



# Residential Strata

Product Disclosure Statement (PDS) and Policy Document.

Insurance solutions from A – Z

**Allianz** 

## General Information

The General Information set out below is provided for your information only. It does not form part of the insurance contract with you, and is not part of the policy.

Nothing contained in the General Information imposes contractual obligations on you, or creates contractual rights. These are contained in the policy and any endorsement.

## Claims made

Section 5 of the policy operates on a 'claims made and notified' basis. This means that the policy section covers you for claims made against you and notified to us during the period of insurance.

The policy section does not provide cover in relation to:

- acts, errors or omissions actually or allegedly committed prior to the retroactive date of the policy (if such a date is specified);
- claims made after the expiry of the period of insurance even though the event giving rise to the claim may have occurred during the period of insurance;
- claims notified or arising out of facts or circumstances notified (or which ought reasonably to have been notified) under any previous policy;
- claims made, threatened or intimated against you prior to the commencement of the period of insurance;
- facts or circumstances of which you first became aware prior to the period of insurance, and which you knew or ought reasonably to have known had the potential to give rise to a claim under this policy section;
- claims arising out of circumstances noted on the proposal form for the current period of insurance or on any previous proposal form.

Where you give notice in writing to us of any facts that might give rise to a claim against you as soon as reasonably practicable after you become aware of those facts but before the expiry of the period of insurance, you may have rights under Section 40(3) of the Insurance Contracts Act 1984 to be indemnified in respect of any claim subsequently made against you arising from those facts notwithstanding that the claim is made after the expiry of the period of insurance. Any such rights arise under the legislation only. The terms of the policy section and the effect of the policy section is that you are not covered for claims made against you after the expiry of the period of insurance.

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# Introduction

Welcome and thank you for choosing Allianz Residential Strata Policy.

## About Allianz

The insurer of this product is Allianz Australia Insurance Limited ABN 15 000 122 850 (Allianz) AFS Licence No. 234708. Allianz is one of Australia's largest general insurers. We utilise years of local expertise, combined with global experience to offer a wide range of products and services to Our customers. As a member of the worldwide Allianz Group, We are committed to continuous improvement of Our products and services and strive to achieve this through knowledge transfer within the Group, dedicated technical research units, sharing globally new product developments and a wide range of risk management services.

## Summary of the available covers

You can apply to buy any of the following – You choose what You need:

Cover Type	Summary of covers (See relevant Section for details, relevant limits, and specific conditions and exclusions that apply)
Section One – Material Loss or Damage Insurance	This covers You for Damage to Property Insured at the Situation which is not otherwise excluded and provides a number of automatic additional benefits and optional benefits.
Section Two – Legal Liability	This covers You for amounts You are legally liable to pay as compensation for Personal Injury or Property Damage as a result of an Occurrence in connection with the ownership and condition of the Property Insured.
Section Three – Fidelity Guarantee	This covers You against any loss of Money occasioned by or arising out of the fraudulent misappropriation of funds set aside for the purpose of management of the Property Insured. It also provides an automatic additional benefit for auditors' fees.
Section Four – Personal Accident Insurance (Voluntary Workers)	This provides for payment of a set amount if a Voluntary Worker suffers Bodily Injury resulting directly in a Defined Event. It also provides automatic additional benefits for travel expenses and domestic assistance.
Section Five – Office Bearers' Liability and Legal Expenses Insurance	This covers the body corporate or Company Title Property listed on the Schedule for amounts they become legally liable to pay due to the occurrence of a Defined Event.
Section Six – Machinery Breakdown	This covers Breakdown of Specified and Unspecified Machinery occurring at the Situation. It also provides a number of automatic additional benefits.
Section Seven – Workers' Compensation	This provides workers' compensation insurance as required by the act in Your State or Territory and is the subject of a separate Policy Document.

## About this insurance

This is an important document. You should read it carefully before making a decision to purchase this insurance. It will help You to:

- decide whether this insurance will meet Your needs; and
- compare it with other products You may be considering.

Please note that any recommendation or opinion in this document is of a general nature only and does not take into account Your objectives, financial situation or needs.

You need to decide if this insurance is right for You and You should read all of the documents that make up the Policy to ensure You have the cover You need.

**Preparation date: 15/09/2010.**

## Our contract with You

Where We agree to enter into a Policy with You it is a contract of insurance between Us and You (see the definition of “You” for details of who is covered by this term). The Policy consists of:

- this document which sets out the standard terms of Your cover and its limitations;
- Your current Schedule issued by Us. The Schedule is a separate document, which shows the insurance details relevant to You. It may include additional terms, conditions and exclusions relevant to You that amend the standard terms of this document. Only those sections shown as covered in Your Schedule are insured; and
- any other change to the terms of the Policy otherwise advised by Us in writing (such as an endorsement or Supplementary PDS). These written changes may vary or modify the above documents.

These are all important documents and should be carefully read together and kept in a safe place for future reference.

We reserve the right to change the terms of the Policy where permitted to do so by law.

Any new or replacement Schedule We may send You, detailing changes to Your insurance or the Period of Insurance, will become the current Schedule, which You should carefully read and retain.

## Cooling off period and cancellation rights

You can exercise Your cooling off rights and cancel the Policy within fourteen (14) days of the date You purchased the Policy and receive a refund of the premium paid, provided You have not exercised any right or power under the Policy (e.g made any claim) and these rights and powers have not ended.

We may deduct any reasonable administrative and transaction costs incurred by Us that are reasonably related to the acquisition and termination of the Policy and any government taxes or duties We cannot recover, from Your refund amount.

After the cooling off period has ended, You still have cancellation rights, however We may deduct a pro rata proportion of the premium for time on risk, plus any reasonable administrative costs and any government taxes or duties We cannot recover (refer to “General conditions applicable to all Sections of this Policy” “Cancellation rights” on page 10, for full details).

## What is covered

Where We have entered into a Policy with You, We will insure You for:

- loss or Damage caused by one or more of the covered insured events; and
- the other covered benefits, as set out in the Policy occurring during the Period of Insurance.

Other persons may be entitled to cover, but only if specified as so entitled and limited only to the extent and interest specified.

Cover is provided on the basis:

- that You have paid or agreed to pay Us the premium for the cover provided;
- of the verbal and/or written information provided by You which You gave after having been advised of Your Duty of Disclosure either verbally or in writing.

If You failed to comply with Your Duty of Disclosure or have made a misrepresentation to Us, We may be entitled to reduce Our liability under the Policy in respect of a claim and/or We may cancel Your Policy. If You have told Us something which is fraudulent, We also have the option of avoiding Your Policy (ie treating it as if it never existed).

Your Duty of Disclosure and the consequences of nondisclosure, are set out under the heading ‘Your Duty of Disclosure’, on page 5.

## Some words have special meanings

Certain words used in the Policy have special meanings. The General definitions section of this document on pages 7 and 8 contains such terms. In some cases, certain words may be given a special meaning in a particular section of the Policy when used or in the other documents making up the Policy.

Headings are provided for reference only and do not form part of the Policy for interpretation purposes.

## Your obligation to comply with the Policy terms and conditions

You are required to comply with the terms and conditions of the Policy. Please remember that if You do not comply with any term or condition, We may (to the extent permitted by law) decline or reduce any claim payment and/or cancel Your Policy.

If more than one person is insured under the Policy, a failure or wrongful action by one of those persons may adversely affect the rights of any other person insured under the Policy.

## How to make a claim

If You need to make a claim under the Policy, please refer to 'Claims procedure' from page 12.

## How We settle claims

Where We agree to reinstate or replace Damaged property, We will replace Your property with new goods or repair it using new materials. If You ask for a cash settlement instead, We will deduct an amount for wear, tear and depreciation. This amount depends on the age of the Damaged item and the expected useful life.

If You replace an item without Our authority, We will only pay You what We could have replaced it for using trade discounts that are available to Us. More details around how We settle claims are provided in this document under the Basis of Settlement sections within each cover section.

## How We calculate Your premium

The amount of Your premium is determined by taking a number of different matters into account. You can seek a quote at any time.

It is important for You to know in particular that the premium varies depending on the information We receive from You about the risk to be covered by Us. The higher the risk is (e.g. high claims experience), the higher the premium will be. Based on Our experience and expertise as an insurer, We decide what factors increase Our risk and how they should impact on the premium.

We calculate Your premium on the basis of information that We receive from You when You apply for insurance. Some factors impacting premiums include:

- Your nominated Sum Insured;
- where Your Building is situated;
- the materials used in the construction of Your Building(s);
- what Your Building is used for (eg. private residence, holiday home, rental property);
- security measures used for Your Property Insured (eg. alarms, deadlocks); and
- any additional Excess You nominate to pay above Our basic Excess. This means that when You purchase a Policy You may elect to take a higher Excess in the event of a claim, which will reduce the cost of Your premium. If You are interested in this, You should ask Your intermediary or Us to supply You with quotes based on differing amounts of Excesses.

Your premium also includes amounts that take into account Our obligation to pay any relevant compulsory government charges, taxes or levies (e.g. Stamp Duty,

GST, Emergency and Fire Services Levy) in relation to Your Policy. These amounts will be set out separately on Your Schedule of insurance as part of the total premium payable.

In cases where We are required to pay an estimated amount (e.g. for Fire Services Levies) based on criteria set by the Government, We allocate to the Policy Our estimate of the amount We will be required to pay. We may over or under recover in any particular year but We will not adjust Your premium because of this. You can ask Us for more details if You wish.

Minimum premiums may apply. In some cases, discounts may apply if You meet certain criteria We set. Any discounts/entitlements only apply to the extent any minimum premium is not reached. If You are eligible for more than one, We also apply each of them in a predetermined order to the premium (excluding taxes and government charges) as reduced by any prior applied discounts/entitlements. Any discounts will be applied to the base premium calculated prior to any taxes being added.

When You apply for this insurance, You will be advised of the total premium amount payable, when it needs to be paid and how it can be paid. This amount will be set out in the Schedule, which will be sent to You after the entry into the Policy. If You fail to pay We may reduce any claim payment by the amount of premium owing and/or cancel the Policy. Special rights and obligations apply to instalment premium payments as set out below.

## Instalment premiums

If You pay Your premium by instalments refer to the "General conditions applicable to all Sections of this Policy" section for important details on Your and Our rights and obligations. Note that an instalment premium outstanding for 14 days allows Us to refuse to pay a claim.

In some cases a service fee will apply where You select to pay Your premium by instalments. We tell You the total amount payable when You apply and when and how it can be paid. This is confirmed in the Schedule We issue to You.

## Renewal procedure

Before Your Policy expires We will advise You whether We intend to offer renewal and if so on what terms.

This document also applies for any offer of renewal We may make, unless We tell You otherwise.

It is important that You check the terms of any renewal offer before renewing to satisfy Yourself that the details are correct. In particular, check the Sum Insured amounts and Excess(es) applicable and ensure the levels of cover are appropriate for You.

Please note that You need to comply with Your Duty of Disclosure before each renewal (see below).

## Your Duty of Disclosure

Before You enter into the Policy with Us, the Insurance Contracts Act 1984 requires You to provide Us with the information We need to enable Us to decide whether and on what terms Your application for insurance is acceptable and to calculate how much premium is required for Your insurance.

The Act imposes a different duty the first time You enter into the Policy with Us to that which applies when You renew, vary, extend, reinstate or replace the Policy. We set these two duties out below.

## Your Duty of Disclosure when You enter into the Policy with Us for the first time

You will be asked various questions when You first apply for the Policy. When You answer these questions, You must:

- give Us honest and complete answers;
- tell Us everything that You know; and
- tell Us everything that a reasonable person in the circumstances could be expected to tell Us.

## Your Duty of Disclosure when You renew, vary, extend, reinstate or replace the Policy

When You renew, vary, extend, reinstate or replace the Policy, Your duty is to tell Us before the renewal, variation, extension, reinstatement or replacement is made, every matter which:

- You know; or
- a reasonable person in the circumstances could be expected to know,

is relevant to Our decision whether to insure You and whether any special conditions need to apply to the Policy.

