

For each claim you make under this Policy 1 you must pay an excess. We will deduct the excess shown on the Policy Schedule from the amount of each claim, other than a claim for earthquake damage. The earthquake excess is explained below.

For loss or damage which occurs during any period of 48 consecutive hours as a result of earthquake, subterranean fire or volcanic eruption, or fire resulting from any of those events, the excess is the lesser of:

- (a) the first \$20,000 of the loss or damage, and
- (b) 1% of the total sum insured for all buildings and contents at the situation where the loss or damage occurs.

Additional benefits

Any amount we pay for the following additional benefits (a) to (k) is NOT over and above your sum insured.

- (a) architects', surveyors', consulting engineers', and other fees incurred in the process of repair or replacement following insured loss or damage, but not the costs, fees or expenses for preparing a claim made under this policy or any other policy except as provided in 'additional benefit' (n) below
- (b) costs reasonably incurred in extinguishing a fire at the situation or in the vicinity of the situation which threatens the building or contents, including the cost of recharging fire fighting appliances, and of shutting off the supply of water or other fire extinguishing agent
- (c) reasonable costs of temporary protection of property and persons following insured loss or damage pending repair, or
- (d) reasonable costs of removal of debris, demolition and temporary repairs necessary following insured loss or damage, but not in connection with liability for pollution of any kind

Policy 1

- (e) property in the open air within the boundaries of the situation up to \$5,000 in total during any period of insurance
- (f) reasonable costs up to \$50,000 for rewriting or reconstructing records and other documentation suffering insured loss or damage
- (g) where insured loss or damage occurs to the building or contents as a result of leaking liquid of any sort, the reasonable costs up to \$2,000 of locating the cause of the damage, and the costs of reinstating the property damaged or disturbed in the course of work
we will also pay up to \$500 to repair the cause of loss or damage
- (h) the reasonable cost of repair of any electric motor not exceeding 4 kilowatts damaged by fusion
fusion is the process of fusing or melting together of the windings of an electric motor following damage to their insulating material as a result of overheating caused by electric current. (we do not pay for repair or replacement of additional parts or service items, including worn or broken bearings or switches.)
- (i) we pay up to \$1,000 per unit for maintenance fees owed by unit owners, but which you are unable to collect despite using all reasonable means, due to their units being unfit for habitation as the result of damage covered under this policy
- (j) we pay up to \$500,000 or 10% of the building and contents sum insured, whichever is the greater, for loss of land value as a result of the requirements of any legal authority not allowing rebuilding or allowing only partial rebuilding at the situation where there has been insured loss or damage
we calculate this amount by subtracting the sum of the land value after the insured loss or damage and the amount of any compensation paid to you by the authority from the land value immediately before the claim
- (k) reasonable costs of temporary accommodation of the unit owners including storage of their contents and boarding of their domestic animals, or of loss of rent receivable by them where:
- insured loss or damage renders a unit or units unfit to be occupied for their intended purpose, or
 - such loss or damage to property in the immediate vicinity prevents reasonable access to the building, or
 - because of murder, suicide or human infectious or contagious disease at the situation, reasonable access is denied to the property, or a unit or units are rendered unfit to be occupied for their intended purpose, however this cover will not apply in respect of highly pathogenic Avian Influenza or any disease declared to be a quarantinable disease under the Quarantine Act 1908 (as amended) whether occurring at Your Situation or elsewhere.

We do not pay for:

- any rent lost, or temporary accommodation after the unit is fit to occupy for its intended purpose again
- any rent lost, or temporary accommodation any later than 104 weeks after the loss or damage occurs.

this 'additional benefit' (k) is limited to the amount specified in the Policy Schedule.

We pay additional benefits (l) to (n) over and above your sum insured.

- (l) Loss or damage by any cause not excluded by this Policy 1, to growing plants, trees, shrubs, and lawn (including rockeries and edging pertaining thereto) at the situation up to but not exceeding \$1,000 in respect to any one loss.
- (m) During the period of insurance we will increase the sum insured on buildings and contents by .25 of 1% of the sum insured shown on the Policy Schedule per month until the next expiry date.
- (n) We will pay professional fees which you incur with our written consent in the preparation of a claim under this Policy 1 buildings/contents.
The maximum we will pay in any one period of insurance is:
- 25% of the total amount of your claim or
 - \$10,000
- whichever is the lesser, for all claims under this 'additional benefit' (n).

