



CHU

Commercial

strata insurance plan

PRODUCT DISCLOSURE STATEMENT & POLICY WORDING



CONTENTS

Product Disclosure Statement

Important information and notices	1
Insurer	1
Authority to act on our behalf	1
About CHU	1
What you should read	1
Summary of cover and significant benefits and risks	2
What you are covered for / not covered for	2
Other policies	3
Other important information	3
Monetary limits on the cover	4
Payment of excesses	4
Goods and services tax	5
Applying for cover	5
The cost of this insurance	5
21 day cooling off period	5
Confirming transactions	5
Your duty of disclosure	5
The General Insurance Code of Practice	6
How to make a claim	6
Dispute resolution	6
Our privacy promise	7
Updating our Product Disclosure Statement	7
Contact details	7
Financial Claims Scheme	7

Policy Wording – Commercial Strata Insurance Plan

What makes up this policy	9
Payment of premium	9
You must disclose all previous claims	9
General definitions - the meanings of some words	9
General conditions - which apply to all policies unless otherwise stated	14
General exclusions - what we do not insure under any policy	15
Goods and Services Tax - how it affects any payments we make	16
Claims information	16
Cancellation - how your policy may be cancelled	17

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Policy 1 – Insured Property	
What we insure	19
Additional benefits	19
Special benefits	20
Optional benefit (New South Wales and Australian Capital Territory only)	25
Exclusions - what we do not insure	25
Claims - how we will settle your claim	27
Special provisions	28
Special conditions	28
Policy 2 – Liability to others	
What we insure	29
Additional benefits	29
Special benefits	30
Exclusions - what we do not insure	30
Special definitions	31
Policy 3 – Voluntary workers	
What we insure	33
Exclusions - what we do not insure	34
Special conditions	34
Special definitions	34
Policy 4 – Workers compensation	
Special provision NSW	35
Notes	36
Policy 5 – Fidelity guarantee	
What we insure	37
Exclusions - what we do not insure	37
Special definition	37
Notes	38
Policy 6 – Office bearers legal liability	
What we insure	39
Special benefits	39
Exclusions - what we do not insure	40
Special conditions	40
Special definitions	41

Policy 7 – Machinery breakdown	
What we insure	43
Additional benefits	43
Exclusions - what we do not insure	43
Claims - how we will settle your claim	44
Special definitions	44
Policy 8 – Catastrophe insurance	
What we insure	45
Special benefits	45
Claims - how we will settle your claim	46
Special provisions	46
Special condition	47
Special definitions	47
Notes	48
Policy 9 – Government audit costs and legal expenses	
Part A: Government audit costs	49
What we insure	49
Additional benefit	49
Exclusions – what we do not insure	49
Special conditions	50
Part B: Appeal expenses - common property, health and safety breaches	50
What we insure	50
Part C: Legal defence expenses	51
What we insure	51
Excess	51
Exclusions – what we do not insure	51
Special conditions	52
Special definitions that apply to Parts A, B and C	53
Notes	56
Policy 10 – Lot owners’ fixtures and fittings	
What we insure	57
Claims - how we will settle your claim	57
Special definition	57
Notes	58
Notes	59
Notes	60

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Product Disclosure Statement

Important Information and Notices

This document is a Product Disclosure Statement (PDS) and is also our insurance policy wording. Please note that it operates as a PDS under the *Corporations Act 2001 (Cth)*. and while the Commercial Strata Insurance Plan covers both residential and commercial parts of Insured Property this PDS only deals with the cover that relates to the residential part.

Other documents may comprise our PDS and we will specifically tell you if this is the case in the relevant document.

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

Insurer

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

Cover for workers compensation in New South Wales is transacted by QBE Workers Compensation (NSW) Limited ABN 95 003 195 604 - Agent for the NSW WorkCover Scheme ABN 83 564 379 108 (see **Policy 4**).

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

Authority to act on our behalf

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

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

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

About CHU

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

What you should read

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

- ◆ all of the Product Disclosure Statement - this information is designed to help you understand this insurance and your rights and obligations under it;
- ◆ the Policy Wording part which commences on page 9. It tells you about:
 - ◇ what makes up the insurance (i.e. your contract with us which we call a Policy);
 - ◇ important definitions that set out what we mean by certain words;
 - ◇ the cover we can provide (see **Policies 1 to 10**);
 - ◇ what excesses you may have to pay (see 'Payment of excesses' on page 4 for guidance);
 - ◇ when you are not insured (see **General exclusions** and other exclusions under **Policies 1 to 10**);
 - ◇ what you and we need to do in relation to claims (see pages 16, 27, 44, 46 and 57);
 - ◇ yours and our cancellation rights (see page 17).
- ◆ the relevant proposal form you need to complete to apply for cover (if applicable);
- ◆ any Schedule (refer to the definition of Schedule on page 13) when it is issued to you; and
- ◆ any other documents we may give you which vary our standard terms of cover set out in this document.

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

Summary of cover and significant benefits and risks

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

What you are covered for / not covered for

Policy 1 – Insured Property

This Policy covers accidental loss or damage to your insured property (building and common area contents) that occurs during the period of insurance.

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

- ◆ architects and professional fees, removal of debris (see **Additional Benefit 1 of Policy 1**);
- ◆ storm damage to gates and fences (see **Additional Benefit 5 of Policy 1**);
- ◆ tsunami damage to your insured property (see **Additional Benefit 7 of Policy 1**);
- ◆ up to 15% of your building sum insured for temporary accommodation costs and loss of rent (see **Special Benefits 1a and 1b of Policy 1**);
- ◆ up to \$2,000 a lot/unit for Lot Owners' contributions, levies, maintenance and other fees if their lot/unit becomes unfit for its intended purpose by an insured event (see **Special Benefit 1g of Policy 1**);
- ◆ up to \$1,500 a lot/unit for emergency accommodation of commercial Lot Owners if their lot/unit becomes unfit for its intended purpose by an insured event (see **Special Benefit 2 of Policy 1**);
- ◆ up to \$250,000 for building alterations, additions or renovations (see **Special Benefit 3 of Policy 1**);
- ◆ up to \$10,000 for an arson, theft, vandalism or malicious damage conviction (see **Special Benefit 4 of Policy 1**);
- ◆ fusion of electric motors up to 5kW (see **Special Benefit 5 of Policy 1**);
- ◆ up to \$50,000 for rewriting or reconstructing your records (see **Special Benefit 21 of Policy 1**);
- ◆ damage to internal paintwork and wallpapering of lots/units in NSW and ACT (see **Optional Benefit 1 of Policy 1**).

Some events we do not cover include:

- ◆ damage to alterations, additions or extensions to your building when the value of such work exceeds \$250,000 (see **Special Benefit 3 of Policy 1**);
- ◆ damage caused by flood, or by the sea, high water or tidal wave other than if caused by a tsunami (see **Exclusions 1a and 1f of Policy 1**);
- ◆ damage to retaining walls by storm or rainwater (see **Exclusion 1b of Policy 1**);
- ◆ damage caused by the invasion of tree or plant roots or the cost of cleaning pipes or drains they block (see **Exclusion 1i of Policy 1**);
- ◆ glass breakage caused by artificial heat, or during installation or removal (see **Exclusion 1p of Policy 1**);
- ◆ damage to your building directly resulting from alterations, additions or renovations where the value of such work exceeds \$500,000 unless Our written consent to continue cover has been obtained before the commencement of such work (see **Exclusion 1t of Policy 1**).

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

Policy 3 – Voluntary workers

Benefits that are payable to a voluntary worker who sustains bodily injury while engaged in voluntary work or duties for your Body Corporate include:

- ◆ \$200,000 for death, or loss of the use of two hands, two feet or two eyes;
- ◆ \$100,000 for loss of the use of one hand, one foot or one eye;
- ◆ up to \$2,000 a week for lost income if totally disabled from engaging in his/her usual employment or business;
- ◆ up to \$1,000 a week for lost income if partially disabled from engaging in his/her usual employment or business;
- ◆ up to \$500 a week for domestic assistance if totally disabled from engaging in his/her usual employment or business or usual household duties.

Some events we do not cover include:

- ◆ weekly benefits to voluntary workers not in receipt of wages, salaries or other remuneration from their own personal exertion (see **Exclusion 1b** of **Policy 3**);
- ◆ weekly benefits in excess of 104 weeks for lost income or 10 weeks for domestic assistance (see **Exclusions 1c** and **1d** of **Policy 3**);
- ◆ a voluntary worker under the age of 12 years (see **Exclusion 1e** of **Policy 3**);
- ◆ intentional self-injury or suicide or any attempt thereat (see **Exclusion 2a** of **Policy 3**).

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

Policy 8 – Catastrophe insurance

This Policy covers the unexpected increase in the replacement cost of your building following the happening of a catastrophe from an event for which the Insurance Council of Australia issues a catastrophe code.

Other benefits include:

- ◆ extended period of cover for cost of temporary accommodation and loss of rent (see **Special Benefit 1** of **Policy 8**);
- ◆ escalation in cost of temporary accommodation (see **Special Benefit 2** of **Policy 8**);
- ◆ removal and storage of your undamaged insured property (see **Special Benefit 3** of **Policy 8**);
- ◆ cost of evacuation for resident Lot Owners (see **Special Benefit 4** of **Policy 8**).

We do not cover damage from any event that is not claimable under **Policy 1** (flood, for example).

See **Policy 8** for full details of cover, limits that apply and how we settle your claim for this cover.

Policy 10 – Lot owners' fixtures and fittings

Lot Owners do from time to time replace existing or install additional fixtures and fittings in their lot/unit without the Body Corporate being aware of such improvements.

As a consequence the cost of these improvements may not be included when arriving at the building replacement cost, thus increasing the possibility of under-insurance in the event of a major loss.

This Policy covers the replacement cost of such installations following loss or damage by any Event not excluded under **Policy 1** or **General exclusions**.

See **Policy 10** for full details of cover, limits that apply and how we settle your claim for this cover.

Other policies

We can also cover:

- ◆ legal liability for accidental death or bodily injury to other persons as well as accidental damage to other persons property. The event causing liability must occur during the period of insurance (see **Policy 2**);
- ◆ legal liability to employees under workers compensation legislation if your insured property is situated in NSW, ACT, Tas and WA (see **Policy 4**);
- ◆ misappropriation of funds (see **Policy 5**);
- ◆ legal liability of office holders and committee members of the Body Corporate for any wrongful act they commit. Notification of a claim must be advised during the period of insurance (see **Policy 6**);
- ◆ breakdown of electrical, electronic and mechanical plant (see **Policy 7**);
- ◆ cost of professional fees if you are audited by the Australian Tax Office or another government organisation (see **Part A** of **Policy 9**);
- ◆ cost of appealing against common property health and safety breaches (see **Part B** of **Policy 9**);
- ◆ cost of defending litigation brought against you under the *Competition and Consumer Act 2010*, employment legislation or as owner of your common property other than as covered under **Policies 2** and **6** (see **Part C** of **Policy 9**).

See the appropriate policies under the Policy Wording part for details of the available cover, conditions, exclusions and limits that apply to them.

Other important information

In addition to the covers and exclusions summarised in the above section, there are a number of terms, conditions and exclusions contained in this PDS that can affect how or whether a claim is paid under this policy.

Please read the Policy Wording part of this document which sets out the exclusions to make sure the cover we provide matches your expectations.

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

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

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

Some important things to remember are:

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

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

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

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

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

Monetary limits on the cover

We can insure you up to the amount of the sum insured or other specified limits for your insured property. These amounts are specified in the relevant clauses in the Policy Wording part or on the Schedule.

Covers for Liability to others, Fidelity Guarantee, Office Bearers Legal Liability, Machinery Breakdown, Government Audit Costs and Legal Defence Expenses insure you up to a set limit of liability which is shown on the Schedule.

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

For example, if you don't have a sufficient sum insured to replace your insured property at new cost you will bear the shortfall. The cost of demolition and removal of debris from the site, and other costs such as the cost of employing an architect or surveyor, the replacement of other structures such as driveways, roadways, kerbing, above and below ground services should all be included in the sum insured. If you are unsure whether your insured property is insured for the correct amount, you should seek professional advice.

You should also advise CHU of any changes in the details of the information you have given us, otherwise your insurance may not be sufficient. Changes might include alterations to your insured property.

Excesses may apply. See payment of excesses section below.

Payment of excesses

Excesses may also apply to any claim under this insurance.

An excess is an amount you have to pay each time you make a claim. The excesses that are applicable are shown on the Schedule, and/or under the clauses titled 'Excesses' in **Policy 1** and 'Excess' in **Part C of Policy 9**.

An excess will be applied for each incident where a claim is made. We will tell you the amount of any excess when you apply for cover. They may vary according to a number of factors, such as your risk location and your insurance history.