## What You do not need to tell Us for either duty

You do not need to tell Us about any matter:

- that diminishes Our risk;
- that is of common knowledge;
- that We know or should know as an insurer; or
- that We tell You We do not need to know.

## Who does the duty apply to?

The Duty of Disclosure applies to You and everyone that is an insured under the Policy. If You provide information for another insured, it is as if they provided it to Us.

## What happens if the Duty of Disclosure is not complied with?

If the Duty of Disclosure is not complied with We may cancel the Policy and/or reduce the amount We pay if You make a claim. If fraud is involved, We may treat the Policy as if it never existed, and pay nothing.

## Privacy Act 1988 – Information

We collect Your personal information directly from You where reasonably practicable or if not, from other sources. We collect it to provide Our various services and products (e.g. to market, arrange and administer insurance and to handle and settle claims) and to conduct market or customer research. We also use it to develop and identify services of Our related companies and alliance partners that may interest You (but You can opt out of this by calling the Allianz Direct Marketing Privacy Service Line on 13 2664 EST 8am-6pm, Monday to Friday or indicate Your decision in the appropriate area of the Privacy section of Our website at [www.allianz.com.au](http://www.allianz.com.au)). If You do not provide the information We require We may not be able to provide You with this service.

We disclose information to third parties who assist Us in the above (e.g. insurers, insurance intermediaries, insurance reference bureaus, related companies, Our advisers, persons involved in claims, external claims data collectors and verifiers, Your agents and other persons where required by law). We prohibit them from using it for purposes other than those We supplied it for.

Where You provide Us with information about another person for the above purposes, You must tell Us if You haven't got their consent to this. If You wish to gain access to Your personal information (including to correct or update it), have a complaint about a breach of Your privacy or You have any query on how Your personal information is collected or used, or any other query relating to privacy, contact Us on 13 2664 EST 8am-6pm, Monday to Friday.

## General Insurance Code of Practice

The General Insurance Code of Practice was developed by the Insurance Council of Australia to further raise standards of practice and service across the insurance industry through promoting better communication between insurers and customers and outlining a standard of practise and service to be met by insurers.

We keenly support the standards set out in the Code.

You can obtain more information on the Code of Practice and how it assists You by contacting Us. Contact details are provided on the back cover of this document.

## Complaints – Internal and External Complaints Procedure

If You are dissatisfied with Our service in any way contact Us and We will attempt to resolve the matter in accordance with Our Internal Dispute Resolution procedures. To obtain a copy of Our procedures contact Us on 13 2664. A dispute can be referred to the Financial Ombudsman Service (FOS) subject to its terms of reference. It provides a free and independent dispute resolution service for consumers who have general insurance disputes falling within its terms and its contact details are:

The Financial Ombudsman Service

Free call: 1300 78 08 08

Post: GPO Box 3, Melbourne, Victoria 3001

Website: [www.fos.org.au](http://www.fos.org.au)

## Agency arrangements and agent's remuneration

If Your Policy has been issued through Our agent, or a broker who is acting under a binder agreement with Us, then they are acting as Our agent and not as Your agent.

If Your Policy has been issued by a broker, other than a broker acting under an agency/binder arrangement with Us, then the broker is acting as Your agent.

When the Policy has been arranged through an intermediary, remuneration (such as commission) is payable by Us to them for arranging the insurance. You can ask them or Us for more information.

## Compensation arrangements

We are an insurance company authorised under the *Insurance Act 1973 (Cth)* (Insurance Act) to carry on general insurance business in Australia by the Australian Prudential Regulation Authority (APRA) and are subject to the prudential requirements of the Insurance Act. The Insurance Act contains prudential standards and practices designed to ensure that, under all reasonable circumstances, financial promises made by Us are met within a stable, efficient and competitive financial system.

Because of this:

- the protection provided under the Financial Claims Scheme legislation applies in relation to Us and the Policy. If We were to fail and were unable to meet Our obligations under the Policy, a person entitled to claim under insurance cover under the Policy may be entitled to payment under the Financial Claims Scheme (access to the Scheme is subject to eligibility criteria). Information about the Financial Claims Scheme can be obtained from the APRA website at <http://www.apra.gov.au> and the APRA hotline on 1300 13 10 60; and
- We are exempted by the *Corporations Act 2001 (Cth)* from the requirement to meet the compensation arrangements Australian financial services licensees must have in place to compensate retail clients for loss or damage suffered because of breaches by the licensee or its representatives of Chapter 7 of that Act. We have compensation arrangements in place that are in accordance with the Insurance Act.

## Updating this PDS

We may need to update this PDS from time to time if certain changes occur where required and permitted by law. We will issue You with a new PDS or a Supplementary PDS or other compliant document to update the relevant information except in limited cases. Where the information is not something that would be materially adverse from the point of view of a reasonable person considering whether to buy this insurance, We may issue You with notice of this information in other forms or keep an internal record of such changes (You can get a paper copy free of charge by contacting Us using Our details on the back cover of this PDS).

Other documents may form part of Our PDS and the Policy. If they do We will tell You in the relevant document.

## Further information and confirmation of transactions

If You require further information about this insurance or wish to confirm a transaction, please contact Us.

# General definitions

These definitions apply to and should be read in relation to each of the Sections unless they are defined differently in the relevant Section.

**"Aircraft"** means any vessel, craft or device made or intended to fly or move in or through the atmosphere or space.

**"Basis of Settlement"** means the method by which a claim is met. This will be either Reinstatement and Replacement or Indemnity according to the method specified in the Schedule, or otherwise as stated in the appropriate Section.

**"Building(s)"** means all building(s) and common property contained in the Registered Strata Plan or Company Title referred to in the Schedule, including:

- a. the units, lots or shares of the Members, other than contents therein;
- b. any improvements of a structural nature;
- c. any fixtures, fixed plant, machinery and underground services owned by You or for which You are responsible;
- d. Members' Fixtures and Improvements (but not paint, wallpaper or other wall and ceiling finishes or coverings within a unit in NSW only).

**"Company Title Property"** means the Property Insured owned by a company other than a body corporate.

**"Common Contents"** means the appliances, equipment, furniture and fittings in any common area of the Situation which are owned by You. It does not include Aircraft, Vehicles or Watercraft.

**"Damage(d)"** means any accidental physical destruction of or damage to the Property Insured so as to lessen its value or any accidental physical loss.

**"Defined Event"** means an event shown in the individual Section (which the Schedule says is operative) under the heading "Defined Events applicable to this Section", and for which cover is available under that Section only.

**"Excess"** means either the amount of money specified in the Schedule or otherwise stated in the Policy for each applicable Section that You must contribute as the first payment for all claims arising out of one event, or the period specified in the Schedule or otherwise stated in the Policy for which no payment will be made by Us.

**"Flood"** means the inundation of normally dry land by water overflowing from the normal confines of any natural watercourse or lake whether or not altered or modified or of any reservoir, canal or dam.

**"Limit of Indemnity"** means the amount(s) specified in the Schedule as the Sum Insured which will be the

maximum amount that We will pay for any one loss or series of losses arising out of a Defined Event which may be determined after consideration of any special condition or sub-limit contained either in the applicable Section or subsection or as shown as an item in the Schedule.

**"Member"** means a member of the body corporate, or shareholder of the Company Title Property or any similar scheme.

**"Members' Fixtures and Improvements"** means the fixtures and improvements owned by any Member and forming part of the Member's unit, lot or share but does not include:

- a. any fixtures belonging to a tenant or removable by a lessee at the end of a lease;
- b. anything described in any act or regulation governing strata plan, Company Title Property or any similar scheme, as not forming part of a Building;
- c. carpets or underlay however fixed;
- d. vinyl and cork or similar material unless fixed with an adhesive or loose laid on manufacturer's instructions;
- e. any curtain or blind;
- f. any light fitting or electrical appliance which is not built in and which can be removed without interference to the electrical wiring;

Where any part of this definition is contrary to any act or regulation governing strata plan, Company Title Property or any similar scheme, then the requirements of that act or regulation will apply.

**"Money"** means current coin, bank notes, currency notes, cheques, credit card sales/service vouchers, postal orders, money orders, negotiable and non-negotiable securities and valuable documents, the unused value of postage stamps, revenue stamps, instant lottery tickets, metropolitan transport tickets, phone cards, credit cards, stored-value cards, travellers cheques and the contents of franking machines.

**"Period of Insurance"** means the period commencing on the Effective Date and ending on the Expiry Date as shown in the Schedule.

**"Policy"** means this document and any endorsement, specification, attachment or memoranda affixed (or intended to be affixed) to it, the Schedule and the Proposal.

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

**“Premises”** means within the confines of the Building(s) at the Situation.

**“Pressure Equipment”** means boilers, pressure vessels and pressure piping as defined in any applicable Australian Standards.

**“Property Insured”** means the Building and Common Contents normally at the Situation.

**“Proposal”** means the application form completed by You or on Your behalf in which You provided the information upon which We relied to enter into this Policy.

**“Rewriting of Records”** means the cost of restoration of computer records, documents, manuscripts, securities, deeds, specifications, plans, drawings, designs, business books and other records of every description.

**“Schedule”** means the most recently dated Schedule to the Policy We have provided to You which specifies important information such as the Policy number, Situation, those Sections and optional benefits that are in force, the details of the Property Insured and the Sums Insured.

**“Situation”** means the situation stated in the Schedule.

**“Storm Surge”** means the short period rise or fall of the sea level produced by a cyclone.

**“Sum Insured”** means the amount shown in the Schedule as the Sum Insured.

**“Vehicle”** means any type of machine on wheels or on self laid tracks made or intended to be propelled by other than manual or animal power and any trailer or other attachment made or intended to be drawn by any such machine other than a wheelchair, garden appliance or golf buggy which is not required to be registered.

**“Water”** includes snow, sleet or hail.

**“Watercraft”** means any vessel, craft or thing (other than a Hovercraft) made or intended to float on or in or travel on or through water.

**“We”, “Us”, “Our”, “Allianz”** means Allianz Australia Insurance Limited AFS Licence No. 234708, ABN 15 000 122 850 of 2 Market Street, Sydney NSW 2000.

**“You”, “Your”, “Yours”** means the body corporate, or Company Title Property shown in the Schedule as The Insured.

## General exclusions applicable to all Sections of this Policy

1. The Policy does not cover loss, destruction, liability, Bodily Injury (as defined in Section 4 – Personal Accident (Voluntary Workers)), or Damage:
  - a. **War**  
arising directly or indirectly out of or in any way connected with any war, whether war be declared or not, hostilities or rebellion, civil war, revolution, insurrection, military or usurped power, invasion, or act of foreign enemy;
  - b. **Nuclear**  
arising directly or indirectly out of or in any way connected with ionising radiation or contamination by radioactivity from:
    - (i) any nuclear fuel or from any nuclear waste, or
    - (ii) the combustion of nuclear fuel (including any self-sustaining process of nuclear fission), or
    - (iii) nuclear weapons material;
  - c. **Lawful seizure**  
arising directly or indirectly out of or in any way connected with the lawful seizure, detention, confiscation, nationalisation or requisition of the Property Insured;
  - d. **Wilful acts**  
arising directly or indirectly out of or in any way connected with any actual or alleged:
    - (i) dishonest, fraudulent, criminal or malicious act,
    - (ii) wilful breach of any statute, contract or duty,
    - (iii) conduct intended to cause loss or Damage or with reckless disregard for the consequences;carried out by You or any person, Member, agent or representative acting on Your behalf or with Your knowledge or consent. This exclusion will not apply to claims in respect of the Common Contents of the Property Insured, but We will have a right of recovery against the Member, agent or representative concerned.
2. Except as specifically provided otherwise, this Policy does not cover:
  - a. consequential loss of any kind;
  - b. legal liability to pay compensation or damages;

- c. Damage caused by faults or defects known to You or any Member or employee whose knowledge in law would be deemed to be Yours and not disclosed to Us at the time this Policy was entered into.
3. This Policy does not cover any loss or Damage to any appliance, machinery, equipment or other property which is a computer or which contains or comprises any computer technology (including computer chip or control logic) and which fails to perform or function in the precise manner for which it was designed for any reason arising from the performance or functionality of such computer technology (including computer chip or control logic).

