

# Insurance Australia Limited

Landlords Insurance

Product Disclosure Statement

Listed Events



The issuer of this PDS and Policy is Insurance Australia Ltd (ACN 000 016 722) (IAL). IAL is a related company of Insurance Australia Group Ltd (ACN 090 739 923) (IAG). IAG has a strategic relationship with Berkshire Hathaway Specialty Insurance Company (BHSIC) (ABN 84 600 643 034). IAL uses the "Berkshire Hathaway Insurance Australia" logo under licence from BHSIC. This product is not issued, sold, guaranteed or underwritten by BHSIC.

## **Listed Events**

### **Product Disclosure Statement**

#### **Introduction**

Thank you for choosing Us to insure You.

Please take the time to read this booklet carefully to ensure that You understand what Your policy covers, what Excesses apply and how to make a Claim. If You have any questions or need more information, please contact Your Steadfast Broker.

#### **About this booklet**

This booklet is a Product Disclosure Statement (**PDS**) which has two (2) parts:

1. Important Information which is to help You understand the insurance; and,
2. The Policy Wording, which sets out terms and conditions of the cover provided. It is up to You to choose the cover You need.

Other documents may comprise the PDS and We will tell You if this is the case in the relevant document.

Any advice in this booklet is general in nature only and has not considered Your objectives, financial situation or needs. You should carefully consider the information provided having regard to Your personal circumstances to decide if it is right for You.

#### **Updating this PDS**

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

This version of the PDS was prepared on April 11 2016.

Version 1

## **Important Information**

### **About Us**

Insurance Australia Limited (IAL) is the issuer. Our Australian Business Number is 11 000 016 722. Our Australian Financial Services Licence Number is 227681. Our address is 388 George Street, Sydney NSW 2000. For general enquiries relating to this product please contact 02 9099 4911.

### **About Steadfast**

Steadfast Group Limited (**Steadfast**) is a public company that operates a large network of insurance brokerages in Australia known as Steadfast Brokers. This policy is available exclusively to You through a Steadfast Broker.

Steadfast does not issue, guarantee or underwrite this policy.

### **About this policy**

If We issue You a policy, You will be given a policy Schedule. The policy Schedule sets out the covers You have chosen and should be read together with the policy wording. You should check the policy Schedule carefully to ensure it accurately states what You have insured.

The policy wording and policy Schedule form Your legal contract with Us so please keep them in a safe place for future reference.

If You require further assistance or information about this policy, please contact Your Steadfast Broker.

### **What You must tell Us**

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

- Insurance policy or renewal of insurance policy that has been declined, cancelled or refused, or where any Excess was imposed;
- Claim refused by an insurer;
- Claim made; or
- Criminal conviction or finding of guilt for an offence,

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

For example, We may be entitled to:

- charge You an additional premium;
- impose (back-dated) restrictions including declining Your insurance back to when this information should have been provided;

- decline to insure Your Buildings or Contents; and
- refuse to pay a Claim.

When renewing Your policy with Us You must also advise Us of any changes to Your:

- Claims;
- Insurance; or
- Criminal history.

We will notify You in writing of the effect a change may have on Your renewal.

### **Privacy of Your personal information**

We, along with all entities in Insurance Australia Limited (IAL) value the privacy of the personal information We collect about You.

We are committed to handling Your personal information in line with the privacy laws and the terms of this PDS.

### **When You provide Your personal information**

#### **Collecting and using Your information**

You acknowledge and consent to Us and Our distributors collecting and using Your information on a confidential basis to:

- Consider Your insurance application and any subsequent application for insurance.
- Underwrite and price any policy.
- Calculate and offer discounts.
- Issue a policy to You.
- Administer Your policy.
- Investigate, assess and pay any Claim made by or against You or that could be made against You.
- Recover money paid to You or recover debts You have incurred.
- Contact You for market research.
- Provide You with information and offers about products and services We offer.
- Provide You with information and offers about products and services offered by Us, Our related entities and by Our partners and to any agent of these that We promote.

You can 'opt out' from receiving marketing information at any time by contacting Us. You must inform Us if You do not want Your personal information disclosed or used for these marketing or market research purposes.

#### **Collecting and disclosing Your information**

We collect Your personal information directly from You or through others. For these purposes, You acknowledge and consent to Us collecting Your personal information

from, and disclosing Your information where disclosure is permitted by law to:

- Our agents.
- Our related entities and their distributors.
- Other insurers.
- Insurance reference bureaus.
- Law enforcement agencies.
- Our service providers (which includes investigators and recovery agents, lawyers, assessors, repairers, suppliers, advisers and any agent of these) - which includes some service providers that may be based overseas
- Any credit provider that has security over Your assets
- Publically available data.
- Partners and affiliates.

We may collect personal information about You directly in various ways including:

- Over the phone.
- In person including at branches or offices.
- Over the internet, including via Our website, online forms and surveys, email or cookies.
- In writing, including via hard copy forms.
- Electronic devices such as telematics devices and home automation systems.

### **Privacy Policy**

Our Privacy Policy provides more information about how We collect, from whom We collect and how We hold, use and disclose Your personal information. Our Privacy Policy also provides information about how You can:

- Access Your personal information.
- Ask Us to correct Your personal information, and
- Complain about a breach of the privacy principles set out in the Privacy Act 1988 (Cth) and how We will deal with Your complaint.

To get a free copy of Our Privacy Policy:

[www.bhinsurance.com.au/privacy-page.html](http://www.bhinsurance.com.au/privacy-page.html)

### **How to apply for this policy**

To apply for this Policy, please complete Our online application form with Your Steadfast Broker.

If We accept Your application, You will receive a policy Schedule that sets out details of the cover You have chosen.

## **The cost of this policy**

The premium is the amount We charge You for this policy. It includes the amount We have calculated for the risk as well as the taxes and government charges that are applicable. The premium will be shown on the policy Schedule.

When calculating the premium We take a number of factors into account. These factors and the degree to which they affect the premium will depend on the information You give Us, and the level and type of cover You choose. The main factors that impact Your premium include:

- the type of property being insured;
- where the property is located;
- the type of construction of the property; and
- Your previous insurance and Claims history.

Some rating factors do not affect all components of the premium calculation. For example, age discounts, retiree discounts, no Claim bonus and loyalty discounts do not apply to the parts of the premium that are paid for liability cover or Flood cover.

## **How to make a Claim**

Please contact Your Steadfast Broker to assist You in making a Claim.

In an emergency outside normal business hours You may ring Our emergency service on 1300 559 019 for assistance.

Further details of what You must do for Us to consider Your Claim are provided in the 'Policy information - general terms and conditions' section in this booklet.

## **General Insurance Code of Practice**

We are a signatory to the General Insurance Code of Practice. The Code objectives are to:

The Code objectives are to:

- commit Us to high standards of service;
- promote better, more informed relations between Us and You;
- maintain and promote trust and confidence in the general insurance industry;
- provide fair and effective mechanisms for the resolution of complaints and disputes between Us and You; and
- promote continuous improvement of the general insurance industry through education and training.