Goods and services tax

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

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

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

Applying for cover

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

- ◆ the sum insured and situation of your insured property;
- ◆ excess(es) applicable;
- ◆ premium including taxes and charges and any administration fee charged by CHU.

The cost of this insurance

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

- ◆ the sum(s) insured;
- ◆ the address of your insured property;
- ◆ your insurance history;
- ◆ the security features of your insured property.

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

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

21 day cooling off period

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

This cooling off right does not apply if you have made or are entitled to make a claim. Even after the cooling off period ends you still have cancellation rights, however we may deduct certain amounts from any refund (see page 18 for details).

Confirming transactions

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

Your duty of disclosure

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

You do not need to tell us anything that:

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

If you do not tell us something

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

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

The General Insurance Code of Practice

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

The Code aims to:

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

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

How to make a claim

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

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

Having the required documentation and possibly photographs of the items will assist in having your claim assessed and settled. When you make a claim you must:

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

These are only some of the things that you must do if making a claim. Please refer to page 16 which sets out claims information and what you must do if making a claim.

Dispute resolution

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

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

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

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

Our privacy promise

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

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

We may need to disclose personal information to 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 purpose of assisting us and them in providing relevant services and products, or for the purposes of litigation. We may disclose personal information to people listed as co-insured on your policy and to family members or agents authorised by you.

We may also disclose information to organisations which conduct customer service surveys on our behalf. We will request your consent to any other 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 and CHU hold about you and, when necessary, correct any errors in this information. Generally we will do this without restriction or charge. For further information about our and CHU's Privacy Policy or to access or correct your personal information, please contact your nearest CHU office.

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

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

Updating our Product Disclosure Statement

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

Contact details

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

Financial Claims Scheme

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

More information may be obtained from APRA - www.apra.gov.au or 1300 558 849.

Notes

Policy Wording

Commercial Strata Insurance Plan

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

What makes up this policy?

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

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

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

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

Payment of premium

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

You must disclose all previous claims

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

- ◆ renewal or insurance policy declined, cancelled or refused, or where any excess was imposed;
- ◆ claim refused by an insurer;
- ◆ claim made;

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

For example We may be entitled to:

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

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

General definitions – the meaning of some words

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

There are other definitions which are specific to **Policies 2, 3, 5 to 10** and these appear in the appropriate Policy section.

Act of Terrorism

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

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

Body Corporate

means the owner(s) of Your Insured Property and Common Area incorporated under the *Strata Schemes Management Act*, *Strata Titles Act*, *Community Titles Act* or similar legislation applying where Your Insured Property and Common Area is situated.

Body Corporate Manager/Agent

means a person or other entity appointed in writing by Your Body Corporate with delegated functions including the authority to act as an Office Bearer in terms of the *Strata Schemes Management Act*, *Strata Titles Act*, *Community Titles Act* or similar legislation applying where Your Insured Property is situated.

Common Area

means the area at Your Situation that is not part of any Lot/Unit.

Depreciation

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

Earth Movement

means heavage, landslide, land-slippage, mudslide, settling, shrinkage, subsidence or collapse.

Electronic Data

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

Endorsement

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

Erosion

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

Event, Events

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

Excess

means the amount You must pay towards a claim. You will find the amount of any excess shown on the Schedule or within the Policy.

Floating Floors

means laminated, veneered or similar type flooring not fastened to the sub-floor but held in position by its own weight with or without skirting at perimeter walls.

Flood

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

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

Fusion

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

Indemnity Value

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

Insured Property

a Building

Building means:

building or buildings as defined by the *Strata Schemes Management Act*, *Strata Titles Act*, *Community Titles Act* or similar legislation applying where Your Building is situated, including:

- i outbuildings;
- ii fixtures and structural improvements other than Floating Floors;
- iii in-ground swimming pools and spas;
- iv marinas, wharves, jetties, docks, pontoons, swimming platforms, or similar type facilities (whether fixed or floating) which are used for non-commercial purposes and which do not provide fuel distribution facilities, unless We are advised and otherwise agree in writing;
- v satellite dishes, radio, television and other antennas including their associated wiring, masts, footings, foundations, moorings and towers;
- vi underground and overhead services;

that You own or have legal responsibility for:

- ◆ at, in or adjacent to Your Situation, or
- ◆ temporarily removed elsewhere in Australia including transit to and from Your Situation. See page 13.

b Common Area Contents

Common Area Contents means (but not so as to limit the generality thereof):

- i furniture, furnishings, household goods, light fittings, internal blinds, curtains, fire extinguishers and the like;
- ii built-in or freestanding appliances such as dishwashers, washing machines and dryers, other electrical items;
- iii carpets (whether fixed or unfixed), floor rugs;
- iv swimming pools or spas that are not in-ground;
- v swimming pool or spa covers and accessories;
- vi wheelchairs, garden equipment including lawn mowers, golf carts, golf buggies or other similar type items but only if such item is not required to be registered;

that You own or have legal responsibility for:

- ◆ at, in or adjacent to Your Situation, or
- ◆ temporarily removed elsewhere in Australia including transit to and from Your Situation.

Building and Common Area Contents do not include:

- ◆ aircraft, caravans, trailers, Vehicles (other than garden appliances not required to be registered), hovercraft and Watercraft including their accessories or spare parts whether fitted or not;
- ◆ livestock, fish, birds or other animals;
- ◆ Lot Owners' Contents and any other personal property of theirs;
- ◆ money, other than as covered under **Special Benefit 16 of Policy 1**;
- ◆ plants, hedges, trees, shrubs, gravel, shale, stones, clay or soil on paths or driveways or tennis courts, soil or bark or mulch in gardens other than as covered under **Special Benefit 14 of Policy 1**; and
- ◆ paint and wallpaper and temporary wall, floor and ceiling coverings within a Lot/Unit (New South Wales and Australian Capital Territory);
- ◆ temporary wall, floor and ceiling coverings within a Lot/Unit, and mobile or fixed air-conditioning units servicing an individual Lot/Unit (Queensland).

Where anything in this definition of 'Insured Property' is contrary to the *Strata Schemes Management Act*, *Strata Titles Act*, *Community Titles Act* or similar legislation applying where Your Building is situated the requirements of Your Act will apply.

Land Value

means the sum certified by the Valuer General as being the value of the land at the Situation after due allowance has been made for variations or other special circumstances affecting such value either before or after the damage and which would have affected the value had damage not occurred.

Lot/Unit

means an area shown on a plan as a lot or unit in terms of the *Strata Schemes Management Act*, *Strata Titles Act*, *Community Titles Act* or similar legislation applying where Your Insured Property is situated.

Lot Owners, Lot Owners'

means a person, persons or other entity registered as a proprietor or owner of an estate in fee simple in a Lot/Unit in Your building in terms of the *Strata Schemes Management Act*, *Strata Titles Act*, *Community Titles Act* or similar legislation applying where Your Insured Property is situated.

Lot Owners' Contents

means (but not so as to limit the generality thereof):

- a built-in or freestanding appliances such as dishwashers, washing machines and dryers;
- b computers, electronic and electrical equipment, garden equipment;
- c Lot Owners' business and personal effects, furniture, furnishings, carpets, and floor rugs.

Members

means and is limited to the interest of Proprietors, Members, Lot Owners or Shareholders in respect of the ownership of Your Insured Property in terms of the *Strata Schemes Management Act*, *Strata Titles Act*, *Community Titles Act* or similar legislation applying where Your Insured Property is situated. Their interest or liability as an owner and/or occupier of a Lot/Unit is not included unless otherwise specifically provided by this Policy.

Period of Insurance

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

Policy

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

Premium

means any amount We require You to pay under the Policy and includes Government charges.

Rainwater

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

Rent

means, as regards any Lot/Unit or part of Your Common Area leased to a tenant, an amount of money calculated on the basis of the annual rentable value (including any 'outgoings' payable by a tenant or lessee) that applied immediately prior to loss or damage.

Replacement

means:

- a the reasonable cost of rebuilding, replacing or repairing to a condition which is equivalent to or substantially the same as but not better nor more extensive than when it was new; and
- b the extra costs necessarily incurred to alter or upgrade Your Insured Property to comply with Public, Statutory or Environmental Protection Authority requirements, but does not include:

- i any costs that would have been incurred in complying with orders issued prior to the happening of the loss;
- ii any extra costs to alter or upgrade any portion of Your undamaged Insured Property if the cost to rebuild, replace or repair the damaged portion is less than fifty percent (50%) of what the cost would have been had Your Insured Property been totally destroyed.

Clause **bii** only applies if construction of Your Insured Property was commenced prior to 01 January 1975.

Schedule

means one of the following

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

Situation

means the land at the address(es) shown on the Schedule where Your Insured Property is situated.

Storm

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

Sum Insured, Limit of Liability

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

Temporary Accommodation

means, as regards any Lot/Unit occupied by the Lot Owner, an amount of money calculated on the basis of the annual rentable value (including any 'outgoings' that would have been payable by a tenant or lessee) that would have applied immediately prior to the happening of loss or damage.

Tsunami

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

Vehicle, Vehicles

means:

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

Voluntary Worker

means a person engaged solely in work or duties on behalf of the Body Corporate without promise of reward or remuneration, other than an honorarium for duties associated with the position of an Office Bearer.

Voluntary Worker does not mean employees, contractors or any person who receives a payment, reward or remuneration (other than provided herein) for their services.

Watercraft

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

Wear, Tear

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

We, Our, Us

means:

- a QBE Insurance (Australia) Limited ABN 78 003 191 035; and
- b QBE Workers Compensation (NSW) Limited ABN 95 003 195 604 Agent for the NSW WorkCover Scheme ABN 83 564 379 108 in respect of **Policy 4** when insurance for New South Wales is provided.

You, Your, Yours

means:

- a **in respect of Policies 1, 8, and 10:**
the Body Corporate, Corporation, Owners Corporation, Plan or Company named on the Schedule including:
 - i the interest therein of Members;
 - ii Lot Owners in respect of **Special Benefits 1, 2, 12, 14, 19, 23 and 24 of Policy 1;**
 - iii Lot Owners in respect of **Special Benefits 1, 2 and 4 of Policy 8.**
- b **in respect of Policy 2:**
the Body Corporate, Corporation, Owners Corporation, Plan or Company named on the Schedule including:
 - i the interest therein of Members;
 - ii the organisers of recreational activities in respect of **Additional Benefit 5 of Policy 2;**
 - iii a Voluntary Worker whilst engaged solely in work or duties on behalf of the Body Corporate, Corporation, Owners Corporation, Plan or Company named on the Schedule.
- c **in respect of Policy 3:**
a Voluntary Worker whilst engaged solely in work or duties on behalf of the Body Corporate, Corporation, Owners Corporation, Plan or Company named on the Schedule.
- d **in respect of Policies 4, 5, 7, and 9:**
the Body Corporate, Corporation, Owners Corporation, Plan or Company named on the Schedule.
- e **in respect of Policy 6:**
the past, present or future Office Bearers or committee members of the Body Corporate, Corporation, Owners Corporation, Plan or Directors of the Company, including those persons':
 - i estate, heirs, legal representative or assigns;
 - ii legal representative or assigns if he/she is incompetent, insolvent or bankrupt;
but does not include a Body Corporate Manager/Agent or any other contracted person(s), firm or company when acting in their professional capacity.

General conditions – which apply to all policies unless otherwise stated

1 Acts or omissions of your Body Corporate Manager/Agent

We will not deny liability for a claim, or reduce the amount thereof, if Our right of denial or reduction is solely caused by an act, error or omission of Your Body Corporate Manager/Agent while acting on Your behalf.

2 Alteration of risk

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

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

3 Claim preparation costs and fees

We will pay up to \$30,000 for the reasonable cost of fees and other expenses You necessarily incur with Our written consent in the preparation of a claim under this Policy. **Condition 3** does not apply to **Policies 4 and 9.**

4 Excess

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

With the exception of the Earthquake Excess of **Policy 1**, should more than one Excess be payable for any claim arising from the one Event, such excesses will not be aggregated and the highest single level of Excess only will apply.

5 Joint insured's

When more than one party is named on the Schedule as an insured We will treat each as a separate and distinct party. The words You, Your, Yours will apply to each party in the same manner as if a separate Policy had been issued to each party, provided Our liability for any Sum Insured or other Policy limit for any one Event or Occurrence is not thereby increased. Any act, breach or non-compliance with the terms and conditions of this Policy committed by any one such party:

- a shall not be prejudicial to the rights and entitlements of the other insured party(ies); provided that
- b the other insured party(ies) upon becoming aware of any such act, breach or non-compliance which increases the risk of loss, damage or liability give Us written notice within a reasonable time.

6 Reinstatement of sum insured

After We have admitted liability for a claim We will automatically reinstate the Sum Insured and/or Special Benefit limits to their pre-loss amount without any additional Premium having to be paid.