What you are NOT insured against

There are also General exclusions and conditions that apply to all sections of this Policy which you should also read

We do not insure you against loss or damage resulting from or caused by:

- (a) the lawful seizure, confiscation, nationalisation or requisition of the property insured
- (b) destruction of or damage to property by any government or public or local authority
- (c) storm, hail or wind to:
- retaining walls
 - textile awnings
 - pathways, tennis courts
 - jetties
 - pool covers or liners
 - other property in the open air unless it forms all or part of a permanent structure designed to function without the protection of walls or roof.
- (d) flood
'flood' means the inundation of normally dry land by water from any watercourse, lake, canal, dam or reservoir
- (e) erosion, subsidence, earth movement or collapse resulting therefrom, the action of the sea, high water or tidal wave
- (f) tsunami
'tsunami' means a sea wave caused by a disturbance of the ocean floor or by seismic movement
- (g) liquid of any sort seeping from outside the premises
- (h) water entering the building through an opening made for the purpose of alterations, additions, renovations or repair

- (i) inherent defects, structural defects, faulty workmanship, faulty design or any gradual process
- (j) wear, tear, rust, corrosion, depreciation or gradual deterioration
- (k) mildew, algae, atmospheric or climatic conditions (other than storm)
- (l) settling, shrinkage or expansion in buildings, foundations, walls or pavements
- (m) the removal or weakening of supports or foundations for the purpose of alterations, additions, renovations or repair
- (n) damage to swimming pools or similar structures caused by hydrostatic pressure
- (o) mechanical, electrical or electronic breakdown (other than fusion of an electric motor as provided by Additional benefit (h))
- (p) dilution or contamination of chemicals or contamination of water in a swimming pool or spa
- (q) loss of, or damage to electronic data

However this exclusion (q) does not apply to loss or damage to Electronic Data caused by fire, lightning, thunderbolt, explosion, implosion, earthquake, subterranean fire, volcanic eruption, impact, aircraft and/or other aerial device and/or articles dropped therefrom, sonic boom, theft which is a consequence of theft of any computer and/or computer hardware and/or firmware and/or microchip and/or integrated circuit and/or similar device containing such Electronic Data, breakage of glass, the acts of persons taking part in riots or civil commotions or of strikers or of locked out workers or of persons taking part in labour disturbances which do not assume the proportions of or amount to an uprising, storm and/or tempest and/or rainwater and/or wind and/or hail, water and/or other liquids and/or substances discharged and/or overflowing and/or leaking from any apparatus and/or appliance and/or pipes

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

- (r) any consequential loss other than that specifically covered by this Policy
- (s) any process of cleaning involving the use of chemicals
- (t) vermin, insects or wildlife
- (u) an animal kept by you or anyone living at the situation
- (v) the deliberate application of heat
- (w) tree roots.

Policy 2: Legal Liability

If you have chosen this cover it will be shown on your Policy Schedule

What you are insured against

We insure you against any claim for compensation or expenses which you become legally liable to pay for:

- (a) the death of or personal injury to any person, or
- (b) property damage

resulting from an occurrence during the period of insurance arising out of the ownership of the building and contents shown on the Policy Schedule.

Words with special meanings applicable to Policy 2

Word or Term	Meaning
Employment practices	Any wrongful or unfair dismissal, denial of natural justice or procedural fairness, defamation, misleading representation or advertising, sexual harassment or discrimination in respect of employment by you.
Occurrence	<p>(a) in relation to Personal injury (a), Property damage (a) and (b) above, any event including continuous or repeated exposure to substantially the same general conditions which causes personal injury or property damage which is neither expected nor intended on your part. We regard all personal injury or property damage arising from one original source or cause as one occurrence</p> <p>(b) relation to Personal injury (b), (c), (d) and (e) above, an act or series of acts of the same or similar nature which cause personal injury which is neither expected nor intended on your part. We regard any act or series of acts as one occurrence, regardless of their frequency or the number of claimants.</p>
Personal injury	<p>(a) bodily injury, sickness or disease sustained by any person, including resultant death</p> <p>(b) false arrest, false detention or wrongful imprisonment, malicious prosecution</p> <p>(c) libel, slander</p> <p>(d) wrongful entry or wrongful eviction or other invasion of privacy</p> <p>(e) assault or battery committed by any of your employees in relation to your ownership of the property insured, but excluding acts committed at your direction unless directed for the purpose of preventing or eliminating danger to persons or property.</p>

