



STRATA UNIT  
UNDERWRITERS

# residential strata insurance

product disclosure statement and policy

# Residential Strata Insurance – Product Disclosure Statement

This Product Disclosure Statement (PDS) contains two parts:

Part 1: Important Information – contains general information about Your insurance Policy; and

Part 2: The Insurance Policy – contains the terms and conditions of Your Residential Strata Insurance Policy.

To assist You to locate specific items in this PDS, a Table Of Contents is provided on the next page.

Please read this PDS before You apply for insurance.

This Product Disclosure Statement (PDS) and Policy has been designed by Strata Unit Underwriters specifically for:

- ▲ Strata Schemes
- ▲ Community Title Schemes
- ▲ Stratum Developments
- ▲ Other similar-type schemes

Preparation date 09/04/2009

It is important that You insure in accordance with the requirements of applicable legislation where Your property is situated.

# Table Of Contents

<b>PART 1: IMPORTANT INFORMATION</b>	1	<b>SECTION 7 – VOLUNTARY WORKERS</b>	31
<b>PART 2: THE INSURANCE POLICY</b>	5	DEFINITIONS	31
YOUR POLICY	5	WHAT YOU ARE COVERED FOR	31
OUR AGREEMENT WITH YOU	5	ADDITIONAL BENEFITS	32
GENERAL DEFINITIONS RELATING TO ALL SECTIONS	5	EXCLUSIONS	32
<b>SECTION 1 – BUILDING(S) AND COMMON CONTENTS</b>	8	CONDITIONS	32
DEFINITIONS	8	CLAIMS PROCEDURES	33
WHAT YOU ARE COVERED FOR	9	<b>SECTION 8 – GOVERNMENT AUDIT COSTS</b>	34
ADDITIONAL BENEFITS	9	DEFINITIONS	34
HOW WE PAY CLAIMS	15	WHAT YOU ARE COVERED FOR	34
EXCLUSIONS	17	EXCLUSIONS	34
CONDITIONS	18	CONDITIONS	35
CLAIMS PROCEDURES	18	CLAIMS PROCEDURES	35
<b>SECTION 2 – GLASS</b>	19	<b>SECTION 9 – LEGAL EXPENSES</b>	36
DEFINITIONS	19	DEFINITIONS	36
WHAT YOU ARE COVERED FOR	19	WHAT YOU ARE COVERED FOR	36
ADDITIONAL BENEFITS	19	EXTENSION OF COVER	36
HOW WE PAY CLAIMS	19	EXCLUSIONS	37
EXCLUSIONS	20	CONDITIONS	37
CONDITIONS	21	CLAIMS PROCEDURES	37
CLAIMS PROCEDURES	21	<b>SECTION 10 – WORKPLACE, HEALTH &amp; SAFETY BREACHES</b>	38
<b>SECTION 3 – THEFT</b>	22	DEFINITIONS	38
DEFINITIONS	22	WHAT YOU ARE COVERED FOR	38
WHAT YOU ARE COVERED FOR	22	EXTENSIONS OF COVER	38
ADDITIONAL BENEFITS	22	EXCLUSIONS	38
HOW WE PAY CLAIMS	22	CONDITIONS	39
EXCLUSIONS	23	CLAIMS PROCEDURES	39
CONDITIONS	23	<b>SECTION 11 – MACHINERY BREAKDOWN</b>	40
CLAIMS PROCEDURES	23	DEFINITION	40
<b>SECTION 4 – LIABILITY</b>	24	WHAT YOU ARE COVERED FOR	40
DEFINITIONS	24	ADDITIONAL BENEFITS	40
WHAT YOU ARE COVERED FOR	24	HOW WE PAY CLAIMS	41
EXTENSIONS OF COVER	25	EXCLUSIONS	42
EXCLUSIONS	25	CONDITIONS	44
CONDITIONS	26	CLAIMS PROCEDURES	44
CLAIMS PROCEDURES	26	<b>SECTION 12 – LOT OWNER’S IMPROVEMENTS</b>	45
<b>SECTION 5 – FIDELITY GUARANTEE</b>	27	DEFINITIONS	45
DEFINITIONS	27	WHAT YOU ARE COVERED FOR	45
WHAT YOU ARE COVERED FOR	27	HOW WE PAY CLAIMS	45
EXCLUSIONS	27	EXCLUSIONS	45
CONDITIONS	27	CONDITIONS	45
CLAIMS PROCEDURES	27	CLAIMS PROCEDURES	45
<b>SECTION 6 – OFFICE BEARERS’ LIABILITY</b>	28	<b>SECTION 13 – WORKERS’ COMPENSATION</b>	46
DEFINITIONS	28	GENERAL EXCLUSIONS RELATING TO ALL SECTIONS	47
WHAT YOU ARE COVERED FOR	29	GENERAL CONDITIONS RELATING TO ALL SECTIONS	48
EXTENSIONS OF COVER	29	GENERAL CLAIMS PROCEDURES RELATING TO ALL SECTIONS	50
ADDITIONAL BENEFIT	29	CLAIMS PAYMENT EXAMPLES	53
EXCLUSIONS	29		
CONDITIONS	30		
CLAIMS PROCEDURES	30		

# Part 1 : Important Information

## THE PURPOSE OF THIS PDS

The PDS has been prepared to assist You in understanding Your insurance Policy and making an informed choice about Your insurance needs. This PDS sets out important information about the insurance and the terms and conditions and limitations of the Policy. The Policy terms and conditions are set out in this PDS under the heading 'The Insurance Policy' commencing on page 5.

The Policy provides a number of covers which may be provided to You as a retail client under the Corporations Act 2001 (the Act) depending on Your circumstances. Only the parts of this Policy relevant to cover provided to You as a retail client and any other documents We tell You are included, make up the PDS for the purposes of the Act.

## WHO IS THE INSURER

CGU Insurance Limited is the insurer of Sections 1 to 12 of the Policy. Their Australian Business Number is 27 004 478 371. Their Australian Financial Services Licence Number is 238291. In this PDS, the insurer is called 'We', 'Us' or 'Our'. We can be contacted by writing to Us at CGU Insurance, GPO Box 9902 in your capital city, by telephoning 131 532 or visiting [www.cgu.com.au](http://www.cgu.com.au).

CGU Insurance Limited pays remuneration to insurance intermediaries when We issue, renew or vary a Policy the intermediary has arranged or referred to Us. The type and amount of remuneration varies and may include commission and other payments. If You require more information about remuneration We may pay Your intermediary, You should ask Your intermediary.

Cover for Section 13 is provided by Insurance Australia Limited ABN 11 000 016 722 trading as CGU Workers Compensation if your situation is in Western Australia.

## WHO IS STRATA UNIT UNDERWRITERS

In arranging this product, Strata Unit Underwriting Agency Pty Limited trading as Strata Unit Underwriters is an intermediary, acting as an agent for the insurer and is also a wholly owned subsidiary of the insurer. Their Australian Business Number is 30 089 201 534. Their Australian Financial Services Licence Number is 246719. They can be contacted by writing to Strata Unit Underwriters, 5/263 Alfred Street, North Sydney NSW 2060, by telephoning 1300 668 066, or visiting [www.stratainsurance.com.au](http://www.stratainsurance.com.au).

## GENERAL INSURANCE CODE OF PRACTICE

CGU Insurance proudly supports the General Insurance Code of Practice. The purpose of the Code is to raise the standards of practice and service in the general insurance industry.

The objectives of the Code are:

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

If You wish to obtain a brochure on the Code, please contact Us.

## HOW TO RESOLVE A COMPLAINT OR DISPUTE

### 1. Talk to Us first

If You have a complaint, the first thing You or Your insurance adviser should do is speak to one of Our staff. If Your complaint relates specifically to a claim, speak with the claims consultant managing Your claim.

If the staff member or claims consultant are unable to resolve the matter for You, You or Your insurance adviser may speak to a manager. The manager will usually provide You with a response to Your complaint within 15 business days. If the time frame is impractical for any reason such as the need for more information or further investigation, they will discuss with You alternative time frames. If You are not satisfied with Our response or We cannot agree with You on alternative time frames, You can go to step 2.

### 2. Seek a review

If the matter is still not resolved, the manager will refer You or Your insurance adviser to the relevant dispute handling department or area who will conduct a review of Your dispute. They will usually provide You with a response to Your dispute within 15 business days. If the time frame is impractical, We will discuss with You alternative time frames.

If You are still not satisfied with Our response to Your dispute or We cannot agree on alternative time frames, You can go to step 3.

### 3. Seek an external review

You are entitled to seek an external review of Our decision. We will provide You with information about options available to You, including, if appropriate, referring You to the external dispute resolution scheme administered by the Financial Ombudsman Service Limited (FOS).

You will not be able to have Your dispute resolved by the FOS if You are not eligible under the FOS's Terms of Reference.

Further information about Our complaint and dispute resolution procedures is available by contacting Us.

## HOW TO APPLY FOR INSURANCE

Complete Our application form. If We accept Your application for insurance, You will receive a schedule that sets out details of the insurance You have taken out.

## WHEN YOU ARE INSURED

Your insurance begins when We accept Your application. The commencement date of Your insurance will be shown on the Schedule We will send You.

The insurance applies for the period for which You have paid Us (or agreed to pay Us) the premium. You may pay Your insurance by cash, cheque or electronic funds transfer. If Your payment is dishonoured by Your financial institution, You are not insured.

## YOUR COOLING-OFF PERIOD

We will refund all premium paid for cover under Your Policy if You request cancellation within 21 days of its commencement. To do this, You must advise Us in writing. You will not receive a refund if You have made a claim under the insurance Policy.

## HOW TO MAKE A CLAIM

When something happens that You believe You can claim for, please contact Strata Unit Underwriters. Details about making a claim are shown in the 'The Insurance Policy' section of this PDS under 'General Claims Procedures Relating to All Sections'. We have also provided 'Claims Payment Examples' on pages 53 to 56, to assist You to understand how We pay claims.