This condition does not apply:

- a when We pay a total loss;
- b when We pay the full Sum Insured;
- c to **Policies 6 and 9**;
- d to **Special Benefits 7 and 23 of Policy 1**.

General exclusions – what we do not insure under any policy

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

1 Act of terrorism

Death, injury, illness, loss, damage, liability, cost or expense directly or indirectly caused by contributed to, resulting from or arising out of, or in connection with any:

- i Act of Terrorism, regardless of any other cause or event contributing concurrently or in any other sequence to the loss;
- ii action in controlling, preventing, suppressing, retaliating against, or responding to any Act of Terrorism;

2 Asbestos

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

3 Electronic Data

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

4 Intentional damage

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

5 Nuclear

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

6 War, expropriation

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

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

The amount of premium payable by You for this Policy includes an amount on account of the Goods and Services Tax (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:
We will pay up to the Sum Insured, limit of indemnity or other policy limit including GST.
- b registered for GST:
 - i and We settle direct with the builder, repairer or supplier We will pay up to the Sum Insured, limit of indemnity or other policy limit including GST; or
 - ii when We settle direct with You We will pay up to the Sum Insured, limit of indemnity or other policy limit and where You are liable to pay an amount for GST in respect of an acquisition relevant to Your claim We will pay for the GST amount but We will reduce the GST amount We pay by the amount of any Input Tax Credits to which You are or would be entitled.

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 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.

GST, Input Tax Credit (ITC), Business Activity Statement (BAS) and Acquisition have the same meaning as given to those expressions in *A New Tax System (Goods and Services Tax) Act 1999* and related legislation as amended from time to time. Taxable Percentage is Your entitlement to an Input Tax Credit on Your Premium as a percentage of the total GST on that Premium.

Claims information

1 What you must do

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

- a take all reasonable steps to reduce the loss or damage and to prevent any further loss or damage;
- b inform the police immediately following theft, vandalism, malicious damage or misappropriation of money or property.

2 What you must not do

Whatever the circumstances You must not:

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

3 How to make a claim

When You make a claim You must:

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

4 Our approval needed for repairs

Except for essential temporary repairs permitted under **Additional Benefit 2 of Policy 1**, You are not authorised to commence repairs without Our approval.

5 Repairs or replacement

We have the right to nominate the repairer or supplier to be used. If after We have assessed Your claim, You are required to enter into a contract with a third party to replace or reinstate lost or damaged Insured Property that We have agreed to pay You will enter into that agreement with the third party as Our agent unless We otherwise advise in writing.

6 You must assist us

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

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

7 False or misleading information

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

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

8 Claim administration and legal proceedings

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

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

9 Salvage value

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

10 Contribution

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

Cancellation – how your policy may be cancelled

1 Cancellation by you

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

2 Cancellation by us

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

3 Refund of premium

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

4 No refund of premium

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

Policy 1 – Insured Property

Policy 1 is a 'broad form' accidental loss and damage insurance contract in terms of the *Insurance Contracts Act, 1984*.

What we insure

We insure You up to the Sum Insured shown for **Policy 1** on the Schedule, against ACCIDENTAL LOSS or DAMAGE to Your Insured Property which occurs during the Period of Insurance.

Additional benefits

When Your Sum Insured under **Policy 1** is not otherwise expended in respect of any one Event We will pay for:

1 Architects and professional fees, removal of debris

- a** the cost of architects fees, surveyors fees and other professional fees;
- b** the cost of removal, storage and/or disposal of debris, being the residue of Your damaged Insured Property (including debris required to be removed from adjoining or adjacent public or private land), damaged Lot Owners and occupiers Contents and of anything which caused the damage;
- c** the cost of dismantling, demolishing, shoring up, propping, underpinning, or other temporary repairs;
- d** the cost of demolition and disposal of any undamaged portion of Your Insured Property including undamaged foundations and footings in accordance with a demolition order issued by a Public or Statutory Authority;

You necessarily incur in the Replacement of Your Insured Property as a result of loss or damage that is admitted as a claim under **Policy 1**.

2 Emergency cost of minimising losses

Reasonable emergency repair costs You necessarily incur in pursuance of Your duty to minimise insured loss and avoid further losses.

We will not pay more than \$2,000 unless You first obtain Our written consent prior to You incurring costs in excess of this amount.

3 Government fees, contributions or imposts

Fees, contributions or imposts required to be paid to any Public or Statutory Authority to obtain their authority to rebuild, repair or replace Your Insured Property as a result of loss or damage that is admitted as a claim under Policy 1, but We will not pay for any fine or penalty imposed by any such Authority.

4 Legal fees

Legal fees You necessarily incur in making submissions and/or applications to any Public or Statutory Authority, Builders Licensing Board, or Land and Environment Courts as a result of loss or damage to Your Insured Property that is admitted as a claim under **Policy 1**.

5 Storm damage to gates and fences

Loss or damage to gates and fences as a result of Storm, but We will not pay:

- a** if gradually operating causes (such as but not limited to Wear, Tear, gradual corrosion, gradual deterioration, wet or dry rot, rust, vermin or insects) primarily contribute towards the loss or damage;
- b** unless We are notified and given a reasonable time to inspect the loss or damage before any repair or Replacement is commenced.

6 Temporary protection

Reasonable cost of temporary protection and safety of Your Insured Property and resident persons You necessarily incur as a result of loss or damage to Your Insured Property that is admitted as a claim under **Policy 1**.

We will not pay more than \$5,000 unless You first obtain Our written consent prior to You incurring costs in excess of this amount.

7 Tsunami damage

Loss or damage to Your Insured Property caused by a Tsunami.

8 Welfare concern

Loss or damage to Your Insured Property caused by emergency services such as police, fire brigade, ambulance or others acting under their control, in gaining access to Your Insured Property in the lawful pursuit of their duty.

Special benefits

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

1 Temporary accommodation / rent / contributions / storage

a Temporary accommodation

When You occupy Your Lot/Unit We will pay the reasonable cost of Temporary Accommodation You necessarily incur if Your Lot/Unit is made unfit to be occupied for its intended purpose by:

- i loss or damage that is admitted as a claim under **Policy 1**; or
- ii reasonable access to or occupancy of Your Lot/Unit being prevented by damage from an Event claimable under Policy 1 happening to other property in the immediate vicinity.

We will pay:

- ◆ under **a i** from the time of the Event until the time You reoccupy Your Lot/Unit following completion of rebuilding, repairs or replacement; and
- ◆ under **a ii** from the time of the Event until the time when access to Your Lot/ Unit is re-established.

b Rent

When You have leased out or can substantiate by means of a signed agreement that You would have leased out Your Lot/Unit or Common Area We will pay the actual Rent You lose or would have lost if Your Lot/Unit or Common Area is made unfit to be occupied for its intended purpose by:

- i loss or damage that is admitted as a claim under **Policy 1**; or
- ii reasonable access to or occupancy of Your Lot/Unit or Common Area being prevented by damage from an Event claimable under **Policy 1** happening to other property in the immediate vicinity.

We will pay:

- ◆ under **b i** from the time of the Event until the time Your Lot/Unit or Common Area is relet following completion of rebuilding, repairs or replacement provided You demonstrate You have taken all reasonable actions to obtain a new tenant; and
- ◆ under **b ii** from the time of the Event until the time when access to Your Lot/Unit or Common Area is re-established.

c Disease, murder and suicide

We will pay for:

- i the cost of Temporary Accommodation You necessarily incur;
- ii the actual Rent You lose;

if You are not permitted to occupy Your Lot/Unit or Common Area by order of the police, a public or statutory authority, other body, entity or person so empowered by law, due to:

- ◆ the discharge, release or escape of legionella or other airborne pathogens from water tanks, water systems, air-conditioning plant cooling towers and the like;
- ◆ a human infectious or contagious disease occurring at Your Situation, however this cover will not apply in respect to high 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;
- ◆ murder or suicide;

occurring at Your Situation. We will pay from the time the order is invoked until the time the order is revoked, or for a period of thirty (30) days, whichever first occurs.

d Failure of supply services

We will pay for:

- i the cost of Temporary Accommodation You necessarily incur;
- ii the actual Rent You lose;

if Your Lot/Unit or Common Area is made unfit to be occupied for its intended purpose by the failure of electricity, gas, water or sewerage services resulting from loss or damage by an Event claimable under **Policy 1** happening to property belonging to or under the control of any such supply authority. Provided the failure of services extends for more than forty-eight hours We will pay from the time of the failure until the time such services are reinstated, or for a period of thirty (30) days, whichever first occurs.

e Cost of reletting

When You have leased out Your Lot/Unit or Common Area We will pay reasonable reletting costs up to \$1,500 a Lot/Unit or Common Area if it is made unfit to be occupied for its intended purpose by:

- i loss or damage that is admitted as a claim under **Policy 1**; and
- ii Your tenant at the time of the Event subsequently advises they will not be reoccupying the Lot/Unit or Common Area they previously leased.

f Meeting room hire

We will pay up to \$5,000 for the cost of hiring temporary meeting room facilities for the purpose of holding Your annual general meeting or committee meetings if You are unable to occupy the meeting room facilities forming part of Your Insured Property by:

- i loss or damage that is admitted as a claim under **Policy 1**.
We will pay from the time of the Event until the time when access to Your meeting room facilities are re-established.

g Lot owners' contributions and fees

We will pay, up to \$2,000 a Lot/Unit, for contributions, levies, maintenance and other fees You are required to pay during the period Your Lot/Unit is made unfit to be occupied for its intended purpose by loss or damage to Your Insured property that is admitted as a claim under **Policy 1**.

h Lot owners' removal and storage costs

We will pay the reasonable costs You necessarily incur in:

- i removing undamaged Lot Owners' Contents to the nearest place of safe keeping;
- ii storing undamaged Lot Owners' Contents at that place or an equivalent alternate place;
- iii returning undamaged Lot Owners' Contents to Your Situation when occupancy of their Lot/Unit is permitted;
- iv insuring undamaged Lot Owners' Contents during such removal, storage and return; following loss or damage to Your Insured Property that is admitted as a claim under **Policy 1** that makes the Lot/Unit unfit to be occupied for its intended purpose.

i Lot owners travel costs

When You have leased out Your Lot/Unit We will, if Your Lot/Unit is made unfit to be occupied for its intended purpose by:

- i loss or damage that is admitted as a claim under **Policy 1**, pay up to \$250 a Lot/Unit for reasonable travel costs You incur in visiting Your Lot/Unit for the purpose of consulting with claim adjusters and/or building repairers.

We will not pay unless You first obtain Our consent to incur such travel costs.

The combined total amount We will pay under **Special Benefit 1** arising out of any one Event that is admitted as a claim under **Policy 1** is limited to fifteen percent (15%) of the Sum Insured for **Policy 1** or such other percentage as We may agree in writing.

2 Emergency accommodation

When You occupy Your Lot/Unit for residential purposes We will pay up to \$1,500 a Lot/Unit for the reasonable cost of emergency accommodation You necessarily incur if Your Lot/Unit is made unfit to be occupied for its intended purpose by:

- a loss or damage to Your Insured Property that is admitted as a claim under **Policy 1**; or
- b reasonable access to or occupancy of Your Lot/Unit being prevented by damage from an Event claimable under **Policy 1** happening to other property in the immediate vicinity.

3 Alterations / additions

When You make alterations, additions or renovations to Your Insured Property during the Period of Insurance We will:

- a during the construction period:
 - pay up to \$250,000 for loss or damage to such alterations, additions or renovations by an Event claimable under Policy 1 provided:

- i the value of such work does not exceed that amount; or
 - ii unless You notify Us and We otherwise agree in writing before the commencement of such work;

but We will not pay if, under the terms and conditions of the contract You have signed with the builder, contractor or similar entity, such party is required to effect cover under a Contract Works or similar insurance policy that insures material damage and liability risks.

- b upon practical completion:
 - pay up to \$500,000 for loss or damage to the completed works by an Event claimable under **Policy 1** provided:
 - i You notify us within sixty (60) days of the practical completion of such alterations, additions or renovations; and
 - ii if requested pay any extra premium We may charge.

4 Arson reward

We will pay a reward of up to \$10,000 for information (irrespective of the number of people supplying information) which leads to a conviction for arson, theft, vandalism or malicious damage provided such loss or damage is claimable under **Policy 1**.

We will pay the reward to the person or persons providing such information or in such other manner as We may decide.

5 Electric motors

We will pay for the cost of repairing or replacing an electric motor forming part of Your Insured Property which has been burnt out by electric current.

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

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

We will not pay for:

- a motors under a guarantee or warranty or maintenance agreement;
- b motors with an output in excess of five (5) kilowatts;
- c other parts of any electrical appliance nor for any software;
- d lighting or heating elements, fuses, protective devices or switches;
- e contact at which sparking or arcing occurs in ordinary working.

