

# Build to Rent - Residential Insurance

For residential apartment buildings not subject  
to strata sub-division



Product Disclosure Statement  
and Policy Wording



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Date of preparation: 19 April 2021

Date effective: 1 May 2021

QM8893-0521

### Who this product is designed for

This product is designed for a residential development in which all apartments are owned by the developer, it may be a managed investment trust or another entity that then leases directly to tenants.

### Who it is not designed for

This product is not designed for:

- Developers that build a residential development and sells the apartments to individuals to either live in or rent out as an investment
- Strata Title properties, where individuals have ownership over their own lot such as an apartment or townhouse as well as shared ownership over the common property
- Tenants, landlords or people that live in buildings that are required to be insured by strata body corporates or similar entities

Throughout the Policy Wording there are a number of sub limits and time limits that may apply as well as additional excess payments. This table summarises any sub limits and excesses, but You should read the Policy Wording for full details.

### Sub-limit (\$) table

POLICY SECTION	SUB-LIMIT	WHAT WE'LL PAY
Policy 1 – Insured Property	<b>Emergency and temporary protection costs</b> Reasonable cost of temporary protection and safety or emergency repairs to avoid further losses	No more than \$7,500
Policy 1 – Insured Property	<b>Rent</b> Costs incurred to abate rent during period of disruption	Not exceeding a maximum of three (3) months
Policy 1 – Insured Property	<b>Loss of rent - Disease, murder and suicide</b> If Lot/Unit or Communal Area unable to be occupied due to order of a statutory body	Not exceeding a period of thirty (30) days
Policy 1 – Insured Property	<b>Loss of rent – Failure of supply services</b> If Lot/Unit or Communal Area unfit for occupancy due to failure of utilities as a result of a claimable Event for more than forty eight (48) hours	Not exceeding a period of thirty (30) days
Policy 1 – Insured Property	<b>Loss of rent - Cost of reletting</b> Reasonable reletting costs following Damage admitted as a claim	No more than \$1,500 per Lot/Unit
Policy 1 – Insured Property	<b>Alterations/additions</b> Damage to alterations, additions or renovations to Your Insured Property unless the works are required to be covered under a separate contract works policy.	During the construction period, pay up to \$250,000 damage
Policy 1 – Insured Property	<b>Electricity, gas, water and similar charges – unauthorised use</b> Covers increased usage cost of utilities following Damage that is admitted as a claim.	No more than \$2,000
Policy 1 – Insured Property	<b>Fusion of Motors</b> Repairing or replacing an electric motor Damaged and admitted as a claim.	Up to \$5,000 for the cost of repairing or replacing an electric motor
Policy 1 – Insured Property	<b>Environmental improvements</b> Following Damage to Insured Property admitted as a claim, if Damaged portion is greater than twenty-five percent (25%) We will pay cost of additional environmental improvements not previously installed.	No more than \$20,000

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POLICY SECTION	SUB-LIMIT	WHAT WE'LL PAY
<b>Policy 1 – Insured Property</b>	<p><b>Exploratory costs, Replacement of defective parts</b></p> <p>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.</p>	<p>No more than \$1,000 for repairing or replacing the defective part or parts of such tanks, apparatus or pipes;</p> <p>No more than \$1,000 for rectifying contamination Damage or pollution Damage to land at Your Situation caused by the escape of liquid</p>
<b>Policy 3 – Machinery breakdown</b>	<p><b>Special benefit</b></p> <p>if Your Lot/Unit or Communal Area is made unfit to be occupied due to breakdown of plant and equipment resulting from Damage by a claimable Event, provided the breakdown of plant and equipment extends for more than seven (7) days We will pay for Loss of Rent from the time of the breakdown of plant and equipment until the time such plant and equipment is repaired or replaced.</p>	<p>Our liability limited up to a maximum of twenty percent (20%) of the amount shown in the Schedule and not exceeding a maximum of thirty (30) days following the breakdown of plant and equipment.</p>
<b>Policy 4 – Catastrophe Insurance</b>	<p><b>Special benefit</b></p> <p>Total amount payable for Special Benefits 1 to 3.</p>	<p>a. Rent – Fifteen percent (15%);</p> <p>b. Escalation in costs - Five percent (5%);</p> <p>c. Removal, storage and cost of evacuation - Five percent (5%);</p>



## Product Disclosure Statement (PDS)

This PDS was prepared on 19 April 2021.

### Important Information and Notices

There are two parts to this booklet. The first part is Important Information about this Policy including information about how We will protect Your privacy and how to make a complaint or access Our dispute resolution service.

The second part is Your Policy Wording which sets out the detailed terms, conditions and exclusions of the Policy.

Because We don't know Your own personal circumstances, You should treat any advice in this booklet as purely general in nature.

It doesn't consider Your objectives, financial situation or needs. You should carefully consider the information provided with regard to Your personal circumstances to decide if it's right for You.

This booklet is also a Product Disclosure Statement (PDS). Other documents You receive may comprise the PDS. You will know when this happens because it will say so in the document.

We may need to update information in this PDS. If We need to do this, We will either send You a new PDS or a supplementary PDS. You can also get a copy of these simply by calling us.

### About QBE

The Policy is underwritten by QBE Insurance (Australia) Limited (ABN 78 003 191 035 AFSL 239545) (QBE) of Level 5, 2 Park Street Sydney. QBE Insurance (Australia) Limited is a member of the QBE Insurance Group Limited ABN 28 008 485 014 (ASX: QBE).

We have authorised the information contained in this PDS.

### About CHU

CHU Underwriting Agencies Pty Ltd (ABN 18 001 580 070) (CHU) holds an Australian Financial Services licence (AFS Licence No: 243261) to issue and advise on general insurance products.

CHU is a company within the Steadfast Underwriting Agencies division of Steadfast Group Limited (SGL).

### Authority to act on Our behalf

We have given 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 CHU. The contact details for CHU are shown on the back cover of this document.

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

### For more information or 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. The Claims section at the end of this booklet sets out the full details of what You need to do in the event of a claim.