**4. Terrorism**

The following exclusions apply notwithstanding any provision to the contrary within this Policy or any endorsement to it:

- a. Subject to b. below, this Policy excludes and does not cover death, injury, illness, loss, Damage, destruction, liability, cost or expense directly or indirectly caused by, contributed to by, resulting from or arising out of or in connection with any Act of Terrorism, as defined below, regardless of any other cause or event contributing concurrently or in any other sequence to the loss.

- b. Where the Total Sum Insured specified in the Schedule for Section 1 – Material Loss or Damage Insurance is \$50,000,000 or less, exclusion a. above does not apply in relation to Section 1 – Material Loss or Damage Insurance only. Instead, the following exclusion will apply to that Section:

This Policy will not cover death, injury, illness, loss, Damage, destruction, liability, cost or expense arising directly or indirectly out of or in any way connected with any Act of Terrorism, as defined below, arising directly or indirectly out of or in any way connected with biological, chemical, radioactive, or nuclear pollution or contamination or explosion.

- c. Irrespective of exclusions a. or b. above, this Policy also excludes and does not cover death, injury, illness, loss, Damage, destruction, liability, cost or expense directly or indirectly caused by, contributed to by, resulting from, or arising out of or in connection with any action in controlling, preventing, suppressing, retaliating against, or responding to any Act of Terrorism.

An Act of Terrorism includes any act, or preparation in respect of action, or threat of action designed to influence the government de jure or de facto of any nation or any political division thereof, or in pursuit of political, religious, ideological or similar purpose 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.

This Policy also excludes and does not cover death, injury, illness, loss, Damage, cost or expense directly or indirectly caused by, contributed to by, resulting from, or arising out of or in connection with any action in controlling, preventing, suppressing, retaliating against or responding to any Act of Terrorism.

**5. Electronic Data**

Notwithstanding any provision to the contrary in this Policy or any endorsement thereto, it is agreed as follows:

This Policy does not cover any loss or damage of whatsoever kind arising directly or indirectly out of:

- 1. Total or partial destruction, distortion, erasure, corruption, alteration, misinterpretation or misappropriation of Electronic Data,
- 2. Error in creating, amending, entering, deleting or using Electronic Data, or
- 3. Total or partial inability or failure to receive, send, access or use Electronic Data for any time or at all, or
- 4. Any business interruption losses resulting therefrom,

regardless of any other contributing cause or event whenever it may occur, unless such loss or damage is a direct consequence of otherwise insured physical damage and provided that Reinstatement of Data Media and/or Business Interruption is insured by this Policy.

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

Any terrorism exclusion that applies to this Policy prevails over this endorsement.

## General conditions applicable to all Sections of this Policy

### 1. Cancellation rights

- a. In addition to Your Cooling off rights detailed earlier, You may cancel the Policy at any time by telephoning Us;
- b. We have the right to cancel the Policy where permitted by and in accordance law. For example, We may cancel:
  - if You failed to comply with Your Duty of Disclosure; or
  - where You have made a misrepresentation to Us during negotiations prior to the issue of the Policy; or
  - where You have failed to comply with a provision of the Policy, including the term relating to payment of premium; or
  - where You have made a fraudulent claim under the Policy or under some other contract of insurance that provides cover during the same period of time that the Policy covers You,

and We may do so by giving You at least three days notice in writing of the date from which the Policy will be cancelled. The notification may be delivered personally or posted to You at the address last notified to Us.

- c. Subject to d., if You or We cancel the Policy We may deduct a pro rata proportion of the premium for time on risk, reasonable administrative and transaction costs related to the acquisition and termination of the Policy We incur and any government taxes or duties We cannot recover.
- d. In the event that You have made a claim under the Policy and We have agreed to pay the full Sum Insured for Your Property Insured no return of premium will be made for any unused portion of the premium.

### 2. Claims preparation expenses

We will pay for costs necessarily and reasonably incurred for the preparation of a valid claim under this Policy.

The most We will pay is \$10,000 in total or 25% of the amount otherwise payable, whichever is the lesser.

### 3. Actions of parties other than the insured

The acts or omissions of:

- a. a tenant of Yours; or

- b. the owner of, or another tenant in, the building; which breach any provision of this Policy will not affect Your entitlement to cover provided that:
  - (i) the act or omission was committed without Your prior knowledge or complicity, and
  - (ii) You notify Us of the happening or existence of the act or omission as soon as You become aware of it, and
  - (iii) You pay any reasonable extra premium which We require.

#### 4. GST Notice

This Policy has a GST provision in relation to premium and Our payment to You for claims. It may have an impact on how You determine the amount of insurance You need. Please read it carefully. Seek professional advice if You have any queries about GST and Your insurance.

##### Sums Insured

All monetary limits in this Policy may be increased for GST in some circumstances (see below).

##### Claim settlements – Where We agree to pay

When We calculate the amount We will pay You, We will have regard to the items below:

- Where You are liable to pay an amount for GST in respect of an acquisition relevant to Your claim (such as services to repair a Damaged item insured under the Policy) We will pay the GST amount.  
We will pay the GST amount in addition to the Sum Insured or Limit of Indemnity or other limits shown in the Policy or in the Schedule.  
If Your Sum Insured or Limit of Liability is not sufficient to cover Your loss, We will only pay the GST amount that relates to Our settlement of Your claim.  
We will reduce the GST amount We pay for by the amount of any input tax credits to which You are or would be entitled.
- Where We make a payment under this Policy as compensation instead of payment for a relevant acquisition, We will reduce the amount of the payment by the amount of any input tax credit that You would have been entitled to had the payment been applied to a relevant acquisition.
- Where the Policy insures business interruption, We will (where relevant) pay You on Your claim by reference to the GST exclusive amount of any supply made by Your business that is relevant to Your claim.

#### Disclosure – Input tax credit entitlement

If You register, or are registered, for GST You are required to tell Us Your entitlement to an input tax credit on Your premium. If You fail to disclose or You understate Your entitlement, You may be liable for GST on a claim We may pay. This Policy does not cover You for this GST liability, or for any fine, penalty or charge for which You may be liable.

#### 5. Interests of other parties

- a. The insurable interest of only those lessors, financiers, trustees, mortgagees, owners and all other parties having a legal interest or charge over the Property Insured and who are specifically noted in Your records, shall be automatically included as third party beneficiaries without notification or specification. The nature and extent of such interest is to be disclosed to Us in the event of Damage. Any other persons not in this category or not named on the Schedule are not covered and cannot make a claim. All third party beneficiaries must comply with the terms and conditions of this Policy.
- b. Where the protection provided by this Policy covers the interest of more than one party, any act or omission of an individual party will not prejudice the rights of the remaining parties, subject to:
  - (i) subject to the general exclusions d. Wilful acts, and
  - (ii) provided the remaining parties must, immediately on becoming aware of any act or omission that increases the risk of loss, Damage, liability, or bodily injury, give notice in writing to Us and on demand pay any reasonable additional premium We may require.

#### 6. Multiple Excesses

If a claim arises from a single event and You can obtain cover under more than one Section, You will only be required to pay the highest single Excess applicable regardless of the number of Excesses applying to the individual Sections.

#### 7. One event for earthquake

Only for the purpose of the application of any Excess, all Damage resulting from earthquake occurring during each period of 72 consecutive hours will be considered as one event, whether the earthquake is continuous or sporadic in its sweep and/or scope and the Damage was due to the same seismological conditions. Each event will be considered to have commenced on the first happening of Damage, not within the period of any previous event.

## 8. 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 the Policy was issued.

## 9. Your representative – authorisation

By entering into this Policy, You agree that the person representing You when completing the Proposal is authorised to give and receive information on Your behalf in relation to all matters arising under this Policy and in accordance with the Insurance Contracts Act 1984.

If You do not meet the following conditions, We may cancel the Policy and/or reduce or refuse to pay a claim.

## 10. Reasonable care and maintenance

You must take all reasonable care:

- a. to prevent bodily injury (as defined in Section 4 – Personal Accident (Voluntary Workers)), loss, Damage or legal liability;
- b. to maintain the Property Insured and Premises in sound condition, in particular to minimise or avoid theft, loss, Damage or liability;
- c. to comply with all statutory obligations, by-laws, regulations, public authority requirements and safety requirements;
- d. to minimise any loss or Damage;
- e. to only employ competent employees and ensure they adhere to the requirements specified in a.-d. above.

## 11. Non payment of premium by instalments – right to refuse a claim

Where You pay Your premium by instalments, You must ensure that they are paid on time because if an instalment has remained unpaid for a period of at least 14 days, We may refuse to pay a claim. We will notify You if an instalment has not been paid.

## 12. Alteration to risk

You must notify Us in writing if facts or circumstances alter from those which existed when this Policy commenced. If We agree to the change in writing, You must also pay Us any additional premium We may require. Changes You must notify Us of include:

- a. the removal of any Common Contents or alteration to the Building, except as otherwise permitted by Us;
- b. where the nature of the occupation of or other circumstances affecting the Property Insured are changed in such a way as to increase the risk of loss, Damage or liability;

- c. where the Property Insured will be unoccupied for any period of more than 60 consecutive days;
- d. You being wound up or the administration of the Property Insured being carried on by a liquidator, administrator or receiver or permanently discontinued;
- e. Your interest in the Property Insured ceasing.

## 13. Waiver of subrogation rights

We may not be liable to pay any benefits under this Policy for loss, bodily injury (as defined in Section 4 – Personal Accident (Voluntary Workers)), Damage or liability if You agree or have agreed to limit or exclude any right of recovery against any third party who would be liable to compensate You with respect to that loss, injury or sickness, Damage or liability.

## 14. Other insurance

You must give Us written notice of any insurance or insurances already effected, or which may be subsequently effected covering, whether in whole or in part, the subject matter of the various Sections of this Policy.