## ADEQUATE SUM INSURED – BUILDING(S) AND COMMON CONTENTS

In the event of a major loss, Your Sum Insured should be sufficient to allow for replacement of Your property including all associated costs (e.g. the value of demolition work, removal of debris, surveying, engineering and architectural fees). To ensure adequacy of Your Sum Insured, We suggest a professional replacement valuation be obtained on a regular basis.

There are specific requirements in each state and territory that deal with insurance for strata properties. You should check that Your insurance meets those requirements.

## CALCULATING YOUR PREMIUM

The premium payable by You for this insurance will be shown on Your Schedule.

The key factors that influence the premium calculation are reflected in the questions asked and information obtained at the time of the enquiry or application for insurance.

For Section 1 – Building(s) and Common Contents, Section – 2 Glass, Section 3 – Theft and Section 12 – Lot Owner’s Improvements, these include factors relating to the type of property being insured, where the property is located, the type of construction of the property, the type of occupants within the building and to what extent the property is unoccupied.

For all Sections, We also take into account Your previous insurance and claims history.

Premiums are subject to Commonwealth and State taxes and/or charges. These include the Goods and Services Tax and Stamp Duty. The amount of these taxes and/or charges will be shown on Your Schedule.

## EXCESSES

If You make a claim under the Policy, You may be required to pay an Excess.

In some instances, You can select at the time of Your enquiry or application for insurance the amount of Excess You wish to pay should You have a claim. When You select a higher Excess amount, We may reduce the amount of premium We charge You.

In some instances, We will impose the amount of excess You will need to pay should You have a claim. In deciding to impose an Excess, We take into consideration a number of factors in setting the amount of the Excess. These include factors relating to Your previous claims history, the type of property being insured, where the property is located, the type of construction of the property, any commercial occupant exposure, to what extent the property is unoccupied and Your previous insurance history. At the time of Your enquiry or application for insurance, the amount of any Excess will be advised to You.

## YOUR DUTY OF DISCLOSURE

You must comply with Your Duty of Disclosure when You apply for insurance with Us and each time You renew or alter Your cover.

### What You need to tell Us

You must tell Us everything that You know, or should know, that could affect Our decision to insure You and/or the terms on which We insure You. When We ask You specific questions, You must answer these questions truthfully and in a way that a reasonable person in the circumstances would answer them. It is important that every person who will be insured by the Policy answers all the questions in this way. These requirements are part of the Insurance Contracts Act 1984.

### What You do not need to tell Us

You do not need to tell Us anything that:

1. Is of common knowledge.
2. Reduces Our risk.
3. We know, or as an insurer should know.
4. We indicate that We do not want to know.

### **What will happen if You do not tell Us**

If You withhold relevant information or You do not answer Our questions in the way We have described, We can reduce the amount We pay for Your claim, or We can cancel Your Policy. If Your failure to tell Us is fraudulent, or Your answers are untruthful, We can treat Your Policy as if it never existed.

### **CERTAIN THINGS YOU MUST DO**

You must do the following things:

1. Comply with the conditions and procedures set out in 'The Insurance Policy' part of this PDS.
2. Make sure that anyone doing anything on Your behalf obeys all laws.
3. Pay the premium for this insurance.
4. Take reasonable precautions to prevent anything which could result in a claim under the insurance Policy.
5. Tell Us as soon as possible of anything that changes the facts or circumstances relating to Your insurance.

### **RENEWALS**

If We invite renewal of Your insurance Policy, We will send to You a renewal notice. It is important that You check the sums insured before renewing Your insurance each year to satisfy yourself that they are adequate.

### **YOUR PRIVACY**

We treat Your personal information with care. We will not release Your personal information to anyone other than another insurer or an insurance reference service or as permitted or required by law. In the event of a claim, We may disclose information to and/or collect additional information about You from investigators or legal advisers.

We will collect personal information from You for the purpose of providing You with insurance products and services, and processing and assessing claims. You can choose not to provide this information, however, We may not be able to process Your requests.

If You wish to update the information We hold about You, please contact Us or Strata Unit Underwriters.

### **TAXATION INFORMATION**

We show all taxes and charges as separate items on all schedules (e.g. stamp duty and the Goods and Services Tax). Details about the Goods and Services Tax are shown under 'GOODS AND SERVICES TAX (GST)' on page 52.

# Part 2: The Insurance Policy

## YOUR POLICY

Your Policy is a contract of insurance between You and the insurer(s) shown on Your Schedule of insurance.

### Your Policy contains the following information:

1. How We pay claims.
2. Important information applicable to Your Policy.
3. What You are covered for.
4. What Your Policy does not cover.

If You need more information about this insurance Policy, please contact Your Financial Service Provider or Strata Unit Underwriters.

## OUR AGREEMENT WITH YOU

Subject to Your payment of the premium and subject to the terms, conditions and exclusions of this Policy, We will provide You with the cover shown in Your Policy up to the amounts specified on Your Schedule.

We will provide You with the cover You have selected as set out in the Policy when the Schedule shows that You have requested cover for that specific Section.

Your insurance Policy will commence on the date shown on the Schedule We will send You. Your insurance Policy will expire on the date shown on Your Schedule.

## GENERAL DEFINITIONS RELATING TO ALL SECTIONS

### Authorised Legal Representative

Means a solicitor, assessor, personal investigator and person appointed to act on Your behalf approved by Us.

### Building(s)

Means Building(s) as defined in any act or regulation governing Strata Title, Community Title or similar-type property that You own or are liable for, including:

1. Anything permanently built, constructed or installed on Your property.
2. Blinds or awnings on the outside of the Building(s).
3. Outbuildings.
4. Services including roads, pipes, cables, power poles, aerials, satellite dishes.
5. Swimming pools.
6. Tennis courts, marinas, wharves, docks, jetties, pontoons.

### Building(s) do not include:

1. Illegal installations.
2. Mobile or fixed air conditioning units servicing an individual Unit where Your Building(s) is located in Queensland.
3. Paint, wallpaper or other wall and ceiling finishes within a Unit where Your Building(s) is located in New South Wales.
4. Plants, lawns, trees, gravel, pebbles, rocks, stones, soil, sand, bark or mulch other than as covered under Additional Benefit 17 on page 12.
5. Property including removable fixtures that a tenant or lessee is liable for under the terms of a rental agreement.
6. Temporary floor coverings, carpets, carpet underlay, curtains, blinds, window coverings inside a Unit.



### **Common Area**

Means the area at Your Situation that is not part of a Unit.

### **Common Contents**

Means the unfixed property at Your Situation that You own or are liable for, including:

1. Carpets in common areas.
2. Computer and Electronic equipment.
3. Furniture and furnishings.
4. Garden equipment.
5. Money limited to \$10,000.
6. Office equipment.
7. Portable appliances.

**Common Contents do not include:**

1. Aircraft and their accessories.
2. Plants, lawns, trees, gravel, pebbles, rocks, stones, soil, sand, bark or mulch other than as covered under Additional Benefit 17 on page 12.
3. Property of Unit Owners, shareholders, members, proprietors or any other person or party.
4. Vehicles registered or required to be registered under any legislation in the state or territory in which they are being used.
5. Watercraft and their accessories, hovercraft and their accessories.

### **Excess**

Means the amount You have to pay towards the cost for any claim under the Policy. We will deduct the amount of the Excess from the amount payable in respect of Your claim. Where a claim or series of claims arise from one source or cause, the Excess You pay shall be the highest Excess that could apply.

### **Insured**

Means the person, persons, or entities shown on the Schedule We give You.

### **Insured Property**

Means the Building(s) and/or Common Contents at the Situation.

### **Period of Insurance**

Means the period of time as shown on the Schedule.

### **Policy**

Means this document, Your most current Schedule of Insurance, endorsements, special terms, conditions or alterations advised by Us in writing.

### **Pollutants**

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

### **Schedule**

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

**Situation**

Means the place where Your Building(s) and Common Contents are located.

**Sum Insured**

Means the amount shown on Your Schedule as the Sum Insured.

**Terrorism**

Means an act, which may include but is not limited to an act involving the use of force or violence and/or threat thereof, of any person or group(s) of persons, whether acting alone or on behalf of or in connection with any organisation(s) or government(s), which from its nature or context is done for, or in connection with, political, religious, ideological or ethnic or similar purposes or reasons, including the intention to influence any government and/or put the public, or any section of the public, in fear.

**Unit**

Means an area marked as a Unit and/or a Lot on the plan.

**Unit Owner**

Means the registered owner of a Unit and/or a Lot.

**Vehicle**

Means any type of machine on wheels, skis, or on self-laid tracks, designed to be moved other than by manual or animal power and includes any trailer or attachment intended to be drawn by such machine. It does not include wheelchairs, garden appliances, maintenance equipment or golf buggies which are not required to be registered.

**Watercraft**

Means any vessel or craft designed for use on or in water.

**We, Us, Our**

Means the insurer(s) named on the Schedule.

**Written Consent**

Means You must obtain from Us and hold a written authority before You act or incur any expense or enter into any contract or contractual agreement.

**You, Your and Yours**

Means the Insured(s) named on the Schedule, unless otherwise noted.

# Section 1 – Building(s) And Common Contents

## DEFINITIONS

### Accidental

Means something that is not intended or expected by You and would not be expected from the standpoint of a reasonable person in Your position.

### Catastrophe

Means an event causing Damage to Property and declared by a government authority as a catastrophe or emergency.

### Damage

Means any Accidental physical loss or destruction. Damaged has a corresponding meaning.

### Flood

Means when water from a river, creek, lake, swamp, watercourse, reservoir, dam or navigable canal (whether they are in their original state or have been modified) overflows onto normally dry land. Water that escapes from an irrigation canal is not flood. We also regard rainwater on Your property:

1. That cannot run off into a river, creek, lake, swamp, watercourse, reservoir, dam or navigable canal (whether they are in their original state or have been modified) because it is overflowing in flood; and/or
2. That mixes with the floodwater coming from the river, creek, lake, swamp, watercourse, reservoir, dam or navigable canal (whether they are in their original state or have been modified),

as water coming from a flood.