You can download a copy of the Code from <http://codeofpractice.com.au>

## Your cooling off rights

If You want to cancel this policy after Your decision to buy it, You may do so and receive a full refund of Your premium. To do this You must notify Your Steadfast Broker electronically or in writing within twenty one (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 We and Your Steadfast Broker may deduct certain amounts from any refund that may be due for administration costs or any non-refundable taxes.

## Dispute resolution

We will do everything possible to provide a quality service to You. However, We recognize that occasionally there may be some aspect of Our service or a decision We have made that You wish to query or draw Our attention to. We have a complaints and dispute resolution procedure which undertakes to deal with Your complaint promptly. It is important to follow the complaint handling process so We are able to resolve Your concern effectively.

### 1. Tell Us

If You would like to make a complaint please tell Us by contacting the relevant department Your complaint relates to (see table below). In most cases they will be able to resolve the matter. If not You will be referred to a manager who will attempt to resolve the matter. A response will be provided within fifteen (15) business days.

Policy	If Your complaint relates to, or if You have any concerns about, the sale of Your Policy, please contact Your Steadfast Broker. You can also contact Us by email to: <a href="mailto:compliance.manager@bhinsurance.com.au">compliance.manager@bhinsurance.com.au</a> We will assist by directing Your concern to Your Steadfast Broker.
Claims	If your complaint relates to a Claim, please contact Us by: Phone: 1300 559 019 Email: <a href="mailto:claims@bhinsurance.com.au">claims@bhinsurance.com.au</a> Fax: 1300 764 496

### 2. Independent Internal Review

If You are dissatisfied with this decision, You can escalate Your complaint to Our Internal Dispute Resolution (IDR) department who will review the decision independently.

You can contact Our IDR department by:

Email: compliance.manager@iag.com.au  
Phone: (02) 9099 4997  
Address: IAL IDR, GPO Box 933, Sydney NSW 2001

The IDR department will contact You with a decision within fifteen (15) business days of receiving Your complaint.

### **3. Review by the Financial Ombudsman Service**

In most cases We can resolve any problems Our customers have but if You remain dissatisfied with Our decision You can contact the Financial Ombudsman Service Australia (**FOS**) for an independent external review at no cost to You. We are bound by any determination by FOS but the decision is not binding on You.

FOS can be contacted by:

Phone: 1800 367 287  
Fax: (03) 9613 6399  
Email: info@fos.org.au  
Address: Financial Ombudsman Service Australia  
GPO Box 3, Melbourne VIC 3001  
Internet: www.fos.org.au

### **Financial Claims Scheme**

This policy is a protected policy under the Financial Claims Scheme (FCS) which protects certain insureds and claimants in the event of an insurer becoming insolvent. In the unlikely event of Us becoming insolvent You may be entitled to access the FCS, provided You meet the eligibility criteria.

More information about the FCS may be obtained from the APRA Website at <http://www.apra.gov.au> and the APRA hotline on 1300 55 88 49.

### **Policy Wording**

#### **Our agreement with You**

This policy is a legal contract between You and Us. If We accept Your application for insurance, You pay Us the premium and We provide You with the cover You have chosen as set out in this Policy and Your policy Schedule for the period of insurance shown on Your policy Schedule.

The limits of cover applying to the cover selected by You, and the amount of any Excess that applies to Your policy, is shown on Your policy Schedule.



## **Paying Your premium**

There are two ways You can pay Your premium:

- in one (1) annual payment to Your Steadfast Broker according to their business practices; or
- if provided, in twelve (12) monthly instalments by direct debit from Your credit card or from Your bank account which can be arranged by Your Steadfast Broker.

You must pay Your premium in the manner set out on Your policy Schedule.

## **Paying Your annual premium**

You must pay Your annual premium to Your Steadfast Broker by the due date.

If Your premium is unpaid by the due date or Your payment is dishonoured, this policy will not operate and there will be no cover.

## **Paying Your instalment premium**

If We have provided this option to You and 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 and which is shown on Your policy Schedule as Your payment date.

If We offer to renew Your policy and You paid Your previous premiums by instalments, Your policy will be automatically renewed and 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.

Further details of Your instalments are shown on Your policy Schedule.

If Your first instalment is unpaid by the due date or Your payment 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 fourteen (14) days or more.

If any instalment of premium has remained unpaid for one (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 seven (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 destruction, loss, damage or liability which is covered by this policy, We will not cover You under this policy for that destruction, loss, damage or liability.

### **Other party's interests**

You must tell Us of the interest of all parties (e.g. financiers, lessors or owners) 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.

### **Providing proof**

So that Your Claim can be assessed quickly You should keep the following:

- receipts or other confirmation of purchase and ownership;
- valuations; and
- photographs of items in the home.

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 Your Claim for it.

### **Your Claim may be refused**

We may refuse to pay or reduce the amount We pay for Your Claim if You do not comply with the policy conditions, if You do not provide Us with all information We require, if You make a misrepresentation, or if You make a fraudulent claim.

### **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.

### **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 (1) person, We will only cancel the policy when a written agreement to cancel the policy is received from all persons named as

the insured on the Schedule.

### **How We may cancel Your policy**

We may cancel this policy in any of the circumstances permitted by law (e.g. failure to pay the premium by the due date) by informing You in writing.

We will give You notice in person or send it to Your address (including an electronic address) last known to Us.

Where You have paid Your premium in advance of the date of cancellation, We will refund to You the proportion of the premium for the remaining period of insurance (less any fees or expenses that may be charged by Us for administration costs and any non-refundable taxes). Unless directed otherwise by all insureds, the refund will be made payable to the first named insured on Your policy Schedule.

### **Notices**

Any notice We give You will be in writing, and it will be effective:

- if it is delivered to You personally; or
- it is delivered to You at Your address (including an electronic address) which is last known to Us.

It is important for You to tell Us of any change of address as soon as possible.

### **Optional cover you can select**

You can choose cover for:

- Buildings.
- Contents.
- Loss of Rent.
- Strata title mortgagee protection.
- Rent Default.
- Theft by a Tenant.

Any optional cover We agree to provide You will be shown on Your Schedule.

### **Excess that may apply**

If You make a Claim under the policy, You may be required to pay one or more Excesses. The descriptions of these Excesses and the circumstances in which they are applied are shown in the policy.

If You select cover for Buildings and Contents, in the event of destruction, loss or damage to both Your insured Buildings and Contents for the same event, You will only be required to pay one Excess. If the nominated Excess for Buildings and Contents are different, the Excess payable will be the higher of these Excesses.

In most instances, You can select at the time of Your enquiry or application for insurance the amount of policy Excess You wish to pay should You have a Claim. When You select a higher policy Excess amount, We will normally reduce the amount of premium We charge You.

In some instances, We will impose the amount of policy Excess You will need to pay should You have a Claim.

In deciding to impose a policy Excess, We take into consideration a number of factors in setting the amount of the policy Excess. These include factors relating to the type of property being insured, where the property is located, the type of construction of the property and Your previous insurance and claims history. At the time of Your enquiry or application for insurance, the amount of policy Excess will be advised to You.

### **Words with special meanings**

In this policy there are words that have a special meaning. These words are listed below.