## 15. Claims procedure

- a. As soon as You become aware of anything happening which may result in a claim under this Policy You must, at Your own expense:
  - (i) immediately inform the police of any malicious Damage, theft, attempted theft or loss of property;
  - (ii) advise Us as soon as possible by telephone or facsimile telling Us how the loss, Damage, bodily injury (as defined in Section 4 – Personal Accident (Voluntary Workers)), or liability occurred;
  - (iii) take all reasonable action to recover lost or stolen property and minimise the claim;
  - (iv) as far as possible preserve any products, appliances, plant or other items or property which might prove necessary or useful as evidence until We have had an opportunity for inspection;
  - (v) give Us all the information, proof and assistance We may require to defend or settle Your claim, including details of any other insurance effected by You or on Your behalf and to prosecute any recovery action;
  - (vi) as soon as is reasonably practicable after the loss, Damage or bodily injury (as defined in Section 4 – Personal Accident (Voluntary Workers)) (or any further time which We may allow in writing) deliver to Us a written claim

containing as detailed an account as is reasonably practicable of the circumstances surrounding the loss, Damage or bodily injury and the amount claimed. If We ask You to provide Us with a Statutory Declaration You must provide it;

- (vii) immediately send Us any claim, writ, summons, or full details of other relevant legal or other proceedings such as an impending prosecution or inquest You receive or become aware of;
  - (viii) at all times give Us all the information and assistance We may reasonably require.
- b. You MUST NOT:
- (i) admit liability for, or offer, or agree to settle any claim without Our written consent,
  - (ii) authorise the repair or replacement of anything without Our agreement unless for safety reasons or to minimise or prevent further imminent loss, Damage, liability or injury;
- c. After You have advised Us of any loss, Damage or Bodily Injury (as defined in Section 4 – Personal Accident (Voluntary Workers)) as set out in this General Condition:
- (i) You must comply with all the terms of the General Conditions before We will meet any claim under this Policy;
  - (ii) We have the right to recover from any person against whom You may be able to claim any Money paid by Us and We will have full discretion in the conduct, settlement or defence of any claim in Your name. The amount recovered will be applied first to reducing the amount by which Your loss exceeds the payment made by Us plus any Excess applied. Any balance remaining after You have been fully compensated for Your loss, up to the amount We have paid to You to settle Your claim (including Our legal fees for recovery), will be retained by Us;
  - (iii) We may take over and conduct, in Your name, the defence or settlement of any claim and We will have full discretion in the conduct of any proceedings in connection with the claim;
  - (iv) We may pay You the Sum Insured or Limit of Indemnity under the applicable Section or any lesser amount for which a claim or claims under that Section may reasonably be settled. After We have paid You, We will no longer be liable for the claim(s) (or future conduct of the claim(s)) except for costs and expenses incurred up until

the time We agreed to pay;

- (v) If You recover or find any lost or stolen Property Insured for which We have paid a claim, You must:
    - tell Us immediately; and
    - give Us the recovered or found Property Insured if We request You to do so;
- d. If You advise Us of loss or Damage to Property Insured, as set out in this General Condition:
- (i) We may, or anybody We appoint may:
    - enter, take or keep possession of the Buildings where destruction or Damage has happened;
    - take or keep possession of the Property Insured for the purposes of Our investigations; and
    - if We accept liability for the loss, sell such Property Insured or dispose of it in a reasonable manner, but You are not entitled to abandon such Buildings or Property Insured to Us. If We enter, take or keep possession of the Buildings or the Property Insured it will not be an admission of liability nor will it affect any of Your obligations under this Policy;
  - (ii) if We elect or become bound to reinstate or replace any Property Insured, You must at Your own expense produce and give Us all such plans, documents, books and information as We may reasonably require,
  - (iii) We will not be bound to reinstate exactly or completely, but only in a reasonable manner in all the circumstances. In no case will We be bound to pay, in respect of any of the Property Insured, more than the Sum Insured or Limit of Indemnity.

## 16. Storage of hazardous goods

Hazardous goods stored at the Situation by any person as part of that person's business must be stored in quantities and in a manner that is permitted by relevant laws or regulations.

# Section 1 – Material Loss or Damage Insurance

## The cover

We will pay You in accordance with the applicable Basis of Settlement if any of the Property Insured shown in the Schedule under this Section is Damaged at the Situation by any sudden or unexpected or unforeseen occurrence which is not otherwise excluded which occurs during the Period of Insurance.

## Definitions applicable to this Section

The following words have the following special meanings wherever they appear in this Section:

“**Land Value**” means the value of Your land ascertained by reference to the sum certified by the Valuer General subject to any circumstance which affects the certified value before or after the Damage occurs.

“**Redevelopment Property**” means a property which is being redeveloped or is intended for redevelopment.

“**Sea**” means any ocean, sea, harbour or tidal water.

## Basis of Settlement applicable to this Section

1. Following Damage to the Property Insured the Basis of Settlement on Buildings and Common Contents will be Reinstatement or Replacement.
2. For the purpose of this Section the term Reinstatement or Replacement will apply as follows:

### Reinstatement or Replacement: (Applicable to Buildings and Contents)

The amount payable will be the cost of Reinstatement or Replacement of the Damaged Property Insured at the time of its Reinstatement, subject to the following provisions and subject also to the terms, conditions and Sums Insured for this Section.

“Reinstatement or Replacement” will mean:

- a. where Property Insured is wholly destroyed:
  - (i) in the case of a Building, the rebuilding of it; or
  - (ii) in the case of property other than a Building, the replacement of it with similar property,and in either case in a condition equal to, but not better or more extensive than its condition when new;
- b. where Property Insured is Damaged in part only, the repair of the Damage and the restoration of the Damaged portion of the Property Insured to

a condition substantially the same as, but not better or more extensive than its condition when new (including demolition or destruction of sound property necessary for the purpose of reinstatement or replacement),

provided that:

- (i) the work of rebuilding, replacing, repairing or restoring as the case may be (which may be carried out upon any other site and in any manner suitable to Your requirements, but subject to Our liability not being increased), must be commenced and carried out within a reasonable period, failing which We will not pay more than the Limit of Indemnity of the Damaged Property Insured at the time of the happening of the Damage;
- (ii) if the Property Insured is Damaged so as to constitute a total loss or constructive total loss, We may at Our option allow You to purchase an existing building on another site to replace the one destroyed. This will be deemed to be Reinstatement for the purpose of this Section. We will not pay more than the estimated cost of rebuilding the Building destroyed; and
- (iii) when any Property Insured to which this clause applies is Damaged in part only, Our liability will not exceed the sum representing the cost which We could have been called upon to pay for reinstatement if the Property Insured had been wholly destroyed.

### 3. Extra cost of reinstatement: (Applicable to Buildings)

This Section extends to include the extra cost of reinstatement (including demolition or dismantling) of Damaged Property Insured necessarily incurred to comply with the requirements of any act of parliament or regulation made under an act or any by-law or the regulation of any municipal or other statutory authority, subject to the terms, conditions and Sums Insured of this Section, and provided that:

- a. the work of Reinstatement must be commenced and carried out within a reasonable period, failing which We will not pay more than the amount which would have been payable under this Policy if this additional coverage had not been included;
- b. the work of Reinstatement may be carried out wholly or partially upon any other site, if the requirements of the act, regulation or by-law necessitate it, subject to Our liability not being increased;
- c. if the cost of Reinstatement of Damaged Property Insured is less than 50% of that which would have been the cost of Reinstatement if the Property

Insured had been destroyed, the amount We will pay will be limited to the extra cost necessarily incurred in reinstating only that portion Damaged;

- d. We will only pay these costs to the extent that the Sum Insured has not otherwise been exhausted unless We state in the Schedule that You have an additional Sum Insured for Extra Cost of Reinstatement;
- e. the amount recoverable shall not include the additional costs incurred in complying with any such act, regulation, by-law or requirement with which You had been required to comply prior to the happening of the Damage.

#### 4. Floor space ratio index (plot ratio)

If the Buildings are Damaged and Reinstatement of the Damage is limited or restricted by:

- a. any act of parliament or regulation under an act; or
- b. any by-law or regulation of any municipal or other statutory authority,

resulting in the reduction of the floor space ratio index (plot ratio) of the site, then We will pay (as soon as that difference is ascertained on completion of the Reinstatement and certified by the architect acting on Your behalf in the Reinstatement of the Property Insured) in addition to any amount payable on Reinstatement of these Buildings, the difference between:

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

Our liability arising from any one occurrence for Damage or expenses following Damage to the Building will not exceed in aggregate the Sum Insured stated in the Schedule in respect of the Building that is the subject of the claim.

#### 5. Undamaged foundations

If a Building is destroyed but the foundations are not, and Reinstatement of the Building:

- a. has to be carried out at another location because of Government restrictions preventing Reinstatement at the original location; and
- b. the foundations are not Damaged to an extent that prevents them from being reused;

then the abandoned foundations will be deemed to have been destroyed.

Provided that if the Land Value of the original site with such foundations is greater than the Land Value without such foundations, then We will deduct from the

settlement an amount equal to the difference between the unimproved Land Value and the Land Value with the foundations.

#### 6. Loss of Land Value

We will pay for loss of Land Value caused by a competent authority:

- a. refusing permission to reinstate the Building, when We will pay the difference between the Land Value before and after the Damage; or
- b. allowing only a partial Reinstatement of the Building, when We will pay the difference between the Land Value after such Reinstatement and the Land Value before the Damage,

provided that Our payment for loss of Land Value:

- a. will be reduced by any amount paid as compensation by such competent authority;
- b. will be a maximum of \$500,000;
- c. will be made to You after the ruling of the competent authority which results in the loss of Land Value is given. If the competent authority changes its ruling resulting in an increase in the Land Value after We have made a payment to You but before the completion of the Reinstatement, You must refund to Us any amount We have paid to You which exceeds the revised loss of Land Value.

If We disagree with You over the loss of Land Value, Our disagreement will be referred to two registered valuers for a decision. We will each appoint one valuer. If the two registered valuers do not agree, a third registered valuer appointed by the President of the Australian Property Institute as an expert will decide the loss of Land Value and that decision will be final and binding on both parties. The third registered valuer will at the time of determining the loss of Land Value decide which party is to pay the costs for this referral.

#### 7. Redevelopment properties

When a Redevelopment Property is Damaged, We will pay the cost of Reinstatement after due allowance for wear and tear, depreciation and betterment. If the Redevelopment Property is not reinstated, We will only pay for the cost of demolition and/or removal of debris.

We will not make any other payments under this Section for Redevelopment Property.

#### 8. Loss of rent

- a. For any unit occupied by a unit owner, We will pay the rentable value of the unit until the earlier of:
  - (i) the date the unit becomes habitable; or
  - (ii) 104 weeks following the Damage;

based on the annual rentable value of the unit;  
and

- b. For all other units, We will pay Your actual loss of rent until the earlier of:
- (i) the date the property is re-let; or
  - (ii) 8 weeks following the property becoming retenantable; or
  - (iii) 104 weeks following the Damage,
- based on the annual rent; and We will also pay the amount of any rental rebate You agree to as a direct result of Damage,
- provided that the maximum amount We will pay for loss of rent is 15% of the Sum Insured for Buildings, unless a different Sum Insured for loss of rent is shown in the Schedule.

## 9. Special conditions applying to Basis of Settlement

- a. The total amount We will pay for all cover under this Section will not exceed the Sum Insured unless We specifically state otherwise.
- b. The maximum amount We will pay for loss of Common Contents is 1% of the Sum Insured for Buildings, unless a different Sum Insured for Common Contents is stated in the Schedule.
- c. The maximum amount We will pay for Damage to property which is in the open air at the Situation is \$5,000 for any one loss.
- d. Until You actually incur the cost of reinstatement We will not pay any more than We would be required to pay to Indemnify You.
- e. The amount recoverable will not include any cost incurred in complying with any act, regulation, by-law or requirement with which You had been required to comply, but did not comply, before the happening of the Damage.

## 10. Excess

If Damage is caused by an earthquake, You must pay an Excess of \$100 for each claim or series of claims during a period of 48 hours.

For all other causes of Damage, You must pay any amount shown in the Schedule as an Excess for this Section.

## Additional benefits applicable to this Section

### 1. Accidental discharge

We will pay for the costs of shutting off the supply of water or other substance following its accidental

discharge or escape during the Period of Insurance from any fire protection equipment.

### 2. Capital additions

In addition to the Sum Insured shown in the Schedule for Buildings, We will also cover alterations and additions to Buildings made during the Period of Insurance for up to 10% of the Sum Insured for Buildings or \$100,000, whichever is the lesser.

### 3. Closure by order of a public authority

We will pay for loss of rent which results from an order of a public authority made during the Period of Insurance that does not permit habitation of any or all of the Property Insured because of an infectious or contagious disease, murder or suicide occurring at the Situation, provided that We will only pay for the period which:

- a. commences when the order becomes effective; and
- b. ceases after 30 days or after the order is revoked, whichever occurs first.

However, there is no cover under Additional Benefit 3. due to Highly Pathogenic Avian Influenza in Humans or any other disease declared to be a quarantinable disease under the Quarantine Act 1908 (including amendments).

### 4. Damage to electric motors

Notwithstanding exclusion 3(t) in "Specific exclusions applicable to this Section", We will pay for the reasonable and necessary costs incurred for repairing electric motors which form part of electrical machines owned by You and which have burnt out during the Period of Insurance due to the electric current in them, provided that We will not pay for:

- a. the repair or replacement of any electric motor more than 20 years of age; or
- b. the repair or replacement of any electric motor with an output greater than two kilowatts; or
- c. other parts of any electrical machine or equipment.