### Your duty of disclosure

Before You enter into an insurance contract, You have a duty of disclosure under the *Insurance Contracts Act 1984* 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 in accordance with the law cancel Your contract or reduce the amount We will pay You if You make a claim, or both.

### Privacy

In this Privacy Notice, the use of 'We', 'Our' or 'Us' means QBE and CHU unless specified otherwise.

We will collect personal information when You deal with Us, Our agents, other companies in the QBE group or suppliers acting on Our behalf. We use Your personal information so We can do business with You, which includes issuing and administering Our products and services and processing claims. Sometimes We might send Your personal information overseas. The locations We send it to can vary but include the Philippines, India, Ireland, the UK, the US, China and countries within the European Union.

Our Privacy Policy describes in detail where and from whom We collect personal information, as well as where We store it and the full list of ways We could use it. To get a free copy of it please visit [qbe.com.au/privacy](http://qbe.com.au/privacy)

or contact QBE Customer Care. You can view CHU's Privacy Policy at [www.chu.com.au](http://www.chu.com.au) or obtain a copy by contacting CHU's / Steadfast's Privacy Officer on +61 2 9307 6656 or by writing to

PO Box A2016, Sydney South NSW 1235 or email [privacyofficer@steadfastagencies.com.au](mailto:privacyofficer@steadfastagencies.com.au).

It's up to You to decide whether to give Us Your personal information, but without it We might not be able to do business with You, including not paying Your claim.

### 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 8. 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 4);
  - what Excesses You may have to pay;

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- when You are not insured (see General exclusions and other exclusions under Policies 1 to 4);
- what You and We need to do in relation to claims;
- Yours and Our cancellation rights.
- the relevant quote/proposal form You need to complete to apply for cover (if applicable);
- any Schedule 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.

## Significant features and benefits

The following provides a summary of the main covers available only. You need to read the Schedule and the Policy Wording for full details of the available cover, terms, definitions, conditions, exclusions and limits that apply to make sure it meets Your expectations. The cover in each Policy is provided only if specified as applicable in the Schedule.

### Policy 1 – Insured Property

We insure You up to the Sum Insured shown in the Schedule for Policy 1 for Damage to Your Insured Property (Building and Contents) that occurs during the Period of Insurance not otherwise excluded in the Policy.

If Your Sum insured is not exhausted, We will also pay for the costs or fees incurred as a result of damage to Your Insured Property under Policy 1. Details of the costs and fees We pay are set out under the heading 'Additional Benefits' in Policy 1 of the Policy.

We also provide cover for Special Benefits in addition to Your Sum Insured for Policy 1. Details of the Special Benefits are set out under the heading 'Special Benefits' in Policy 1 of the Policy. The combined total amount We will pay under Special Benefits arising out of any one Event that is admitted as a claim under Policy 1 is limited to the percentage of the Building Sum Insured for Policy 1 as shown in the Schedule or such other percentage as We may agree in writing.

We also provide cover for Special Benefits in addition to Your Sum Insured for Policy 1. Details of the Special Benefits are set out under the heading 'Special Benefits' in Policy 1 of the Policy. The combined total amount We will pay under Special Benefits arising out of any one Event that is admitted as a claim under Policy 1 is limited to the percentage of the Building Sum insured for Policy 1 as shown in the Schedule or such other percentage as We may agree in writing

### Policy 2 – Liability to Others

We will indemnify You up to the Limit of Liability shown in 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 the ownership of Your and Your Insured Property that happens during the Period of Insurance.

We also pay the costs of defending a claim in connection with a claim under this Policy.

### Policy 3 – Machinery Breakdown

We insure You up to the Sum Insured shown in the Schedule for Policy 3 against Insured Damage which occurs during the Period of Insurance and requires repair or Replacement provided that the Insured Item is within Your Situation and is in the ordinary course of working at the time the Insured Damage occurs.

We also provide cover for Additional Benefits if the Sum Insured is not exhausted. Details of the Additional Benefits are set out under the heading 'Additional Benefits' in Policy 3.

We also provide cover for Special Benefits in addition to Your Sum Insured for Policy 3. Details of the Special Benefits are set out under the heading 'Special Benefits' in Policy 3.

### Policy 4 – Catastrophe Insurance

We insure You up to the Sum Insured shown in the Schedule for Policy 4 for any reasonable increase in the Replacement cost of Your Insured Property following a loss which occurs during the Period of Insurance:

- a. due to the happening of an Event for which the Insurance Council of Australia issues a catastrophe code or other Event which occurs no later than sixty (60) days after the Catastrophe; and
- b. the Event giving rise to the loss is admitted as a claim under Policy 1 – Insured Property.

### Important Information you should understand

In addition to the covers summarised above, there are a number of terms, conditions, limits and exclusions contained in the Policy that can affect how or whether a claim is paid under this Policy. You need to read the Schedule and the Policy Wording for full details of the available cover, terms, definitions, conditions, exclusions and limits that apply to make sure it meets Your expectations.

### Exclusions

The following provides a summary of the main exclusions to cover only. These are examples only. For full details of the exclusions that apply, please read the Policy in full.

For example, 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:

- a. any Act of Terrorism where such act is directly or indirectly caused by, contributed to, resulting from, or arising out of or in connection with biological, chemical, or nuclear weapons, pollution or contamination;
- b. the actual or alleged use or presence of asbestos;
- c. ionising radiation from, or contamination by radioactivity from, any nuclear fuel or nuclear waste from the combustion of nuclear fuel.

### Conditions

You must meet certain conditions for Your insurance cover to apply. If You do not comply with the conditions We may refuse to pay a claim in whole or in part. For full details of all the conditions of cover that

1. Payment of any Excess shown in this Policy or in the Schedule for each claim made may be requested from You when the claim is lodged, or may be deducted from Our payment if Your claim is accepted.
2. 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.
3. When renewing Your insurance with Us, You have a duty of disclosure under the *Insurance Contracts Act 1984*. You must advise



Us of any changes to Your claims or insurance history that a reasonable person in the circumstances would tell us. CHU will notify You in writing of any effect a change may have on Your insurance renewal.