### Fusion

Means an electrical motor burnt out by electric current.

### Indemnity Value

Means the cost to rebuild, repair or replace the Insured Property to a condition which is equal to or the same as but not more extensive than its condition at the time of loss.

### Land Value

Means the sum determined in accordance with the Australian Property Institute Professional Practice Standards as being the Land Value at the Situation.

### Loss of Income

Means an amount of money calculated on the annual rentable value of any part of Your Common Area, including outgoings that are payable by tenants or lessees, that applied immediately prior to the loss or Damage.

### Rent

Means an amount of money calculated on the annual rentable value of a Unit or Common Area, including outgoings that are payable by tenants or lessees, that applied immediately prior to the loss or Damage.

### Storm Surge

Means an increase in the sea level caused by a disturbance in the atmosphere.

### Temporary Accommodation Costs

Means an amount of money calculated on the annual rentable value of a Unit, including any outgoings that would have been payable by tenants or lessees, that applied immediately prior to the loss or Damage.

*See also 'General Definitions Relating To All Sections' on pages 5, 6 and 7.*

## WHAT YOU ARE COVERED FOR

This Section is an Accidental, Physical Loss or Destruction Contract of Insurance between You and Us.

We will cover Your Insured Property for any Damage occurring during the Period of Insurance not excluded by this Section.

The most We will pay is the Sum Insured shown on Your Schedule.

If We have agreed to pay a claim and the Sum Insured on Your Building(s) and Common Contents is not totally used for that claim, We will also pay for:

1. The reasonable costs of removal, storage, disposal of debris, demolition, dismantling, shoring up, propping, underpinning or other temporary repairs to Your Insured Property necessarily incurred and as a result of Damage that We have agreed to pay for.
2. The reasonable costs of architect's, surveyor's, consulting engineer's and other professional fees incurred with Our Written Consent as a result of Damage that We have agreed to pay for.
3. The reasonable costs incurred with Our Written Consent in making submissions and/or applications, attending meetings or hearings to any government or building licensing authority as a result of Damage that We have agreed to pay for.
4. The reasonable fees, contributions and taxes to be paid to any public or statutory authority to obtain authority to reinstate, repair or replace Your Insured Property as a result of Damage that We have agreed to pay for. We will not pay for any penalties or fines by any such authority.

## ADDITIONAL BENEFITS

This insurance is extended to include the Additional Benefits shown below following Damage not excluded by this Section. Where an Additional Benefit shows an amount or percentage that We will pay, such amount or percentage will be paid in addition to the Sum Insured.

### 1. ALTERATIONS & ADDITIONS

We will pay You for Damage to, alterations, additions and improvements to Your Building(s) and Common Contents whilst they are being carried out during the Period of Insurance, provided the Damage is covered by this Section.

We will not pay for:

- a. Any works that exceed \$100,000 unless We have given Our Written Consent and agreed to do so before such works have commenced.
- b. Any works where a contractor is required to take out insurance cover.

### 2. ARSON REWARD

We will pay a reward for information which leads to an arson conviction in connection with Damage covered by this Section. The reward will be paid to the person or persons providing the information and may be apportioned at Our discretion.

The most We will pay is \$10,000 for any one event irrespective of the number of people providing information.

### 3. CAPITAL ADDITIONS

We will increase Your Sum Insured under this Section by the total value of additions, alterations and improvements to Your Insured Property during the Period of Insurance.

We will do this when:

- a. A certificate of completion has been issued.
- b. You inform Us within 60 days of completion of the capital additions,
- c. You pay an additional premium at Our request, and

The most We will increase Your Sum Insured by is \$250,000.

#### **4. CATASTROPHE COVER**

Where Your Building(s) and Common Contents suffer an insured loss which is caused by a Catastrophe, We will pay up to an additional 15% of Your Building(s) and Common Contents Sum Insured, or the amount shown on Your Schedule, for any escalation in rebuilding costs where a claim has been admitted under this Section.

Provided the additional amount for Catastrophe cover is not totally used for a claim, We will also increase the total amount We will pay under Additional Benefit 18 on page 12 by 15%.

No amount will be paid under this Additional Benefit until such time as the Sum Insured on Your Building(s) and Common Contents has been totally exhausted.

If You do not reinstate Your Building(s) and Common Contents, no amount will be paid under this Additional Benefit.

#### **5. COMMON CONTENTS TEMPORARILY REMOVED**

We will pay for Damage to Your Common Contents temporarily removed from the Situation including transit during such temporary removal.

#### **6. ELECTRICITY, GAS, WATER CHARGES**

We will pay for any additional electricity, gas, water, sewerage and similar charges You incur following a claim for Damage to Your Insured Property.

The most We will pay is \$2,000 for any one event.

#### **7. EMERGENCY ACCOMMODATION/MEAL COSTS**

We will pay the reasonable costs of alternate emergency accommodation and meals that the owner of a residential Unit may incur when the owner of the Unit cannot occupy the Unit for its intended purpose following:

- a. Damage to the Unit, or
- b. Damage to other property located near the Unit which prevents access to the Unit.

The most We will pay for meals is \$100 per day.

The total combined amount payable under this Additional Benefit is limited to \$1,000.

We will not pay these costs when:

- a. The Unit is not the Unit Owner's principal place of residence.
- b. The Unit Owner has other insurance that provides cover for alternate emergency accommodation or meals.

#### **8. EMERGENCY COSTS TO MINIMISE LOSSES**

We will pay the reasonable costs of emergency repairs You may incur in minimising an insured loss to avoid further insured losses.

We will pay up to \$2,000 without Our written consent.

#### **9. EXPLORATORY COSTS**

We will pay the reasonable and necessary costs incurred in identifying and locating the source of any bursting, leaking, discharging or overflowing from any fixed apparatus, fixed appliance, fixed pipe, or other system used to hold or carry liquid of any kind.

We will also pay the reasonable costs to:

- a. Rectify contamination Damage or pollution Damage to Your land caused by the escape of liquid up to an amount of \$1,000.
- b. Reinstate the area of Your Insured Property necessarily Damaged by exploratory work.
- c. Repair and replace the defective part from where the liquid escaped.

We will only pay these costs if the cause of the bursting, leaking, discharging or overflowing is not excluded by this Section.

## 10. FAILURE OF SERVICES

If Your Building(s) or Sections of Your Building(s) are unable to be occupied for their intended purpose as a result of failure of services following Damage to property belonging to the service provider (this includes the supply of electricity, water, gas, or sewerage service, it does not include telephone or television service, We will pay:

- a. Where a Common Area within Your Insured Property is leased out, or You can provide evidence by means of a signed agreement that it would have been leased out, We will pay an amount equal to the actual Loss of Income.
- b. Where a Unit is leased out, or You can provide evidence by means of a signed agreement that it would have been leased out, We will pay an amount equal to the actual Rent lost.
- c. Where a Unit is owner-occupied, We will pay the reasonable cost of Temporary Accommodation You necessarily incur.

Provided the failure of services extends for more than 24 hours, We will pay from the time of the failure until the time such services are reinstated. The most We will pay for is up to 30 days.

The amounts payable under this Additional Benefit will be reduced by any amount payable under any insurance Policy effected by a Unit Owner.

Under this Additional Benefit, We will also treat 'You' and 'Your' as applying to the owner of the Unit.

## 11. FALLEN TREES

We will pay the cost to remove and dispose of fallen trees and/or branches that have caused Damage to Your Insured Property.

We will not pay for the removal or disposal of tree stumps or roots.

The maximum amount We will pay is \$5,000 for any one event.

## 12. FIRE EXTINGUISHMENT

We will pay the costs and expenses necessarily and reasonably incurred for the purpose of:

- a. Extinguishing a fire at the Situation.
- b. Extinguishing a fire that is threatening to cause Damage to Your Insured Property.
- c. Replenishment of fire fighting appliances, replacing sprinkler heads, and resetting fire, smoke and security alarm systems following their use in extinguishing a fire.
- d. Shutting off the supply of water or other substances which are accidentally discharged from any fire protective equipment.

## 13. FUNERAL EXPENSES

Where a Unit is owner-occupied, We will pay the funeral costs for the Unit Owner, or member of the Unit Owner's family permanently residing in the Unit, where death occurs as a direct result of Damage to Your Insured Property.

The most We will pay is \$5,000 in any one Period of Insurance.

## 14. FUSION

We will pay the costs to repair or replace Your electric motors which burn out by electric current.

We will only pay when the electric motor is no bigger than 5 kilowatts (6.7 hp).

We will not pay for:

- a. Any additional costs arising from loss of use of the electric motor.
- b. Contact at which sparking or arcing occurs in ordinary working.
- c. Lighting or heating elements, fuses, protective devices or switches.

- d. Motors under a guarantee or warranty.
- e. Non-electrical components, including software.

## 15. INFECTIOUS AND CONTAGIOUS DISEASE

If Your Building(s) or sections of Your Building(s) are unable to be occupied for their intended purpose as a result of Infectious or Contagious disease, murder and/or suicide, We will pay:

- a. Where a Common Area within Your Insured Property is leased out, or You can provide evidence by means of a signed agreement that it would have been leased out, We will pay an amount equal to the actual Loss of Income.
- b. Where a Unit is leased out, or You can provide evidence by means of a signed agreement that it would have been leased out, We will pay an amount equal to the actual Rent lost.
- c. Where a Unit is owner-occupied, We will pay the reasonable cost of Temporary Accommodation You necessarily incur.

We will only pay when a government or local authority prohibits Your Building(s) or sections of Your Building(s) from being occupied following, and as a direct result of, these events.