### 5. Failure of public supplies

We will pay for loss of rent which results from property belonging to or under the control of any public supply undertaking which is Damaged during the Period of Insurance by an event not excluded under this Section resulting in the failure of any electricity, gas, water or sewerage supply services, provided that We will only pay for the period which:

- a. commences forty-eight hours after the time of failure; and
- b. ceases after 30 days or after the services are reinstated, whichever occurs first.

## 6. Landscaping

We will pay up to \$500 for any one loss for Damage which occurred during the Period of Insurance to rockeries, trees, shrubs and plants owned by You or for which You are responsible. Where Damage to rockeries, trees, shrubs and plants is necessary in order to reinstate Damage to Property Insured under this Section, We will pay to repair that Damage.

## 7. Leaking water or oil

We will pay:

- a. for the reasonable and necessary costs incurred for locating the source of:
  - (i) leaking, bursting, discharging or overflowing of water tanks, water apparatus or water pipes, or
  - (ii) leaking of oil from any fixed oil installation, including tanks, apparatus and pipes.
- b. up to \$500 for the cost of repair or replacement (including Damage to other property necessary to effect the repair or replacement) of the defective part or parts of the tanks or pipes which has burst or is leaking,

provided that the bursting or leaking is not caused by wear and tear, gradual deterioration, corrosion or any other causes nominated under exclusion 3 of this Section 1.

## 8. Money

Notwithstanding exclusion 2.a. in "Specific exclusions applicable to this Section", We cover Damage to Money which occurred during the Period of Insurance while it is in the personal custody of:

- a. an office Member or committee Member of the body corporate; or
- b. a body corporate manager acting on behalf of the body corporate;

provided that:

- a. We will not pay for the fraudulent embezzlement or fraudulent misappropriation by:
  - (i) any person employed by the body corporate, named in the Schedule as the Insured, or
  - (ii) any Member (including any of their family normally residing with them) of the body corporate, named in the Schedule as the Insured, or
  - (iii) a body corporate manager acting on behalf of the body corporate, named in the Schedule as the Insured; and
- b. the maximum amount We will pay for Damage to Money is \$5,000.

## 9. Prevention of Imminent Damage

We will pay for the cost of emergency prevention or minimising of imminent Damage to Property Insured occurring during the Period of Insurance.

If Damage to Property Insured occurs giving rise to a valid claim under this Section, We will also pay for costs necessarily and reasonably incurred because of the Damage for:

## 10. Domestic Pets

Temporary accommodation of a domestic pet owned by You or by a Member and normally kept at the Property Insured, provided that the maximum amount We will pay for temporary accommodation of a domestic pet is \$500.

## 11. Fire Extinguishment Costs

Extinguishment of any fire at Your Situation, or any fire which threatens Your property. This will include the wages of employees necessarily and reasonably incurred in extinguishing the fire and the cost of replenishing fire fighting appliances.

## 12. Government Fees

Fees or contributions that must be paid to any authority to obtain a permit to reinstate the Property Insured, but We will not pay for any fines or penalties imposed upon You by any competent authorities.

## 13. Professional fees

Fees of architects, surveyors and consulting engineers, including all incidental costs and estimates, plans, specifications, quantities, tenders and supervision to reinstate the Property Insured.

## 14. Removal of Debris

- a. Removal, storage and disposal of debris and of anything which caused the Damage;
- b. Demolition, dismantling, shoring up, propping, underpinning or other temporary repairs to Property Insured;
- c. Demolition and removal of any of the Property Insured which can no longer be used for its intended purpose if this is necessary for the purpose of the Reinstatement of the Property Insured;
- d. Your legal liability for the cost of cleaning, removal, storage and/or disposal of debris from any Premises, roadways, services, railways or waterways of others,

but We will not pay for such costs if:

- (i) You entered into an agreement to pay such costs without Our written consent, unless that liability

would have attached even in the absence of such agreement; or

- (ii) Your liability arises as a consequence of the discharge, dispersal, release or escape of Pollutants.

## 15. Replacement of Locks and Keys

Replacing locks and keys if the keys are stolen or if there are reasonable grounds to believe that keys have been duplicated, provided that the maximum amount We will pay for replacement of locks and keys is \$5,000.

## 16. Rewriting of Records

Preparing and/or rewriting Your records which have been Damaged:

- a. at the Situation; or
- b. while in the safe keeping of Your managing agent; or
- c. at a bank for safe keeping;

provided that the maximum amount We will pay for Rewriting of Records is \$5,000.

## 17. Temporary Protection

Protection and safety of Property Insured pending Reinstatement or repair of Damage covered by this Section, to a maximum of \$10,000 in respect of any one event.

## Optional benefits applicable to this Section

### 1. Building Costs Escalation

If Your Building is destroyed and a valid claim results under this Section, We will increase the Sum Insured for Buildings by the difference between:

- a. the actual costs to reinstate Your Building; and
- b. the greater of:
  - (i) the cost that would have been applicable to reinstate Your Building at the time of the commencement of the Period of Insurance; or
  - (ii) the Sum Insured for Buildings immediately before the Damage occurred,

Provided that:

- a. this optional benefit will only apply where a Sum Insured is shown in the Schedule for Building Costs Escalation;
- b. the maximum amount We will increase the Sum Insured for Buildings is the amount shown in the Schedule for Building Costs Escalation; and
- c. for buildings aged 5 years or older Your Sum Insured, at the date of issue or most recent renewal of Your

Policy, was based on a valuation, signed by a registered valuer which:

- (i) meets the requirements of the relevant State of Territory legislation regarding its currency; and
- (ii) is no more than 4 years old, and
- (iii) has been adjusted annually, from its date of issue, to take into account increases and decreases in the market value of comparable properties.

## 2. Emergency

When this optional benefit is shown on the Schedule, and the cause of the emergency giving rise to the claim is not excluded under this Policy, We will pay for extra costs incurred in rebuilding or repairing Your Building if it is Damaged from an event that has been declared as an emergency, in accordance with the relevant State act.

The maximum amount We will pay for any one event under this optional benefit is up to 20% of the Sum Insured for Your Building. The dollar amount of this percentage is shown in the Schedule.

## Specific exclusions applicable to this Section

- 1. We will not pay for:
  - a. any legal liability of any kind, other than Your legal liability described in Additional benefit for Removal of Debris;
  - b. consequential financial loss of any kind other than loss of rent in accordance with this Section.
- 2. We will not pay for Damage to:
  - a. Money;
  - b. Aircraft, Vehicles or Watercraft or their parts or accessories;
  - c. animals, birds or fish;
  - d. retaining walls caused by wind, rainwater or hail;
  - e. the Property Insured which is in the course of construction, erection, alteration or addition where the total contract value of all work to be carried out during such activity exceeds \$200,000;
  - f. empty Premises undergoing demolition;
  - g. Pressure Equipment arising out of failure by You or Your employees or agents to comply with any Australian Standard applicable to Pressure Equipment;

- h. docks, wharves and piers not forming part of any Building.
3. We will not pay for any Damage arising directly or indirectly out of or in any way connected with:
- a. spontaneous combustion, fermentation or heating or any process involving the direct application of heat, provided that this exclusion will be limited to the item or items immediately affected and will not extend to other Property Damaged as a result of such spontaneous combustion;
  - b. the incorrect siting of Buildings;
  - c. demolition ordered by any competent authority due to a failure by You or Your agents to obtain any necessary building permits;
  - d. the movement of swimming pools or spas following their being emptied of water;
  - e. the accidental breakage, chipping or lifting of tiles of swimming pools, spas or their surrounds;
  - f. by the action of the Sea, tidal wave, Storm Surge, high water or Flood, except that caused by or arising from tsunamis;
  - g. erosion, subsidence, earth movement or collapse, unless Damage is caused by or results from an earthquake or seismological disturbance;
  - h. normal settling, seepage, shrinkage or expansion in Buildings or foundations, walls, pavements, roads and other structural improvements;
  - i. creeping, heaving or vibration;
  - j. the actions of birds, vermin, moths, termites, or other insects;
  - k. mildew, mould, contamination, disease, wet or dry rot, change of colour, evaporation, dampness of atmosphere or variations in temperature;
  - l. discharge, dispersal, release or escape of Pollutants;
  - m. inherent vice or latent defect;
  - n. change in texture or finish;
  - o. smut or smoke from industrial operations;
  - p. the roots of trees or other plants;
  - q. wear and tear, corrosion, rust, or oxidation, fading, chipping, scratching or marring, gradual deterioration or developing flaws, normal upkeep or making good;
  - r. error or omission in design, plan or specification or failure of design;
  - s. faulty materials or faulty workmanship;
  - t. mechanical, hydraulic, electrical or electronic breakdown, failure, malfunction or derangement of any machine or electrical or electronic device;
  - u. kidnapping, bomb threat, threat of contamination, hoax, extortion or any attempt thereat;
  - v. any breach by You or with Your consent, of any law, by-law, local government or other legally constituted public body's regulation dealing with the storage of hazardous goods;
  - w. access by persons not authorised by You to Your computer systems and records;
  - x. fraud or dishonest acts, embezzlement, forgery, erasure, counterfeiting and fraudulent misappropriation by electronic means or otherwise.
- We will pay for Damage to Property Insured caused directly by any circumstances not excluded under this Section, notwithstanding that these circumstances may in turn have been caused by any of the circumstances referred to in exclusions 3(f) to 3(u).
- ## Specific conditions applicable to this Section
- ### 1. Replacement by Similar Styles and Materials
- If the architectural features and structural materials of the Property Insured possess a particular ornamental, antiquarian or historical character, or the same materials are not readily available, the calculation of the cost which would have been incurred in Reinstatement if the whole of the property had been destroyed will be the cost of a similar type of Building of current design and materials and of reasonably equivalent utility and capacity.
- ### 2. Automatic Reinstatement of Cover
- The amount of any claim will not reduce the Sum Insured for this Section. We may at Our option charge an additional premium based on the amount of the claim and the unexpired term of the Policy from the date of the loss.
- ### 3. Claims preparation costs
- If Damage to Property Insured occurs giving rise to a valid claim under this Section, We will also pay for costs necessarily and reasonably incurred because of the Damage for professional fees incurred by You for preparation of claims under this Section, provided that:
- a. You must first obtain Our written approval before the expenses are incurred; and

- b. the maximum amount We will pay for claims preparation expenses is the lesser of \$10,000 or 10% of the amount which would otherwise be payable.

## Section 2 – Legal Liability

### The cover

This Policy insures all amounts which You become legally liable to pay as compensation (excluding punitive or exemplary or aggravated damages) for Personal Injury or Property Damage as a result of an Occurrence in connection with the ownership and condition of the Property Insured up to the Limit of Indemnity stated in the Schedule.

### Definitions applicable to this Section

**“Employment Practices”** means any wrongful or unfair dismissal, denial of natural justice, defamation, misleading representation or advertising, sexual harassment or discrimination in respect of employment by You.

**“Hovercraft”** means any vessel, craft or device made or intended to float on or in or travel on or through the atmosphere or water on a cushion of air provided by a downward blast.

**“Limit of Indemnity”** means the amount(s) stated in the Schedule as the Limit of Indemnity or any lesser limit shown in the Schedule or this document. The Limit of Indemnity is inclusive of and not additional to any applicable Excess.

**“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 by You. All occurrences of a series consequent upon or attributable to one source or originating cause are deemed to be one Occurrence.

In the event of Personal Injury claims arising from latent injury, latent disease, latent sickness or latent disability, such injury, disease, sickness or disability in respect of each claim shall be deemed to have occurred on the day such injury, disease, sickness or disability was first medically diagnosed.

**“Personal Injury”** means:

- a. death, bodily injury, sickness, disease, disability, shock, fright, mental anguish and mental injury;
- b. (i) false arrest, wrongful detention or imprisonment, malicious prosecution;  
(ii) wrongful eviction;  
(iii) assault or battery;  
(iv) libel, slander, defamation of character or invasion of right of privacy,

which occurs during the Period of Insurance.