Word or Term	Meaning
Pollutants	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.
Property damage	(a) physical injury to or loss or destruction of tangible property including any resulting loss of use of the property (b) loss of use of tangible property which has not been physically damaged or destroyed provided the loss of use is caused by an occurrence.
Worker	Any person employed by you or deemed to be employed by you pursuant to any workers' compensation law.
Workers' compensation law	Any law relating to compensation for personal injury to workers or employees.
You or your	The body corporate or corporation named in the Policy Schedule, or if there is no strata title, the person or company named in the current schedule, and unit owners while voluntarily engaged in duties on your behalf.

How much we will pay

We pay up to the amount shown on the Policy Schedule for any one occurrence.

We do not pay more than this amount in total under all policies we have issued to you which cover the same liability.

In addition to this amount we pay legal costs of yours which we approve as a result of a claim.

What you are NOT covered against

There are also General exclusions and conditions that apply to all sections of this Policy which you must also read.

We do not insure you against fines, penalties, or punitive, aggravated or exemplary damages.

We do not insure you against claims in respect of:

- (a) any liability arising out of any agreement unless liability would have attached if that agreement did not exist
- (b) any workers' compensation law
- (c) the provisions of any industrial award or agreement or determination or any contract of employment or any workplace agreement where such liability would not have been imposed in the absence of such industrial award or agreement or determination, contract of employment or workplace agreement

- (d) any law relating to employment practices
- (e) damage to property belonging to you or which is in your care, physical custody or legal control
- (f) personal injury or property damage arising from the ownership, custody, or use of any vehicle which is:
 - registered, or
 - required to be registered by law, or
 - wholly or partly insured by any compulsory statutory insurance or accident compensation scheme, or would have been, but for failure to register the vehicle or to apply for cover under the scheme or to comply with a term or condition of the scheme.
- (g) the ownership, custody, or use of any aerial device or aircraft, aircraft landing area, or watercraft
- (h) the conduct of any activity carried on by you for reward except as owner of the building
- (i) vibration or the weakening of, removal of or interference with support to land, buildings or other property
- (j) construction, alteration, addition or demolition of a building, if the value of the work exceeds \$250,000
- (k) the ownership of land, buildings or structures other than the building and contents insured by this Policy
- (l) personal injury or property damage intentionally caused by you or a person acting with your consent
- (m) any breach of duty you owe in a professional capacity
- (n) personal injury or property damage arising out of asbestos or any asbestos product
- (o) personal injury or property damage caused by or arising out of the discharge, dispersal, release or escape of pollutants into or upon land, the atmosphere, or any water course or body of water. This exclusion 'What you are not covered against' (o) does not apply if such discharge, dispersal, release or escape is sudden, identifiable, unexpected and unintended and takes place in its entirety at a specific time and place
- (p) any costs and expenses incurred in the prevention, removing, nullifying or clean-up of such pollutants. This exclusion 'What you are not covered against' (p) shall not apply to clean-up, removal or nullifying expenses only, which are consequent upon a sudden, identifiable, unexpected, unintended happening taking place in its entirety at a specific time and place which results in personal injury or property damage

Our liability under clauses 'What you are not covered against' (o) and '(p) above in respect of discharge, dispersal, release or escape and for all discharges, dispersals, releases and escape of pollutants during any one period of insurance will not exceed the limit of liability shown on the Policy Schedule.
- (q) libel or slander:
 - made by you or at your direction with your knowledge of its falsity
 - related to advertising, broadcasting or publishing activities.

- (r) any action against you which is instituted outside of Australia
- (s) personal Injury or property damage arising, directly or indirectly, out of, or in any way involving your 'internet operations'

This exclusion does not apply to personal injury or property damage arising out of any material which is already in print by the manufacturer in support of its product, including but not limited to product use and safety instructions or warnings, and which is also reproduced on its site.