6 Electricity, gas, water and similar charges – excess costs

We will pay up to \$2,000 for the cost of:

- a** increased usage of metered electricity, gas, sewerage, oil and water;
- b** accidental discharge of metered electricity, gas, sewerage, oil and water;
- c** additional management charges;

You are required to pay following loss or damage to Your Insured Property by an Event that is admitted as a claim under **Policy 1**.

7 Electricity, gas, water and similar charges – unauthorised use

We will pay up to \$2,000 any one Period of Insurance for the cost of metered electricity, gas, sewerage, oil and water You are legally required to pay following its unauthorised use by any person taking possession or occupying Your Insured Property without Your consent.

We will not pay unless all practical steps are taken to terminate such unauthorised use immediately You become aware of it.

8 Environmental improvements

If Your Insured Property is:

- a** damaged by an Event claimable under **Policy 1**; and
- b** the cost to rebuild, replace or repair the damaged portion is more than twenty five percent (25%) of what the cost would have been had Your Insured Property been totally destroyed;

We will, in addition to the cost of environmental improvements claimable under **Policy 1**, also pay up to \$10,000 for the cost of additional environmental improvements not previously installed such as rainwater tanks, solar energy and grey water recycling systems.

9 Exploratory costs, replacement of defective parts

We will pay for the reasonable exploratory costs You necessarily incur in locating the source of bursting, leaking, discharging or overflowing of tanks, apparatus or pipes used to hold or carry liquid of any kind.

We will also pay for reasonable costs incurred in:

- a** repairing the area of Your Insured Property damaged by such exploratory work;
- b** repairing or replacing the defective part or parts of such tanks, apparatus or pipes, to a limit of \$1,000;
- c** rectifying contamination damage or pollution damage to land at Your Situation caused by the escape of liquid, to a limit of \$1,000.

We will not pay for any of these costs if the bursting, leaking, discharging or overflowing is caused by a building defect, building movement, faulty workmanship, rust, oxidation, corrosion, Wear, Tear, gradual corrosion, gradual deterioration, Earth Movement or by trees, plants or their roots.

10 Fallen trees

We will pay up to \$5,000 for the reasonable professional costs You necessarily incur for the removal and disposal of trees or branches that have fallen and caused damage to Your Insured Property or landscaped gardens.

We will not pay for removal or disposal of:

- a** trees or branches that have fallen and not damaged Your Insured Property or landscaped gardens;
- b** tree stumps or roots.

11 Fire extinguishing

We will pay for the reasonable costs and expenses You necessarily incur in:

- a** extinguishing a fire at Your Situation, or in the vicinity of Your Situation and threatening to involve Your Insured Property or for the purpose of preventing or diminishing damage including the costs to gain access to any property;

- b** replenishing fire fighting appliances, replacing used sprinkler heads, and resetting fire, smoke and security alarm systems;
- c** shutting off the supply of water or any other substance following the accidental discharge or escape of such substances from fire protective equipment.

12 Funeral expenses

When a Lot/Unit is occupied by the Lot Owner We will pay up to \$5,000 a Lot/Unit for funeral expenses if the Lot Owner, or a family member who permanently resides with the Lot Owner, dies as the direct consequence of loss or damage to Your Insured Property that is admitted as a claim under **Policy 1**.

13 Keys, lock replacement

We will pay up to \$5,000 for the reasonable costs You necessarily incur in:

- a** re-keying or re-coding locks together with replacement keys; or
- b** replacing locks with locks of a similar type and quality if they cannot be re-keyed or re-coded;

if the keys to Your Insured Property are stolen as a consequence of forcible entry into or out of:

- i** any building forming part of such property;
- ii** the premises of a keyholder; or
- iii** during the hold-up of a person who normally has the keys in their possession.

We will not pay if there are reasonable grounds to believe the keys or codes have been stolen or duplicated by any occupant or previous occupant of Your Insured Property, or by their family or friends.

14 Landscaping

We will pay up to \$10,000 for the reasonable costs You or a Lot Owner necessarily incur in replacing or repairing damaged trees, shrubs, plants, lawns or rockwork at Your Situation lost or damaged by an Event claimable under **Policy 1**.

15 Modifications

When a Lot/Unit is occupied by the Lot Owner We will pay up to \$25,000 a Lot/Unit for modifications to that Lot/Unit if the Lot Owner is physically injured and becomes a paraplegic or quadriplegic as the direct consequence of loss or damage to Your Insured Property that is admitted as a claim under **Policy 1**.

This Benefit only applies if the paraplegia or quadriplegia has continued for a period of not less than six (6) months from the date of the Event and is substantiated by a legally qualified medical practitioner.

16 Money

We will pay up to \$10,000 for loss of Your money while in the personal custody of an Office Bearer or committee member of Yours, or of Your Body Corporate Manager/Agent while acting on Your behalf.

We will not pay for fraudulent misappropriation, larceny or theft or any attempt thereof by:

- a** any person in Your employment;
- b** a Lot Owner, including any family member permanently residing with them; or
- c** a proxy of a Lot Owner.

17 Mortgage discharge

We will pay up to \$5,000 to discharge any mortgage over Your Insured Property if it becomes a total loss, is not replaced and We have paid the amount due under **Policy 1**.

18 Personal property of others

We will pay up to \$10,000 for the Indemnity Value of personal property of others (including employees) which are lost or damaged by an Event claimable under **Policy 1** while in Your physical or legal control.

19 Pets, security dogs

When a Lot/Unit is occupied solely for residential purposes, We will pay up to \$1,000 a Lot/Unit for the reasonable costs You necessarily incur for boarding pets or security dogs if the Lot/Unit is rendered unfit for its intended purpose by loss or damage to Your Insured Property that is admitted as a claim under **Policy 1** and Temporary Accommodation does not allow pets or security dogs.

20 Purchaser's interest

We will cover a purchaser's legal interest in Your Insured Property, in the terms of **Policy 1**, when the purchaser has signed an agreement to buy part of or all of such property.

21 Records

We will pay up to \$50,000 for the reasonable expenditure You necessarily incur in collating information, preparing, rewriting or reproducing records, books of account, Electronic Data and valuable papers directly related to Your Insured Property which are lost or damaged by an Event claimable under **Policy 1**, while anywhere in Australia.

22 Removal, storage costs

We will pay up to \$10,000 for the reasonable costs You necessarily incur in:

- a removing any undamaged portion of Your Insured Property to the nearest place of safe keeping;
- b storing such undamaged portion at that place or an equivalent alternate place;
- c returning such undamaged portion to the Situation when restoration work is completed;
- d insuring Your undamaged Insured Property during such removal, storage and return; following loss or damage to Your Insured Property that is admitted as a claim under **Policy 1**.

23 Removal of squatters

We will pay up to \$1,000 any one Period of Insurance for legal fees You necessarily incur to repossess Your Insured Property or a Lot/Unit if squatters are living in it.

We will not pay unless You first obtain Our consent to incur such legal fees.

24 Title deeds

We will pay up to \$5,000 for the reasonable costs You necessarily incur in replacing Title Deeds to a Lot/Unit or Your Insured Property if they are lost or damaged by an Event claimable under **Policy 1**, while anywhere in Australia.

25 Water removal from basement

We will pay up to \$2,000 for the reasonable costs You necessarily incur in removing water from the basement or undercroft area of Your Insured Property if such inundation is directly caused by Storm or Rainwater.

We will not pay if the inundation is caused by Flood or by any other Event that is not claimable under **Policy 1**.

Optional benefit (New South Wales and Australian Capital Territory only)

Optional Benefit 1 is operative when shown as 'selected' on the Schedule.

1 Lot/Unit wall coverings

When Your Sum Insured under **Policy 1** is not otherwise expended in respect of any one Event We will pay for the cost of repainting or re-wallpapering the internal walls or ceilings of a Lot/Unit at Your Situation if they are damaged by an Event claimable under **Policy 1**.

Our liability under this Optional Benefit is limited to the room, hallway or passageway where the loss or damage occurs.

Exclusions - what we do not insure

1 We will not pay for loss or damage:

- a caused by Flood.
- b to retaining walls resulting from Storm or Rainwater.
- c caused by lack of maintenance, rust, oxidation, corrosion, Wear, Tear, fading, gradual corrosion or gradual deterioration, concrete or brick cancer, developing flaws, wet or dry rot, or failure to maintain Your Insured Property in a reasonably good state of repair.

- d caused by non-rectification of an Insured Property defect, error or omission that You were aware of, or should reasonably have been aware of.
- e caused by overwinding, mechanical breakdown or derangement, electrical breakdown or derangement, or failure caused by electric current.

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

- i Fusion of electric motors as covered under **Special Benefit 5**;
 - ii lightning;
 - iii power surge when such Event is confirmed by the supply authority; or
 - iv resulting fire damage.
- f caused by any action of the sea, high water or high tide, storm surge or tidal wave.

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

- g caused by vibration or from the removal or weakening of or interference with the support of land or buildings or any other property, Erosion or Earth Movement.

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

- i earthquake or seismological disturbance, Tsunami, explosion, physical impact by aircraft;
 - ii bursting, leaking or overflowing of water tanks, pipes, drains, gutters or other water or liquid carrying apparatus (but not Flood).
- h caused by underground (hydrostatic) water.

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

- i caused by the invasion of tree or plant roots nor for the cost of clearing pipes or drains blocked by any such invasion.

However We will pay for water or liquid damage resulting from blocked pipes or drains.

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

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

- k caused by the movement of swimming pools or spas or the accidental breakage, chipping or lifting of tiles of swimming pools or spas or their surrounds.
- l to water in swimming pools, spas or water tanks.
- m due to normal settling, creeping, heaving, seepage, shrinkage, or expansion in buildings, foundations / footings, walls, bridges, roadways, kerbing, driveways, paths, garden borders and other structural improvements.
- n due to smut or smoke from industrial operations (other than sudden or unforeseen damage resulting therefrom).
- o caused by any process involving the application of heat being applied directly to any part of Your Insured Property.

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

- p to glass caused by artificial heat, during installation or removal, which has a crack or imperfection, or is required to be insured by any other party in terms of an occupancy agreement.
- q to carpets and other floor coverings resulting from staining, fading or fraying.

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

- r to boilers (other than boilers used for domestic purposes), economisers or pressure vessels and their contents resulting from the explosion thereof.

- s to Your Insured Property if it is vacant and undergoing demolition unless Our written consent to continue cover has been obtained before the commencement of demolition.
- t to Your Insured Property directly resulting from construction, erection, alteration or addition where the value of such work exceeds \$500,000 unless Our written consent to continue cover has been obtained before the commencement of such work.

However We will pay for loss or damage which results from any other Event claimable under **Policy 1**.

2 We will not pay for:

- a demolition ordered by any Public or Statutory Authority as a result of Your failure, or the failure of anyone acting on Your behalf, to comply with any lawful requirement or due to the incorrect siting of Your Insured Property;
- b the cost of rectifying faulty or defective materials or faulty or defective workmanship;
- c consequential loss, loss of use or Depreciation other than as specifically provided under an operative **Additional Benefit** or **Special Benefit**.

Claims – how we will settle your claim

1 Replacement

If Your Insured Property is damaged, We may choose to either rebuild, replace, repair or pay the amount it would cost to rebuild, replace or repair.

The amount We pay under **Policy 1** will be the cost of Replacement at the time of Replacement subject to the following provisions:

- a the necessary work of rebuilding, replacing or repairing (which may be carried out upon another site or in any manner suitable to Your requirements provided Our liability is not increased), must be commenced and carried out without unreasonable delay;
- b where Your Insured Property contains any architectural or structural feature of an ornamental, heritage or historical character or where materials used in the original construction are not readily available We will use the nearest equivalent available to the original materials;
- c if it is lawful, and with Our prior written consent, You will not be required to actually rebuild any building destroyed but may purchase an alternative existing building or part thereof to replace all or part of the one destroyed.

Such Replacement will be deemed to constitute Replacement for the purpose of this insurance provided Our liability is not increased;

- d if You cause unreasonable delays in commencing or carrying out Replacement, We will not pay any extra costs that result from that delay;
- e when We wish to rebuild, replace or repair and You do not want this to occur We will only pay Indemnity Value.

We will not pay for the cost to:

- i rebuild or replace Your undamaged Insured Property;
- ii rebuild, replace or repair illegal installations.

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

2 Undamaged part of insured property, foundations and footings

If Your Insured Property is damaged and any Public or Statutory Authority requires replacement to be carried out on another site We will pay for the value of any undamaged part of Your Insured Property, including foundations and footings, as though they had been destroyed.

If the sale value of the original Situation with such undamaged part is greater than without them We will deduct the amount of such difference from any settlement otherwise payable by Us.