**“Property Damage”** means:

- a. physical Damage to, physical loss of or physical destruction of tangible property that occurs during the Period of Insurance including any resultant loss of use; or
- b. loss of use of tangible property that has not been physically Damaged, physically lost or physically destroyed provided such loss of use is caused by physical Damage to, physical loss of or physical destruction of other tangible property that occurs during the Period of Insurance.

**“Worker”** means any person employed by You or deemed to be employed by You pursuant to any law.

**“Workers’ Compensation Law”** means any law relating to compensation for injury to Workers or employees.

## Limit of Indemnity and Excess applicable to this Section

The Limit of Indemnity is the amount stated in the Schedule. This is the maximum amount We will pay in respect of any one Occurrence.

You must pay the amount shown in the Schedule as the Excess in respect of each claim for Property Damage.

## Supplementary payments

Subject to the provisos below, in addition to the Limit of Indemnity, We will also make the following supplementary payments:

- a. all charges, expenses and legal costs incurred by Us, or by You with Our prior written consent, in the investigation, reporting, settlement or defence of any claim or suit for compensation for which:
  - (i) You are entitled to cover under this Policy; or
  - (ii) You would be entitled to cover under this Policy if such claim or suit were to be sustained;
- b. all legal costs (as agreed, taxed or assessed) against You in any such suit, claim and all interest on the judgment or settlement amount accruing after the entry of judgement against You until We have paid, tendered or deposited in court such part of the judgement as does not exceed the Limit of Indemnity, even if the proceedings were groundless, false or fraudulent;
- c. reasonable expenses incurred by You with Our prior written consent, other than loss of earnings, provided that:

if a payment exceeding the Limit of Indemnity has or is required to be made to dispose of a claim, Our liability to make supplementary payments will be limited to the proportion of the supplementary payments as the Limit of Indemnity bears to the amount paid or required to be paid to dispose of the claim.

Where the application of this clause means that You are liable to repay supplementary payments to Us, We may set off the amount that You owe Us against any other entitlements You have under this Policy.

## Specific exclusions applicable to this Section

This Policy does not cover any liability:

### 1. Aircraft, Hovercraft

directly or indirectly arising out of or in any way connected with the ownership, possession, maintenance, repair, operation or use by You or on Your behalf of any Aircraft or Hovercraft.

### 2. Asbestos

arising directly or indirectly out of, resulting from or in consequence of, or in any way involving asbestos, or any materials containing asbestos in whatever form or quantity.

### 3. Assault and battery

directly or indirectly arising out of or in any way connected with assault and/or battery committed by You or at Your direction.

This Exclusion 3 will not apply when such assault and/or battery is committed for the purpose of preventing Personal Injury or Property Damage or eliminating danger.

### 4. Building facilities

directly or indirectly arising out of or in any way connected with the ownership, possession, maintenance, repair, operation or use by You or on Your behalf of any of the following facilities which form part of Your Situation:

- a. child care facilities;
- b. golf courses;
- c. gymnasiums;
- d. jogging/cycle tracks;
- e. laundries/drycleaners;
- f. man-made lakes;
- g. marinas;
- h. nursing, medical or health care facilities;
- i. play grounds;
- j. restaurants;
- k. roads;
- l. shops;
- m. swimming pools/spa pools/saunas;
- n. tennis/squash courts;

unless they are specifically noted as covered under Section 2 on the Schedule.

## 5. Contractual liability

assumed under any contract or agreement.

This Exclusion 5 does not apply to:

- a. liability that would have been implied by law in the absence of such contract or agreement;
- b. those written contracts shown in the Schedule.

## 6. Defamation, libel and slander

directly or indirectly arising out of or in any way connected with, the publication or utterance of any libellous, slanderous, defamatory or disparaging material:

- a. made prior to the commencement of the Period of Insurance;
- b. made at Your direction or with Your authority and with knowledge of its falsity; or
- c. related to advertising, broadcasting, telecasting or publishing activities conducted by You or on Your behalf.

## 7. Employer's liability

- a. for Personal Injury to any Worker,
- b. if You are required by law to insure or otherwise fund, whether through self insurance, statutory fund or other statutory scheme, all or part of any common law liability (whether limited or not) for such Personal Injury; or
- c. imposed by:
  - (i) any Workers Compensation Law;
  - (ii) the provisions of any industrial award or agreement or determination or any contract of employment or workplace agreement where such liability would not have been imposed in the absence of such industrial award, agreement or determination;
  - (iii) any law relating to Employment Practices.

## 8. Erections, alterations and additions

directly or indirectly arising out of or in any way connected with, the construction, erection, alteration, demolition of and/or addition to buildings by You or on Your behalf.

This Exclusion 8 will not apply to alteration of or addition to Buildings owned and/or occupied by You where the cost of such alterations or additions does not exceed \$200,000.

## 9. Faulty workmanship

directly or indirectly arising out of or in any way connected with, performing, completing, correcting or improving any work or service undertaken or provided by You or on Your behalf.

## 10. Occupier's liability

directly or indirectly arising out of or in any way connected with any act or omission on Your part or on the part of Your Members or their tenants wholly or partly arising from the occupation of a Member's unit, lot or share.

## 11. Participation

or Personal Injury to any person or Property Damage to the property of any person directly or indirectly arising out of or in any way connected with the actual Participation of such person in any sport, exercise or activity such as but not limited to aerobics, athletics, football, aquatic, aerial or equestrian activity.

The term Participation as used in this exclusion includes the Participation, training or practice for, supervision or control of such activities.

This Exclusion 11 does not apply to Personal Injury or Property Damage, caused by any fault or defect in equipment provided by You at the Situation.

## 12. Penalties, liquidated damages, punitive, exemplary and aggravated damages

for fines, penalties, exemplary, punitive, liquidated or aggravated damages and/or additional damages resulting from the multiplication of compensatory damages.

## 13. Pollution

directly or indirectly arising out of or in any way connected with:

- a. loss, damage, costs or expense, injury, illness or liability directly or indirectly arising out of the discharge, seepage, migration, dispersal, release or escape of Pollutants into or upon any property, land, the atmosphere or any watercourse or body of water (including ground water);
- b. loss, damage, costs or expense, injury, illness or liability directly or indirectly arising out of the discharge, seepage, migration, dispersal, release or escape of Pollutants caused by any product that has been discarded, dumped, abandoned or thrown away by others;
- c. the cost of removing, nullifying or cleaning up Pollutants;
- d. the cost of preventing the escape of Pollutants.

Exclusion 13.a. and c. shall not apply where the claim arises from a sudden identifiable, unintended and unexpected event which takes place in its entirety at a specific time and place and occurs outside of North America, however, the total aggregate Limit of Indemnity during any one Period of Insurance shall not exceed the Limit of Indemnity stated in the Schedule.

#### **14. Professional liability**

directly or indirectly arising out of or in any way connected with the provision of professional advice, or an omission to provide professional advice, by You or by anyone on Your behalf.

#### **15. Property in physical or legal control**

for Property Damage to:

- a. property owned by or leased or rented to You;
- b. property in Your physical or legal control,

provided that this Exclusion 15 will not apply to liability for Property Damage to:

- (i) buildings which are leased or rented to You;
- (ii) Vehicles (not belonging to or used by You or on Your behalf) in Your physical or legal control where such Property Damage occurs while any such Vehicles are in a car park which is not owned or operated for reward by You as part of Your Business;
- (iii) property belonging to visitors or Your employees; or
- (iv) property in Your physical or legal control (except while undergoing any process or being worked upon) for which You have not assumed any responsibility to obtain insurance.

Our liability under this proviso (iv) will be limited to \$20,000 in the aggregate in respect of any one Period of Insurance, unless a higher amount is shown in the Schedule, and will be subject to the Excess shown in the Schedule.

#### **16. Smoking**

for any Personal Injury directly or indirectly arising out of or in any way connected with the inhalation or ingestion of or exposure to:

- a. tobacco or tobacco smoke; or
- b. any ingredient or additive present in any articles, items or goods which contain or include tobacco.

#### **17. Technology, information and the Internet**

arising directly or indirectly out of or in any way connected with Your Internet Operations.

This exclusion does not apply to liability otherwise covered by this Policy which would have arisen irrespective of Your Internet Operations.

Internet Operations includes but is not limited to, the following:

- a. use of electronic mail systems by You or Your employees, including part-time and temporary staff, and others acting on Your behalf;
- b. access through Your network to the world wide web or a public internet site by You or Your employees, including part-time and temporary staff, and others acting on Your behalf;
- c. access to Your intranet (meaning internal company information and computing resources) which is made available through the world wide web for Your customers or others outside Your organisation; and
- d. the operation and maintenance of Your website.

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

#### **18. Territorial limits**

for any claim for directly or indirectly arising out of or in any way connected with any Personal Injury or Damage to Property occurring outside the Commonwealth of Australia.

#### **19. Trade or profession**

directly or indirectly arising out of or in any way connected with Your trade or profession, other than as owner of the Insured Property.

#### **20. Vehicles**

directly or indirectly arising out of or in any way connected with the ownership, possession, operation, use or legal control by You or on Your behalf of any Vehicle:

- a. which is registered or is required by law to be registered;

This Exclusion 20.a. will not apply to Liability for Personal Injury or Property Damage caused by the loading or unloading of any Vehicle or trailer;

- b. where such liability is required by law to be insured under a Policy of Bodily Injury insurance.

#### **21. Watercraft**

directly or indirectly arising out of or in any way connected with the ownership, possession, operation or use by You or on Your behalf of any Watercraft, the hull of which exceeds 8 metres in length.

#### **22. Welding and allied processes**

directly or indirectly arising out of or in any way connected with You or other persons working on Your behalf not having strictly complied with the Australian Standard 1674.1-1997 "Safety in welding and allied

processes – Fire precautions” as set out in the Standard or as amended when involved in welding, thermal or oxygen cutting or heating or other related heat producing or spark producing operations.

This will not apply to an amount, up to the Limit of Indemnity, in excess of the amount covered under the legal liability insurance of a tradesperson You hired to carry out work on Your behalf, provided that the tradesperson was licenced to carry out the welding and allied process.

## Specific conditions applicable to this Section

### 1. Cross liability

Where You are comprised of more than one entity, the term “You” will be considered as applying to each entity in the same manner as though a separate Policy had been issued to each entity, provided that Our Limit of Indemnity and liability to make supplementary payments will apply as though there were not separate policies issued to each entity.

### 2. Discharge of liabilities

We may at any time pay to You or on Your behalf in respect of all claims against You:

- a. the amount of the Limit of Indemnity (after deduction of any sum or sums already paid by Us); or
- b. any lesser sum for which the claim or claims may be settled.

Upon such payment We will relinquish conduct or control of the defence of all claims against You and be under no further liability under this Policy in connection with such claim or claims.

We will pay for costs, charges and expenses recoverable from You in respect of the period prior to the date of such payment (whether or not this is pursuant to an order made subsequently) or incurred by Us or by You with Our written consent prior to the date of such payment.

### 3. Interpretation

Any phrase or word in this Section and Schedule will be interpreted in accordance with the law of the Commonwealth of Australia.

## Section 3 – Fidelity Guarantee

### The cover

We will pay You in accordance with the Basis of Settlement against any loss of Money occasioned by or arising out of the happening of a Defined Event, provided that:

- a. the loss happens during the Period of Insurance; and
- b. the loss is discovered not later than 12 months after the expiry of the Period of Insurance or not later than 12 months after the termination of the employment of the Person, whichever occurs first.

### Defined Event applicable to this Section

Fraudulent misappropriation of funds set aside for the purpose of management of the Property Insured.

### Basis of Settlement applicable to this Section

We will pay to You the amount misappropriated,

provided that the maximum aggregate amount We will pay for all claims under this Section will not exceed \$50,000 or the amount shown in the Schedule, whichever is the higher.