#### **Agent (Property Agent)**

Your licenced real estate agent or property manager.

#### **Allowable Reletting Expenses**

Reletting expenses as specified in the current Rental Agreement for Your property.

#### **Audit**

An investigation of Your financial or taxation affairs that is initiated by an authorised government authority or agency in relation to, and following the lodgement of a tax return.

#### **Bond Money**

Money paid by the Tenant and held as security against damage to the property or outstanding Rent or other costs. Your policy will operate on the basis that Bond Money equal to at least four weeks Rent has been paid.

#### **Buildings**

**Buildings** are:

- Residential Buildings including any professional offices or surgeries in those Buildings.
- Domestic out-Buildings.
- Fixed coverings to walls, floors and ceilings. This does not include fixed carpet, curtains or internal blinds.

- Services, which include the supply of electricity, water, etc.
- Items built in or fixed to or on the Buildings.
- Jetties, wharfs, pontoons and moorings used for domestic purposes.
- Blinds or awnings on the outside of the Buildings.
- Anything permanently built, permanently constructed or installed permanently on Your property for domestic purposes.
- Building materials. We will pay up to \$5000 in total for these items.

**Buildings** are not:

- Property that a Tenant is liable for under the terms of a Rental Agreement. This does not apply to items listed under 'What are Buildings'.
- Lawns.
- Loose or compacted soil, gravel, pebbles, rocks or sand.
- Dams.
- Plants, shrubs, trees or grass.

**Claim**

A separate identifiable event for which the policy provides cover. Where multiple events are submitted at the same time or on the same Claim form, they will be treated as separate Claims for the application of any policy Excess or limitation.

**Contents**

**Contents** are:

- Household goods You own or are legally responsible for that are not fixed or fitted to Your Building at Your Rental property.
- Carpets, curtains and internal blinds.
- Furniture and furnishings that are not built in.
- Portable domestic appliances that are not built in.
- Swimming pools, saunas and spas that are not built in, and accessories for any swimming pools, saunas or spas.
- Items thinly covered with gold or silver that are not jewellery or watches.
- Fixtures and fittings that have been installed if You are the owner of a strata title unit. We will not cover any fixtures and fittings if the body corporate has them insured.
- Clothing, pedal cycles, surfboards, sailboards, surf skis. We will pay up to \$2,000 in total for these items.
- Special contents which are listed on Your Schedule.

**Contents** are not:

- Jewellery and watches.
- Items that contain gold or silver. This does not include items thinly covered with gold or silver.
- Unset precious and semi- precious stones.

- Furs.
- Personal effects.
- Money.
- Negotiable documents.
- Items able to be powered by battery as listed:
  - Cassette players.
  - Compact disc players.
  - electronic diaries.
  - Mobile or portable phones.
  - Portable computers.
  - Radios.
  - Record players.
  - Tape recorders.
  - Televisions.
  - Video recorders, or
  - Cameras.
- Sporting equipment.
- Photographic equipment.
- Collections of stamps, medals or coins.
- Plants and trees growing outdoors. This does not include plants and trees growing in pots or tubs.
- Animals, including birds and fish.
- Motorcycles, mini- bikes, caravans, trailers, aircraft, watercraft or motor vehicles other than ride-on mowers.
- Building materials.

### **Deliberate or Intentional Damage**

An act done without the owner's permission and with the full knowledge that the action will alter the current state of the property, and without any malice, vindictiveness or spite. This does not include:

- Tenant neglect, carelessness, poor housekeeping, or unhygienic living habits.
- Damage occurring during maintenance operations carried out by the Tenants or anyone acting on their behalf.
- Damage as a result of repairs, or attempted repairs, carried out by the Tenants or anyone acting on their behalf.
- Damage caused by failure of Tenants or their visitors to control their children.
- Damage caused by pets belonging to Tenants, their visitors or children of the Tenants or their visitors.
- Theft, or damage caused by theft.
- Accidental damage or accidental loss.
- Malicious Damage or Vandalism.
- Scratching, dinting, chipping, rubbing or chafing.

## **Excess**

This is the amount of money You will pay if You have a Claim. We will reduce the amount We pay You for Your Claim by the Excess. Your Excess will apply for each separate identifiable event.

If You select cover for Buildings and Contents, in the event of destruction, loss or damage to both Your insured Buildings and Contents for the same event, You will only be required to pay one Excess. If the nominated Excess for Buildings and Contents are different, the Excess payable will be the higher of these excesses.

Your Excess will be increased for claims for:

- An earthquake or tsunami by \$250.
- Accidental loss or damage by \$400.
- Malicious Damage or vandalism, deliberate or intentional damage by \$400.
- Rent Default and theft by a Tenant by \$400.

## **Flood**

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

- A) a lake (whether or not it has been altered or modified);
- B) a river (whether or not it has been altered or modified);
- C) a creek (whether or not it has been altered or modified);
- D) another natural watercourse (whether or not it has been altered or modified);
- E) a reservoir;
- F) a canal;
- G) a dam.

## **Holiday Let**

Short term holiday accommodation.

## **Malicious Damage or Vandalism**

A wrongful act motivated by malice, vindictiveness or spite with the intention of damaging the property. This does not include:

- Tenant neglect, carelessness, poor housekeeping or unhygienic living habits.
- damage occurring during maintenance operations carried out by the Tenants or anyone acting on their behalf.
- Damage as a result of repairs, or attempted repairs, carried out by the Tenants or anyone acting on their behalf.
- Damage caused by failure of Tenants or their visitors to control their children.
- Damage caused by pets belonging to Tenants, their visitors or children of the Tenants or their visitors.
- Theft, or damage caused by theft.

- Deliberate or Intentional Damage.
- Accidental damage or accidental loss.
- Scratching, dinting, chipping, rubbing or chafing.

### **Periodic Tenancy Agreement**

When a Tenant continues to occupy the Situation, after a fixed term Rental Agreement has expired, and the Rental Agreement does not provide for its continuation, and:

- a notice to leave, or
- a notice of intention to leave, or
- an abandonment termination notice.

has not been given by the Tenant to You or Your agent, or by You or Your agent to the Tenant. The Tenant is then deemed to be under a Periodic Tenancy Agreement on the same terms which applied immediately before the Rental Agreement ended. This does not include any term about the agreement's term.

### **Rent**

The amount of money paid, or payable, by the Tenant to Rent Your property.

### **Rent Default**

Where the Tenant fails to pay Rent in accordance with a Rental Agreement and/or Periodic Tenancy Agreement.

### **Rental Agreement**

The agreement between You or Your agent and the Tenant. This agreement must be in writing and state:

- the term of the Rental period, and
- the amount of Rent payable to You, and
- the amount of the Bond Money that the Tenant is required to pay.

### **Schedule**

This is the document We give You which sets out the details of Your insurance cover. You receive a Schedule when You first take out Your insurance and again when the policy is renewed or changed.

### **Short Term Rental**

Refers to Rental periods of less than three months in length.



**Situation**

This is the place where the Building and/or Contents are located. We will show this place on all Schedules We give You.