Our payment will start when the government or local authority declares that Your Building(s) or sections of Your Building(s) cannot be occupied. The most We will pay for is up to 30 days.

The amounts payable under this Additional Benefit will be reduced by any amount payable under any insurance Policy effected by a Unit Owner.

Under this Additional Benefit, We will also treat 'You' and 'Your' as applying to the owner of the Unit.

## 16. INFLATIONARY COSTS – CPI INCREASE

Where Your Insured Property suffers Damage not excluded by this Section, We will increase Your Sum Insured by the amount the Consumer Price Index (all groups) has increased since the start date of Your current Period of Insurance.

## 17. LANDSCAPING

We will pay up to \$10,000 for the reasonable costs to repair and/or replace trees, plants, lawns or rock work owned by You that suffer Damage.

When Damage to trees, plants, lawns or rock work owned by You is necessary to reinstate Damage to Your Insured Property, We will pay to repair that Damage.

## 18. LOSS OF RENT, TEMPORARY ACCOMMODATION AND REMOVAL COSTS

We will pay the following costs where Your Unit or Common Area suffers Damage and is unable to be occupied for its intended purposes or when reasonable access to or occupancy of Your Unit or Common Area is prevented by Damage happening to other property within the immediate vicinity of Your Unit or Common Area:

### a. Loss of Rent

Where a Unit or Common Area is leased out, or You can provide evidence by means of a signed agreement that it would have been leased out, We will pay an amount equal to the actual rent lost. We will pay up until the time the Unit is re-leased.

### b. Reletting Costs

Where a lease agreement is terminated as a result of Damage to Your Unit or Common Area, not excluded by this Section, We will pay the reasonable re-letting costs of that Unit or Common Area.

The most We will pay is \$1,200.

### c. Removal Costs

Where a Unit is owner-occupied for residential purposes, We will pay the reasonable costs to remove, store and return undamaged contents. We will also pay the reasonable costs to remove, store and return undamaged Common Contents.

**d. Temporary Accommodation Costs**

Where a Unit is owner-occupied, We will pay the reasonable Temporary Accommodation Cost You necessarily incur. We will pay for the period that is reasonably necessary for repairs and rebuilding to be completed and access to Your Unit is re-established.

The combined total amount We will pay under this Additional Benefit 18 is limited to 15% of the Sum Insured on Your Building(s) and Common Contents or other amount as shown in Your Schedule of insurance for this Additional Benefit.

The amounts payable under this Additional Benefit will be reduced by any amount payable under any insurance Policy affected by a Unit Owner.

Under this Additional Benefit, We will also treat 'You' and 'Your' as applying to the owner of the Unit or Common Area.

**19. MEETING ROOM HIRE**

Where a designated meeting room within Your Insured Property is unable to be occupied for its intended purpose as a result of Damage, We will pay the cost to hire temporary meeting room facilities for the purposes of holding annual general meetings or committee meetings. We will only pay for meetings held during the period of time that is reasonably necessary for repairs to be carried out and access to be re-established.

The most We will pay in any one Period of Insurance is \$5,000.

**20. MODIFICATIONS**

Where a Unit is owner-occupied, We will pay the reasonable cost of modifications to the Unit if the Unit Owner, or member of the Unit Owner's family permanently residing in the Unit, is physically injured and a certificate is issued by a medical practitioner certifying the Unit Owner, or family member, to be a paraplegic or quadriplegic as a direct consequence of Damage to Your Insured Property.

The most We will pay is \$25,000.

**21. MORTGAGE COSTS**

We will pay the legal costs to discharge any mortgage over Your Insured Property if You suffer Damage to Your property and Your claim is for a total loss.

**22. PETS**

We will pay Unit Owners for the cost to board pets or security dogs where their Unit is unable to be occupied as a result of an insured loss.

We will only pay when:

- a. Temporary accommodation does not allow pets.
- b. The pet is owned by the Unit Owner.
- c. The pet is usually kept at the Situation.
- d. The Unit is used as a primary place of residency.

The most We will pay is \$5,000 any one event.

**23. PROPERTY OF OTHERS**

We will pay the indemnity value of personal property of others in Your physical or legal control that is not otherwise insured following Damage

The most We will pay is \$10,000 for any one event.

**24. PURCHASER'S INTEREST**

We will cover a purchaser's interest in Your Insured Property when they have signed a legal agreement to purchase a Unit or part of a Unit within the Insured Property.



## **25. RESTORATION OF RECORDS AND ELECTRONIC DATA**

We will pay the cost of collating information, preparing, replacing, rewriting and/or restoring Your records and electronic data following Damage whilst anywhere in Australia.

The most We will pay is \$50,000 in any one claim.

## **26. SECURITY GUARD/TEMPORARY PROTECTION**

We will pay the necessary and reasonable cost of providing temporary protection and employment of security guards to safeguard Your Insured Property.

We will only pay when:

- a. The costs are necessary to prevent further Damage to Your Insured Property.
- b. The security of Your Insured Property is compromised due to the happening of Damage.
- c. We have agreed to these costs and expenses in writing before they are incurred.

The most We will pay for any one claim is \$5,000 unless You first obtain Our Written Consent prior to You incurring costs in excess of this amount.

## **27. STRATA LEVIES AND/OR MAINTENANCE FEES**

We will pay the maintenance fees and/or strata levies required to be paid by a Unit Owner to You, where You have exhausted all practical measures to collect the maintenance fees and/or strata levies during the period the Unit is unfit for occupation following Damage.

## **28. TITLE DEEDS**

We will pay for the cost of preparing new title deeds to Your land, Building(s) or any Unit contained within Your Building(s) if the title deeds are Damaged anywhere in Australia.

The most We will pay is \$5,000 arising out of any one event.

## **29. TRAVEL COSTS**

Where a Unit is rented, We will pay up to \$250 per Unit for the necessary and reasonable travel costs incurred by the Unit Owner in attending the Unit to consult with claim assessors, builders or other repairers following Damage that results in the Unit being unable to be occupied for its intended purpose.

- a. The maximum amount We will pay any one claim is \$1,000.
- b. The maximum amount We will pay any one Period of Insurance is \$5,000.

We will only pay when We have agreed to these costs and expenses in writing before they are incurred.

## **30. WATER REMOVAL**

We will pay the reasonable costs You incur for the removal of water from the basement area of Your Building(s) caused directly by storm or rain.

The most We will pay is \$2,000 for any one event.

## HOW WE PAY CLAIMS

### 1. REINSTATEMENT AND REPLACEMENT

#### a. Building(s)

When Damage not excluded by this Section occurs to Your Building(s), We will pay the reasonable and necessary cost of rebuilding Your Building(s) or repairing the Damaged portions to the same condition as when they were new. We decide which one We will do. If We pay the cost of rebuilding Your Building(s), You can rebuild on another site. You can do this provided the amount We pay is not increased.

Where Your Building(s) have any architectural features and/or structural materials possessing an ornamental, historical or heritage character, or for which the original materials are not available, We will rebuild or restore Your Building(s) to an equivalent appearance and capacity, using the original design and nearest equivalent materials.

In respect of Building(s) awaiting demolition, We will pay You the salvage value of the Damaged Building materials.

#### b. Common Contents

When Damage not excluded by this Section occurs to Your Common Contents, We will do one of the following:

- i. Replace the Common Contents item with the nearest equivalent item available.
- ii. Repair the Common Contents item to the condition it was in when new.
- iii. Pay You the reasonable and necessary cost of replacement or repair.

We will decide which one We will do.

### 2. CASH SETTLEMENT

#### a. If You submit a claim for cash settlement for repairs or replacing Your Insured Property that have already been carried out, We will:

- i. Assess the claim You have submitted for Us to pay.
- ii. Obtain quotations for the repairs or replacement that You have carried out.
- iii. Reduce the amount We pay You by the amount which represents any disadvantage We suffer as a result of the repairs or replacement being carried out without Our consent.

We will only pay Additional Benefits for the reasonable time it would have taken for the repairs or replacement to have been carried out.

#### b. If You choose not to repair or replace Your Insured Property, We will at Our option:

- i. Cash settle Your claim based on the cost to repair or replace Your Insured Property, or
- ii. Pay Your claim based on Indemnity Value.

### 3. EXTRA COST OF REINSTATEMENT

We will also pay any additional costs required for Your Building(s) to comply with current government or local authority bylaws.

We will not pay any of these additional costs if You were required to comply with these bylaws before the Damage occurred.

Where the Damage is less than 50% of the costs of rebuilding Your Building(s), We will only pay for these additional costs as they apply to the Damaged portions. Where the Damage is more than 50% of the costs of rebuilding Your Building(s), We will pay all of these additional costs.

#### **4. UNDAMAGED FOUNDATIONS AND/OR UNDAMAGED PORTION OF BUILDING(S)**

Where Your Building(s) are Damaged, but the foundations or portion of Your Building(s) are not, and a government or statutory authority prevents rebuilding at the Situation, We will treat the foundations and undamaged portion of Your Building(s) as being destroyed. If the Land Value of the Situation including the foundations and undamaged portion of Your Building(s) is greater than the Land Value without the foundations and undamaged portion of Building(s), We will reduce the amount We pay You by an amount equal to the difference between these values or You must pay to Us on settlement of the sale of Your land, the difference between these values.

#### **5. FLOOR SPACE RATIO**

When rebuilding Your Building(s) or repairing the Damaged portions of Your Building(s) and the size of Your Building(s) is reduced by any government or statutory authority, We will:

- a. Pay the cost of rebuilding or repairing the Damaged portions of Your Building(s) for the reduced size; and
- b. Pay the difference between:
  - i. The actual cost of rebuilding or repairing the Damaged portions for the reduced size of Your Building(s), and
  - ii. The estimated cost of rebuilding or repairing the Damaged portions, had the size of the Building(s) and Common Contents not been reduced.

We will not pay more than the Sum Insured. We will reduce the amount We pay You by any amount You may receive as compensation for or in respect of the size reduction of Your Building(s).