### Excess

We will not pay the amount of the Excess shown in the Schedule for this Section.

### Additional benefit applicable to this Section

#### Auditors’ Fees

Subject to the Sum Insured not otherwise being exhausted, We will also reimburse You for fees payable by You to external auditors that are reasonably and necessarily incurred to support a valid claim under this Section. The maximum amount We will pay for auditors’ fees is \$2,500.

### Specific exclusions applicable to this Section

We will not pay for:

1. any loss or part of a loss the proof or quantification of which depends upon any shortage revealed by or inconsistency in any accounting records, an inventory computation or enumeration, a comparison of inventory records with an actual physical count, or a profit and loss computation.
2. any loss arising directly or indirectly out of or in any

way connected with the conduct of a person if You have knowledge or information of any prior act of fraud or dishonesty by that person.

3. any loss arising directly or indirectly out of or in any way connected with a failure to make payment of or default under any loan or credit transaction obtained from or made by You whether authorised or unauthorised, unless there is fraud or dishonesty by a person.
4. any loss arising directly or indirectly out of or in any way connected with a change or variation in the method of conducting the business of the body corporate or company title that results in information furnished to Us in any Proposal or application for this insurance or any supporting documentation being different in some material degree.
5. any consequential loss (for example loss of use of the Property Insured) or other loss of any kind not specifically referred to in this Section.

## Specific conditions applicable to this Section

If You do not meet the following conditions, We may reduce or refuse to pay a claim.

1. **Checks and precautions**  
You must perform all checks or precautions described by You in any Proposal for this insurance or any documentation supporting the Proposal.
2. **Claims against a person**  
In the event of any loss being discovered You must, to the extent allowed by law, retain all assets that are the property of the person in respect of whose conduct a claim is made and which are or may come within Your control and You must apply them towards making good the amount of the loss.
3. **Dishonest persons**  
You must give to Us written notice immediately upon the discovery of any conduct that is fraudulent or dishonest by any person with access to or control of Your funds or of any lack of integrity by such a person, whether giving rise to a claim or not. We will not pay for any loss occurring after the date of discovery of such conduct.
4. **Recovery**  
Any recovery of funds made either by You or by Us after settlement of any claim will first be applied to any uninsured loss borne by You.

## Section 4 – Personal Accident Insurance (Voluntary Workers)

### The cover

If a Bodily Injury happens to a Voluntary Worker during the Period of Insurance that causes a Defined Event, We will pay You Compensation in accordance with the Basis of Settlement.

### Definitions applicable to this Section

The following words have the following special meanings wherever they appear in this Section:

**“Bodily Injury”** means an injury to a person caused solely and directly by violent accidental external and visible means. The injury must be independent of any other cause.

**“Compensation”** means the amount shown against the Defined Events.

**“Death”** means cessation of all vital functions.

**“Defined Event”** means those events caused by Bodily Injury and listed under the heading “Column A Defined Events”

**“Loss”** means loss by physical severance or total and irrecoverable Permanent loss of use.

**“Partial Disablement”** means disablement that prevents the Voluntary Worker from substantially attending to his or her usual occupation, as certified by a legally qualified medical practitioner.

**“Permanent”** means lasting more than 12 calendar months from the commencement of Total Disablement and at the end of that period being considered unlikely to improve and likely to continue for an indefinite period.

**“Total Disablement”** means disablement that entirely prevents the Voluntary Worker from carrying out all the normal duties of his or her usual occupation, as certified by a legally qualified medical practitioner.

**“Voluntary Worker”** means a person aged 12 years of age or older who is actually engaged in voluntary work at the Situation organised and under the direct control of You, Your committee, or Your duly appointed delegate.

## Defined Events applicable to this Section

Column A	Column B
Defined Events	Compensation
1. Death	\$100,000
2. Total and irrecoverable Loss of all sight in both eyes	\$100,000
3. Total and Permanent Loss of the use of both hands or of the use of both feet or of the use of one hand and one foot	\$100,000
4. Total and Permanent Loss of use of one hand or of one foot	\$50,000
5. Total and irrecoverable Loss of all sight in one eye	\$50,000
6. Total Disablement: in respect of each week of disablement	\$1,000
7. Partial Disablement: in respect of each week of disablement	\$500

## Basis of Settlement applicable to this Section

We will pay Compensation under this Section for the happening of a Defined Event to a Voluntary Worker as follows:

1. For Defined Events 1 to 5, the Compensation amount against the Defined Events, provided that:
  - a. the aggregate total of all payments under Defined Events 1 to 5 inclusive for Bodily Injury to any one person will not exceed \$100,000;
  - b. any Compensation paid or payable for Defined Events 1 to 5 will be reduced by any sum already paid for Defined Event 6 or 7 in respect of the same Injury.
2. For Defined Events 6 and 7, We will pay for the period:
  - a. commencing one week after the Voluntary Worker becomes disabled; and
  - b. ending at the earlier of the date the disablement ceases or 104 weeks from the commencement of disablement,
 provided that:
  - (i) We will not pay for more than one of these Defined Events at the same time;
  - (ii) for Voluntary Workers who are not in receipt of wages, salaries or other remuneration, the compensation We will pay will be limited to the reasonable and necessary costs of obtaining

domestic assistance up to a maximum amount of \$250 for any one week and for a maximum period of 10 weeks.

3. After the occurrence of any one of Defined Events 2 to 7 there will be no further liability under this Section in respect of the Voluntary Worker for Bodily Injury sustained after that time.
4. No Compensation is payable under this Section unless the Defined Event referred to occurs within 12 calendar months of the date of the Injury.

## Additional benefits applicable to this Section

If Bodily Injury occurs giving rise to a valid claim under this Section, We will also pay for the reasonable costs arising from the Bodily Injury for:

1. Travel Expenses  
Travel in obtaining medical treatment up to a maximum amount of \$500 for any one person.
2. Domestic Assistance  
The cost of obtaining domestic assistance up to a maximum amount of \$500 for any one person, provided any amount payable under this additional benefit will be reduced by the amount of any payment received for domestic assistance under Defined Events 6 and 7.

## Specific exclusions applicable to this Section

We will not pay for Bodily Injury arising directly or indirectly from or in any way connected with:

1. Alcohol and drugs  
the Voluntary Worker being rendered less capable than usual of taking care of himself or herself due to intoxicating liquor or narcotics or drugs (other than a drug taken or administered by or following the advice of a duly qualified medical practitioner).
2. Mental condition  
the Voluntary Worker being rendered less capable than usual of taking care of himself or herself due to mental unsoundness, including any psychological, psychiatric or stress disorder, other than from a condition which was not diagnosed before the commencement of the Period of Insurance.
3. Pregnancy  
childbirth or pregnancy.
4. Suicide or self-injury  
any actual or attempted intentional self-injury or suicide.

## Specific conditions applicable to this Section

### 1. Medical Treatment

On the occurrence of any Bodily Injury, the Voluntary Worker must undertake and follow treatment from a legally qualified medical practitioner as soon as possible.

### 2. Medical Examinations

In the event of a claim being made under this Section, the Voluntary Worker must undertake, at Our expense, such medical examination or examinations as We may reasonably require. We may arrange an autopsy or post mortem examination if thought necessary by Us provided that We are not precluded from doing so by law.

## Section 5 – Office Bearers’ Liability and Legal Expenses Insurance

### Important Notice: ‘Claims Made’ Cover

This Benefit provides a ‘claims made and notified’ cover and will only respond to Claims first made against You and notified to Us during the Period of Insurance.

#### The cover

We will indemnify:

- a. any Officer for all amounts payable by way of damages, judgements, settlements, costs of investigation and Legal Costs arising out of a Claim:
  - (i) first made against that Officer during the Period of Insurance; and
  - (ii) notified to Us in writing during the Period of Insurance; and
  - (iii) arising out of a Wrongful Act which occurred subsequent to the Retroactive Date; and
  - (iv) for which that Officer has not been indemnified, and is not entitled to be indemnified by You.
- b. You for all amounts payable by way of damages, judgements, settlements, costs of investigation and Legal Costs arising out of a Claim:
  - (i) first made against that Officer during the Period of Insurance; and
  - (ii) notified to Us in writing during the Period of Insurance; and
  - (iii) arising out of a Wrongful Act which occurred subsequent to the Retroactive Date; and
  - (iv) for which You have indemnified (and were entitled to indemnify) that Officer.
- c. You against Legal Expenses only in connection with a Claim arising out of an act or omission for which an Officer may be held liable but for which You are not liable.

Provided that:

- (i) the Claim is first made against You during the Period of Insurance; and
- (ii) the Claim is notified to Us in writing during the Period of Insurance; and
- (iii) the act or omission occurred in connection with the conduct of the ordinary business and affairs of a residential strata body corporate or Company Title Property; and

- (iv) the act or omission occurred subsequent to the Effective Date shown in the Schedule.

## Definitions applicable to this Section

The following words have the following special meanings wherever they appear in this Section:

**“Claim”** means:

- a written or verbal demand by a third party for compensation or damages; or
- a civil proceeding brought by a third party for recovery of compensation or damages.

**“Legal Costs”** means reasonable costs, charges, fees (including counsels’ fees and experts’ fees) and expenses incurred in defending, investigating or monitoring a Claim and costs of appeal.

**“Legal Expenses”** means costs and disbursements reasonably and necessarily incurred by You and authorised by Us in the defence of any Claim.

**“Limit of Liability”** means the amount shown in the Schedule as the aggregate limit.

**“Litigation”** means any civil proceeding in a court or tribunal exercising judicial power and any dispute resolution process.

**“Officer(s)”** means any person whilst engaged in serving on Your committee or governing body (whether current or former) but excludes anyone who is an authorised strata manager or a director or representative of such manager with whom You or a Member have entered into any management agreement.

**“Retroactive Date”** means the date from which Officers have been continuously insured under one policy, or under successive policies, which provided the same cover as or similar cover to this Policy.

**“Wrongful Act”** means any actual or alleged act, error, omission, negligence, breach of duty, misrepresentation or misconduct of an Officer for which You are liable.

## Limit of Liability applicable to this Section

1. The amount payable by Us for any one Claim and in the aggregate for all Claims in a. and b. above shall not exceed the Limit of Liability stated in the Schedule for Office Bearers’ Liability.
2. The amount payable by Us for any one Claim and in the aggregate for all Claims under c. above shall not exceed the Limit of Liability stated in the Schedule for Legal Expenses or \$20,000 whichever is the greater.

3. If more than one body corporate or entity is specified in the Schedule, the limits for 1. and 2. above will apply to the aggregate of all Claims against all body corporates or entities and not separately.

## Excess applicable to this Section

You must pay:

- a. the first \$1,000 of Legal Expenses; and
- b. 10% of all Legal Expenses in excess of \$1,000 up to a maximum of \$11,000,

for each Claim under c. above.

## Specific exclusions applicable to this Section

1. We will not make any payment in respect of any Claim arising directly or indirectly out of or in any way connected with:
  - a. any duty, tax, levy or other impost;
  - b. any profit or advantage gained by an Officer where the Officer was not legally entitled to or may be held accountable to You for any such profit or advantage;
  - c. any Officer being given Money or a gratuity without Your authorisation where such authorisation is necessary pursuant to Your relevant rules, memorandum or articles, or is prescribed by law;
  - d. any Personal Injury (as defined in Section 2 – Legal Liability on page 20) or Damage to property. This exclusion will not apply to Claims which arise where You or any Officer have negligently failed to arrange public liability insurance;
  - e. any fines or penalties imposed by law or liquidated damages or punitive, exemplary and/or aggravated damages and/or any additional damages resulting from the multiplication of compensatory damages;
  - f. any conflict of duty or interest of any Officer;
  - g. any intentional exercise of power by an Officer where the exercise of such power is for a purpose other than for which such power was conferred.