**Tenant**

The person(s) named in the Rental Agreement or Periodic Tenancy Agreement and including that person's partner, children, pets, and any other person(s) permanently living at the Situation.

Any person(s) including that person's partner, children, pets and any other person(s) living at Your Situation under a Rental arrangement that is not a Rental Agreement or Periodic Tenancy Agreement.

**We, Us, Our (the insurer)**

Insurance Australia Limited ABN 11 000 016 722, AFS Licence Number 227681.

**You, Your (the insured)**

The person(s) whose name or entity is set out on the Schedule as the insured.

## Section 1 – Building and Contents

### What is Insured

Your Buildings and/or Contents as set out in Your Schedule are insured if they are destroyed, lost or damaged by an event listed below. They are insured only if You own them, or are liable for them.

If You only insure Buildings, the cover provided for destruction, loss or damage does not apply to Contents. This does not include the Contents cover We provide shown under 'Additional things We will pay for when You have insured Your Buildings'. If You only insure Contents, the cover provided for destruction, loss or damage does not apply to Buildings.

Your Buildings and Contents are only insured while at Your Situation.

We will cover Your Buildings and/or Your Contents as set out on Your policy Schedule for destruction, loss or damage caused by the listed events below:

- Fire or explosion.
- Smoke. However We will not cover destruction, loss or damage that occurs gradually and or out of repeated exposure to smoke or fire.
- Lightning or thunderbolt.
- Earthquake or tsunami. However We will only cover destruction, loss or damage as a result of an earthquake if the destruction, loss or damage occurs within seventy-two (72) hours of and as a direct result of the earthquake.
- Burglary or housebreaking or an attempt at either. However, We will not cover burglary or housebreaking by someone who entered Your Building with Your consent.
- Theft. However We will only cover theft when force is used by someone to enter Your Buildings. We will not cover Your Buildings or Contents for destruction, loss or damage as a result of:
  - Theft by any person who has entered Your Building with Your consent unless there is evidence that Your Building has been entered forcibly and violently;
  - or
  - Theft by Your Tenant, their visitors or their visitors' children unless You have selected the 'Optional benefit - Theft by Tenants'.
- Malicious Damage or Vandalism. However We will not cover destruction, loss or damage as a result of Malicious Damage or Vandalism by You or anyone acting on Your behalf or with Your permission.
- Deliberate or Intentional Damage. However We will not cover destruction, loss or damage as a result of a deliberate or intentional act by You or anyone acting on Your behalf or with Your permission.

- Liquid that escapes from:
  - a fixed pipe or something attached to a pipe, fixed gutter, fixed tank or a drain;
  - a bath, basin, sauna, spa, shower base or shower wall, sink, toilet or tiled floor that has drainage holes;
  - a refrigerator, freezer, washing machine or dishwasher;
  - an aquarium;
  - a waterbed, swimming pools or spas, fixed heating or cooling system, water main, fire hydrant or water supply pipe.

We will also cover the cost of finding where the liquid escaped from, including the cost of repairing any damage that occurs while looking for the cause. We will not however cover the cost of repairing the defective item that caused the escape of liquid.

We do not cover loss caused by a gradual process of bursting, leaking, splashing, dripping or overflowing over a period of time when You could have reasonably been expected to be aware of this condition.

- An electric motor burning out. We will decide whether to repair, reinstate or replace the burned out electric motor provided it is less than seven 7 years old. We will not however cover the motor if it is more than seven 7 years old.
- Accidental breakage. This cover applies when the item is fractured or chipped, subject to the conditions below.
  - If You have insured Your Buildings under this policy – items covered for accidental breakage are any fixed glass in Your Buildings, including and any window tinting or shatter proofing material attached to the glass, fixed shower bases, basins, sinks, spas, baths and toilets.
  - If You have insured Your Contents under this policy – items covered for accidental breakage are any fixed mirrors or any glass in furniture including fixed and unfixed glass table tops. However We will not cover glass that is part of a television, or a computer screen, or a computer monitor.
- Riots, civil commotions, industrial or political disturbances.
- Impact by an aircraft, spacecraft or satellite, or anything dropped from them.
- Impact by a falling tree or part of a tree. We will also pay the cost of removing and disposing of the fallen tree or parts of it and treatment of the stump to prevent regrowth. We will not however cover destruction, loss or damage caused when You cut down or remove branches from a tree or You have someone do it for You.
- Impact by a falling television or radio antenna, mast or dish or power poles.
- Impact by any animal or bird that is not kept at Your Situation. We will also cover destruction, loss or damage caused by an animal (except insects, vermin or rodents) which becomes accidentally trapped inside Your home or unit and which does not belong to You or anyone living at the Situation. However We will not cover destruction, loss or damage caused by any animal, bird, insect, vermin or rodent eating, chewing, clawing, pecking, nesting or soiling at Your Situation,

whether in a single incident or over a period of time. However, this exclusion only applies to damage caused directly by the eating, chewing, clawing, pecking, nesting or soiling. For example, if a mouse chews through an electrical wire, which leads to a fire, this exclusion will not operate to exclude the destruction or damage caused directly by the fire. We will not however pay for the damage to the electrical wire caused by the mouse chewing the wire.

- Impact by vehicles or trailers or watercraft or any object falling from them.
- Storm, Flood, rainwater, hail, or wind.  
We will also cover storm surge but only when Your Buildings and/or Your Contents have been destroyed, lost or damaged by another listed event covered by this policy.

If You have insured Your Buildings under this policy, We will also cover destruction, loss or damage to gates, fences or walls that are entirely or partly at the Situation caused by storm, Flood, rainwater, hail or wind.

We will not however cover destruction, loss or damage caused by storm, storm surge, Flood, rainwater, hail or wind where:

- water enters Your Buildings because of a structural defect, faulty design or faulty workmanship when Your Buildings were constructed and that You knew about (or should reasonably have known about) and did not fix before the loss or damage occurred. For example if there are signs that a defect previously caused damage, We will not pay a later Claim for further damage from this defect; or
- water enters Your Buildings through an opening made for any Building, renovation or repair work.

We will not pay for storm, flood, rainwater or wind damage to swimming pool covers including solar covers, plastic liners for swimming pools, jetties, wharves, bridges or pontoons for damage by Flood.

We do not cover the cost of removing mud or debris out of tanks, swimming pools or spas as a result of Flood, rainwater, hail or wind events.

- Erosion, subsidence, landslide or earth movement.

The cover for erosion, subsidence, landslide or earth movement only applies if the loss or damage occurs within seventy-two (72) hours of, and as a direct result of, erosion, subsidence, landslide or earth movement directly caused by:

- storm, storm surge, Flood, rainwater, hail, snow, wind, tornado or cyclone;
- earthquake, subterranean fire, volcanic eruption or tsunami;
- explosion; or
- liquid escaping from a fixed pipe or something attached to a pipe, fixed gutter, fixed tank apparatus or a drain.

If You have insured Your Buildings under this policy, We will also cover destruction, loss or damage to gates, fences or retaining walls that are attached to, and are part of the structure of the Buildings.