3 Floor space ratio

If Your Insured Property is damaged and Replacement is limited or restricted by any Public or Statutory Authority requirement which results in the reduction of the floor space ratio index, We will pay:

- a the difference between:
 - i the actual costs incurred in Replacement in accordance with the reduced floor space ratio index; and
 - ii the estimated cost of Replacement at the time of damage had the reduced floor space ratio index not applied;

or alternatively We will pay:

- b
 - i the actual costs incurred in Replacement in accordance with the reduced floor space ratio index; plus
 - ii the cost of purchasing an existing building or part thereof equivalent in size to the area by which the floor space ratio index has been reduced; or
 - iii the cost of purchasing a block of land and the cost of Replacement thereon of Insured Property equivalent in size to the area by which the floor space ratio index has been reduced;

provided that Our Liability does not exceed the estimated cost of Replacement at the time of damage had the reduced floor space ratio index not applied.

4 Land value

We will pay the difference between Land Value before and after loss or damage if any Public or Statutory Authority refuses to allow Your Insured Property to be replaced or only allows partial Replacement, less any sum paid by way of compensation by any such Authority.

Special provisions

- 1 Under **Clauses 2, 3 and 4** above, Our liability is limited to the extent to which the Sum Insured for **Policy 1** is not otherwise expended.
- 2 Under **Clauses 2 and 4** above, any differences relating to value may by agreement between us be referred to the President of the Australian Property Institute Inc. who will appoint a registered and qualified valuer whose decision will, if we so agree, be final and binding and who will at the same time decide as to payment of the costs of such referral.

Special conditions

Excesses

Earthquake excess

You have to pay or contribute in relation to earthquake or seismological disturbance the lesser of:

- a \$20, 000; or
- b an amount equal to one percent (1%) of the sum insured on Your Insured Property;

of the cost of loss or damage which occurs during any one period of seventy-two (72) consecutive hours.

Other excesses

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

Policy 2 – Liability to others

What we insure

We insure You up to the Limit of Liability shown on the Schedule for **Policy 2** if You become legally responsible to pay compensation for:

- ◆ Personal Injury; or
- ◆ Property Damage;

resulting from an Occurrence in connection with:

- ◆ Your Business; or
- ◆ an operative **Additional Benefit**;

that happens during the Period of Insurance.

Additional benefits

We will pay up to the Limit of Liability for:

1 Bridges, roadways, kerbing, footpaths, services

Compensation You become legally responsible to pay for Personal Injury or Property Damage arising from bridges, roadways, kerbing, footpaths, underground and overhead services You own at the Situation.

2 Car park liability

Compensation You become legally responsible to pay for Personal Injury or Property Damage to Vehicles in Your physical or legal control where such Property Damage occurs in a car park You own at the Situation.

We will not pay if the Vehicle is owned or being used by You or is being used on Your behalf.

3 Fertiliser, pesticide, herbicide application

Compensation You become legally responsible to pay for Personal Injury or Property Damage arising from the application of any fertiliser, pesticide or herbicide to Your Common Area or Insured Property.

We will not pay:

- unless the fertiliser, pesticide or herbicide has been applied in conformity with any Public or Statutory Authority requirement or, in the absence of any such requirement, in conformity with the manufacturer's recommendations;
- for loss or damage to Your Common Area or Insured Property, or its improvements including gardens and lawns, to which the fertiliser, pesticide or herbicide was being applied.

4 Hiring out of sporting and recreational facilities

Compensation You become legally responsible to pay for Personal Injury or Property Damage arising from the hiring out of sporting or recreational facilities (such as but not limited to tennis courts or swimming pools) owned by You.

5 Recreational activities

Compensation You become legally responsible to pay for Personal Injury or Property Damage arising from recreational or social activities arranged for and on behalf of Lot Owners and occupiers of Lots/Units.

6 Services

Compensation You become legally responsible to pay for Personal Injury or Property Damage arising out of the Service or Services You provide for the benefit, general use and enjoyment of Lot Owners and occupiers of Lots/Units at Your Situation.

7 Watercraft

Compensation You become legally responsible to pay for Personal Injury or Property Damage arising from any Watercraft (not exceeding 8 metres in length) owned by You, in Your possession or physical or legal control.

We will not pay if any such item is or should have been insured under legislation of the State or Territory of Australia in which it is being used.

8 Wheelchairs, garden equipment, other vehicles

Compensation You become legally responsible to pay for Personal Injury or Property Damage arising from any wheelchair, garden equipment including lawn mowers, golf cart, golf buggy or other Vehicle owned by You, in Your possession or physical or legal control.

We will not pay if any such item is or should have been registered and/or insured under legislation in the State or Territory of Australia in which it is being used.

Special benefits

1 Cost of defending a claim

We will pay:

- a all legal costs and expenses incurred by Us;
- b reasonable cost of legal representation You necessarily incur with Our written consent at a coronial inquest or inquiry into any death which may be the subject of a claim for compensation under **Policy 2**;
- c other reasonable expenses You necessarily incur that We have agreed to reimburse;
and
- d all interest accruing after judgment has been entered against You until We have paid, tendered or deposited in court the amount that We are liable to pay following judgment;

in addition to the Limit of Liability shown on the Schedule for **Policy 2**.

2 Court appearance

We will pay compensation of \$250 per day if We require an Office Bearer, Committee Member or Your Body Corporate Manager/Agent to attend a Court as a witness in connection with a claim under **Policy 2**.

Exclusions – what we do not insure

We will not pay for any claim:

- 1 In connection with any liability for Personal Injury to any employee arising out of or in the course of their employment with You. This exclusion does not apply to an ‘eligible person’ as defined under the *WorkCover Queensland Act*.
- 2 In respect of liability imposed by the provisions of any workers’ compensation, accident compensation or similar legislation applying where Your Insured Property is situated.
- 3 In respect of:
 - a damage to property belonging to, rented by or leased by You or in Your physical or legal control, other than as provided under an operative **Additional Benefit** of **Policy 2**;
 - b damage to property belonging to any person who is deemed a worker or employee within the provisions of any workers’ compensation, accident compensation or similar legislation applying where Your Insured Property is situated;
 - c injury to or death of animals on Your Common Area;
 - d Personal Injury or Property Damage caused by animals on Your Common Area other than guard or watch dogs You employ for security purposes
- 4 Arising out of the rendering or failure to render professional advice by You or any error or omission connected therewith. This exclusion does not apply to the rendering or failure to render professional medical advice by a legally qualified medical practitioner, legally qualified registered nurse, dentist or first aid attendant You use to provide first aid services at Your Situation.
- 5 Arising out of the publication or utterance of a defamation, libel or slander:
 - a made prior to the commencement of **Policy 2**;
 - b made by You or at Your direction when You knew it to be false.
- 6 Arising out of the ownership, possession or use by You of any Vehicle, Watercraft, hovercraft, aircraft or aircraft landing areas other than as provided under an operative **Additional Benefit** of **Policy 2**.

- 7 Arising out of or in connection with the ownership of marinas, wharves, jetties, docks, pontoons or similar type facilities (whether fixed or floating) if such facilities are used for commercial purposes or provide fuel distribution facilities, unless We otherwise agree in writing.
- 8 Arising out of construction, erection, demolition, alterations or additions to Your Insured Property where the cost of such work exceeds \$500,000, unless You advise Us and obtain Our written consent to continue cover before commencement of such works.
- 9 Arising from vibration or from the removal or weakening of or interference with the support of land or buildings or any other property.
- 10 Arising under the terms of any agreement unless liability would have attached to You in the absence of such agreement.

This exclusion does not apply to:

- a liability assumed by You under any contract or lease of real or personal property.
- b liability assumed by You in the course of Your Business under the terms of any written agreement with the company, person or firm appointed to manage Your Business except where liability arises out of:
 - i any act of negligence on their part; or
 - ii by their default in performing their obligations under such agreement.
- 11 Arising out of or caused by the discharge, dispersal, release of or escape of pollutants into or upon property, land, the atmosphere, or any water course or body of water. This exclusion 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 during the Period of Insurance.
- 12 Arising out of or incurred in the prevention, removing, nullifying or clean-up of any contamination or pollution. This exclusion does not apply to clean-up, removal or nullifying expenses only which are incurred after a sudden, identifiable, unexpected and unintended happening which takes place in its entirety at a specific time and place during the Period of Insurance.
- 13 For fines or penalties or for punitive, aggravated, exemplary or additional damages (including interest and costs) imposed against You.
- 14 Made or actions instituted:
 - a outside Australia;
 - b which are governed by the laws of a foreign country.

Special definitions

The words listed below have been given a specific meaning and apply to **Policy 2** when they begin with a capital letter.

Business

means, other than as provided under an operative **Additional Benefit** of **Policy 2**, the ownership of Your Common Area and Insured Property unless You otherwise advise Us and We agree to such inclusion in writing.

Occurrence

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

Personal Injury

means:

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

which happens during the Period of Insurance anywhere in Australia.

Pollutants

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

Property Damage

means:

- a** physical damage to or destruction of tangible property including its loss of use following such physical damage or destruction; or
- b** loss of use of tangible property which has not been physically damaged or destroyed provided that the loss of use has been caused by an Occurrence; which happens during the Period of Insurance anywhere in Australia.

Policy 3 – Voluntary workers

What we insure

We will pay to a Voluntary Worker, or that person's estate, the compensation detailed in **Policy 3** in the event of such Voluntary Worker sustaining bodily injury:

◆	whilst voluntarily engaged in work on Your behalf and	
◆	caused solely and directly by violent, accidental, external and visible means and	
◆	which, independently of any other cause results in the following insured Events.	
1	Death	\$200,000
2	Total and irrecoverable loss of all sight in both eyes	\$200,000
3	Total and permanent loss of the use of both hands or of the use of both feet or the use of one hand and one foot	\$200,000
4	Total and permanent loss of the use of one hand or of the use of one foot	\$100,000
5	Total and irrecoverable loss of all sight in one eye	\$100,000
6 a	Total Disablement from engaging in or attending to usual profession, business or Occupation - in respect of each week of Total Disablement:	
	i a weekly benefit of or if higher	\$1,000
	ii the amount of Your average weekly wage, salary or other remuneration earned from Your personal exertion - up to a maximum per week of	\$2,000
b	Partial Disablement from engaging in or attending to usual profession, business or occupation - in respect of each week of Partial Disablement:	
	i a weekly benefit of or if higher	\$500
	ii the amount by which Your average weekly wage, salary or other remuneration earned from Your personal exertion is reduced - up to a maximum per week of	\$1,000
7	The reasonable and necessary cost of hiring or employing domestic assistance following certification by a qualified medical practitioner that a Voluntary Worker is totally disabled from performing his/her usual profession, business, occupation or usual household activities - in respect of each week of disablement a weekly benefit not exceeding	\$500
8	The reasonable cost of travel expenses necessarily incurred at the time of, or subsequent to, the sustaining of bodily injury and not otherwise recoverable from any other source – a benefit not exceeding	\$2,000
9	The reasonable cost of home tutorial expenses if the Voluntary Worker is a full time student – in respect of each week of Total Disablement a weekly benefit not exceeding	\$250

10 The reasonable cost of burial or cremation of a Voluntary Worker following a claim payable under **Event 1** – a benefit not exceeding

\$5,000

Exclusions – what we do not insure

We will not pay:

- 1
 - a for more than one of **Events 6a** and **6b** in respect of the same period of time;
 - b under **Event 6a** and **Event 6b** in respect of persons not in receipt of wages, salaries or other remuneration from their personal exertion;
 - c under **Event 6a** and **Event 6b** in excess of an aggregate of one hundred and four (104) weeks in all, in respect of any one disablement;
 - d under **Event 7** and **Event 9** in excess of an aggregate of ten (10) weeks in all, in respect of any one disablement;
 - e in respect of children under the age of 12 years;
 - f unless the results of bodily injury manifests itself within twelve months of sustaining such bodily injury;
 - g unless an injured Voluntary Worker will, as soon as possible after the occurrence of any bodily injury, procure and follow proper medical advice from a legally qualified medical practitioner;
 - h for any amounts recoverable under a Medicare benefit or payable by any registered health benefits insurer;
 - i for any fees or charges in relation to the provision in Australia of medical expenses, hospital treatment or ancillary benefits as defined by the *Health Insurance Act, 1973*.
- 2 We will not pay compensation in respect of claims arising out of:
 - a intentional self-injury or suicide, or any attempt thereat;
 - b attributable wholly or in part to childbirth or pregnancy, notwithstanding that miscarriage or childbirth may have been accelerated or induced by the bodily injury sustained;
 - c a Voluntary Worker being under the influence of alcohol or any drug, other than a drug prescribed by a qualified medical practitioner.