### The cost of this insurance

The amount that We charge You for this insurance when You first acquire the Policy and when You renew the Policy is called the Premium. In order to calculate Your Premium, We take various factors into consideration, including but not limited to:

- the Sum(s) Insured;
- the address of Your Insured Property;
- Your insurance history;
- the security features of Your Insured Property.

The total cost of the Policy is shown in the Schedule and is made up of Your Premium plus government taxes such as Stamp Duty, GST, any Fire Service Levy (where applicable).

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 in the Schedule.

### Paying Your Premium

Various options are available for paying Your Premium including annual payment by credit card, BPAY, EFT and direct deposit.

### Other costs, fees and charges

Other costs, fees and charges which may be applicable to the purchase of the Policy include:

#### Administration Fee

An administration fee is payable by You for each policy issued or renewed to cover CHU's administration cost of preparing and distributing the Policy. Any administration fee is noted in the Schedule and is not refundable in the event of cancellation, unless the insurance contract is cancelled within the cooling-off period or is a full term cancellation. For more information on the administration fee please refer CHU Financial Services Guide or contact CHU directly.

#### Refund of Premium

You may cancel the Policy at any time. If You choose to cancel the Policy We will retain a portion of the Premium which relates to the period for which You have been insured. We will refund the residue for the unexpired period less any nonrefundable government taxes or charges, provided that no event has occurred where liability arises under the Policy.

#### Commissions

SGL or CHU may receive a commission payment from Us when the Policy is issued and renewed. For details of the relevant commission paid, please refer to the Financial Services Guide, or contact SGL or CHU directly.

### 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.

### Receiving Your Policy documents

You may choose to receive Your Policy documents:

- a. electronically, including but not limited to email; or
- b. by post.

If You tell CHU to send Your Policy documents electronically, CHU will send them to the email address that You have provided. This will continue until You tell CHU otherwise or until CHU advises that this method is no longer suitable. Each electronic communication will be deemed to be received by You twenty-four (24) hours after it leaves CHU's information system. If You do not tell CHU to send Your Policy documents electronically, the Policy documents will be sent to the mailing address that You have provided.

You are responsible for ensuring that the email and mailing address that CHU has is up to date. Please contact CHU to change Your email or mailing address.

### 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 reasonably practicable 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 We require You to:

- provide details of the incident and when requested complete the claim form We send You;
- Subject to reasonable notice and at a reasonable time that suits You and Us, You will allow Us or our appointed representative to inspect Your Insured Property and take possession of any damaged item(s) if reasonable and required;
- take all reasonable steps to reduce the damage or loss and prevent further loss or damage;
- inform the police as soon as reasonably practicable following theft, vandalism, malicious damage or misappropriation of property; not dispose of any damaged items without first seeking Our approval; and
- not get repairs done, except for essential temporary repairs, and where reasonable We seek Your cooperation in selecting the repairer or supplier.

These are only some of the things that You must do if making a claim. Please refer to the Claims Conditions section which sets out claims information and what You must do if making a claim.

### Cooling-off information

If You want to return Your Policy 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 twenty-one (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. Please see General Conditions.

### Cancellation

You may cancel the Policy at any time by notifying Us in writing. We may cancel the Policy where We are entitled to by law.

Further details about cancellation are shown in the General Conditions.

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## General Insurance Code of Practice

QBE 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 CHU or from [www.codeofpractice.com.au](http://www.codeofpractice.com.au).

## Resolving Complaints and Disputes

At QBE and CHU, we are committed to providing You with quality products and delivering the highest level of service. QBE and CHU also do everything we can to safeguard Your privacy and the confidentiality of Your personal information.

### Something not right?

QBE and CHU know sometimes there might be something You are not totally happy about, whether it be about our staff, representatives, products, services or how we've handled Your personal information.

### Step 1 – Talk to CHU

If Your complaint relates to a claims decision or CHU service provider, please initially contact the CHU Claims Handler who is handling the Claim. If Your complaint relates to an underwriting decision (or anything else), please contact the CHU representative who originally assisted You. When You make Your complaint please provide as much information as possible. CHU are ready to help You resolve your issue, aiming to resolve all complaints within fifteen (15) business days.

### Step 2 – Escalate Your complaint

If CHU haven't responded to Your complaint within fifteen (15) days, or if You're not happy with how CHU 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. The Dispute Resolution Specialist will provide CHU's final decision within fifteen (15) business days of Your complaint being escalated, unless You have agreed to CHU's request to be given more time.

### Step 3 – Still not resolved?

If You're not happy with the final decision, or if CHU have taken more than forty-five (45) days to respond to You from the date You first made Your complaint, You can contact the Australian Financial Complaints Authority (AFCA). AFCA is an ASIC approved external dispute resolution body.

AFCA resolves insurance disputes between consumers and insurers, at no cost to You. CHU is bound by AFCA decisions - but You're not. You

can contact AFCA directly and they'll advise You if Your dispute falls within their Rules.

### Disputes not covered by the AFCA Rules

If Your dispute doesn't fall within the AFCA Rules, or You are not satisfied with CHU's decision then You may wish to seek independent legal advice.

### Privacy complaints

If You are not satisfied with CHU's final decision and it relates to Your privacy or how CHU has handled Your personal information, You can contact the Office of the Australian Information Commissioner (OAIC).

### Contacting QBE's CCU, AFCA or the OAIC

How to contact QBE Customer Care	
Phone	1300 650 503 (Monday to Friday from 9am to 5pm, Sydney time, except on public holidays) Calls from mobiles, public telephones or hotel rooms may attract additional charges
Email	<ul style="list-style-type: none"><li>complaints@qbe.com, to make a complaint</li><li>privacy@qbe.com, to contact Us about privacy or Your personal information</li><li>customer care@qbe.com, to give feedback or pay a compliment</li></ul>
Post	Customer Care, GPO Box 219, Parramatta NSW 2124
How to contact AFCA	
Phone	1800 931 678 (free call)
Email	info@afca.org.au
Online	www.afca.org.au
Post	Australian Financial Complaints Authority, GPO Box 3, Melbourne VIC 3001
How to contact the OAIC	
Phone	1300 363 992 Calls from mobiles, public telephones or hotel rooms may attract additional charges
Email	enquiries@oaic.gov.au
Online	www.oaic.gov.au



### Request for Information

You may request copies of information We have relied upon to arrive at Our decision(s) in the Complaint Handling process. In some instances, We may not release the information as requested and You may request a review of Our decision not to release such information. We will comply with Code requirements regarding providing information You request.