'Internet operations' means the following:

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

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

- (t) property damage to computer data or programs and their storage media arising directly or indirectly out of or caused by, through or in connection with:
 - the use of any computer hardware or software
 - the provision of computer or telecommunication services by you or on your behalf
 - the use of computer hardware or software belonging to any third party, whether authorised or unauthorised including damage caused by any computer virus.

Policy 3: Office Bearers Liability - not applicable to non strata units

This Policy applies only to strata units.

If you have chosen this cover it will be shown on your Policy Schedule.

Important notice

This Policy 3 is issued on a claims made basis.

This means we pay claims first made against an officer during the period of insurance and notified to us during the period of insurance. We also pay claims arising from circumstances notified to us during the period of insurance.

We do not pay claims where an officer is aware prior to inception of this Policy, of circumstances that the officer (or a reasonable person in the officer's position) would expect to lead to a claim being made against an officer.

If we refuse to renew this Policy, you or the officers have the option upon payment of a premium equal to 50% of the current annual premium to extend the current period of insurance for an unbroken period of 12 months, but:

- (a) the cover under this extended period applies only to wrongful acts committed or allegedly committed prior to the commencement of the extended period
- (b) you must exercise your option to extend within 30 days of our refusal to renew
- (c) if we offer to renew at terms different to those during the current period of insurance, this will not constitute a refusal to renew.

What the officers are insured against

We insure the officers against any claim made against them during the period of insurance in relation to any wrongful act and notified to us during the period of insurance.

If during the period of insurance an officer becomes aware of any circumstances which may result in a claim and gives us written notice of those circumstances during the period of insurance we will treat any claim arising out of those circumstances at any time as if it were notified to us during the period of insurance.

Words with special meanings applicable to Policy 3

Word or Term	Meaning
Claim	Any writ, summons, application, other originating legal or arbitral proceeding, cross claim or counter claim issued or served upon an officer alleging any wrongful act or any written or verbal demand alleging any wrongful act communicated to an officer in any way.
Loss	<p>(a) Money payable under a judgment ordered by a court of law or as a result of any arbitration, award or settlement negotiated with our consent</p> <p>(b) Legal costs awarded against an officer</p> <p>(c) Costs and expenses an officer incurs with our written consent in the investigation, defence or settlement of any claim or a circumstance that may lead to a claim under this Policy. We pay only costs and expenses incurred during the time the officer is entitled to cover under this Policy.</p> <p>'Loss' does NOT mean any punitive, exemplary or aggravated damages, fines or penalties.</p>
Officer	A member or former member of your council or executive committee. 'Officer' does NOT mean any other person or organisation, employed on a fee for service basis.

Word or Term	Meaning
Wrongful act	Any actual or alleged misstatement, misleading statement, negligent act, error or breach of duty by an officer and which leads to a claim against the officer solely in their capacity as an officer.

How much we will pay

We will pay up to the sum insured shown on the Policy Schedule for any loss.

We will not pay more than the sum insured shown on the schedule during any one period of insurance regardless of the number of claims made or reported.

What the officers are NOT insured against

There are also General exclusions and conditions that apply to all sections of this Policy which you must read.

We do not pay for any claim in relation to:

- (a) an officer gaining any personal profit or advantage to which they are not entitled
- (b) money or gratuity given to an officer without your authority if that authority is required under any statute, or any by-law of your constitution
- (c) any loss for which an officer is entitled to reimbursement by:
 - you
 - a policy which expired prior to (or upon) inception of this Policy or would have been so entitled but for exclusion or breach or non-compliance with a term or condition.
- (d) death, injury or sickness of any person, or damage to, or loss of use of, any property
- (e) any conflict of duty and interest
- (f) any intentional exercise of an officer's powers for a purpose other than the purpose for which the powers were granted
- (g) defamation
 - made by an officer or at their direction with the officer's knowledge of its falsity
 - related to advertising, broadcasting or publishing activities.
- (h) any action against you which is instituted outside of Australia
- (i) dishonest, fraudulent or criminal activity or malicious act or omission by an officer
- (j) any warranty or guarantee given by an officer
- (k) any seepage, pollution or contamination arising out of a breach of statute, regulation or by-law prohibiting or controlling emissions, effluent or pollution of any kind, or any enforcement action or proceeding brought under any such statute regulation or by-law

- (l) any action against the officer initiated, threatened or intimidated before inception of this Policy
- (m) any circumstances of which the officer was aware before inception of this Policy and which a reasonable person in the officer's position would have considered may lead to a claim under this Policy
- (n) any facts or circumstances notified to any insurer under any previous policy
- (o) any circumstances first notified to us after expiry of this Policy
- (p) any matter disclosed by an officer in arranging this insurance.