- Power surge to domestic appliances or domestic equipment directly caused by an identifiable and verifiable source outside Your Building including:
  - a lightning strike;
  - an object contacting power lines; or
  - the resumption of power following a blackout caused by a storm, storm surge or unexpected interference with a power company transformer by an animal.

However, We will not cover domestic appliances or domestic equipment more than seven (7) years from the date of purchase when new or any power surges caused at the Situation.

### **Additional things We will pay for when You have insured Your Buildings**

The following will be paid in addition to the sum insured. These will only be paid when they relate to destruction, loss or damage that is covered by a listed event in Section 1 – ‘Buildings and Contents’ of this policy.

- We will pay Your legal costs to discharge Your mortgage if Your Claim is for a total loss up to an amount of \$1,000.
- We will pay the reasonable costs of demolishing and removing any Building debris when damage or loss occurs. We will pay up to 10 per cent of Your Buildings sum insured.
- We will pay the reasonable costs of architects, surveyors and legal fees when damage or loss occurs. We will pay up to 10 per cent of Your Buildings sum insured.
- If You have a loss, We will increase Your sum insured by the amount the Consumer Price Index (all groups) has increased since You took out Your policy or last renewed it.
- You are fully insured again for Your Buildings for the amount shown in Your Schedule following a Claim. This does not apply when Your Claim is for a total loss as Your cover for Buildings, including Contents cover We provide under ‘Additional things We will pay for when You have insured Your Buildings’ will end then.
- We will pay up to an additional 10 per cent of the Buildings sum insured if Your Buildings are damaged as a result of an event that the government declares a catastrophe or emergency.
- If a key to an external door lock of Your Buildings, or a key to an external window lock of Your Buildings, is stolen as a result of burglary or housebreaking, We will pay the reasonable costs of replacing the external lock, key or cylinder with a similar item. We decide which one We will do. The most We will pay is \$500. The burglary or housebreaking must be reported to the Police.
- If Your Buildings have been totally destroyed and We have agreed to rebuild Your Buildings, We will pay for the cost to install any combination of:

- rainwater tank facility (including the rainwater tank, water pump and wiring, foundation or tank stand, pipes connecting the roof to the tank);
- solar power system (including the solar or PV panels, water tank, pump, electrical wiring, foundation or tank stand and pipes connecting the roof solar panels to the tank);
- hot water exchange system (including the heat exchange system, electrical wiring, foundation or tank stand and water pipes); and
- grey water recycling system (including the recycling system, distribution pipes and connectors and outlet housings).

The most We will pay under this additional cover is \$5,000 after deduction of any rebate that You are eligible for under any government or council rebate scheme.

### **Additional things We will pay for when You have insured Your Contents**

The following will be paid in addition to the sum insured. This will be paid only when they relate to a Claim for Malicious Damage or Vandalism. This does not include Deliberate or Intentional Damage.

- We will pay up to \$10,000 if a Tenant or their visitors, or the children of a Tenant or their visitors, or the pets of Tenants or their visitors damage Your Body Corporate Building and You are legally liable for the damage.

The following will be paid in addition to the sum insured. These will only be paid when they relate to destruction, loss or damage that is covered by a listed event in Section 1 – ‘Buildings and Contents’ of this policy.

- We will pay the reasonable costs of removing any Contents debris when damage or loss occurs. We will pay up to 10 per cent of Your Contents sum insured.
- If You have a loss, We will increase Your sum insured by the amount the Consumer Price Index (all groups) has increased since You took out Your policy or last renewed it. This increase does not apply to any special Contents You have insured.
- You are fully insured again for Your Contents for the amount shown in Your Schedule following a Claim. This does not apply when Your Claim is for a total loss as Your cover for Contents will end then.
- If a key to an external door lock of Your Buildings, or a key to an external window lock of Your Buildings, is stolen as a result of burglary or housebreaking, We will pay the reasonable costs of replacing the external lock, key or cylinder with a similar item. We decide which one We will do. The most We will pay is \$500. The burglary or housebreaking must be reported to the Police.

## **Additional things We will pay for when You have insured Your Buildings and/or Contents**

We will pay for the fees that You must pay to an accountant when Your financial affairs in respect of the Situation shown on Your Schedule, are Audited by the Australian Taxation Office during the period of insurance. You must advise Us of any such Audit prior to the fees being incurred.

We will not pay claims for:

- any audit that relates to a criminal prosecution;
- fees where the final assessment of Your taxable income for the period being audited is 20%, or more, higher than Your original declaration;
- fees for work performed outside the time limits allowed by the Australian Taxation Office; or
- any fines, penalties or adjustments of taxation.

The most We will pay under this additional cover is \$2,000 during any one (1) period of insurance.

### **Limit for the value of Contents**

The most We will pay for any one item, pair, set, collection or system is \$20,000. This does not apply to carpets, curtains and internal blinds. You can insure items that are worth more than \$20,000 each as a 'special contents' item. To do this You must advise Us and the items will be listed on Your Schedule.

### **Paying claims**

#### **Policy Excess**

For each Buildings or Contents Claim We will reduce the amount We pay You for Your Claim by the Excess.

If You select cover for Buildings and Contents, in the event of destruction, loss or damage to both Your insured Buildings and Contents for the same event, You will only be required to pay one Excess. If the nominated Excess for Buildings and Contents are different, the Excess payable will be the higher of these Excesses.

Your Excesses will be shown on Your Schedule.

Your Excess will be increased by \$250 for any Claim for damage or loss arising from earthquake or tsunami. Damage or loss from earthquake must occur within 72 hours of the earthquake.

Your Excess will be increased by \$400 for any Claim for Malicious Damage or Vandalism, Deliberate or Intentional Damage, theft from any part of Your Buildings or

Contents by Tenants, their visitors, or their visitors' children. When loss or damage is discovered and a Claim is submitted for separate identifiable events, the maximum Excess that will apply is \$1,000 in total.

When a Claim is submitted for one or more separate identifiable events, the Excess will be applied to each separate identifiable event.

### **The most We will pay for Your Buildings or Contents**

The most We will pay for any Claim for Buildings or Contents is the sum insured shown on Your Schedule, less any applicable Excess. This does not apply to amounts payable under 'Additional things We will pay for when You have insured Your Buildings' or 'Additional things We will pay for when You have insured Your Contents'.

When damage or loss occurs to Your Buildings We will pay the cost of rebuilding Your Buildings or repairing the damaged portions to the same condition as when they were new.

We will also pay any additional costs required for Your Buildings to comply with government or local authority bylaws. We will not pay these additional costs if You were required to comply with these bylaws, and had not done so, before the damage or loss occurred. Where the damage is less than 50% of the costs of rebuilding Your Buildings, We will only pay for the additional costs in the damaged portions.

Unless We otherwise agree in writing, rebuilding or repairing Your Buildings must commence within six months of the damage or loss occurring, If it does not commence within six months, We will do one of the following:

- reinstate or repair the Buildings to the condition they were in just before the damage or loss occurred, or
- pay You the cost of reinstating or repairing the Buildings to the condition they were in just before the damage or loss occurred, or
- pay You the value of the land and Buildings just before the damage or loss occurred. We will reduce this payment by the value of Your land and Buildings after the damage or loss occurred.