### Contact CHU

Phone: 1300 361 263

Email: [info@chu.com.au](mailto:info@chu.com.au)

### Financial claims scheme

Your Policy is a protected policy under the Financial Claims Scheme (FCS), which protects certain insureds and claimants in the event of an insurer becoming insolvent. In the unlikely event of QBE becoming insolvent You may be entitled to access the FCS, provided You meet the eligibility criteria. More information may be obtained from the Australian Prudential Regulation Authority (APRA).

### How to contact APRA

Phone: 1300 558 849 (Phone calls from mobiles, public telephones or hotel rooms may attract additional charges).

Online: [www.fcs.gov.au](http://www.fcs.gov.au)

### Monetary limits on the cover

We can insure You up to the amount of the Sum Insured or Limit of Liability or other specified limits for Your Insured Property. These amounts are specified in the specific Policies of the Policy Wording or in the Schedule.

You need to decide if the relevant Sum(s) Insured and Limit(s) of Liability are appropriate for You. If You do not adequately insure Yourself You may have to bear the uninsured proportion of any loss Yourself.

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

### Payment of Excesses

The Excess is the amount You must contribute towards the cost of any claim You make.

Payment of any Excess shown in this Policy or in the Schedule for each claim made may be requested from You when the claim is lodged, or may be deducted from Our payment if Your Claim is accepted.

The amount of Excess payable by You is shown in the Policy or in the Schedule.

### GST Implications

The Policy has provisions relating to Goods and Services Tax (GST). Please see General Conditions. In summary:

- a. the amount of Premium payable by You for this Policy includes an amount on account of the GST on the Premium (including any additional fees that may be charged by CHU;

- b. the Sum Insured and other limits of insurance cover shown in 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.



## Policy Wording

### Our Agreement

The agreement between You and Us consists of:

- a. the PDS and Policy Wording;
- b. the Schedule; and
- c. any Endorsement(s).

The cover under this Policy is provided during the Period of Insurance, once You've paid Us Your Premium. There are also:

- Conditions and exclusions which apply to specific covers or sections;
- General exclusions, which apply to any claim You make under this Policy;
- General conditions, which set out Your responsibilities under this Policy;
- Claims conditions, which set out Our rights and Your responsibilities when You make a claim; and
- Other terms, which set out how this Policy operates.

### Excesses

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

The Excess(es) which You have to pay are set out in this Policy Wording or on Your Policy Schedule.

### How much We will pay

The most We will pay for a claim is the Sum Insured which applies to the cover or section You're claiming under, less any Excess.

### General Definitions

The words listed below have been given a specific meaning in this Policy Wording and these specific meanings apply when the words begin with a capital letter. Other words may have special meanings for particular Policies. These words will be defined in those Policies.

#### 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.

#### Communal Area

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

#### Communicable Disease

means:

- a. Rabies;
- b. Cholera;
- c. Highly Pathogenic Avian Influenza;
- d. Any disease determined by the World Health Organisation to be a Public Health Emergency of International Concern (PHEIC);
- e. Any disease determined to be a 'listed human disease', or any disease in respect of which a 'biosecurity emergency' or 'human biosecurity emergency' is declared, under the *Biosecurity Act 2015* (Cth) including any amendment, replacement, re-enactment, successor, equivalent or similar legislation including delegated legislation. A reference to Listed Human Disease shall have the meaning found in any replacement definition, in any amendment, re-enactment or successor legislation.

#### Computer System

means any computer, hardware, information technology and communications system or electronic device, including any similar system or any configuration of the aforementioned and including any associated input, output or Electronic Data storage device, networking equipment or back up facility.

#### Cyber Incident

means:

- a. Unauthorised or malicious acts and/or the threat of unauthorised or malicious acts, regardless of time or place;
- b. Malware or Similar Mechanism;
- c. Programming or operator error, whether by the insured or any other person or persons;
- d. Any unintentional or unplanned outage, wholly or partially, of the insured's Computer System not directly caused by physical loss or Damage;

affecting access to, processing of, use of or operation of any Computer System or any Electronic Data by any person or group(s) of persons.

#### Damage, Damaged

means any partial or total accidental physical loss of, or destruction of property from any sudden and accidental cause not otherwise excluded by this Policy.

#### 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, interpretation and/or processing by electronic and/or electromechanical data processing and/or electronically controlled equipment which includes but is not limited

to programs, software and/or other coded instructions for the processing and manipulation of data and/or the direction and/or manipulation of such equipment.

**Endorsement**

means a written alteration to the terms, conditions and limitations of this Policy which is shown in 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 Damage or series of Damage happening from that one Event, that is claimable under this Policy.

**Excess**

means the amount You must pay or contribute towards a claim. The amount of any Excess is shown in the Policy or in the Schedule.

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

**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. We will take reasonable steps in determining the indemnity value and will provide You with details of our calculation if requested by You.

**Insured Property**

- a. Building:
  - means building or buildings including:
    - i. outbuildings;

- ii. fixtures and structural improvements, gates and fences;
  - 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;
  - vii. paint and wallpaper
- that You own or have legal responsibility for at, in or adjacent to Your Situation

**b. Contents:**

means:

- 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 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;
- Your own Contents where You occupy a Lot/Unit
- Tenants' Contents and any other personal property of theirs;
- money;
- 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 11 – Landscaping of Policy 1 – Insured Property; and
- temporary wall, floor and ceiling coverings within a Lot/Unit.

**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.

**Limit of Liability**

means the applicable Limit of Liability specified in the Schedule or as determined by the Policy where such limits are described for Policy 2 – Liability to Others.

# Build to Rent - Residential Insurance

For residential apartment buildings not subject to strata sub-division



## **Lot/Unit**

means an area shown on a plan as a lot or unit where Your Insured Property is situated.