Conditions applicable to Policy 3

- (a) If we elect to settle a claim and the officer refuses to consent to the settlement, we do not pay any more than the amount for which we would have settled, plus costs and expenses incurred up to the time of the officer's refusal.
- (b) Any money we pay in discharge or settlement of any threat or intimation of a claim or any circumstances which might lead to a claim will be deemed to have been paid in discharge or settlement of a claim, for the purpose of determining how much we pay under 'What the officers are insured against'.
- (c) The officers must give us immediate written notice of:
 - any claim made against them
 - the receipt of any notice from any person of an intention to make a claim against them
- (d) The officers must give all reasonable assistance and co-operate with us in the defence of claims.
- (e) The officers must not admit liability, settle any claim or incur any costs without our agreement.
- (f) The officers must use due diligence and act at all times to avoid or diminish any claim.
- (g) We are entitled to take over and conduct the defence of any claim in the name of the officer.
- (h) If we make any payment under this Policy, the officer must give all reasonable assistance and co-operate with us in subrogating to the officer's rights of recovery.

Policy 4: Personal Accident - not applicable to non strata units

This Policy applies only to strata units.

If you have chosen this cover it will be shown on your Policy Schedule.

What the members are insured against

We insure the members against any accident (but not sickness or disease) during the period of insurance which results in death or one of the following disabilities within one calendar year of the accident.

Words with special meanings applicable to Policy 4

Word or Term	Meaning
Member	Any unit owner or other person working on your behalf without fee or reward or any expectation of fee or reward.
Partial disablement	Disablement as a result of injury that prevents an insured person from: <ul style="list-style-type: none"> carrying out a substantial part of all the normal duties of their usual occupation, business or profession.
Total disablement	Total disablement as a result of injury that entirely prevents an insured person from: <ul style="list-style-type: none"> carrying out all the normal duties of their usual occupation, business or profession, or where they are engaged in more than one occupation, business or profession, carrying out the normal duties of all of them.

How much we will pay

We pay the following percentages of the capital sum insured shown on the Policy Schedule:

- (a) death - 100%
- (b) total and permanent loss of sight in both eyes - 100%
- (c) total and permanent loss of sight in one eye - 50%
- (d) total and permanent loss of use of both hands or both feet or one hand and one foot - 100%
- (e) total and permanent loss of use of one hand or one foot - 50%
- (f) total and permanent disablement which results in a member being unable to engage in their usual occupation - 100%

for events (g) and (h) we will pay the following percentage of the weekly sum insured shown on the schedule

- (g) total and temporary disablement which results in a member being unable to engage in their usual occupation - 100% up to a maximum of 104 weeks
- (h) partial and temporary disablement which results in a member being unable to engage in their usual occupation - 25% up to a maximum of 104 weeks.

Additional benefits

We will pay up to 25% of the weekly sum insured on the Policy Schedule up to a maximum of 104 weeks, if a qualified medical practitioner deems it necessary for the member to employ domestic assistance during the period of disablement.

Conditions applicable to Policy 4

- (a) We pay only for death and disability occurring while the member is actually working under your control or direction.
- (b) We pay only if the member is not entitled to compensation under any workers compensation insurance, transport accident scheme or other statutory scheme or fund.
- (c) If a member suffers more than one disability, we pay only the highest of the amounts of compensation shown for the disabilities suffered by the member.
- (d) If a member dies as a result of a disability we will reduce the amount we pay for death by any benefits we have paid for the disability.
- (e) We pay the weekly sum insured only if the member receives regular income derived from their personal exertion.

What the members are NOT insured against

There are also General exclusions and conditions that apply to all sections of this Policy that you must read.

We do not pay for any claim:

- (a) unless the member obtains and follows proper and qualified medical advice as soon as possible after the accident
- (b) where death or disability occurs because of or is contributed to by:
 - intentional self injury or suicide
 - mental illness
 - intoxication or use of drugs by a member
 - pregnancy of a member
 - a member acting with reckless disregard for their own safety.
- (c) where the member is under the age of 12 years.