We decide which one We will do.

We will pay for the damaged portion of fixed coverings to walls, floors and ceilings only in the room, hall or passage where the damage occurred.

We will try to match any material used to repair the Buildings with the original materials. If We cannot, We will use the nearest equivalent available to the original materials. We will not pay any costs for replacing undamaged property, or fixing or finding leaks that have not caused loss or damage to Your Buildings or Contents.

If the damage or loss was caused to the Buildings by liquid escaping from a bath, basin, sauna, spa, shower base or shower wall, We will pay the costs to repair the Buildings and identify and locate where the liquid escaped from. We will not pay:



- The cost to repair or replace the bath, basin, sauna, spa, shower base or shower wall.
- Fixing or finding leaks that have not caused loss or damage to Your Buildings or Contents.

If the rebuilding or repair is limited by government or local authority bylaws that reduce the floor area of the Buildings We will:

- pay the actual cost of rebuilding or repairing the reduced floor area of the Buildings, and
- pay the difference between the actual costs of rebuilding or repairing the reduced floor area of the Buildings and the estimated costs of rebuilding or repairing had the limit not applied.

Provided Your sum insured is not totally used for a Claim We will also pay for any loss of land value following Your Claim. This loss must be 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 sum insured.

Where You are entitled to use Bond Money to pay for or reduce the costs of any loss or damage, You must do so and the amount of that entitlement will be deducted from Your Claim.

### **How We pay a Claim for Your Contents**

When damage or loss occurs to:

- any item that consists solely of fabric, or
- carpet which is 10 years old or more, or
- any other Contents item that is 15 years old or more,

We will do one of the following:

- replace the property with property of the same condition. The replacement property will be no better than the property replaced, or
- repair the property to the same condition it was in before the damage or loss, or
- pay You the cost of replacement or repair.

Our payment will be reduced to allow for wear, tear and depreciation.

We decide which one We will do.

When damage or loss occurs to any other Contents item We will do one of the following:

- replace the property with the nearest equivalent new property, or
- repair the property to the condition it was in when new, or
- pay You the cost of replacement or repair.

We decide which one We will do.

We will pay for carpets, wall, floor and ceiling coverings, internal blinds and curtains, only in the room, hall or passage where the damage or loss occurred.

When a damaged or lost item is part of a pair, set, system or collection, We will only pay for the value of the item itself. The most We will pay is the value that the item has as a proportion of the combined pair, set, system or collection. We will only pay the cost of replacing the item even though the pair, set, system or collection to which it belongs is less valuable because it is incomplete.

Where You are entitled to use Bond Money to pay for or reduce the costs of any loss or damage, You must do so and the amount of that entitlement will be deducted from Your Claim.

### **Optional benefit - Loss of Rent**

This section of the policy only applies when Your Schedule shows that You have requested cover for Loss of Rent.

It applies when destruction, loss or damage occurs on the same basis as set out in Section 1 "Building and Contents". We will pay when the Building or sections of the Buildings and/or Contents are:

- unable to be lived in after the destruction, loss or damage has occurred, or
- unable to be leased or rented when the property is used for Short Term Rental after the destruction, loss or damage has occurred.

We will deduct an amount equal to five days Rent from Our payment to You.

For the purposes of this benefit 'unable to be lived in' means when Your Buildings are not fit to live in due to the Buildings not being connected to:

- electricity or gas, or
- hot and cold running water, or
- safe to live in.

For the purposes of this benefit, 'unable to be leased or rented' means when You cannot lease or Rent the Buildings due to the condition of the Buildings after the destruction, loss or damage has occurred, but does not mean 'unable to be lived in'.

The cover also applies when destruction, loss or damage to other property located near the insured Buildings is damaged and access to the Buildings or Contents is prevented.

We will pay the amount that is equal to the Rent up to the period of time Your Buildings have been repaired or replaced. We will pay this for up to 12 months and the amount We pay will not be greater than the amount of the sum insured shown on Your Schedule.

When destruction, loss or damage occurs to Buildings that are subject to Rent pool arrangements We will only pay where other sections of the Buildings are not available for lease and a financial loss occurs.

Where the Buildings are not used for short term letting, We will extend cover for up to 2 weeks after the Buildings have been repaired or replaced.

Where You are entitled to use Bond Money to pay for or reduce the costs of any loss or damage, You must do so and the amount of that entitlement will be deducted from Your Claim.

### **Optional benefit - Strata Title Mortgagee Protection**

This section of the policy only applies when Your Schedule shows that You have requested cover for Mortgagee Protection.

It applies when You own part of a Building that has been subdivided, usually into strata title units, and You have a mortgage on that part of the Building. We will cover the part of the Building that You own for any damage or loss covered by Section 1 – ‘Buildings and Contents’.

We will pay up to the amount You owe on Your mortgage but no more than the sum insured shown on Your Schedule, less any applicable Excess. We will pay this to Your mortgagee when You are required to pay Your mortgage in full following a loss. We will only pay this when the body corporate has not insured the Buildings, or it has not insured the Buildings for damage that You can Claim for under this policy.

### **Optional benefit - Rent Default**

This section of the policy only applies when Your Schedule shows that You have requested cover for Rent Default.

#### **When We will pay for Rent Default**

We will pay if Your Tenant:

- leaves Your Buildings before the end of the tenancy period stated in the Rental Agreement and does not give You or Your agent notice, or
- stops paying Rent owed to You or Your agent, or
- is legally evicted from Your Buildings.

We will pay the weekly amount Your Buildings are rented for. The most We will pay is \$8,000. We will not pay You when Your Buildings are re-tenanted.

We will also provide cover for up to six weeks Rent after:

- A death of a sole Tenant that occurs before the end of the tenancy period of Your Rental Agreement or during a Periodic Tenancy Agreement. Cover will start from the date of the death of the sole Tenant. We will not pay if the sole Tenant had given You or Your agent notice in accordance with the Rental Agreement or Periodic Tenancy Agreement prior to their death.
- Your Rental Agreement or Periodic Tenancy Agreement is legally terminated by a Residential Tenancies Tribunal or another relevant authority on the grounds of hardship on the part of the Tenant. Cover will start from when the termination order issued by the Residential tenancies Tribunal or other relevant authority takes effect.

This cover will stop immediately if Your Rental property is re-tenanted.

### **Paying Claims for Rent Default**

We will only pay a Rent Default Claim when You and Your Tenant have a Rental Agreement, and if the Tenant breaches the Rental Agreement.

The cover for Rent Default will not apply if the Rent is in arrears at the commencement date of this insurance.

The cover will not commence until the Rent arrears have been paid, and the Tenant has paid agreed Rent in accordance with the Rental Agreement for a period of not less than four consecutive weeks.

When We pay a Claim for Rent and/or legal expenses, the Claim will be reduced by the balance, if any, of any Bond Money remaining after deduction of Allowable Reletting Expenses and any other costs or expenses You are legally entitled to deduct from the Bond Money. If a tribunal orders the refund of the Bond Money to the Tenant, on the grounds of hardship, an Excess equal to four weeks Rent will apply to Your Claim.