## **Malware or Similar Mechanism**

means any program code, programming instruction or other set of instructions intentionally constructed with the ability to Damage, interfere with or otherwise adversely affect computer programs, data files or operations (whether involving self-replication or not), including but not limited to a virus, trojan horse, worm, logic bomb or denial of service attack.

## **Period of Insurance**

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

## **Policy**

means this Product Disclosure Statement and Policy Wording, the Schedule and any Endorsements issued to You which form Your insurance contract with Us.

## **Premium**

means any amount We require You to pay under the Policy and includes, any state and federal government taxes (including GST) as applicable.

## **Rainwater**

means the rain which falls naturally from the sky. It includes Rainwater run-off over the surface of the land.

## **Rent**

means, as regards to any Lot/Unit as part of Your Building leased to a Tenant, an amount of money in accordance with the residential tenancy agreement that applied immediately prior to 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 twenty five percent (25%) of what the cost would have been had Your Insured Property been totally destroyed.

## **Schedule**

means the most recent current attachment to the Policy that specifies the Situation, those Policies and benefits that are in force and the details of the Sum(s) Insured or Limit(s) of Liability and includes any one or more of the following:

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

## **Situation**

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

## **Storm**

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

## **Storm Surge**

means the abnormal rise of the sea caused by storm's winds pushing the ocean surface onshore. Storm Surge does not include predicted astronomical tides

## **Legislation**

Means the Residential Tenancy applicable in each State or Territory applicable.

## **Sum Insured**

means the amount shown in the Schedule as the Sum Insured corresponding to the cover selected for Policy 1 – Insured Property, Policy 3 – Machinery Breakdown and Policy 4 – Catastrophe Insurance.

## **Tenant**

means any person authorised under the terms of a lease, rental or similar type agreement in accordance with Residential Tenancy Laws who occupies a Lot/Unit including any other coinhabitant or family normally resident with that person.

## **Tenants' Contents**

means the Contents of a Lot/Unit that the Tenant(s) own or have legal responsibility for.

## **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.

## **Watercraft**

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

## **Wear and Tear**

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

## **We, Our, Us, the Insurer**

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

## **You, Your, Yours**

means the person(s) and/or entities named in Your Policy Schedule as the insured.

## General conditions

These General Conditions apply to all Policies. In addition to these General Conditions, each Policy will be subject to specific conditions.

If any of the General Conditions or specific conditions applicable to each Policy are not met We may refuse a claim, reduce the amount We pay or in some circumstances We may cancel the Policy. Any person covered by the Policy or claiming under it must also comply with these conditions.

### 1. Alteration of risk

In accordance with Your duty of disclosure under the *Insurance Contracts Act 1984* 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 Damage or the likelihood of liability losses.

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

### 2. Cancellation - how Your Policy may be cancelled Cancellation by You

You may cancel this Policy at any time by telling Us in writing. We will retain a portion of Premium which relates to the period for which You have been insured together with any non-refundable government taxes, administration fees or charges.

### Cancellation by Us

We may cancel this Policy at any time as allowed by law by notifying You in writing of the date from which cancellation is to take effect. Notification will be delivered to the address last notified to Us and cancellation will take effect no earlier than 4.00pm on the date set out in the cancellation notice unless the Policy was in force by virtue of Section 58 of the *Insurance Contracts Act 1984* (Cth), whereby the cancellation will take effect from the fourteenth business day after the day on which notice was given to You.

### 3. 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 Liability 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 Liability or other Policy limit including GST; or
  - ii. when We settle direct with You We will pay up to the Sum Insured, Limit of Liability or other Policy limit and
  - iii. 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* (Cth) 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.

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

### 4. Joint insureds

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, Limit of Liability 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 shall not be prejudicial to the rights and entitlements of the other insured party(ies), provided that 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.

### 5. Excess

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

With the exception of the Earthquake Excess as shown below, 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.

The Excess You have to pay or contribute to earthquake or seismological disturbance as shown in the Schedule applies for an Event that occurs during any one period of seventy-two (72) consecutive hours.

### 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 Special Benefits 5 and 18 of Policy 1 – Insured Property.

### 7. Governing law and jurisdiction

This Policy is governed by the laws of the State or Territory of Australia



in which this Policy is issued. Any dispute relating to this Policy shall be submitted to the exclusive jurisdiction of an Australian Court within the State or Territory in which this Policy was issued.

## 8. Subrogation, recovery action & uninsured loss

We may at any time in consultation with You, at Our expense and in Your name, use all legal means available to You of securing reimbursement for loss or Damage arising under Your Policy. In the event We do so, You agree to give all reasonable assistance for that purpose.

If You have suffered loss that was not covered by the Policy as a result of the incident, We may offer to attempt to recover this. You may also specifically ask Us to recover this for You.

You will need to give Us documents supporting Your loss. Before We include any uninsured loss in the recovery action We will also ask You to agree to the basis on which We will handle Your recovery action. Where required and within reason You may need to contribute to legal costs in some circumstances.

## 9. Related Claims

For the purposes of applying any Excess or Limit of Liability, all loss otherwise recoverable under this Policy resulting from or in connection with:

- a. one and the same act error or omission; or
- b. a series of acts, errors or omissions arising out of or attributable to the same originating cause, or source; will be deemed to be one claim.

## 10. Severability/Non-imputation/Innocent Non-disclosure

Where this Policy insures more than one party, where one party:

- a. failed to comply with the duty of disclosure; or
- b. made a misrepresentation to Us before the Policy was entered into;

this shall not prejudice the right of any other insured person to indemnity as may be provided by this Policy provided that:

- i. You were not aware of the failure or misrepresentation;
- ii. as soon as is reasonably practicable upon becoming aware of any such conduct, You advise Us in writing of all known facts in relation to such conduct; and
- iii. the conduct of Your principals, partners and directors are imputed to You.

## 11. You must disclose all previous claims

Whether You are entering into a new insurance contract or renewing Your insurance with Us, You have a duty of disclosure under the *Insurance Contracts Act 1984*. When We ask You questions relevant to Our decision to insure You and on what terms, you have a duty to tell us anything that You know and what a reasonable person in the circumstances would know.