Policy 5: Fidelity Guarantee - not applicable to non strata units

This Policy applies only to strata units.

If you have chosen this cover it will be shown on your Policy Schedule

What you are insured against

We will pay you the value of any pecuniary loss you suffer as the result of an event when:

- (a) you suffer loss of money, negotiable instruments or property belonging to you or for which you are legally liable
- (b) the event is discovered and notified to us within 3 months of termination or expiration of this Policy, and
- (c) you are able to prove the loss to us.

Words with special meanings applicable to Policy 5

Word or Term	Meaning
Event	Means any of the following, committed by a member: (a) theft (b) embezzlement (c) misappropriation (d) conversion (e) fraud.
Member	Any unit owner their spouse or partner, and any unmarried children living permanently with them.

How much we will pay

We pay up to the amount shown on the schedule for any one event.

Conditions applicable to Policy 5

There are also General conditions that apply to all sections of this Policy which you must read.

If a claim is made under this Policy, you must, as far as the law allows, appropriate and retain any money or assets belonging to the member who has caused the loss, and apply them, or the proceeds of their sale, against the loss.

Where assets are to be sold, or appropriated, we determine their value. If the amount of your loss exceeds the sum insured, the value of money and assets appropriated and retained will be first applied against your uninsured loss.

What you are NOT insured against

We do not insure against any event committed by a member after you have discovered a prior event committed by that member.

Policy 6: Machinery Equipment

If you have chosen this cover it will be shown on your Policy Schedule.

What you are insured against

We insure you against damage to any item or items or any part of an item of plant suffered during the period of insurance.

Words with special meanings applicable to Policy 6

Word or Term	Meaning
Damage	Sudden and unforeseen physical loss or damage to an item of plant which occurs during the period of insurance and requires immediate repair or replacement to allow continuation of use.
Plant	Boilers and all above ground mechanical and electrical plant driven by motors with capacity not exceeding 4.0 kilowatts, which are specified in the Policy Schedule, belonging to you or for which you are responsible or for which you have assumed responsibility to insure prior to the occurrence of any loss or damage. Plant does NOT include: <ul style="list-style-type: none"> • submersible pumps with capacity exceeding 1.6 kilowatts, turbine pumps, helical rotor pumps • vehicles or mobile plant • electronic equipment, office equipment • domestic appliances • lifts or escalators.

How and how much we will pay for damage

At our option:

- (a) we replace the item of plant, or
- (b) pay the cost of replacement or repairs necessary to return the item of plant to its former state of serviceability immediately prior to the damage including:
 - (i) cost of dismantling, re-erection and removal of debris
 - (ii) replacement of refrigerant lost from an item of plant as a direct result of damage
 - (iii) charges for overtime and work on public holidays where necessarily and reasonably incurred
 - (iv) freight within Australia by any recognised scheduled service
 - (v) hire of a temporary replacement item during the time taken to repair damage to any insured motor

We will not pay for (b) (iii), (iv) and (v) under ‘How much we will pay for damage above’, in total more than 50% of the total replacement or repair cost.

- (c) pay up to the sum insured for the item of plant.

We are not required to replace or repair the item of plant exactly, but to repair or replace to an equivalent standard.

Conditions applicable to Policy 6

If an event happens which may give rise to a claim under this Policy 6 you must:

- take all reasonable steps to minimise the extent of the loss
- preserve any damaged or defective plant or items and make them available to us for inspection.

We will not be liable for any item of plant which has suffered damage and is operated without having been repaired in a manner consistent with the generally accepted rules of engineering practice.

The number of machine units declared on the proposal under Policy 6 must be the actual total of the machine units present at the situation on the inception date of the current period of insurance. If at the time of loss or damage it is found that the declared total number of units is less than the number present at the inception date of the current period of insurance the amount we pay will be reduced in proportion to the under-declaration.

What you are NOT insured against

There are also General exclusions and conditions that apply to all sections of this Policy which you must read.