#### **6. LAND VALUE**

Provided Your Sum Insured is not totally used for a claim, We will also pay for any loss of Land Value following Your claim which results from a government or local authority order or legislation that reduces the floor area of Your Building(s). Loss of Land Value is the difference between the value of the land just before the Damage occurred and the value of the land just after the Damage occurred. We will reduce the amount We pay You for the loss of Land Value by any amount that You receive as compensation for this loss. The most We will pay is the unused portion of Your Sum Insured.

#### **7. MATERIALS**

We will try to match any material used to repair or replace Your Insured Property with the original materials. If We cannot, We will use the nearest equivalent available to the original materials.

#### **8. UNDAMAGED PROPERTY**

We will not pay any costs for replacing, repairing, altering or modifying any undamaged Insured Property or undamaged sections of Your Insured Property.

#### **9. ILLEGAL INSTALLATIONS**

We will not replace, repair or pay for any illegal installation or alteration of Insured Property of any kind.

#### **10. PAIRS, SETS, SYSTEMS AND COLLECTIONS**

When a Damaged or lost item that is not excluded by this Section is part of a pair, set, system or collection, We will only pay for the value of the item itself. The most We will pay is the value that the item has as a proportion of the combined pair, set, system or collection. We will only pay the cost of replacing the item even though the pair, set, system or collection to which it belongs is less valuable because it is incomplete.

#### **11. POLICY EXCESS**

For each Insured Property claim, We will reduce the amount We pay You for Your claim by the amount of Your Excess. The amount of Your Excess is shown on Your Schedule.

Your Excess will be increased by \$250 for any claim for Damage arising from an earthquake. This Damage must occur within 72 hours of the earthquake.

## EXCLUSIONS

We will not cover Your Insured Property for Damage arising from or caused by:

1. Any process of cleaning involving the use of chemicals other than domestic household chemicals.
2. Anything that You or anyone acting for You deliberately causes.
3. Breakage of Glass (*see Section 2 – Glass*)
4. Consequential loss other than provided for under the Policy.
5. Construction, erection, alteration or addition where the value of such work exceeds \$500,000, unless Our Written Consent to continue cover has been obtained prior to the commencement of such work.
6. Damage that occurred outside the Period of Insurance stated on the Schedule.
7. Erosion, collapse, or any other earth movement.
8. Fading, scratching or marring, developing flaws, normal up-keeping or making good.
9. Flood, storm surge, the action of the sea, tidal wave, high water, or erosion (other than that directly attributable to Damage caused by tsunami).
10. Heating or any process involving the direct application of heat. This exclusion shall be limited to the item or items immediately affected and shall not extend to damage to other Insured Property which may result from such heating or any process involving the direct application of heat.
11. Landslide or subsidence. We will pay for landslide or subsidence if it occurs within 72 hours after one of the following events:
  - a. Storm, rainwater or wind.
  - b. Earthquake.
  - c. Explosion.
  - d. Liquid that escapes from a fixed pipe or something attached to a pipe, fixed gutter, fixed tank or drain.
12. Mechanical or electrical breakdown other than an electric motor burning out as described under Additional Benefit 14 – Fusion on page 11. We will pay for any resultant Damage following mechanical or electrical breakdown.
13. Mould and/or fungi, mildew, atmospheric or climatic conditions.
14. Normal settling, seepage, shrinkage, expansion, creeping, heaving or vibration.
15. Rats, mice, insects, termites, possums, birds, bats and vermin.
16. Roots from trees, plants, shrubs or grass. If the roots from trees, plants, shrubs or grass block drains or pipes, We will pay for the resultant Damage to Insured Property caused by the escape of water or liquids.
17. Rust, corrosion, oxidization, gradual deterioration, concrete or brick cancer, wear or tear, wet or dry rot.
18. The failure of or a defect in any item, faulty workmanship, structural defect or faulty design.
19. Theft (*see Section 3 – Theft*)
20. Water entering Your Building(s) because of a structural defect, faulty design or faulty workmanship when Your Building(s) were constructed.
21. Water entering Your Building(s) through an opening made for any building, renovation or repair work.

*See also 'General Exclusions Relating To All Sections' on page 47.*

## **CONDITIONS**

*See the 'General Conditions Relating To All Sections' on pages 48 and 49.*

## **CLAIMS PROCEDURES**

*See the 'General Claims Procedures Relating To All Sections' on pages 50 to 52.*

## Section 2 – Glass

### DEFINITIONS

#### Breakage

Means any physical loss or destruction.

#### Glass

Means internal and external glass that form part of Your Insured Property.

*See also 'General Definitions Relating To All Sections' on pages 5 to 7.*

### WHAT YOU ARE COVERED FOR

We will cover You for Breakage of Glass occurring during the Period of Insurance.

The most We will pay is the Sum Insured shown on Your Schedule under Section 1 – Building(s) And Common Contents.

If We have agreed to pay a claim, We will also pay for:

1. The reasonable costs of removal, storage, disposal of debris, demolition, dismantling, shoring up, propping, underpinning or other temporary repairs to Your Insured Property necessarily incurred and as a result of Breakage that We have agreed to pay for.
2. The reasonable costs of architect's, surveyor's, consulting engineer's and other professional fees incurred with Our Written Consent as a result of Breakage that We have agreed to pay for.
3. The reasonable costs incurred with Our Written Consent in making submissions and/or applications, attending meetings or hearings to any government or building licensing authority as a result of Breakage that We have agreed to pay for.
4. The reasonable fees, contributions and taxes to be paid to any public or statutory authority to obtain authority to reinstate, repair or replace Your Glass as a result of Breakage that We have agreed to pay for. We will not pay for any penalties or fines by any such authority.

### ADDITIONAL BENEFITS

This insurance is extended to include the Additional Benefits listed in Section 1, as shown on Pages 9 to 14, following Breakage not excluded by this Section. Where an Additional Benefit shows an amount or percentage that We will pay, such amount or percentage will be paid in addition to the Sum Insured.

### HOW WE PAY CLAIMS

#### 1. REINSTATEMENT AND REPLACEMENT

In the event of Breakage to Glass covered by this Section, We will at Our option:

- a. Replace the damaged Glass in compliance with the requirements of the Standards Association of Australia and any statutory authority; or
- b. Pay the cost of replacing the Glass.

We will decide which one We will do.

#### 2. CASH SETTLEMENT

- a. If You submit a claim for cash settlement for repairs or replacing Your Glass that have already been carried out, We will:
  - i. Assess the claim You have submitted for Us to pay.
  - ii. Obtain quotations for the repairs or replacement that You have carried out.
  - iii. Reduce the amount We pay You by the amount which represents any disadvantage We suffer as a result of the repairs or replacement being carried out without Our consent.

We will only pay Additional Benefits for the reasonable time it would have taken for the repairs or replacement to have been carried out.

b. If You choose not to repair or replace Your Glass, We will at Our option:

- i. Cash settle Your claim based on the cost to repair or replace Your Glass, or
- ii. Pay Your claim based on Indemnity Value.

### **3. MATERIALS**

We will try to match any material used to repair or replace Your Glass with the original materials. If We cannot, We will use the nearest equivalent available to the original materials.

### **4. UNDAMAGED PROPERTY**

We will not pay any costs for replacing, repairing, altering or modifying any undamaged Glass or undamaged sections of Your Glass.

### **5. ILLEGAL INSTALLATIONS**

We will not replace, repair or pay for any illegal installation or alteration of Insured Property of any kind.

### **6. POLICY EXCESS**

For each Glass claim, We will reduce the amount We pay You for Your claim by the amount of Your Excess. The amount of Your Excess is shown on Your Schedule. When a claim is paid for Breakage of Glass, the Excess amount will only be applied once.

## **EXCLUSIONS**

We will not pay claims arising from or caused by:

1. Any Breakage of Glass that occurred outside the Period of Insurance stated on the Schedule.
2. Any movement of earth.
3. Any process of cleaning involving the use of chemicals other than domestic household chemicals.
4. Anything that You or anyone acting for You deliberately causes.
5. Construction, erection, alteration or addition where the value of such work exceeds \$500,000, unless Our Written Consent to continue cover has been obtained prior to the commencement of such work.
6. Consequential loss other than provided for under Section 1.
7. Defect in any item, faulty workmanship, structural defects or faulty design.
8. Demolitions ordered by Government, Public or Local Authorities as a result of Your failure or the failure of Your agents to comply with any lawful requirement.
9. Fading, scratching or marring, developing flaws, normal up-keeping or making good.
10. Flood, storm surge, the action of the sea, tidal wave, high water, or erosion (other than that directly attributable to damage caused by tsunami).
11. Heating or any process involving the direct application of heat. This exclusion shall be limited to the item or items immediately affected and shall not extend to damage to other Insured Property which may result from such heating or any process involving the direct application of heat.

12. Landslide or subsidence other than landslide or subsidence that occurs within 72 hours after one of the following events:
  - a. Earthquake.
  - b. Explosion.
  - c. Liquid that escapes from a fixed pipe or something attached to a pipe, fixed gutter, fixed tank or drain.
  - d. Storm, rainwater or wind.
13. Mould, mildew, atmospheric or climatic conditions.
14. Normal settling, seepage, shrinkage, expansion, creeping, heaving or vibration.
15. Rust, corrosion, oxidization, gradual deterioration, concrete or brick cancer, wear or tear, wet or dry rot.
16. Sign writing that has been fixed by tenants or Unit Owners.

*See also 'General Exclusions Relating To All Sections' on page 47.*

## **CONDITIONS**

*See the 'General Conditions Relating To All Sections' on pages 48 and 49.*

## **CLAIMS PROCEDURES**

*See the 'General Claims Procedures Relating To All Sections' on pages 50 to 52 .*



# Section 3 – Theft

## DEFINITIONS

See 'General Definitions Relating To All Sections' on pages 5 to 7.