If You do not tell Us anything You are required to tell Us, We may cancel Your insurance 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 reduce or refuse to pay a claim and treat the insurance as if it never existed.

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

- a. renewal or insurance policy declined, cancelled or refused, or where any Excess was imposed;

b. claim refused by an insurer;

c. claim made; in relation to You;

because any of these may affect the Premium and extent of insurance.

CHU will notify You in writing of any effect a change may have on Your insurance.

For example We may be entitled to:

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

When renewing Your Policy with Us You must also advise Us of any changes to Your claims or insurance history .

## General Exclusions

These General Exclusions apply to all Policies. In addition to these General Exclusions, each Policy will be subject to specific Exclusions.

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

### 1. Act of Terrorism

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

### 2. Asbestos

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

### 3. Electronic Data

losses or Damage to Electronic Data, except as provided for by Special Benefit 15 – Damaged Office Records, under Policy 1

### 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.

### 7. Sanctions limitation and exclusion clause

We will not be liable to provide any cover, pay any claim or provide any benefit under this Policy, to the extent that to do so may expose us to any sanction, prohibition, or restriction under United Nations resolutions or any applicable trade or economic sanctions, laws or regulations of any country.

#### 8. Communicable diseases

We will not pay for any loss, Damage, liability, claim, cost or expense of any nature, directly or indirectly caused by, contributed to by, resulting from, arising out of, or in connection with a Communicable Disease or the fear or threat (whether actual or perceived) of a Communicable Disease, regardless of any other contributing cause or event.

#### 9. Cyber Incident

We will not pay for any loss, Damage, liability, claim, cost or expense directly or indirectly caused by, contributed by, resulting from, arising out of or in connection with any Cyber Incident.

### Claims Conditions

#### 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 Damage and to prevent any further Damage;
- b. inform the Police as soon as reasonably practicable following theft, vandalism, malicious Damage or misappropriation of 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. If You do then We will reduce our liability to the extent of any prejudice caused by Your acts.

#### 3. How to make a claim

When You make a claim You may reasonably be required to:

- a. promptly inform CHU by telephone, in writing or in person. You may have to contribute towards Your claim if Your notification is outside of a reasonable timeframe and result in higher costs for Us or harms Our investigation opportunities. We will reduce our liability to the extent of any prejudice caused by Your delayed notifications;
- b. provide details of the Event and when requested complete and return Our claim form as soon as reasonably practicable 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 reasonably require it;
- d. be interviewed about the circumstances of the claim;
- e. allow Us to inspect Your Insured Property and take possession of any Damaged item if reasonable and required and to deal with it in a reasonable way;
- f. provide Us as soon as reasonably practicable 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. Claim preparation costs and fees

We will pay up to \$30,000 for the reasonable cost of fees You necessarily incur with Our written consent, which We will not unreasonably withhold, in the preparation of a claim under this Policy.

#### 5. Our approval needed for repairs

Except for essential temporary repairs permitted under Additional Benefit 2 - Emergency and temporary protection costs of Policy 1 – Insured Property, You are not authorised to commence repairs without Our approval, which We will not unreasonably withhold.

#### 6. Repairs or Replacement

We have the right to nominate the repairer or supplier to be used, and where reasonable We will seek Your cooperation in selecting the repairer or supplier. Unless We otherwise advise in writing, if after We have assessed Your claim, You are required to enter into a contract with a third party to replace or reinstate Damaged Insured Property that We have agreed to pay, where reasonable depending on the claims circumstance You may need to enter into that agreement with the third party as Our agent.

#### 7. You must assist Us

Where reasonable You must:

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

#### 8. 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.

#### 9. Salvage value

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

#### 10. Other insurance

If at the time any claim arises under this Policy there is any other insurance in force covering the same liability, in part or in full, You must notify Us as soon as practicable of full details of such other insurance, including the identity of the insurer(s) and the policy number(s), and such further information as We may reasonably require.

Subject to the *Insurance Contracts Act 1984* (Cth), We reserve the right to seek a contribution from the other insurer(s).



## Policy 1 - Insured Property

### What We insure

If selected and shown in the Schedule, We will insure You up to the Sum Insured shown for Policy 1 in the Schedule against 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 We will pay the following incurred as a result of Damage to Your Insured Property that is admitted as a claim under Policy 1 – Insured Property 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 Tenants' 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.

#### 2. Emergency and temporary protection costs

reasonable cost of temporary protection and safety or emergency repairs in pursuance of Your duty to minimise insured loss and avoid further losses.

We will not pay more than \$7,500 for this Additional Benefit unless You first obtain Our written consent prior to You incurring costs in excess of this amount, which will not unreasonably be withheld.

#### 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, 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.

#### 5. Emergency services

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

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

#### 1. Loss of Rent

##### a. Rent

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

- i. Damage to Your Insured Property that is admitted as a claim under Policy 1; or
- ii. reasonable access to or occupancy of Your Lot/Unit in the Building being prevented by Damage from an Event claimable under Policy 1 happening to other property in the immediate vicinity;
- iii. disruption to Your Tenants' occupancy of Your Lot/Unit in the Building that is made partially unfit to be occupied for its intended purpose.

We will pay:

- under Clause a.i. from the time of the Event until the time Your Lot/Unit in the Building 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 Clause a.ii. from the time of the Event until the time when access to Your Lot/Unit in the Building is re-established;

under Clause a. iii, the cost You necessarily incur to abate the Rent of Your Tenant during this disruption from the time of the Event until the time when this disruption has ceased but in all not exceeding a maximum of three (3) months.

##### b. Disease, murder and suicide

We will pay for the actual Rent You lose if Your Tenant(s) are not permitted to occupy Your Insured Property 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, except for Communicable Disease;
- 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.

##### c. Failure of supply services

We will pay for the actual Rent You lose if Your Lot/Unit or Insured Property is made unfit to be occupied for its intended purpose by the failure of electricity, gas, water or sewerage services resulting from 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 (48) 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.

**d. Cost of reletting**

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

- i. Damage to Your Insured Property that 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 Insured Property they previously leased.