We do not insure you against:

(a) loss or damage caused by or arising from:

- fire, smoke or soot, extinguishing a fire or subsequent demolition
- lightning
- chemical explosion
- storm or rain
- flood or inundation
 'flood' means the inundation of normally dry land by water from any watercourse, lake, canal, dam or reservoir
- the action of the sea, tidal wave or high water
- water escaping discharged or leaking from any pipe or water system
- impact by:
 - vehicles designed primarily for use on land
 - watercraft
 - animals
 - aircraft and other aerial devices or articles dropped from them.
- earthquake, subterranean fire or volcanic eruption
- erosion, subsidence, earth movement or collapse resulting therefrom, the action of the sea, high water, tidal wave
- tsunami
 'tsunami' means a sea wave caused by a disturbance of the ocean floor or by seismic movement

- persons taking part in riots or civil commotion or industrial disputes or persons acting maliciously, or any lawfully constituted authority in preventing or attempting to prevent an act of the kind referred to in this clause

- theft or attempted theft.

(b) the cost of:

- replacement of damaged, worn or spent belts, filters, fuses, electric heating elements, electrical contacts, thermatic expansion valves, cutting blades, crushing surfaces, glass, porcelain, ceramics, chains, seals, links, dies, moulds, conveyor belting, lubricants, fuel and all operating media
- replacement of component parts worn through normal machine operation
- adjustment, cleaning or recharging of refrigeration or air-conditioning equipment
- repairs to piping and other ancillary systems due to cracking of pipe work

unless necessary as part of the rectification of damage insured by this Policy 6.

(c) the cost of:

- maintenance work
- alterations, additions, improvements or overhauls whether carried out in the course of insured repairs or as separate operation
- replacement or restoration, following gradual deterioration (including rust, corrosion, erosion, oxidation or scale formation)
- repair of scratches to painted or polished surfaces
- modification or alteration of insured plant which has suffered damage to enable it to operate with refrigerant gas as required by the UNEP (United Nations Environmental Protection) Montreal Protocol with respect to substances which deplete the ozone layer
- replacement of lighting equipment, reticulating electrical wiring, sub-distribution switchboards, reticulating liquid and gas piping and ducting
- repair of slowly developing deformation or distortion of any part
- repair of blisters, laminations, flaws or grooving even when accompanied by leakage
- damage caused to an item or items of plant caused by any hydraulic testing
- repairs to valves, fittings, glands, joints, gaskets, pipes, lines and connections which are defective or leaking
- repairs to shaft keys requiring tightening, fitting or renewal
- damage caused by the movement of foundations, masonry or brick work.

- (d) loss or damage due to faults or defects known to you or any of your employees at the time of effecting this insurance and not disclosed to us
- (e) loss or damage due to your failure to comply with statutory requirements and manufacturer's recommendations relating to the safeguarding and operation of the plant
- (f) consequential loss of any kind
- (g) electronic data.

However, where cover is otherwise provided by this Policy we will indemnify you for losses to electronic data arising out of fire, lightning, thunderbolt, explosion, implosion, earthquake, subterranean fire, volcanic eruption, impact, aircraft and/or other aerial device and/or articles dropped there from, sonic boom, theft which is a consequence of theft of any computer and/or computer hardware and/or firmware and/or microchip and/or integrated circuit and/or similar device containing such electronic data, breakage of glass, the acts of persons taking part in riots or civil commotions or of strikes or of locked out workers or of persons taking part in labour disturbances which do not assume the proportions of or amount to an uprising, storm and/or tempest and/or rainwater and/or wind and/or hail, water and/or other liquids and/or substances discharged and/or overflowing and/or leaking from any apparatus and/or appliance and/or pipes.

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

The following terms, conditions and exclusions apply to all Policies under this Commercial Strata Unit Pack Policy

When you are not covered

General exclusions applying to all Policies

This Policy excludes loss, damage, destruction, death, injury, illness, liability, cost or expense of any nature directly or indirectly caused by, contributed to by, resulting from, arising out of or in connection with any of the following, regardless of any other cause or event contributing concurrently or in any other sequence to the loss:

1. War, invasion, acts of foreign enemies, hostilities or war-like 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, or

2. Any act(s) of Terrorism

For the purpose of this exclusion, an act of terrorism includes any act, or preparation in respect of action, or threat of action designed to influence the government de jure or de facto of any nation or any political division thereof, or in pursuit of political, religious, ideological or similar purposes to intimidate the public or a section of the public of any nation by any person or group(s) of persons whether acting alone or on behalf of or in connection with any organisation(s) or government(s) de jure or de facto, and which:

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

3. Radioactivity or the use, existence or escape of any nuclear fuel, nuclear material, or nuclear waste or action of nuclear fission or fusion.