Special conditions

- 1 If a Voluntary Worker becomes entitled to compensation under more than one of the **Events 1 to 5** in respect of the same bodily injury, the compensation payable will be cumulative up to one hundred percent (100%) of the compensation payable for **Event 1**.
- 2 After the occurrence of any one of the **Events 2 to 5** there will be no further liability under **Policy 3** for these Events in respect of the same Voluntary Worker.
- 3 In the event of a claim involving the death of a Voluntary Worker We will, at Our discretion, be entitled to have a post-mortem examination carried out at Our expense.

Special definitions

The words listed below have been given a specific meaning and apply to **Policy 3** when they begin with a capital letter.

Partial Disablement

means partial disablement which entirely prevents a Voluntary Worker from carrying out the normal duties of such person's usual occupation, profession or business or, where such person engages in more than one occupation, profession or business, **ANY** of them.

Total Disablement

means total disablement which entirely prevents a Voluntary Worker from carrying out all of the normal duties of such person's usual occupation, profession or business or, where such person engages in more than one occupation, profession or business, **ALL** of them.

Policy 4 – Workers compensation

Your policy Schedule will show if You are insured for workers compensation for employees in the state or territory where Your Insured Property is situated.

When You are covered for workers compensation for employees We will insure You for all amounts You become legally liable to pay to Your employees under the workers compensation legislation in the state or territory in which Your Insured Property is situated.

General Condition 3 (Claim preparation costs and fees) does not apply to **Policy 4**.

Special provision NSW

If Your Schedule states that insurance is provided in New South Wales, QBE Workers Compensation (NSW) Limited ABN 95 003 195 604 - Agent for the NSW WorkCover Scheme ABN 83 564 379 108 will pay all amounts You become legally liable to pay under New South Wales workers compensation legislation for employees.

Commercial Straits
Insurance Plan

Policy 1
Insured Property

Policy 2
Liability to Others

Policy 3
Voluntary Workers

Policy 4
Workers
Compensation

Policy 5
Fidelity Guarantee

Policy 6
Office Bearers
Legal Liability

Policy 7
Machinery
Breakdown

Policy 8
Catastrophe
Insurance

Policy 9
Government Audit Costs
& Legal Expenses

Policy 10
Lot Owners'
Fixtures & Fittings

Notes

Policy 5 – Fidelity guarantee

What we insure

We will, up to the Sum Insured stated on the Schedule, indemnify You in respect of:

- ◆ fraudulent misappropriation of Your Funds.

Exclusions – what we do not insure

We will not pay for:

- 1 any fraudulent misappropriation unless and until You have exhausted Your rights and entitlements to payment pursuant to any other fidelity bond or fidelity fund of whatsoever nature which might exist whether effected pursuant to statute or otherwise;
- 2 any fraudulent misappropriation committed after the initial discovery of loss;
- 3 any losses arising out of fraudulent misappropriation committed prior to the commencement of **Policy 5**;
- 4 any claims arising out of losses discovered more than twelve (12) months after the expiry of **Policy 5**, or any renewal thereof.

Special definition

The word listed below has been given a specific meaning and applies to **Policy 5** when it begins with a capital letter.

Funds

means money, securities or tangible property received by You, or collected on Your behalf, which has been or was to be set aside for the financial management of Your affairs. Funds do not include the personal money, securities or tangible property of Lot Owners or Members.

Notes

Policy 6 – Office bearers legal liability

This Office Bearers Legal Liability Policy is issued on a Claims made basis. This means **Policy 6** responds to Claims first made against You during the policy year and notified to Us during that policy year.

What we insure

We will, subject to any Excess specified on the Schedule:

- ◆ pay on Your behalf all Loss for which You are not indemnified by Your Body Corporate; or
- ◆ pay on behalf of Your Body Corporate all Loss for which they grant indemnification to You, as permitted or required by law, or for which Your Body Corporate is vicariously liable at law.

arising from any Claim:

- a** first made against:
 - i** You, individually or otherwise; or
 - ii** against Your Body Corporate Manager/Agent while acting as an Office Bearer; during the policy year; and
- b** reported to Us during the policy year or within thirty (30) days thereafter.

Provided that Claims which do not comply with all of **a** and **b** of this insuring clause are not, other than as provided under **Special Benefit 2** of **Policy 6**, the subject of this insurance or any indemnity.

The amount payable in respect of all Claims under **Policy 6** will not in the aggregate exceed the Limit of Liability stated on the Schedule, inclusive of claimant's costs and expenses and Defence Costs incurred by Us, during the currency of any one annual policy year.

Special benefits

1 Payment of defence costs

We agree that in relation to any Claim under **Policy 6**:

- a** where indemnity has been confirmed by Us in writing, We will pay Defence Costs arising from such Claim;
- b** where indemnity has not been confirmed by Us in writing, We will:
 - i** where We elect to conduct the defence or settlement of such Claim, pay Defence Costs arising from such Claim; or
 - ii** in any other case, We may at Our discretion pay the Defence Costs arising from such Claim.

Provided always that in the event the Claim is withdrawn or that indemnity under **Policy 6** is subsequently withdrawn or denied, We will cease to advance Defence Costs and You will refund any Defence Costs advanced by Us to the extent that We are satisfied that You were not entitled to such Defence Costs, unless We agree in writing to waive recovery of such Defence Costs.

2 Continuous cover

We agree that should a Claim, fact or circumstance arise which should have been or could have been notified to Us during a prior policy year of **Policy 6** or under an earlier Office Bearers Legal Liability Insurance Policy issued by Us, We will accept the notification of such Claim, fact or circumstance under **Policy 6**.

Provided always that:

- a** We have continuously been the insurer under an Office Bearers Legal Liability Insurance Policy between the date when such notification should have been given and the date when such notification was in fact given; and

- b the terms and conditions applicable to this **Special Benefit 2** and to that notification will be the terms and conditions, including the Limit of Liability and deductible, applicable to Our Office Bearers Legal Liability Insurance Policy under which the notification should have or could have been given.

3 Extended period of cover

We agree that should a Claim, fact or circumstance arise within a period of thirty (30) days following the expiry date of **Policy 6** and Your renewal instructions have not been received We will, subject to Your renewal instructions being received by Us within that period, accept the notification of such Claim, fact or circumstance under **Policy 6**.

Provided always that the terms and conditions applicable to this **Special Benefit 3** and to that notification will be the terms and conditions, including the Limit of Liability and deductible, applicable to Our Office Bearers Legal Liability Insurance Policy during the immediate prior policy year.

Exclusions – what we do not insure

We will not pay for:

- 1 Claims arising from circumstances which You knew of prior to the **Policy 6** inception, or a reasonable person in the circumstances could be expected to know, to be circumstances which may give rise to a Claim against You.
- 2 Any dishonest or fraudulent act, criminal act or malicious act or omission of Yours or of any person at any time employed by You, but this exclusion will not apply to the costs incurred by You in successfully defending any Claim or suit made against You.
- 3 Claims for death, bodily injury, sickness, disease, or damage to property. However this exclusion will not apply to loss or damage to documents which are Your property, or entrusted to You, or costs and expenses incurred by You in replacing or restoring such documents.
- 4 Claims resulting from Your intentional decision not to effect and maintain insurances as required by the *Strata Schemes Management Act, Strata Titles Act, Community Titles Act, Company Titles Act* or similar legislation applying where Your Insured Property is situated.
- 5 Claims arising out of a publication or utterance of a libel or slander or other defamatory or disparaging material.
- 6 Fines, penalties, punitive or exemplary or aggravated damages or any additional damages resulting from the multiplication of compensatory damages.
- 7 You gaining or having gained any personal profit or advantage to which You were not legally entitled or for which You may be held accountable to the Body Corporate or any individual member thereof.
- 8 Monies or gratuity given to You without authorisation by the Body Corporate where such authorisation is necessary pursuant to the Articles of the Body Corporate or prescribed law.
- 9 A conflict of duty or interest of Yours.
- 10 Any intentional exercise of the powers of You for a purpose other than the purpose for which such powers were conferred by the Articles of the Body Corporate.
- 11 Any Wrongful Act made or threatened or in any way intimated on or before the inception date specified on the Schedule, except as otherwise provided in **Special Benefit 2** of **Policy 6**.
- 12 Claims first notified to Us after the expiry of **Policy 6**, except as otherwise provided in **Insuring Clause b** of **Policy 6**.
- 13 Claims brought against Your Body Corporate Manager/Agent, other than as covered under **a ii** of the insuring clause hereof, or other contracted person(s), firm or company when acting in their professional capacity.
- 14 Claims brought against You in a Court of Law outside Australia.

Special conditions

Defence and settlement

If You refuse to consent to any settlement recommended by Us and will elect to continue any legal proceedings in connection therewith, Our liability for the Claim will not exceed the amount for which the Claim could have been settled including the costs and expenses incurred up to the date of such refusal.

Jurisdiction

Any dispute arising out of or under **Policy 6** will be subject to determination by any Court of Competent Jurisdiction within Australia according to the law applicable to that Jurisdiction.

Reporting and notice

A specific Wrongful Act will be considered to have been first reported to Us:

- a** at the time You first give written notice to Us that a Claim has been made against You for such Wrongful Act; or
- b** at the time You first give written notice to Us:
 - i** having the potential of giving rise to a Claim being made against You;
 - ii** of the receipt of written or oral notice from any party that it is the intention of such party to hold You responsible for such Wrongful Act;

whichever first occurs.

Severability and non-imputation

We agree that where **Policy 6** insures more than one party, any conduct on the part of any party or parties whereby such party or parties:

- a** failed to comply with the duty of disclosure in terms of the *Insurance Contracts Act 1984*; or
- b** made a misrepresentation to Us before this contract of insurance was entered into; or
- c** failed to comply with any terms or conditions of **Policy 6**;

will not prejudice the right of the remaining party or parties to indemnity as may be provided by **Policy 6**.

Provided always that:

- i** such remaining party or parties be entirely innocent of and have no prior knowledge of any such conduct; and
- ii** as soon as is reasonably practicable upon becoming aware of any such conduct advise Us in writing of all known facts in relation to such conduct.

Subrogation

In the event of a payment under **Policy 6** to or on Your behalf We will, subject to the *Insurance Contracts Act 1984*, be subrogated to all Your rights of recovery against all persons or organisations and You will execute and deliver instruments and papers and do all that is necessary to assist Us in the exercise of such rights.

Special definitions

The words listed below have been given a specific meaning and apply to **Policy 6** when they begin with a capital letter.

Claim, Claims

means

- a** a written or verbal allegation of any Wrongful Act; or
- b** a civil proceeding commenced by the service of a complaint, summons, statement of Claim or similar pleading alleging any Wrongful Act; or
- c** a criminal proceeding commenced by a summons or charge alleging any Wrongful Act.

Defence Costs

means costs, charges and expenses (other than Your fees, salaries or salaries of Your employees) incurred by Us or with Our written consent (such consent not to be unreasonably withheld) in the investigation, defence, monitoring or settlement of any Claim or proceedings and appeals therefrom together with the costs of appeal.

Documents

means deeds, wills, agreements, maps, plans, records, books, letters, certificates, forms and documents of any nature whether written, printed or reproduced by any other method but does not include currency notes or negotiable instruments of any kind.

Loss

means the amount payable in respect of a Claim made against You for a Wrongful Act and will include damages, judgments, settlements, orders for costs and Defence Costs.

Office Bearer

means:

- a** a person appointed by the Body Corporate to act as an Office Bearer or committee member in terms of the *Strata Schemes Management Act*, *Strata Titles Act*, *Community Titles Act* or similar legislation applying where Your Insured Property and Common Area is situated;
- b** a Body Corporate Manager appointed as an agent of an Office Bearer and/or committee member;
- c** a person invited by an Office Bearer and/or committee member to assist in the management of the Body Corporate affairs.

Wrongful Act

means any error, misstatement, act or omission, or neglect or breach of duty made, committed, attempted or allegedly made, committed or attempted by You or any matter claimed against You solely by reason:

- a** of You serving as an Office Bearer or committee member or director of the Body Corporate; or
- b** as an Office Bearer on a related building management committee provided at the time of serving as an Office Bearer on that committee You are also an Office Bearer or committee member or nominee or director of Your Body Corporate.

Where any such Wrongful Act results in more than one Claim all such Claims will jointly constitute one Loss and be deemed to have originated in the earliest policy year in which any of such Wrongful Acts is first reported to Us.

Policy 7 – Machinery breakdown

What we insure

We insure You against Insured Damage provided that the Insured Item is within Your Situation and is in the ordinary course of working at the time damage occurs.

The amount We pay will:

- ◆ be calculated in accordance with the clause herein titled 'Claims - how we will settle your claim';
- ◆ be subject to the application of any Excess shown on the Schedule; and
- ◆ not exceed the Sum Insured stated on the Schedule.

Additional benefits

Additional Benefits are included when Your Sum Insured under **Policy 7** is not otherwise expended in respect of any one Event.