**The combined total amount We will pay under Special Benefit 1 – Loss of Rent - a. to d. arising out of any one Event that is admitted as a claim under Policy 1 is limited to the percentage of the Building Sum Insured for Policy 1 as shown in the Schedule or such other percentage as We may agree in writing.**

**2. Alterations/additions**

When You make alterations, additions or renovations to Your Insured Property during the Period of Insurance We will during the construction period pay up to \$250,000 for 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. 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.

**3. Arson reward**

We will pay a total 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 Damage to Your Insured Property is claimable under Policy 1. We will pay the reward to the person or persons providing such relevant information or in such other manner as We may reasonably decide.

**4. Electricity, gas, water and similar charges – excess costs**

We will pay up to \$2,000 for the cost of increased usage, accidental discharge or additional management charges of metered electricity, gas, sewerage, oil and water You are required to pay following Damage to Your Insured Property that is admitted as a claim under Policy 1.

**5. 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 as soon as possible after You become aware of it.

**6. Fusion of motors**

We will pay up to \$5,000 for the cost of repairing or replacing an electric motor forming part of Your Insured Property Damaged by Fusion.

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 replacing with 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. other parts of any electrical appliance nor for any software;
- c. lighting or heating elements, fuses, protective devices or switches;
- d. contact at which sparking or arcing occurs in ordinary working

**How We will settle Your Fusion claim**

If Your Claim is accepted We will, in consultation with You, settle Your claim by repairing or replacing the Insured Property or paying for the cost of same to a condition equal to but not better or more extensive than its condition immediately before the Fusion. 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.

**7. Environmental improvements**

If Damage to Your Insured Property is admitted as a claim under Policy 1 and 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 \$20,000 for the cost of additional environmental improvements not previously installed such as rainwater tanks, solar energy and grey water recycling systems.

**8. 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 over-flowing 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 and Tear, gradual corrosion, gradual deterioration, Earth Movement or by trees, plants or their roots.

## 9. 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.

## 10. 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.

## 11. Landscaping

We will pay the lesser of one percent (1%) of the Building Sum Insured under Policy 1 or \$100,000, for the reasonable costs You 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.

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

We will not pay for removal or disposal of trees or branches that have fallen and not Damaged Your Insured Property.

## 12. 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 Sum Insured payable under Policy 1.

## 13. Personal property of others

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

## 14. Purchaser's interest

We will cover a purchaser's insurable interest in Your Insured Property, in accordance with the terms and conditions of Policy 1 and in accordance with the *Insurance Contracts Act 1984*.

Property, when the purchaser has signed an agreement to buy part of or all of such property.

## 15. Damaged Office 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 Damaged by an Event claimable under Policy 1, while anywhere in Australia.

## 16. Removal, storage costs

We will pay up to \$25,000 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 Damage to Your Insured Property that is admitted as a claim under Policy 1.

## 17. 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 which We will not unreasonably withhold.

## 18. Title deeds

We will pay up to \$5,000 for the reasonable costs You necessarily incur in replacing Title Deeds to Your Insured Property if Damaged by an Event claimable under Policy 1, while anywhere in Australia.

## 19. 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 any other Event that is not claimable under Policy 1.

## Exclusions

1. We will not pay for Damage caused by or arising directly or indirectly from:
  - a. Storm or Rainwater to retaining walls, or caused by Flood if shown in the Schedule as not selected;
  - b. lack of maintenance, rust, oxidation, corrosion, mould, Wear and Tear, fading, concrete or brick cancer, developing flaws, wet or dry rot, gradual corrosion or gradual deterioration or, failure to maintain Your Insured Property in a reasonably good state of repair. This includes when the Damage to the Insured

Property is caused by light, air, sand, the climate (which includes wind or rain) or the passage of time;

- c. overwinding, mechanical breakdown or derangement, electrical breakdown or derangement, or failure caused by electric current. However We will pay if the Damage is due to:
    - i. Fusion of electric motors as covered under Special Benefit 6;
    - ii. lightning;
    - iii. power surge when such Event is confirmed by the supply authority; or
    - iv. resulting fire Damage;
  - d. any action of the sea, high water or high tide or tidal wave. However We will pay if the Damage is due to Tsunami;
  - e. Storm Surge;
  - f. 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 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;
  - g. underground (hydrostatic) water; however We will pay if the Damage is due to bursting, leaking or overflowing of water tanks, pipes, or drains;
  - h. 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;
  - i. inherent defect or latent defect
  - j. 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 Damage from any other Event claimable under Policy 1 such as fire or glass breakage;
  - k. 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. water in swimming pools, spas or water tanks;
  - m. 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. smut or smoke from industrial operations (other than sudden or unforeseen Damage resulting therefrom);
  - o. 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.
2. We will not pay for Damage to:
- a. 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;
  - b. carpets and other floor coverings resulting from staining, fading or fraying. However We will pay if the Damage directly results from any other Event claimable under Policy 1;

- c. boilers (other than boilers used for domestic purposes), economisers or pressure vessels and their contents resulting from the explosion thereof;
  - d. 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 which will not unreasonably be withheld;
  - e. 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, which will not unreasonably be withheld, before the commencement of such work. However We will pay for Damage which results from any other Event claimable under Policy 1.
3. 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. Damage caused by non-rectification of an Insured Property defect, error or omission that You were aware of, or should reasonably have been aware of;
  - c. the cost of rectifying faulty or defective materials or faulty or defective workmanship, design or specification;
  - d. consequential loss (including but not limited to any):
    - i. loss of use;
    - ii. loss of contract;
    - iii. loss of profit/revenue;
    - iv. loss of opportunity;
    - v. loss of goodwill and/or reputational Damage;
    - vi. special Damages;
 other than as specifically provided under an operative Additional Benefit or Special Benefit.
  - e. Wear and Tear

## Claims - how We will settle Your claim

### 1. Rebuilding, replacement or repair

If Your Insured Property is Damaged and Your claim is accepted, after consultation with you, We will 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, which will not unreasonably be withheld, 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 and submit a claim for cash settlement in lieu, We will only pay Indemnity Value which means We will:
  - i. reduce the amount payable after due consideration of age and condition of the property at the time of loss, We will ensure any reduction of the amount payable is fair and reasonable;
  - ii. not pay in excess of Indemnity Value of Your Insured Property; and
  - iii. seek release from further liability under this Policy.