We will only pay a Claim when You have taken all reasonable steps legally available to You under the Residential Tenancies Act or other relevant legislation, to remedy non-payment and evict the Tenant. Your Claim for Rent Default ceases when the Rental Agreement could reasonably have been legally terminated by You.

When You or Your agent issues a Notice to Leave to the Tenant, the maximum Rent payable under this policy will be two weeks from the date the Tenant vacates the Building.

We will not pay if Your Tenant leaves the Buildings with or without notice, and You have failed to rectify a Notice of Remedy breach issued by the Tenant to You.

## **Optional benefit - Theft by a Tenant**

This section of the policy only applies when Your Schedule shows that You have requested cover for Theft by a Tenant.

### **When We will pay Theft by a Tenant**

We will pay if there is theft of any part of Your Buildings or Contents by Your Tenant or their visitors, or their visitors' children.

We will only pay for theft to:

- Your Buildings if You have insured Your Buildings under Section 1 of this policy. The most We will pay is the sum insured You have selected for Your Buildings, less any applicable Excess.
- Your Contents if You have insured Your Contents under Section 1 of this policy. The most We will pay is the sum insured You have selected for Your Contents, less any applicable Excess.

### **Rent Default and Theft by Tenant Excess**

We will reduce the amount We pay You for Your Claim by the Excess that applies to Your Buildings and/or Contents.

If You select cover for Buildings and Contents, in the event of destruction, loss or damage to both Your insured Buildings and Contents for the same event, You will only be required to pay one Excess. If the nominated Excess for Buildings and Contents are different, the Excess payable will be the higher of these Excesses.

Your Excess will be increased by \$400 for any Claim arising from the theft of any part of Your Buildings or Contents, Malicious Damage or Vandalism, Deliberate or Intentional Damage by Your Tenants or their visitors or the children of Your Tenants or their visitors. When loss or damage is discovered and a Claim is submitted for separate identifiable events, the maximum Excess that will apply is \$1,000 in total.

### **Additional things We will pay for when You make a Claim for Rent Default and Theft by a Tenant**

We will also pay legal costs You incur:

- to legally evict Tenants, or
- to recover amounts owed to You by Your Tenants, or
- to recover amounts for items stolen by Your Tenants or their visitors, or their visitors' children.

We will not pay legal costs to recover any amount owed to You solely for the payment of any Excess applicable to any Claim under this policy.

The most We will pay for Your legal costs is \$2,000. We will only pay Your legal costs when We agree to pay them before they are incurred.

## Section 2 – Liability

In this section there is an additional word that has a special meaning. This word is listed below. Whenever this word appears in this section it will be shown in bold print.

In this section **occurrence** means:

- a single incident that is not intended or expected; or
- a series of incidents or continuous or repeated exposure to substantially the same general conditions, which:
  - are not intended or expected; and
  - have the same cause; or
  - are attributable to the same source.

We will pay the amount You are liable to pay following an **occurrence** if Your liability arises from any of the circumstances shown below. The occurrence that results in a Claim must occur during the period of insurance.

We will also pay any reasonable and necessary legal costs You have to pay in relation to the **occurrence**. This includes costs awarded against You and costs You incur with Our prior consent. The most We will pay, including costs, for any occurrence is the amount shown in Your Schedule. Where the **occurrence** takes place over more than one period of insurance, We will only pay the amount shown in Your Schedule once in respect of each **occurrence**.

### Limit of Your liability cover

The most We will cover for any liability Claim is \$20,000,000 for any one (1) **occurrence**.

### When We will pay

- If You have insured Your Buildings, We will pay the amount You have to pay as owner or occupier of Your Buildings.
- If You have insured Your Contents and You own part of a Building that has been subdivided, We will pay the amount You have to pay as owner of Your Contents or occupier of Your part of the Building.
- If You have insured Your Contents, We will pay the amount You have to pay for any **occurrence** that happens because of any defect in Your Contents.
- If You have a car park for Your Tenants or guests of Your Tenants, We will pay the amount You have to pay for damage to property while it is in the car park.

If Your Buildings are a total loss, We will continue liability cover for any amount You have to pay as owner or occupier of the Buildings for up to six months from the date Your Buildings were destroyed.

This cover will stop immediately if:

- construction commences at the home,
- You sell the land, or
- You take out a new Buildings insurance policy for the home.

### **When We will not pay**

We will not pay claims arising from:

- Penalties, fines or awards of aggravated, exemplary or punitive damages made against You.
- Using a motor vehicles, motor-cycles, mini-bikes, aircraft or watercraft, other than ride-on mowers.
- Servicing, repairing or maintaining any vehicle.
- Personal injury to You, or any member of Your family who normally lives with You, or any other person who normally lives with You.
- Personal injury to any person You employ and that injury arises from their employment with You.
- Damage to or loss of property that belongs to You, or any member of Your family who normally lives with You, or any other person who normally lives with You.
- Damage to or loss of property that belongs to any person You employ and that damage arises from their employment with You.
- Damage to or loss of property that is in Your control, or the control of any member of Your family who normally lives with You, or any other person who normally lives with You.
- Any alterations, servicing, repairing or any additions to lifts, escalators or hoists. This includes anything that is part of a lift, escalator or hoist.
- Vibration or interference with the support of land, Buildings or other property.
- Any disease that is transmitted by You, or any member of Your family who normally lives with You.
- Any business, profession, trade or occupation carried on by You other than managing the Buildings and their surrounds.
- Any alterations, repairs, renovations or additions to Your Buildings that cost more than \$100,000.
- The erection or demolition of Buildings.
- Any agreement or contract You enter into other than where You would have been liable without the agreement or contract.
- The use, removal of or exposure to any asbestos product or products containing asbestos.
- The discharge, release or escape of any pollutants.
- The removal, neutralising or cleaning up of pollutants.
- Any act of libel or slander.



## **What Section 1 And Section 2 of The Policy Do Not Cover**

We will not pay claims arising from:

- War or warlike activity. War does not have to be declared. We also do not provide cover for theft following this.
- Hostilities, rebellion, insurrection or revolution. We also do not provide cover for theft following these events.
- Contamination by chemical and/or biological agents, which results from an act of terrorism. Terrorism is any act which may, or may not, involve the use of, or threat of, force or violence where the purpose of the act is to further a political, religious, ideological aim or to intimidate or influence a government (whether lawfully constituted or not) or any section of the public.
- Lawful destruction or confiscation of Your property.
- Anything nuclear or radioactive.
- Damage to a heating element. We will pay for any resultant damage following damage to a heating element.
- Mildew, atmospheric or climatic conditions.
- Anything that You or anyone acting for You deliberately caused.
- Action of the sea, tidal wave or high water.
- Landslide, subsidence, settling, shrinkage or any movement of earth or erosion except as specifically detailed in the policy wording under Section 1 'What is insured'.
- Any event that does not occur within the period of insurance.
- failure or inability of any item, equipment or computer software to recognise correctly, to interpret correctly or to process correctly any data, or to function correctly beyond any time when that item, equipment or computer software has not recognised, interpreted or processed correctly any data. We will pay for any resultant loss or damage that is covered by this policy, other than loss or damage to any frozen food, or loss or damage to any computer equipment or computer software.