## WHAT YOU ARE COVERED FOR

We will cover You for loss or damage to Your Insured Property occurring during the Period of Insurance as a result of theft or attempted theft.

The most We will pay is the Sum Insured shown on Your Schedule under Section 1 – Building(s) And Common Contents.

## ADDITIONAL BENEFITS

This insurance is extended to include the Additional Benefits listed in Section 1, as shown on Pages 9 to 14, following theft not excluded by this Section. Where an Additional Benefit shows an amount or percentage that We will pay, such amount or percentage will be paid in addition to the Sum Insured.

### Loss of Keys

In the event of keys to Your Insured Property having been stolen as the result of forcible entry into Your Building(s), or where reasonable grounds exist so as to conclude that keys have been unlawfully duplicated as a consequence of forcible entry into Your Building(s), We will pay the cost of re-keying or re-coding locks together with replacement keys, or replacement with locks of a similar type and quality if they cannot be re-keyed or re-coded.

The most We will pay is \$5,000 in any one Period of Insurance.

We will not pay for:

Codes or keys duplicated or stolen by tenants or where there are reasonable grounds to believe they were duplicated or stolen by tenants during or following a period of tenancy.

## HOW WE PAY CLAIMS

### 1. REINSTATEMENT AND REPLACEMENT

When loss or damage as a result of theft occurs to Your Insured Property and is not excluded by this Section, We will do one of the following:

- a. Replace the item with the nearest equivalent item available.
- b. Pay You the reasonable and necessary cost of replacement or repair.

We will decide which one We will do.

### 2. CASH SETTLEMENT

a. If You submit a claim for cash settlement for repairs or replacing Your Insured Property that have already been carried out, We will:

- i. Assess the claim You have submitted for Us to pay.
- ii. Obtain quotations for the repairs or replacement that You have carried out.
- iii. Reduce the amount We pay You by the amount which represents any disadvantage We suffer as a result of the repairs or replacement being carried out without Our consent.

b. If You choose not to repair or replace Your Insured Property, We will at Our option:

- i. Cash settle Your claim based on the cost to repair or replace Your Insured Property, or
- ii. Pay Your claim based on Indemnity Value.

We will only pay Additional Benefits for the reasonable time it would have taken for the repairs or replacement to have been carried out.

### **3. PAIRS, SETS, SYSTEMS AND COLLECTIONS**

When a damaged or lost item that is not excluded by this Section, is part of a pair, set, system or collection, We will only pay for the value of the item itself. The most We will pay is the value that the item has as a proportion of the combined pair, set, system or collection. We will only pay the cost of replacing the item even though the pair, set, system or collection to which it belongs is less valuable because it is incomplete.

### **4. POLICY EXCESS**

For each theft or attempted theft claim, We will reduce the amount We pay You for Your claim by the amount of Your Excess. The amount of Your Excess is shown on Your Schedule. When a claim is paid for theft or attempted theft, the Excess amount will only be applied once.

## **EXCLUSIONS**

We will not cover Your Insured Property for theft arising from or caused by:

1. Any theft that occurred outside the Period of Insurance stated on the Schedule.
2. Anything that You or anyone acting for You deliberately causes.
3. Clerical or accounting errors.
4. Consequential loss other than provided for under Section 1 – Building(s) And Common Contents.
5. Fraudulent misappropriation, embezzlement or fraudulent acts.

*See 'General Exclusions Relating To All Sections' on page 47.*

## **CONDITIONS**

*See 'General Conditions Relating To All Sections' on pages 48 and 49.*

## **CLAIMS PROCEDURES**

*See 'General Claims Procedures Relating To All Sections' on pages 50 to 52.*

## Section 4 – Liability

### DEFINITIONS

#### Occurrence

Means:

1. A series of incidents or continuous or repeated exposure to substantially the same general conditions which:
  - a. Are not intended or expected; and
  - b. Have the same cause; or
  - c. Are attributable to the same source.
2. A single incident that is not intended or expected.

#### Personal Injury

Means:

1. Bodily injury, death, sickness, disease, disability, shock, fright, mental anguish or mental injury.
2. False arrest, false imprisonment, wrongful detention or malicious prosecution.
3. Libel, slander, defamation of character, humiliation.
4. Wrongful eviction, wrongful entry or other invasion of privacy.

#### Property Damage

Means physical damage or destruction to tangible property including any loss of its use following such physical damage or destruction.

*See also 'General Definitions Relating To All Sections' on pages 5 to 7.*

### WHAT YOU ARE COVERED FOR

We will pay the amounts You are liable to pay for Personal injury or Property Damage following an Occurrence if Your liability arises from any of the circumstances shown below. The Occurrence that results in a claim must occur during the Period of Insurance.

We will also pay any legal costs You have to pay in relation to the Occurrence where the costs are incurred with Our prior Written Consent. This includes costs awarded against You.

The most We will pay, including costs, for any Occurrence, is the Limit of Indemnity shown in Your Schedule. Where the Occurrence takes place over more than one Period of Insurance, We will only pay the amount shown in Your Schedule once in respect of each Occurrence.

#### When We will pay

1. If You have insured Your Building(s), We will pay the amount You have to pay as the owner or occupier of Your Building(s).
2. If You have Common Contents, We will pay the amount You have to pay as owner of the Common Contents.
3. If You have Common Areas, We will pay the amount You have to pay as owner or occupier of the Common Areas.
4. If You have a car park that You own or operate, We will pay the amount You have to pay for damage to, or loss of, property while it is in the car park.

## EXTENSIONS OF COVER

### 1. COVER FOR OTHERS

Provided that they observe, fulfill and are subject to the terms, conditions and exclusions of this Policy, We will also cover as though they were 'You' the following that are not named in the Schedule. Any of Your directors, officers or employees, but only for liability incurred by them while acting within the scope of their duties in such capacity.

### 2. RECREATIONAL ACTIVITIES

We will pay the amounts You are liable to pay for Personal Injury or Property Damage following an Occurrence that happens during the Period of Insurance if Your liability arises from social or recreational activities arranged for and on behalf of Unit Owners and occupiers of Units.

For the purposes of this Extension of Cover, the word 'You' will also mean the individuals organising the activities in respect to claims arising from their duties connected with such activity.

The most We will pay in respect of any one Occurrence is the Limit of Indemnity shown in the Schedule.

## EXCLUSIONS

We will not pay claims arising from:

1. Any act of libel or slander where You know such libel or slander to be false.
2. Any agreement or contract You enter into. If You would have been liable without the agreement or contract, We will pay for Your liability.
3. Any business, profession, trade or occupation carried on by You other than the hiring out of Your sporting or recreational facilities and the managing of the Building(s) and its surrounds.
4. Any Occurrence that does not occur within the Period of Insurance.
5. Anything that You or anyone acting for You deliberately caused.
6. Arising out of construction, erection, alteration or addition where the value of such work exceeds \$500,000, unless Our Written Consent to continue cover has been obtained prior to the commencement of such work.
7. Damage to, or loss of, property that belongs to any person employed by You and that damage or loss arises from their employment with You.
8. Landslide or subsidence other than landslide or subsidence that occurs within 72 hours after one of the following events:
  - a. Earthquake.
  - b. Explosion.
  - c. Liquid that escapes from a fixed pipe or something attached to a pipe, fixed gutter, fixed tank or drain.
  - d. Storm, rainwater or wind.
9. Penalties, fines or awards of aggravated, exemplary or punitive damages made against You.
10. Personal injury to any person employed by You and that injury arises from their employment with You.
11. The discharge, release or escape of any Pollutants. This Exclusion will not apply where the discharge, dispersal, release or escape of Pollutants:
  - a. Is caused by a single incident.
  - b. Is clearly identifiable.
  - c. Is confined to one specific location.
  - d. Is instantaneous.

12. The demolition of Building(s).
13. The removal, neutralising or cleaning up of Pollutants.
14. The use, removal of, or exposure to any asbestos product or products containing asbestos.
15. Vibrations or interference with the support of land, Building(s) or other property.
16. Your car park being operated by someone else as a commercial car park.
17. Your servicing, repair or maintenance of any Vehicle.
18. Your use, ownership or possession of Aircraft.
19. Your use, ownership or possession of Vehicles registered or required to be registered under any legislation in the state or territory in which they are being used.
20. Your use, ownership or possession of Watercraft or hovercraft.

*See also 'General Exclusions Relating To All Sections' on page 47.*

## **CONDITIONS**

*See the 'General Conditions Relating To All Sections' on pages 48 and 49.*

## **CLAIMS PROCEDURES**

*See the 'General Claims Procedures Relating To All Sections' on pages 50 to 52.*

## Section 5 – Fidelity Guarantee

### DEFINITIONS

#### Funds

Means money, securities or tangible property received by You, or collected on Your behalf, which has been or was to be set aside for the financial management of Your affairs.

#### Misappropriation

Means the intentional, illegal use of Your Funds by any person with a responsibility to care for and protect the Funds.

*See also 'General Definitions Relating To All Sections' on pages 5 to 7.*

### WHAT YOU ARE COVERED FOR

We will pay You for any loss that You incur as a result of fraudulent Misappropriation of Your Funds.

We will only pay if the fraudulent Misappropriation that results in loss occurs during the Period of Insurance.

The most We will pay is the Sum Insured shown on Your Schedule.

### EXCLUSIONS

We will not pay:

1. Any cost incurred following a loss.
2. For any further loss arising from an act of fraud or dishonesty committed by the same person or persons after the first loss has been discovered.
3. Losses caused by any member of the committee of the governing body of Your Building(s) who is an authorised strata manager, director, partner, representative or employee of a strata management company with whom You, or the owner of a Unit in Your Building(s), have entered into any management agreement.
4. Losses that are recoverable under any other fidelity bond or fund of any type, that provides indemnity for this loss.