We will not pay under Policy 1 as part of the cost of Replacement for the cost to:

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

## 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;

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 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.

## 5. Electronic data

We will pay the cost of reasonable and necessary expenses incurred to recreate, gather or assemble lost or Damaged Electronic Data, but not the value of the Electronic Data to You or any other party, even if such Electronic Data cannot be recreated, gathered or assembled.

## 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 be referred to the Australian Property Institute Inc. who will appoint a qualified valuer whose decision will be final and binding.

## Policy 2 – Liability to Others

### What We insure

If selected and shown in the Schedule, We will insure You up to the Limit of Liability shown in 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 the ownership of Your Insured Property that happens during the Period of Insurance.

Further, 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, which we will not unreasonably withhold, 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 in the Schedule for Policy 2.

**For the avoidance of doubt, We agree to insure You up to the Limit of Liability specified in the Schedule for Policy 2 – Liability to Others 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 Insured Property.

We will not pay:

- a. 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;
- b. Damage to 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 by You for Your Tenant(s).

#### 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 occupiers of Lots/Units at Your Situation

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 occupiers of Lots/Units at Your Situation.

Services includes local council requirements for contractors (e.g. garbage) to enter Your Insured Property to perform related services.

We will not pay for any act of negligence of any council contractors on their part.

#### 7. Watercraft

compensation You become legally responsible to pay for Personal Injury or Property Damage arising from any Watercraft (not exceeding eight (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.

### Exclusions

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.
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 the operative items of Policy 2 – Liability to Others;
  - 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 Insured Property;
  - d. Personal Injury or Property Damage caused by animals on Your Insured Property 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 – Liability to Others;
  - 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 the operative items of Policy 2 – Liability to Others.
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, which We will not unreasonably withhold, 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 ownership of Your Insured Property under the terms of any written agreement with the company, person or firm appointed to manage ownership of Your Insured Property 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 cleanup of any contamination or pollution. This exclusion does not apply to cleanup, 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.

### Definitions

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

### Occurrence

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

### Personal Injury

means:

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

which happens 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 – Machinery Breakdown

### What We insure

If selected and shown in the Schedule, We will insure You up to the Sum Insured for Policy 3 shown in the Schedule 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 in the Schedule; and
- not exceed the Sum Insured stated in the Schedule.

### Additional Benefits

Additional Benefits are included when the Sum Insured under Policy 3 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.

### Special Benefit

Special Benefit for Loss of Rent following a breakdown of plant and equipment is included in addition to the Sum Insured under Policy 3.

We will pay for the reasonable cost of the actual Rent You lose if Your Insured Property is made unfit to be occupied for its intended purpose by the breakdown of plant and equipment resulting from Damage by an Event claimable under Policy 3 provided the breakdown of plant and equipment extends for more than seven (7) days We will pay from the time of the breakdown of plant and equipment until the time such plant and equipment is repaired or replaced.

Unless otherwise agreed in writing, Our liability for Loss of Rent will be limited up to a maximum of twenty percent (20%) of the amount shown in the Schedule as applying to Policy 3, and not exceeding a maximum of thirty (30) days following the breakdown of plant and equipment.

### Exclusions

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, xray tubes, electrical contacts, fuses, heating elements, commutators, slip rings, conducting brushes, thermal expansion (TX) valves, thermostats, protective and controlling devices, overloads, 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, including but not limited to loss of use, loss of contract, loss of profit/revenue, loss of opportunity, loss of goodwill and/or reputational Damage, or special damages, 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

If Your claim is accepted We will, in consultation with You settle Your claim by repairing or replacing 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 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.

## Definitions

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

### Insured Damage

means 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 – Insured Property; or
- b. which is not claimable under Policy 3 – Machinery Breakdown.

### 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 4 – Catastrophe Insurance

### What We insure

If selected and shown in the Schedule, We insure You up to the Sum Insured shown for Policy 4 in the Schedule, against the Escalation in the cost of Replacement of Your Insured Property if it is destroyed, or it is assessed as 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 – Insured Property.

### Special Benefits

Special Benefits are included in addition to the Sum Insured for Policy 4.

The total amount We will pay under Special Benefits 1 to 3 arising out of any Event claimable under Policy 4 is limited to the percentages shown hereunder of the Sum Insured for

Policy 4 or such other percentage as We may agree in writing.

- a. Special Benefit 1.** Fifteen percent (15%);
- b. Special Benefit 2. and 3. combined** Five percent (5%);

#### 1. Loss of Rent - extended period of cover

##### a. 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 Communal Area We will pay the actual Rent You lose or would have lost if Your Lot/Unit or Communal 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 1.b. of 'What We insure';
- and Damage to Your Insured Property is admitted as a claim under Policy 1 – Insured Property.

We will pay from the time indemnity provided under Special Benefit

1.a. of Policy 1 – Insured Property is expended until the time Your Lot/Unit or Communal 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. 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 Damage to Your Insured Property is due to:

- the happening of a Catastrophe, or other Event referred to in

Clause 1.b. of 'What We insure';

- and the Damage to Your Insured Property is admitted as a claim under Policy 1 – Insured Property.

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

#### 3. 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 Damage to Your Lot/Unit is admitted as a claim under Policy 1 – Insured Property.

**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. 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 1.b. 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 – Insured Property immediately prior to the Catastrophe; or
  - ii.** the Sum Insured in force under Policy 1 – Insured Property at the time of the Catastrophe, or other Event referred to in Clause 1.b. of 'What We insure'.

#### Special Provisions

1. No payment will be made under Policy 4 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 4 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 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 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 4 may be referred to the Australian Property Institute Inc. who will appoint a qualified valuer whose decision will be binding.

### Conditions

Policy 4 – is subject to the same terms, conditions and exclusions as Policy 1 – Insured Property and except as they may be expressly varied herein.

### Definitions

The words listed below have been given a specific meaning and apply to Policy 4 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.

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BUILD TO RENT - RESIDENTIAL INSURANCE  
For residential apartment buildings not subject to  
strata sub-division



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