We will pay for the reasonable cost of:

- 1 expediting repair including overtime working;
- 2 express or air freight;
- 3 replacing oil and refrigerant gas from air-conditioning units or refrigeration units;
- 4 hiring a temporary replacement item provided such cost is necessary to maintain a vital service provided by You.

These costs must be incurred as the result of Insured Damage.

Exclusions – what we do not insure

We will not pay for:

- 1 Damage caused by:
 - a Wear and Tear;
 - b chipping, scratching or discolouration of painted, polished or finished surfaces;
 - c the deterioration of any pre-existing crack, fracture, blister, lamination, flaw or grooving which had not previously penetrated completely through the entire thickness of the material of the Insured Item, notwithstanding that repair or renewal of the part affected may be necessary either immediately or at some future time, except where caused by Insured Damage and You did not know or should not reasonably have known of the pre-existing condition;
 - d the wearing away or wasting of material caused by or naturally resulting from atmospheric conditions, rust, Erosion, corrosion, oxidation or ordinary use;
 - e the tightening of loose parts, recalibration or adjustments;
 - f the carrying out of tests involving abnormal stresses or the intentional overloading of any Insured Item.
- 2 Damage to:
 - a glass or ceramic components;
 - b defective tube joints or other defective joints or seams;
 - c any valve fitting, shaft seal, gland packing joint or connection except where caused directly by Insured Damage;
 - d foundations, brickwork, and refractory materials forming part of an Insured Item;
 - e television, video or audio equipment other than security system equipment;
 - f expendable items, including electrical and electronic glass bulbs, tubes, lamps, x-ray tubes, electrical contacts, fuses, heating elements, commutators, slip rings, conducting brushes, thermal expansion (TX) valves, thermostats, protective and controlling devices, over-loads, chains, belts, ropes, tyres, pressure switches, bearings, valves, valve plates, filters and dryers;
 - g computers, telecommunication transmitting and receiving equipment, electronic data processing equipment, electrical office machines, coin operated machines, gaming machines, storage tanks and vats, stationery and mobile pressure vessels containing explosive gases, mobile machinery, ducting, reticulating electrical wiring, water and gas piping and all other plant and equipment not owned by You;
 - h plant which has been hired or is on loan unless We specifically agree in writing.

- 3 Consequential loss of any kind other than that which is specifically stated.
- 4 Damage caused by the application of any tool or process in the course of maintenance, inspection, repair, alteration, modification or overhaul.
- 5 Damage occurring during installation or erection other than the dismantling, movement and re-erection for the purpose of cleaning, inspection, repair or installation in another position within the Situation.
- 6 Damage which is claimable from any manufacturer, supplier, engineer or other person under the provisions of any maintenance or warranty agreement.
- 7 Loss of oil, liquid or gas resulting from leakage from glands, seals, gaskets, joints or from corroded, pitted or deteriorated parts.
- 8 the cost of converting refrigeration/air-conditioning units from the use of CFC (chlorofluorocarbon) refrigerant gas to any other type of refrigerant gas.

Claims – how we will settle your claim

We will at Our option repair or replace the Insured Item or pay for the cost of same to a condition equal to but not better or more extensive than its condition immediately before the Insured Damage.

We will not make any deduction for Depreciation in respect of parts replaced.

We will not pay for the cost of any alterations, additions, improvements, modifications or overhauls.

Where components or manufacturers' specifications are no longer available due to obsolescence, the basis of settlement will be the cost of providing alternative suitable components equal to but not better or more extensive than the original component being substituted.

Special definitions

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

Insured Damage

means sudden and accidental physical loss or damage which occurs during the Period of Insurance and requires repair or replacement to allow continuation of use, other than by a cause:

- a which is covered under **Policy 1**; or
- b which is not claimable under **Policy 7**.

Insured Item

means:

- a lifts, elevators, escalators and inclinators provided they are subject to a current comprehensive maintenance agreement;
- b all other electrical, electronic and mechanical machinery, boilers and pressure vessels and similar plant; that forms part of Your Insured Property or its services.

Policy 8 – Catastrophe insurance

What we insure

We insure You up to the Sum Insured shown for **Policy 8** on the Schedule, against the Escalation in the cost of Replacement of Your Insured Property if it is destroyed, or We declare it a constructive total loss, following a loss which occurs during the Period of Insurance:

- 1
 - a due to a Catastrophe; or
 - b other Event which occurs not later than sixty (60) days after a Catastrophe, provided Your Insured Property has been continuously insured with Us for that period; and
- 2 the Event giving rise to the loss is admitted as a claim under **Policy 1**.

Special benefits

Special Benefits are included in addition to Your Sum Insured for **Policy 8**.

1 Temporary accommodation / rent – extended period of cover

a Temporary accommodation

When You occupy Your Lot/Unit We will pay the reasonable cost of Temporary Accommodation You necessarily incur if Your Lot/Unit is damaged and made unfit to be occupied for its intended purpose:

- ◆ due to the happening of a Catastrophe, or other Event referred to in **Clause 1b** of 'What we insure'; and
- ◆ the loss or damage to Your Insured Property is admitted as a claim under **Policy 1**.

We will pay from the time indemnity provided under **Special Benefit 1a** of **Policy 1** is expended until the time You reoccupy Your Lot/Unit following completion of rebuilding, repairs or replacement.

b Rent

When You have leased out or can substantiate by means of a signed agreement that You would have leased out Your Lot/Unit or Common Area We will pay the actual Rent You lose or would have lost if Your Lot/Unit or Common Area is damaged and made unfit to be occupied for its intended purpose:

- ◆ due to the happening of a Catastrophe, or other Event referred to in **Clause 1b** of 'What we insure'; and
- ◆ the loss or damage to Your Insured Property is admitted as a claim under **Policy 1**.

We will pay from the time indemnity provided under **Special Benefit 1b** of **Policy 1** is expended until the time Your Lot/Unit or Common Area is relet following completion of rebuilding, repairs or replacement provided You demonstrate You have taken all reasonable actions to obtain a new tenant.

2 Temporary accommodation – escalation in cost

When You occupy Your Lot/Unit We will pay for Escalation In The Cost Of Temporary Accommodation You necessarily incur if Your Lot/Unit is damaged and made unfit to be occupied for its intended purpose:

- ◆ due to the happening of a Catastrophe, or other Event referred to in **Clause 1b** of 'What we insure'; and
- ◆ the loss or damage to Your Insured Property is admitted as a claim under **Policy 1**.

We will pay from the time Temporary Accommodation is obtained until the time You reoccupy Your Lot/Unit following completion of rebuilding, repairs or replacement.

3 Removal, storage

We will pay for the costs You necessarily incur in:

- a removing any undamaged portion of Your Insured Property to the nearest place of safe keeping;

- b** storing the undamaged portion at that place or an equivalent alternate place;
- c** returning the undamaged portion to Your Situation when occupancy of Your Insured Property is permitted;
- d** insuring Your undamaged Insured Property during such removal, storage and return.

We will pay if the loss or damage to Your Insured Property is due to:

- ◆ the happening of a Catastrophe, or other Event referred to in **Clause 1b** of 'What we insure'; and
- ◆ is admitted as a claim under **Policy 1**.

The amount We pay will be reduced by any amount payable for such costs under **Policy 1**.

4 Cost of evacuation

When You occupy Your Lot/Unit for residential purposes We will pay for the Cost Of Evacuation You, or any person or persons permanently residing with You at the time immediately prior to such a happening, necessarily incur following an order issued by a Public or Statutory Authority, Body, entity or person so empowered by law, to evacuate Your Lot/Unit:

- ◆ due to the happening of a Catastrophe; and
- ◆ the loss or damage to Your Lot/Unit is admitted as a claim under **Policy 1**.

Any Cost Of Evacuation so payable will be reduced by any amount paid or payable by way of compensation by any Public or Statutory Authority.

The total amount We will pay under **Special Benefits 1 to 4** arising out of any Event claimable under **Policy 8** is limited to the percentages shown hereunder of the Sum Insured for **Policy 8** or such other percentage as We may agree in writing.

a	Special Benefit 1	Fifteen percent (15%);
b	Special Benefit 2	Five percent (5%);
c	Special Benefits 3 and 4 combined	Five percent (5%).

Claims – how we will settle your claim

The basis upon which the amount payable as Escalation in the cost of Replacement is to be calculated as the difference between:

- a** the actual cost necessarily incurred to rebuild, repair or replace Your Insured Property following a Catastrophe, or other Event referred to in **Clause 1b** of 'What we insure'; and
- b** the greater of either:
 - i** the cost that would have applied to rebuild, repair or replace Your Insured Property in terms of **Policy 1** immediately prior to the Catastrophe; or
 - ii** the Sum Insured in force under **Policy 1** at the time of the Catastrophe, or other Event referred to in **Clause 1b** of 'What we insure'.

Special provisions

- 1** No payment will be made under **Policy 8** until such time as the greater amount determined in accordance with the provisions of **Clause b** of 'Claims – how we will settle your claim' has been fully expended in Replacement of Your Insured Property.
- 2** In certifying the cost of Replacement of Your Insured Property at the time immediately prior to a happening giving rise to a claim under **Policy 8** the Qualified Valuer, Loss Adjuster or other suitably qualified person will use as the basis of certification:
 - a** the accepted building industry cost standards or recognised cost of materials guide in force on the day immediately prior to the happening of the Catastrophe or a day as close as practicable thereto;
 - b** any extra cost necessarily incurred to comply with any Public or Statutory Authority requirements but will not include any cost that would have been incurred in complying with orders issued prior to the happening of the loss or damage;
 - c** Architects fees, surveyors' fees and any other professional fees;

- d legal fees necessarily incurred in making submissions or applications to any Public or Statutory Authority, Builders Licensing Board, or Land and Environment Courts as a result of loss or damage to Your Insured Property;
 - e fees, contributions or imposts payable to any Public or Statutory Authority to obtain consent to rebuild, replace or repair Your Insured Property.
- 3 Any differences relating to the cost of Replacement at the time immediately prior to a happening giving rise to a claim under **Policy 8** may by agreement between Us be referred to the President of the Australian Property Institute Inc. who will appoint a registered and qualified valuer whose decision will, if we both so agree, be binding and who will at the same time decide as to payment of the costs of such referral.

Special condition

Policy 8 is subject to the same terms, conditions and exclusions as **Policy 1** and **General Exclusions** except as they may be expressly varied herein.

Special definitions

The words listed below have been given a specific meaning and apply to **Policy 8** when they begin with a capital letter.

Catastrophe

means an Event which is sudden and widespread and which causes substantial damage to property over a large area, and as a result of which the Insurance Council of Australia issues a catastrophe code.

Cost of Evacuation

means costs necessarily incurred for road, rail, air or sea transport to the designated place of evacuation and returning to Your Situation from the place of evacuation to resume permanent residency.

Escalation in the Cost of Temporary Accommodation

means, when a Lot/Unit in Your Insured Property is occupied by a Lot Owner, the difference between:

- a the amount of money payable for rental of a residential building or similar type accommodation of substantially the same size, containing similar facilities and in an equivalent suburban environment as Your Insured Property, following a Catastrophe or other loss referred to in **Clause 1b** of 'What we insure'; and
- b the cost of Temporary Accommodation that would have applied had the Catastrophe not occurred.

Notes

Policy 9 – Government audit costs and legal expenses

This Policy is issued on a Claims made basis. This means **Parts A, B and C of Policy 9** respond to Claims first made against You during the policy year and notified to Us during that policy year.

Part A: Government audit costs

What we insure

We insure You, up to the Sum Insured shown for **Part A of Policy 9** on the Schedule, for Professional Fees You reasonably incur with Our written consent in connection with an Audit first notified to You verbally or in writing during the Period of Insurance or within thirty (30) days thereafter.

We will not pay more than the Sum Insured for **Part A** for:

- a** any Claim reported during the Period of Insurance including any such Claim reported but not finalised until a subsequent Period of Insurance;
- b** all Claims reported in any one Period of Insurance.

Additional benefit

1 Record keeping audit

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

Exclusions – what we do not insure

1 We will not pay for Professional Fees:

- a** if prior to the commencement of the Period of Insurance You, or any person acting on Your behalf:
 - i** received any notice of a proposed Audit;
 - ii** had information that an Audit was likely to take place;
 - iii** had information that would indicate to a reasonable person that an Audit was likely to take place.
- b** if a return, or a document required to be lodged in relation to an Audit, has not been lodged:
 - i** at all;
 - ii** properly;
 - iii** by the due date.
- c** for any Audit that is conducted specifically for the purposes of determining if a fine, penalty or prosecution should be imposed in connection with:
 - i** any act or omission by You; or
 - ii** any failure, act or omission arising from or in connection with Your statutory obligations.
- d** charged by someone other than a Professional Adviser unless We have given Our prior written consent.
- e** relating to the Audit of Your taxation and financial affairs unless the return is first lodged:
 - i** during the Period of Insurance; or
 - ii** not more than twelve (12) months prior to the original inception date of **Policy 9**; or relates to a return for a financial year not more than three (3) years prior to the date You receive notification of an Audit.
- f** relating to an Audit if You fail to comply with any requirement or obligation imposed upon You by any relevant legislation if a return in relation to the Audit was not prepared or reviewed by Your Professional Adviser prior to dispatch.

g if You breach any conditions in this Policy, including failing to comply with any requirement imposed by any relevant legislation or failing to do what You must do if You intend to make a claim or You make a claim.