## **Policy Information – general terms and conditions**

This applies to Section 1 and Section 2 of the policy.

Your cover for Your Buildings and Contents will not apply if, for a continuous period of ninety (90) days or more, no one has occupied Your Buildings. This does not apply to holiday lettings or if the destruction, loss or damage results from lightning, thunderbolt, riot and civil commotion, damage directly caused by impact by a vehicle, aircraft, waterborne craft, space debris, rocket, satellite, or a branch, tsunami or earthquake. However, We do not insure You against any subsequent resultant damage such as rainwater entering any opening made by impact or looting subsequent to a riot. This does not apply to holiday lettings.

You can ask Us to provide cover if Your Buildings are not going to be occupied for more than ninety (90) days. If We agree to provide cover, We will advise You in writing.

### **Sanction limitation and exclusion clause**

You are not insured under any section of this policy where a Claim payment breaches any sanction, prohibition or restriction under United Nations resolutions or the trade or economic sanctions, laws or regulations of Australia, the European Union, United Kingdom or United States of America.

### **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.

### **What You are required to do for Us**

- You must pay Us the premium for this Policy.
- You must tell Us as soon as possible of anything that changes the facts or circumstances relating to Your insurance.
- You must take reasonable precautions to prevent anything which could result in a Claim under this policy.
- You must make sure that anyone doing anything on Your behalf obeys all laws.
- You must comply with the terms and conditions of this policy.

### **How the Goods and Services Tax affects Your Claim**

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.

### **The law that applies to this policy**

Any disputes arising from this policy will be determined by the courts, and in accordance with the laws, of the state or territory of Australia where this policy is issued.

### **How to make a Claim**

Please contact Your Steadfast Broker to assist You in making a Claim.

In an emergency outside normal business hours You may ring Our emergency service on 1300 559 019 for assistance.

### **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 Your Claim within thirty (30) days, We may reduce what We pay You by an amount to take account of any disadvantage We suffer by the delay.

You must also:

- Take all reasonable steps to stop any further loss from occurring.
- Advise the nearest Police station if Your property is lost or stolen, vandalised or maliciously damaged. We may ask You to give Us a written report from the Police.
- Keep the property that has been damaged so We can inspect it.
- Tell Us about any prosecution or inquest that may be held.
- Send Us any document relating to Your Claim within seventy two (72) hours of You receiving the document.

### **What You must not do when You make a Claim**

You must not do any of the following:

- Repair or replace any damaged property without Our consent.
- Pay, promise to pay, or offer payment, or admit responsibility for a Claim.

### **You give Us Your rights to Claim from anyone else**

If You have a right to Claim against someone else for a Claim that You have made and We have paid under this policy, You give Us Your rights to make that Claim. You also give Us Your rights to conduct, defend or settle any legal action and to act in Your name.

You must not do anything which prevents Us from doing this and You must give Us all the information and cooperation that We require.

### **Claims Payment Examples**

The following claims payment examples are designed to illustrate how a Claim payment might typically be calculated. These examples do not cover all scenarios or all benefits and do not form part of the policy terms and conditions. They are a guide only. The amount payable under the policy will depend on the facts applicable to the Claim as well as the coverage, exclusions and Excesses set out in the policy and the policy Schedule.

#### **Section 1 Example 1: Buildings & Contents**

The sum insured on Your Buildings is \$500,000. There is an Excess of \$500 applicable to any Claim. Your Building's roof is damaged during a storm, resulting in a Building repair cost of \$5,500.

<b>How much We will pay</b>	<b>Explanation</b>
\$5,000	We will pay \$5,500 being the cost to repair the roof inclusive of GST less the policy Excess of \$500.  We would pay the builder \$5,000 and ask You to pay the Excess of \$500 to the builder.

## Section 1 Example 2: Buildings and Contents Insurance and Loss of Rent

You have insured Your Building and Contents under this policy and You have selected the additional cover for Loss of Rent. The Building and Contents are partially damaged by a fire. As a result of the fire We agree that Your Tenants are unable to live in Your Buildings and You suffer a loss of Rent. The cost to repair the Building is \$14,250 and to replace the Contents is \$5,500. You receive \$525 per week as Rent from Your Tenants. The Building repairs take eight weeks to complete. There is an Excess of \$750 applicable to any claim.

<b>How much We will pay</b>	<b>Explanation</b>
\$14,250	We will pay \$14,250 being the cost to repair the Building inclusive of GST.
\$5,500	We will pay \$5,500 comprising the replacement cost of Your Contents.
\$3,825	<p>We will pay eight (8) weeks Rent for the period of time taken to repair the Building-</p> <p>(8 weeks x \$525 = \$4,200)</p> <p>less and amount equal to five (5) days Rent-</p> <p>(1/7 of \$525 = \$75, 5 days x \$75 = \$375). \$4,200 - \$375 = \$3,825.</p> <p>We will pay \$3,825.00 for the amount of Rent You have lost.</p>
<b>Total Claim payment \$22,825</b>	We will pay the total amount of \$23,575 less the policy Excess of \$750.

### Section 1 Example 3: Rent Default and theft by Tennant

You have insured Your Building and Contents under this policy and You have selected the additional cover for Rent Default and Theft by a Tenant. Your Tenant has left the property during the fixed term Rental Agreement without giving You notice and has stolen a number of items (valued at \$3,350) from the property. You received \$900 per week as Rent from Your Tenant. You retain \$900 as Bond Money and Your Rental Agreement provides for Allowable Re-letting Expenses of \$200. You find another Tenant for the property after 10 weeks. There is a standard Excess of \$350 plus an additional Excess of \$400.

How much We will pay	Explanation
\$8,000	<p>We will pay ten (10) weeks Rent for the time it takes to find another tenant.-</p> <p>(10 weeks x \$900 = \$9,000)</p> <p>less the Bond Money after deducting Allowance Re-letting Expenses-</p> <p>(\$900 - \$200 = \$700)</p> <p>Totaling \$8,300.</p> <p>However, the maximum amount We pay under the Rent Default cover is \$8,000.</p>
\$3,350	<p>The value of the items stolen are assessed at \$3,350.</p>
<b>Total Claim Payment \$10,600</b>	<p>We will pay the amount of the Rent Default plus the value of the stolen items (\$11,350) less the Excess of \$750.</p>

## Section 2 Example 1: Liability

You have insured Your Building and Contents under this policy and an injury has occurred to a third party on Your property for which We agree You are liable. The third party claims \$18,000 as medical expenses from You together with \$7,000 in legal expenses which We agree to pay.

<b>How much We will pay</b>	<b>Explanation</b>
\$7,000	We pay the legal costs incurred.
\$18,000	We will pay the value of the medical expenses incurred by the third party as a result of the injury as the amount You are legally liable to pay the third party.
<b>Total Claim Payment \$25,000</b>	We will pay the total amount of the legal and medical expenses (\$7,000 plus \$18,000) to the third party.