*See also 'General Exclusions Relating To All Sections' on page 47.*

### CONDITIONS

#### HOW A LOSS IS REDUCED

To the extent allowed by law, You are required to retain any money or assets that belong to that person who was fraudulent or dishonest. The amount We pay You for the loss will be reduced by:

1. The amount of money You are entitled to retain, and
2. The proceeds of the sale of any assets You are entitled to retain.

*See the 'General Conditions Relating To All Sections' on pages 48 and 49.*

### CLAIMS PROCEDURES

*See the 'General Claims Procedures Relating To All Sections' on pages 50 to 52.*

## Section 6 – Office Bearers' Liability

### DEFINITIONS

#### Building Management Committee

Means a committee formed to represent the joint interests of more than one property owner.

#### Claim

Means any writ, summons, legal proceeding, written or verbal demand or allegation of a circumstance that may give rise to a claim, served on or made to You and alleging any act or omission that is covered by this Section.

#### Committee Member

Means:

1. A member of the committee of the governing body or duly appointed member of a Sub Committee of Your Building(s).
2. A duly appointed member of a Building Management Committee, representing the named Insured in the Schedule.
3. A person who was a member of the committee of the governing body, or a duly appointed member of the Sub Committee of Your Building(s).
4. A Strata manager, director, employee or partner who is or was appointed to be a member of the committee of Your governing body, Building Management Committee or duly appointed member of a Sub Committee of Your Building(s), only to the extent that they are acting as an appointed Committee Member.

#### Loss

Means money payable by reason of:

1. A judgement ordered by a court of competent jurisdiction, or
2. Any arbitration award or settlement of claims, negotiated with Our consent.
3. The legal costs and expenses, incurred with Our written agreement, in defending a claim; and
4. The legal costs and expenses of any claimant, awarded against a Committee Member.

#### Sub Committee

Means a committee formed and approved by the committee of the governing body of the Building(s).

#### Wrongful Act

Means any actual or alleged:

1. Incorrect act.
2. Making of an incorrect or misleading statement.
3. Breach of duty.
4. Failure to act as required.
5. Failure to carry out a duty properly, by a Committee Member whilst acting in his or her capacity as a Committee Member.

#### You, Your and Yours

For the purpose of this Section, You, Your and Yours is extended to also include a Committee Member and Sub Committee Member.

*See also 'General Definitions Relating To All Sections' on pages 5 to 7.*

## WHAT YOU ARE COVERED FOR

We will indemnify You for Loss arising from a Wrongful Act committed by a Committee Member which results in a Claim that is:

1. First made against You, during the Period of Insurance, and
2. Notified to Us in the current Period of Insurance or within 30 days thereafter.

The most We will pay including legal costs is the Limit of Indemnity shown on Your Schedule during any one Period of Insurance.

## EXTENSIONS OF COVER

### 1. CONTINUOUS COVER

We agree to accept notification of any Claim that should or could have been notified to Us in a previous Policy year, provided:

- a. We have continuously been the Office Bearers' Liability insurer since the time when the first notification should have been given, and the time the notification is given.
- b. That the Claim has not previously been notified to Us or any other insurer.

The Policy limit of cover, including its terms, conditions and exclusions provided, will be those applicable to Our Office Bearers' Liability Insurance, current when the Claim should have or could have been made.

### 2. CROSS LIABILITY

Where more than one legal entity is insured under this Policy, We will indemnify You to another Insured as if that other Insured were not a party to the Policy.

## ADDITIONAL BENEFIT

### ADVANCEMENT OF DEFENCE COSTS

Where We have not agreed to pay a claim, We may:

1. Decide not to manage the settlement of a claim and then We may, at Our option, pay the costs of defending the claim as they are incurred.
2. Decide to manage the settlement of a claim and then We will pay the costs of defending the claim as they are incurred.

We decide which one We will do.

If We deny or withdraw indemnity or a claim is withdrawn, We will stop paying the costs of defending the Claim. If We do this, We reserve the right to recover from You any payments previously made by Us to defend the Claim to the extent that You were not rightfully entitled to the previously paid payments.

## EXCLUSIONS

We will not pay claims arising from:

1. A failure to provide to Us first notification of a Claim made against You in the current Period of Insurance.
2. Any agreement or contract You enter into. If You would have been liable without the agreement or contract, We will pay for Your liability.
3. Any circumstance or event where You acted outside Your authority.
4. Any circumstance or event where You are entitled to claim under another Policy that ended before this Policy started.
5. Any Claim brought against You in a court of Law outside of Australia.



6. Any conflict of duty or conflict of interest of Yours.
7. Any injury, illness or death of any person, or damage or loss to any property. This does not include injury, illness or death of any person, or damage or loss to any property for which You are liable and for which You are not insured due to You failing to obtain public liability insurance for the named Insured in the Policy Schedule.
8. Any profit or advantage gained by You where You are not entitled to or may be held accountable to You or the named Insured on the Policy Schedule.
9. Loss or liability arising from circumstances which You knew of prior to the inception date of this Policy Section or a reasonable person in the circumstances could be expected to know to be circumstances which may give rise to a Claim against You.
10. Money or gratuity given to You which was not approved by the named Insured in the Schedule or where approval is required by law.
11. Penalties, fines or awards of aggravated, exemplary or punitive damages made against You.
12. Pollution or contamination.
13. The use, removal of, or exposure to any asbestos product or products containing asbestos.
14. You acting dishonestly or fraudulently, or in a criminal, willful or malicious way.

*See also 'General Exclusions Relating To All Sections' on page 47.*

## **CONDITIONS**

*See the 'General Conditions Relating To All Sections' on pages 48 and 49.*

## **CLAIMS PROCEDURES**

*See the 'General Claims Procedures Relating To All Sections' on pages 50 to 52.*

## Section 7 – Voluntary Workers

### DEFINITIONS

#### Death

Means cessation of all vital functions.

#### 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.

#### Voluntary Worker

Means a person aged 12 years or older who is actually engaged in voluntary work as authorised and on behalf of You, without promise of reward or remuneration, other than an honorarium for duties associated with the position of an office holder.

A Voluntary Worker does not include employees, contractors or any person who receives reward or remuneration for work performed.

See also 'General Definitions Relating To All Sections' on pages 5 to 7.

### WHAT YOU ARE COVERED FOR

If a Voluntary Worker sustains Injury as a result of an Event tabled below, We will pay to the Voluntary Worker or to their estate, the Benefit shown next to that Event.

Events	Benefit
Event 1 – Death	\$ 200,000
Event 2 – Total and permanent loss of sight in both eyes	\$ 200,000
Event 3 – Total loss of use of both hands or both feet or one hand and one foot	\$ 200,000
Event 4 – Total and permanent loss of use of one hand or one foot	\$ 200,000
Event 5 – Total and permanent loss of sight in one eye	\$ 200,000
Event 6 – Total and permanent loss of use of one hand or one foot	\$ 200,000
Event 7 – Total disablement preventing the injured Voluntary Worker from carrying out all of the usual duties of their occupation	\$ 2,000 per week
Event 8 – Partial disablement preventing the injured Voluntary Worker from carrying out some of the usual duties of their occupation	\$ 1,000 per week

We will only pay when:

- The Injury is sustained when engaged in voluntary work on behalf of the Insured named in the Schedule, and
- The Injury results from any of the Events tabled above occurring during the Period of Insurance.

We will only pay one Benefit for the Injury, except as described below:

- Where payment for Event 1, 2, 3 or 4 for an Injury is made, it will be reduced by any payment made for Event 5 or 6 for the same Injury.
- Where payment for Event 1, 2, 3, 4, 5 or 6 for an Injury is made, it will be reduced by any payment made for Event 7 or 8 for the same Injury.

## ADDITIONAL BENEFITS

If We agree to pay a claim under this Policy, and We have given Our Written Consent, We will also pay:

### 1. DOMESTIC ASSISTANCE

Reasonable expenses that the injured Voluntary Worker incurs in obtaining necessary domestic help. The most We will pay is \$5,000.

### 2. FUNERAL EXPENSES

The reasonable costs of burial or cremation up to \$5,000.

### 3. MISCELLANEOUS EXPENSES

Any other reasonable and necessary expenses that the injured Voluntary Worker incurs as a direct result of the Injury. The most We will pay is \$2,000.

### 4. TRAVEL EXPENSES

Reasonable expenses that the injured Voluntary Worker incurs in travelling to obtain medical treatment. The most We will pay is \$2,000.

## EXCLUSIONS

We will not pay any claims:

1. For any amounts payable by or recoverable from any registered health fund, Medicare or other insurer.
2. For any deliberately self-inflicted Injury.
3. For Event 7 or Event 8 if the injured Voluntary Worker is not in paid employment at the time of the Injury.
4. For Event 7 or Event 8 for more than 104 weeks for the same Injury.
5. For Event 7 or Event 8 for more than the Voluntary Worker's current average weekly earnings.
6. For any pre-existing Injury, physical or mental disability.
7. If the injured Voluntary Worker does not obtain medical advice and/or treatment from a medical practitioner as soon as possible after the Injury occurs.
8. To an injured Voluntary Worker when that Voluntary Worker has already been paid for Events 2, 3, 4, 5 or 6.
9. Which results from the Voluntary Worker being addicted to alcohol or drugs.
10. Which results from the Voluntary Worker being under the influence of alcohol or a drug. This does not apply to a drug taken or given with the advice of a registered medical practitioner.

*See also 'General Exclusions Relating To All Sections' on page 47.*

## CONDITIONS

### 1. MEDICAL CERTIFICATES

The injured Voluntary Worker must pay the cost, if any, of certificates, reports or other evidence that We may require. We will only accept an initial certificate from a registered medical practitioner. We will accept further certificates for ongoing incapacity from a registered medical practitioner or from a registered physiotherapist, registered chiropractor or registered osteopath, if the certification is appropriate to the injured person's Injury.