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

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

Special conditions

1 You must:

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

2 An Audit commences:

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

Part B: Appeal expenses – common property, health and safety breaches

What we insure

We insure You, up to the Sum Insured shown for **Part B** of **Policy 9** on the Schedule for Appeal Expenses You necessarily incur with Our consent in appealing against:

- a** the imposition of an improvement or prohibition notice under any workplace, occupational health, safety or similar legislation applying where Your Insured Property is situated; or
- b** the determination under any workplace occupational health, safety or similar legislation applying where Your Insured Property is situated of a review committee, arbitrator, tribunal or Court.

We will not pay:

- c** unless any such notice or determination is first made or first brought against You during the Period of Insurance and You report it to Us during that Period of Insurance or within thirty (30) days thereafter;
- d** more than the Sum Insured for **Part B** for:
 - i** any Claim reported during the Period of Insurance including any such Claim reported but not finalised until a subsequent Period of Insurance;
 - ii** all Claims reported in any one Period of Insurance.

The imposition of an improvement or prohibition notice must arise out of Your failure to provide and maintain so far as is reasonably practicable:

- ◆ a safe working environment;
- ◆ a safe system of work;
- ◆ plant and substances in a safe condition;
- ◆ adequate facilities of a prescribed kind for the welfare of Your employees.

Part C: Legal defence expenses

What we insure

We insure You, up to the Sum Insured shown for **Part C** of **Policy 9** on the Schedule for Legal Defence Expenses You necessarily incur with Our written consent in connection with litigation arising out of a Claim made or brought against You:

- a** in connection with the conduct of Your ordinary Business and affairs;
- b** under the *Competition and Consumer Act 2010* or under any other consumer protection legislation;
- c** arising out of any dispute with an employee, former employee or prospective employee:
 - i** concerning the terms and conditions of their contract of employment or alleged contract of employment with You;
 - ii** leading to civil or criminal proceedings under any Race Relations or Sexual Discrimination Legislation.

We will not pay:

- a** unless:
 - i** any such Claim is first made or first brought against You during the Period of Insurance;
 - ii** You report it to Us during that Period of Insurance or within thirty (30) days thereafter;
 - iii** We agree there are reasonable grounds for the defence of any such Claim.
- b** more than the Sum Insured for **Part C** for:
 - i** any Claim reported during the Period of Insurance including any such Claim reported but not finalised until a subsequent Period of Insurance;
 - ii** all Claims reported in any one Period of Insurance.

Excess

For each and every Claim You must, by way of Excess, pay or contribute the amount of \$1,000.

Exclusions – what we do not insure

- 1** We do not insure Legal Defence Expenses for any Claim:
 - a** which You have pursued or defended without Our written consent;
 - b** which You have pursued or defended contrary to or in a different manner from that advised by the Appointed Representative;
 - c** arising from an act, omission, liability or Event for which indemnity is otherwise provided under the terms and conditions of **Policy 2** (Liability to others) and **Policy 6** (Office Bearers Legal Liability Policy) or would have been provided if **Policy 2** and **Policy 6** were operative;
 - d** arising from circumstances that You knew of prior to the inception of this Policy, or a reasonable person in the circumstances could be expected to know, to be circumstances that may give rise to a Claim against You;
 - e** arising from a deliberate act, including a deliberate act of fraud or dishonesty, on Your part if a judgment or other final adjudication adverse to You establishes that such act was committed or attempted by You with actual dishonest purpose or intent and was material to the cause of action so adjudicated;
 - f** between You and Us including Our Directors, employees or servants;
 - g** which involves a conflict of duty or interest of Yours;
 - h** made or threatened or in any way intimated on or before the inception date shown on the Schedule, except as otherwise provided by **Special Condition 4**;
 - i** first notified to Us more than thirty (30) days after the expiry of this Policy, except as otherwise provided by **Special Condition 4**.

2 We will not be liable for:

- a** the cost of litigation or proceedings initiated by You;
- b** the payment of any compensation or damages of any kind other than Your liability to pay fees, expenses and disbursements of other persons or entities by reason of an order of any Court, Arbitrator or Tribunal.

Special conditions

1 Appeal procedure

If You are dissatisfied with any decision made by a Court or Tribunal and wish to appeal against that decision, You must:

- a** make a further written application to Us for Our written consent at least five (5) clear business days prior to the expiry of the time for instituting an appeal; or
- b** if the time allowed by law to appeal is less than five (5) clear business days, You must advise Us as soon as practicable.

Your application or advice must state the reasons, as fully as possible, for making an appeal.

If We are dissatisfied with any decision made by a Court or Tribunal and wish to appeal that decision You must reasonably co-operate with Us in the bringing of such an appeal. In this event We will pay all costs involved.

2 Bill of costs

You must forward Us all bills of costs or other communications relating to fees and expenses as soon as practicable after receipt by You. If requested by Us, You will instruct the Appointed Representative to submit the bill of costs for taxation or adjudication by any relevant professional body, Court or Tribunal.

You must not without Our written approval enter into any agreement with the Appointed Representative as to the level of fees and expenses to be charged. Further You must not represent to the Appointed Representative that all fees and expenses charged to Your account are insured by this Policy.

3 Consent

We will not be liable to indemnify You unless You have first obtained Our specific written consent to incur Legal Defence Expenses in the defence of any Claim instituted against You. The granting of any such consent will not be unreasonably withheld after You have given notice to Us of any occurrence or circumstance that might result in a Claim being made or proceedings instituted against You.

4 Continuous cover

We agree that should a Claim arise which should have been or could have been notified to Us during a prior Period of Insurance when this Policy was operative We will accept the notification of such Claim.

Provided always that:

- a** We have continuously been the insurer between the date when such notification should have been given and the date when such notification was in fact given; and
- b** the terms and conditions applicable to **Special Condition 4** and to that notification will be the terms and conditions, including the Limit of Liability and deductible, applicable to this Policy under which the notification should have or could have been given.

5 Information to be given to the appointed representative

You will at all times and at Your own expense give to the Appointed Representative all such information and assistance as required. You will give a complete and truthful account of the facts of the case, shall supply all documentary and other evidence in Your possession relating to the Claim, will obtain and sign all documents required to be obtained and signed and will attend any meetings or conferences when requested.

6 Jurisdiction

Any dispute arising out of or under this Policy will be subject to determination by any Court of Competent Jurisdiction within Australia according to the law applicable to that Jurisdiction.

7 Nomination of appointed representative

You may request Us to nominate a solicitor to act as Your Appointed Representative or if You elect to nominate Your own solicitor to act as the Appointed Representative, You must submit the name and address of that solicitor to Us. We may accept or refuse such nomination without giving a reason.

If agreement cannot be reached on the appointment the President of the Law Society within Your State will be requested to nominate an Appointed Representative. During this period We will be entitled but not bound to instruct an Appointed Representative on Your behalf if We consider it necessary to do so to safeguard Your immediate interests.

In all cases the Appointed Representative will be appointed in Your name and will act on Your behalf.

8 Offer of settlement

You must inform Us immediately if You receive an offer to settle a Claim.

If such offer of settlement is, in our judgment, considered to be fair and reasonable and You withhold Your agreement to such a settlement and elect to continue legal proceedings Our liability will not exceed the amount of Legal Defence Expenses incurred up to the date of such settlement offer.

Further if You refuse a recommendation by the Appointed Representative to settle a Claim and elect to continue legal proceedings, Our liability will not exceed the amount of Legal Defence Expenses incurred up to the date of such refusal.

9 Our access to the appointed representative

You will do all things reasonably necessary to allow Us to obtain from the Appointed Representative any information, report documents or advice relating to the Claim. However You will not be prejudiced if the Appointed Representative refuses to make such information, report documentation or advice available to Us on the grounds that to do so might prejudice Your interests in any litigation that is involved or may be commenced.

10 Recovery of legal defence expenses

If You are awarded costs, You must take all reasonable steps to recover such fees and expenses for which You are indemnified by this Policy. All such fees and expenses actually recovered will be taken into account when calculating Our liability.

11 Reporting and notice

A specific Claim will be considered to have been first reported to Us at the time You first give written notice to Us of the receipt of written or oral notice from any party or entity that it is the intention of such party or entity to hold You responsible for a civil or criminal act.

12 Subrogation

In the event of a payment under this Policy to or on Your behalf We will, subject to the *Insurance Contracts Act 1984*, be subrogated to all Your rights of recovery of Legal Defence Expenses against all persons or organisations and You will execute and deliver instruments and papers and do all that is necessary to assist Us in the exercise of such rights.

Special definitions that apply to Parts A, B and C

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

Appeal Expenses

means legal costs, professional costs and other disbursements necessarily and reasonably incurred with Our consent in connection with a Claim brought against You.

Appointed Representative

means a solicitor, barrister, assessor, consultant, investigator or other appropriately qualified person instructed to act on Your behalf in connection with any Claim with respect to which Legal Defence Expenses are payable under this Policy.

Audit

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

Auditor

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

Business

means the ownership of Your Common Area and Insured Property unless You otherwise advise Us and We agree to such inclusion in writing.

Claim, Claims

means:

- a** a written or verbal advice of intent to initiate legal proceedings or a civil or criminal action against You; or
- b** a civil proceeding commenced by the service of a complaint, summons, statement of claim or similar pleading against You; or
- c** a criminal proceeding commenced by a summons or charge against You.

Designated Liability

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

Final Decision

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

Legal Defence Expenses

means:

- a** fees, expenses and other disbursements necessarily and reasonably incurred by an Appointed Representative in connection with any Claim brought against You including costs and expenses of expert witnesses as well as those incurred by Us in connection with any such Claim;
- b** fees, expenses and disbursements incurred by persons or entities other than You in so far as You are liable to pay such fees, expenses and disbursements by reason of an order of any Court, Arbitrator or Tribunal;
- c** legal fees, expenses and other disbursements reasonably and necessarily incurred in appealing or resisting an appeal from the judgment or determination of a Court, Arbitrator or Tribunal.

Professional Adviser

means:

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

Professional Fees

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

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

Record Keeping Audit

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

Commercial Straits
Insurance Plan

Policy 1
Insured Property

Policy 2
Liability to Others

Policy 3
Voluntary Workers

Policy 4
Workers' Compensation

Policy 5
Fidelity Guarantee

Policy 6
Office Bearers' Legal Liability

Policy 7
Machinery Breakdown

Policy 8
Catastrophe Insurance

Policy 9
Government Audit Costs & Legal Expenses

Policy 10
Lot Owners' Fixtures & Fittings

Notes

Policy 10 – Lot Owners’ fixtures and fittings

What we insure

When You have exhausted Your Sum Insured under **Policy 1** We insure You up to the Sum Insured shown for **Policy 10** on the Schedule, against ACCIDENTAL LOSS or DAMAGE to Lot Owners’ Fixtures and Fittings. The Event must be claimable under **Policy 1** and must occur during the Period of Insurance.

Policy 10 is subject to the same terms, conditions and exclusions as **Policy 1** and **General exclusions** except as they may be expressly varied herein.

Claims – how we will settle your claim

If Lot Owners’ Fixtures and Fittings are lost or damaged, We may choose to either replace, repair or pay the amount it would cost to replace or repair.

The amount We pay under **Policy 10** will be the cost of Replacement at the time of Replacement subject to the following provisions:

- a** The necessary work of replacing or repairing must be commenced and carried out without unreasonable delay;
- b** If You cause unreasonable delays in commencing or carrying out Replacement or repair, We will not pay any extra costs that result from that delay;
- c** Where materials used in the original construction are not readily available We will use the nearest equivalent available;
- d** When We wish to replace or repair and You do not want this to occur We will only pay Indemnity Value.

We will not pay for the cost to:

- i** replace undamaged Lot Owners’ Fixtures and Fittings;
- ii** replace or repair illegal installations.

Special definition

The words listed below have been given a specific meaning and apply to **Policy 10** when they begin with a capital letter.

Lot Owners’ Fixtures and Fittings

means any fixture or structural improvement, other than Floating Floors, installed by a Lot Owner for their exclusive use and which is permanently attached to or fixed to Your building so as to become legally part of it, including any improvements made to an existing fixture or structure.

Notes

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Notes

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