Where any particular Officer is aware of any fact or matter, that knowledge will not be imputed to any other Officer for the purposes of this exclusion.

2. We will not make any payment for any Claim arising directly or indirectly out of or in any way connected with:
  - a. any cost of Your time spent in preparing or pursuing any Claim for Legal Expenses;

- b. any salaries or remuneration of any Officer or Your servants or agents;
  - c. any Claim first notified to Us after the expiry of this Policy;
  - d. any Litigation brought against any Officer and/ or You in a court of law or tribunal outside Australia;
  - e. any Claim for libel or slander;
  - f. any Claim that alleges, or that is brought about by or contributed to, any dishonest, fraudulent, criminal or malicious act or omission of You or any Officer. This exclusion does not apply to the costs of a successful defence of such a Claim by You or the Officer;
  - g. any Legal Expenses involving a Claim between You and:
    - (i) any Officer,
    - (ii) any Member,
    - (iii) any owner or occupier of any unit or lot within the Property Insured,
    - (iv) any person claiming any interest in any Members' Fixtures and Improvements,
    - (v) any servant or agent of Yours,
    - (vi) Us or Our servants or agents.
- 3. We are not liable to indemnify You in respect of any Claim:**
- a. directly or indirectly based upon, attributable to, or in consequence of, any circumstance of which You or any Officer first became aware prior to the commencement of the Policy and which You or any Officer knew or ought reasonably to have known, had the potential to give rise to a Claim under this Policy or under any previous policy; or
  - b. that was first made prior to the commencement of the Policy.
- 4. We will not make any payment for any Claim arising directly or indirectly out of or in any way connected with a decision not to effect and maintain insurances as required by any legislation which provides for the development or management of strata title, unit title, community title, company title or any other type of multiple ownership or multiple subdivision within one development applying where the Property Insured is located.**

## 5. Contractual liability

We will not be liable to indemnify You in respect of any liability assumed under any contract or agreement.

This exclusion 5. does not apply to:

- a. liability that would have been implied by law in the absence of such contract or agreement;
- b. those written contracts shown in the Schedule.

## Specific conditions applicable to this Section

### 1. Litigation without authorisation

If We recommend settlement of any Claim and You do not agree to settlement, You may elect to contest the Claim. However, Our liability in connection with the Claim is then limited to the amount We recommend in settlement including Legal Costs incurred with Our consent up to the date We recommend settlement to You.

### 2. Discharge of liabilities

We may at any time pay to You or on Your behalf in respect of all Claims against You:

- a. the amount of:
  - (i) the Office Bearers' Limit of Liability; or
  - (ii) Legal Expenses aggregate limit,
 whichever is applicable (after deduction of any sum or sums already paid by Us); or
- b. any lesser sum for which the Claim or Claims may be settled.

Upon such payment We will relinquish conduct or control of the defence of all Claims against You and be under no further liability under this Policy in connection with such Claim or Claims.

Provided that We will pay for costs, charges and expenses recoverable from You in respect of the period prior to the date of such payment (whether or not this is pursuant to an order made subsequently) or incurred by Us or by You with Our written consent prior to the date of such payment.

### 3. Admission of liability

You or any Officer shall not make any offer or payment or admit liability for or settle any Claim or incur any costs or expenses in connection with any Claim without Our consent.

### 4. Subrogation

We will not exercise any rights of subrogation as set out under General condition 3. on page 10, against any of your employees unless the employee was guilty of dishonest, fraudulent, criminal or malicious conduct or serious or wilful misconduct.

# Section 6 – Machinery Breakdown

## The cover

We will pay You in accordance with the Basis of Settlement for a Defined Event occurring during the Period of Insurance to the Property Insured at the Situation as defined in this Section.

## Definitions applicable to this Section

“Breakdown” means unforeseen and sudden Damage from any cause not excluded which necessitates its repair or replacement before the Property Insured can be used again.

“Property Insured” means Specified Machinery and Unspecified Machinery.

“Specified Machinery” means machinery shown in the Schedule as Specified Machinery.

“Unspecified Machinery” means mechanical and electrical plant and machinery at the Situation prior to the Period of Insurance for which You are responsible, except for:

- a. items insured as Specified Machinery;
- b. items driven by motors exceeding 3 kW (4 hp);
- c. television, video or audio equipment other than security system equipment;
- d. clothes washers, dryers or extractors;
- e. bore pumps;
- f. machinery installed or placed by Members subsequent to the original Building construction;
- g. machinery forming part of any passenger or goods elevator.

## Defined Events applicable to this Section

Breakdown of Specified Machinery and Unspecified Machinery which occurs at the Situation during the Period of Insurance.

## Basis of Settlement applicable to this Section

The Basis of Settlement will be:

1. where Damage to Property Insured can be repaired, the reasonable costs of:
  - a. restoring the Damaged item to its former working order;
  - b. dismantling and re-erecting and removal of Debris necessary to complete the repairs;
  - c. ordinary freight costs to and from a repair shop;
  - d. any customs duties;

- e. charges for overtime and work on public holidays limited to 25% of the Sum Insured for the item,

provided that:

- the work of restoration is carried out with reasonable dispatch;
- We will not make any payment under this Section until the costs of repair or replacement have actually been incurred by You; and

If You complete the repairs in Your own workshop We will pay the reasonable cost of materials and wages as well as a reasonable allowance to cover overheads.

2. where Damage to Property Insured is not repaired:
  - a. for Property Insured that could not be repaired, replacement by a new equivalent make and model;
  - b. for Property Insured that could be repaired but has been replaced, the estimated cost that would have been incurred for necessary repairs to return the Damaged Property Insured to its former state of serviceability.

We will not pay more than the Sum Insured shown in the Schedule for:

- a. each item of Specified Machinery; or
- b. Unspecified Machinery.

## Excess

We will not pay the amount shown in the Schedule as the Excess for this Section.

## Additional benefits applicable to this Section

When We have agreed to pay a claim following the occurrence of a Defined Event, We will also pay:

### 1. Hire of temporary machinery and expediting costs

the reasonable and necessary costs of:

- (i) hiring temporary machinery for use at the Situation;
- (ii) effecting temporary repairs to the Damaged Property Insured;
- (iii) overtime or air freight within Australia, but not air freight on a specifically chartered Aircraft, necessary to expedite permanent repairs to the Damaged Property Insured; and
- (iv) consultants' fees in connection with the hire and repair of the Damaged Property Insured but only if You have obtained Our prior written approval.

## 2. Insulating oil and refrigerant gas or liquid

the reasonable cost of cleaning, storing, recycling and replacing:

- a. insulating oil in transformers, capacitors or switch gear; and
- b. refrigerant gas or liquid in air-conditioning or refrigeration units.

The maximum amount We will pay for these additional benefits 1 and 2 will be 5% of the normal cost of the repair of the damaged item.

## 3. Additional Machinery

Where a Sum Insured is shown for Unspecified Machinery in the Schedule, any item of Additional Machinery that is installed at the Situation during the Period of Insurance, will be covered under this Section for Breakdown, provided that:

- a. Our limit of liability under this Additional Benefit will not exceed 20% of the Total Sum Insured stated in the Schedule for Unspecified Machinery;
- b. You must give Us notice in writing of the installation or operation of Additional Machinery within 90 days after it occurs;
- c. cover will only be provided after the completion of successful initial startup, testing and handover of the Additional Machinery by the installer;
- d. the Additional Machinery must have had at least 8 hours of satisfactory operation following handover;
- e. You must pay Us any additional premium that We may require, calculated from the date of installation or initial operation; and
- f. within three (3) business days of receiving notice from You, We may give You seven (7) days notice that We will not insure the Additional Machinery. Upon the expiry of that period of notice the Additional Machinery will no longer be covered.

**"Additional Machinery"** means any machinery within the Property Insured definition and is installed or brought into use at the Situation after the commencement of the Period of Insurance.

## Specific exclusions applicable to this Section

We will not pay for:

1. loss or damage that is covered by Section 1 of this Policy.
2. loss or damage caused by Flood.
3. loss of or Damage to belts, ropes, wires, chains,

rubber tyres, dies or exchangeable tools, engraved cylinders, objects made of glass or porcelain, ceramics, refractory linings, felt sieves or fabrics, jointings or packings (including lubrication, oil, fuel, catalysts or refrigerants), fuses, electric heating elements, electric contacts, thermostats, thermostatic expansion valves, batteries unless specially shown as insured in the Schedule.

4. wasting or wearing away or wearing out of any part of an insured item caused by or naturally resulting from ordinary use or working, gradual deterioration including erosion, rust, corrosion, boilers, scale or oxidation (due to normal atmospheric conditions or otherwise), Damage due to pitting, scratching of painted or polished surfaces, adjustment or cleaning.
5. the cost of:
  - a. converting refrigeration and/or air-conditioning units from the use of CFC (chlorofluorocarbon) refrigerant gas to any other type of refrigerant gas;
  - b. adjustment, cleaning or recharging of refrigeration or airconditioning equipment, unless necessary as part of the repair of Damage occurring which gives rise to a valid claim under this Section.
6. any costs associated with submersible pumps or well casings unless specifically shown in the Schedule.
7. the cost of any:
  - a. alterations, additions, improvements or overhauls;
  - b. temporary repairs unless those temporary repairs form part of the final repairs and do not increase the cost of the final repair;
  - c. preventative maintenance work.
8. damage to Property Insured for which successful initial commissioning has not been completed.
9. loss or damage due to any act of the power supplier, including withholding, restricting or load shedding the supply of electricity.
10. loss or damage arising:
  - a. out of the machinery being subjected to tests involving abnormal stresses or arising out of machinery being intentionally overloaded; or
  - b. prior to successful initial commissioning or during testing or experimentation.
11. loss or damage due to faults or defects known to You.

12. loss or damage due to failure to comply with statutory or other legal requirements relating to safeguarding or operation of the machinery or electronic equipment.
13. repair or replacement of the Property Insured if the manufacturer, supplier, agent or any other person is responsible under any warranty or maintenance agreement.
14. consequential loss of any kind (for example, loss of use of the Property Insured) or any other type of loss not specifically covered in this Section.

### **Specific conditions applicable to this Section**

If You do not meet the following conditions, We may reduce or refuse to pay a claim.

#### **1. Inspection**

Our representatives will have the right to inspect and examine the Property Insured at any reasonable time.

#### **2. Claims procedure**

Once You have advised Us that You intend to claim You may commence necessary repairs to mitigate Your loss provided You keep any Damaged or replaced parts for Our inspection.

We will not be liable to make any payment under this Section unless You have produced to Our reasonable satisfaction all accounts, estimates, invoices, receipts and other documentation showing that repairs have been effected or replacement has taken place, as the case may be.

#### **3. Pressure Equipment**

You, Your employees and agents must at Your expense comply with any Australian Standards applicable to Pressure Equipment.

#### **4. Unsafe operation**

Cover will cease for any Specified Machinery, Unspecified Machinery or Additional Machinery which is Damaged and is operated without being repaired properly.

## **Section 7 – Workers' Compensation**

### **The cover**

Where You have requested Workers' Compensation cover as part of this Residential Strata Insurance Policy, We will pay the amount You are liable to pay to Your employees if they are injured while working for You.

### **Basis of Settlement applicable to this Section**

The relevant Workers' Compensation legislation for Your State or Territory will determine what amount We will pay and whether this cover is the subject of a separate Policy Document.

### **The Insurers**

When this cover is operative it is provided by:

- Allianz Australia Insurance Limited  
ABN 15 000 122 850 in the Australian Capital Territory, Western Australia and Tasmania; or
- Allianz Australia Workers' Compensation (NSW) Limited ABN 17 003 087 545 in New South Wales (We act as the agent of this insurer in arranging insurance in NSW, not as Your agent).

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For all enquiries please call your intermediary.

Allianz Australia Insurance Limited  
AFS Licence No. 234708  
ABN 15 000 122 850  
2 Market Street Sydney NSW 2000  
Telephone: 13 2664