This Policy also excludes any loss, destruction, damage, death, injury, illness, liability, cost or expense of any nature directly or indirectly caused by, contributed to by, resulting from or arising out of or in connection with any action taken in controlling, preventing, suppressing, retaliating against, or responding to or in any way relating to 1, 2 or 3 above.

General Conditions

Changing your Policy

If you want to make a change to this Policy, the change becomes effective when:

- we agree to it, and
- we give you a new Policy Schedule detailing the change.

Other Interests

You must not transfer any interests in this Policy without our written consent.

Any person whose interests you have told us about and we have noted on your Policy Schedule is bound by the terms of this Policy.

Cancelling your Policy

How you may cancel this Policy

- You may cancel this Policy at any time by telling us in writing that you want to cancel it.
- Where 'you' involves more than one person, we will only cancel the Policy when a written agreement to cancel the Policy is received from all persons named as the insured.

How we may cancel this Policy

- We may cancel this Policy in any of the circumstances permitted by law by informing you in writing.
- We will give you this notice in person or send it to your address last known to us.

The premium

We will refund to you the proportion of the premium for the remaining period of insurance.

Notices

Any notice we give you will be in writing, and it will be effective:

- if it is delivered to you personally, or
- if it is delivered or posted to your address last known to us.

It is important for you to tell us of any change of address as soon as possible.

Unoccupancy

If you leave the building unoccupied for more than 60 consecutive days, you must tell us and obtain our written agreement for cover to continue.

If you do not do so, the cover for building and contents is limited to lightning, thunderbolt and earthquake for the period in excess of 60 consecutive days during which you have left the building unoccupied.

The period of 60 consecutive days is calculated from the date when the building was last occupied, regardless of the commencement or renewal date of the policy.

Care and maintenance

You must take reasonable care to:

- protect and maintain the property insured
- prevent damage or injury to others or their property
- comply with all statutory obligations and by-laws or regulations relating to the safety of persons or property.

Alteration of risk

You must tell us about any change in the nature of the risk which occurs during the period of insurance and which increases our risk. If you fail to do so, we may cancel this Policy.

Claims

What you must do

If an event happens which may give rise to a claim you must:

- take all reasonable precautions to prevent further loss, damage or liability
- notify the police immediately if any of your property is lost, stolen, or maliciously or intentionally damaged
- tell us or your Financial Services Provider as soon as possible. You will be provided with advice on the procedure to follow
- supply us with all information we require to settle or defend the claim
- notify us of any other insurance covering the same loss, damage or liability
- you must co-operate with us fully in any action we take.

In an emergency outside normal business hours you may ring our emergency service on 1800 023387 for assistance.

If in doubt at any time, ring us or your Financial Service Provider for advice.

What you must not do

You must not:

- authorise repairs to or arrange replacement of any of the property insured in connection with any claim without our consent, other than emergency repairs necessary to prevent further loss. If we agree to pay your claim, we will pay for these repairs, but you must retain all receipts
- admit liability if an accident occurs which is likely to result in someone claiming against you.

What we do

We may take over and conduct the defence or settlement of any claim or issue legal proceedings for damages. If we do this we will do it in your name. We have full discretion in the conduct of any legal proceedings and in the settlement of any claim. You must co-operate by giving us any statements, documents or assistance we require. This may include giving evidence in any legal proceedings.

What can affect a claim

We will reduce the amount of a claim by the excess shown in the Policy Terms and Conditions or on the Policy Schedule.

We may refuse to pay a claim if you are in breach of your Duty of Disclosure or any of the conditions of this Policy, including any endorsements noted on or attached to the Policy Schedule.

We pay only once for loss or damage from the same event covered by this Policy even if it is covered under more than one section of the Policy.

We may be entitled to refuse to pay or to reduce the amount of a claim if:

- it is in any way fraudulent, or
- any fraudulent means or devices are used by you or anyone acting on your behalf to obtain any benefits under this Policy.