## **2. MEDICAL TREATMENT AND EXAMINATION**

In the event of a claim under this Section, We may request the injured Voluntary Worker to have a medical examination. We may request a post-mortem examination in the event of Death. We will pay for these examinations.

*See also 'General Conditions Relating To All Sections' on pages 48 and 49.*

## **CLAIMS PROCEDURES**

*See 'General Claims Procedures Relating To All Sections' on pages 50 to 52.*

## Section 8 – Government Audit Costs

### DEFINITIONS

#### Audit

Means an investigation of Your financial affairs or an investigation or enquiry of Your compliance with record-keeping requirements by a State, Territory or Commonwealth Department, Statutory Body, Agency or the Australian Taxation Office in relation to Your Business activities.

#### Audit Costs

Means fees, charges and disbursements of an external professional person or consultant engaged by You, and approved by Us, for work undertaken in connection with an Audit or investigation.

#### Auditor

Means a person authorised under State, Territory or Commonwealth Legislation to carry out an investigation or Audit of Your financial affairs.

#### Business

Means the ownership of Your Insured Property or any other activity We have agreed to include in writing.

*See also 'General Definitions Relating To All Sections' on pages 5 to 7.*

### WHAT YOU ARE COVERED FOR

We will pay You for the reasonable and necessary Audit Costs You incur up to the completion of an Audit first notified to You or a person acting on Your behalf during the Period of Insurance.

We will only pay:

1. If You have obtained Our Written Consent prior to the Audit Costs being incurred, and
2. You notify Us of the Audit during the Period of Insurance or within 30 days thereafter.

The most We will pay for any one claim and in the aggregate in any one Period of Insurance is the Limit of Indemnity shown on Your Schedule.

### EXCLUSIONS

We will not pay claims:

1. In respect of, arising out of, or relating to:
  - a. A return of income that has not been prepared or reviewed prior to dispatch by an Accountant or Registered Tax Agent. This exclusion does not apply to a return that is in respect of income derived from a contract of employment or service between You and a third party (not being income from a company employing You where You are a director of such company or have a financial interest in that company).
  - b. Any Audit that results from You, or any person acting on Your behalf, becoming aware of any error or deficiency in any information, and choosing not to notify the Australian Taxation Office, Commonwealth, State or Territory Department, Statutory Body or Agency.
  - c. Any fraudulent act or fraudulent omission committed by You, or on Your behalf, or any statement made by You, or on Your behalf that is false or misleading.
  - d. Any improper, unwarranted or unjustified refusal or failure to comply with any request made by or on behalf of the Australian Taxation Office, Commonwealth, State or Territory Department, Statutory Body or Agency, under Sections 263, 264 or any other relevant section of the Income Tax Assessment Act 1936 or any other notice under any other relevant legislation.
  - e. Any outside Accountant or Registered Tax Agent or any other outside professional person or consultant engaged by or replacing the Accountant or Registered Tax Agent engaged by You, unless We have given Our prior approval to the appointment of such person or consultant.

- f. Any subsequent objection lodged with the Australian Taxation Office, Commonwealth, State or Territory Department, Statutory Body or Agency, the Administrative Appeals Tribunal, or the Federal or High Courts in respect of the Audit.
- g. Audit Costs incurred after the Audit has been completed.
- h. Audit Costs incurred as a result of Your delay in responding to the Australian Taxation Office, Commonwealth, State or Territory Department, Statutory Body or Agency.
- i. Audits or investigations, notice of which or information as to their likely conduct was received by You or by any person acting on Your behalf prior to the Period of Insurance.
- j. Inquiries from the Australian Taxation Office, Commonwealth, State or Territory Department, Statutory Body or Agency that are not related to an identified intention to conduct an Audit or are not directed at obtaining information or data in respect of a likely future Audit.
- k. The imposition of or the seeking to impose any tax, penalty tax, costs, interest or any fine.
- l. Your failure to pay all taxes by due date or within any extension of time granted by the Australian Taxation Office, Commonwealth, State or Territory Department, Statutory Body or Agency.

*See also 'General Exclusions Relating To All Sections' on page 47.*

## **CONDITIONS**

You must comply with the conditions noted below otherwise We may not pay Your claim under this Section:

1. All taxation and other returns must be submitted within the time limits prescribed by all relevant statutes and legislation.
2. All taxes must be paid by the due date or within any extension granted.
3. You must make full and complete disclosure of all assessable income (including capital gains) as required by any relevant legislation.

*See also 'General Conditions Relating To All Sections' on pages 48 and 49.*

## **CLAIMS PROCEDURES**

In the event of a claim arising:

1. We or Our duly appointed agent may conduct Our own investigation into any matter that is or may be the subject of a claim under this Section.
2. You and all Accountants, Registered Tax Agents or Lawyers engaged by You shall assist Us with any matter that We wish to pursue directly with the Australian Taxation Office, Commonwealth, State or Territory Department, Statutory Body or Agency.
3. You must at all times keep Us fully and continually informed of all material developments in relation to any investigation or Audit.
4. You must take all steps necessary and reasonable to minimise any delays and the amount of any costs incurred, or likely to be incurred, in connection with any Audit.

*See 'General Claims Procedures Relating To All Sections' on pages 50 to 52.*

# Section 9 – Legal Expenses

## DEFINITIONS

### Legal Expenses

Means legal fees, costs, expenses and disbursements reasonably and necessarily incurred in connection with a claim.

*See also 'General Definitions Relating To All Sections' on pages 5 to 7.*

## WHAT YOU ARE COVERED FOR

We will pay Legal Expenses You are liable to pay following legal proceedings brought against You in Australia. You must advise Us immediately of any legal proceedings brought against You.

We will only pay:

1. For legal proceedings first brought against You during the Period of Insurance and You notify Us during the Period of Insurance or within 30 days thereafter.
2. When legal proceedings are brought against You:
  - a. In respect of owning, operating and managing the Building(s) insured under Section 1,
  - b. Under any consumer protection legislation,
  - c. About a dispute in respect of:
    - i. Terms and conditions of employment, or
    - ii. Discrimination legislation with a current, past or prospective employee.
3. Where You obtain Our Written Consent and are able to satisfy Us that:
  - a. There are good prospects of successfully defending the legal proceedings brought against You, and
  - b. The costs and expenses are reasonable and necessary.

We will not unreasonably withhold Our consent.

The most We will pay for any one claim and in the aggregate in any one Period of Insurance is the Limit of Indemnity shown on Your Schedule.

## EXTENSION OF COVER

### 1. CONTINUOUS COVER

We agree to accept notification of any claim that should or could have been notified to Us in a previous Policy period provided:

- a. We have continuously been the insurer since the time when the notification should have been given, and the time the notification is given.
- b. The limit of liability, Policy terms, conditions and exclusions will be those applicable to Your Policy current when the notification of claim should have or could have been made.

## EXCLUSIONS

We will not pay Claims relating to:

1. A conflict of Your duty or a conflict of Your interest.
2. Any matter arising out of any insurance cover required by legislation.
3. Any matter where Legal Expenses cover is separately available to You within this Policy, even if You do not take that cover.
4. Any proceedings brought by Us.
5. Anything which arises from a deliberate act including a deliberate act of fraud or dishonesty that You or anyone acting for You did.
6. Costs and expenses that You have not sought Our consent prior to them being incurred.
7. Defamation, slander or libel.
8. Defending legal proceedings without obtaining Our prior Written Consent or in a different way from that advised to Your Authorised Legal Representative.
9. Penalties, fines, compensation or awards of aggravated, exemplary or punitive damages made against You, other than legal costs and expenses.
10. Proceedings brought by You or on Your behalf.
11. Proceedings, or any other circumstances which may lead to a proceeding, of which You were aware before You first effected this insurance.
12. Proceedings that You have not immediately advised Us of.

*See also 'General Exclusions Relating To All Sections' on page 47.*

## CONDITIONS

### APPEAL PROCEEDINGS

If You are not successful in defending legal proceedings brought against You, We will only pay for one appeal. You must advise Us in writing of Your intention to appeal. This advice must be provided to Us at least seven (7) days before the time for making an appeal expires. We will only agree to the appeal if We consider that there are reasonable prospects of the appeal being successful.

*See also 'General Conditions Relating To All Sections' on pages 48 and 49.*

## CLAIMS PROCEDURES

*See 'General Claims Procedures Relating To All Sections' on pages 50 to 52.*



# Section 10 – Workplace, Health & Safety Breaches

## DEFINITIONS

### Legal Expenses

Means legal fees, costs, expenses and disbursements reasonably and necessarily incurred in connection with a claim.

*See also 'General Definitions Relating To All Sections' on pages 5 to 7.*

## WHAT YOU ARE COVERED FOR

We will pay Legal Expenses You incur in appealing against any imposition of an improvement or prohibition notice or determination by any court or tribunal made under any workplace, occupational health and safety or similar legislation.

We will only pay:

1. If the imposition of an improvement or prohibition notice or determination arises from Your failure to provide and maintain so far as is reasonable:
  - a. A safe working environment and a system of work.
  - b. Plant and equipment in a safe condition.
  - c. Adequate facilities for the welfare of Your employees.
2. If You have obtained Our Written Consent. We will only agree to the appeal if We consider that there are reasonable prospects of the appeal being successful.
3. If You notify Us of any improvement or prohibition notice or determination by any court or tribunal during the Period of Insurance or within 30 days thereafter.

The most We will pay for any one claim and in the aggregate in any one Period of Insurance is the Limit of Indemnity shown on Your Schedule.

## EXTENSIONS OF COVER

### 1. CONTINUOUS COVER

We agree to accept notification of any claim that should or could have been notified to Us in a previous Policy period, provided:

- a. We have continuously been the insurer since the time when the notification should have been given, and the time the notification is given.
- b. The limit of liability, Policy terms, conditions and exclusions will be those applicable to Your Policy current when the notification of claim should have or could have been made.

## EXCLUSIONS

We will not pay Claims relating to:

1. A conflict of Your duty or a conflict of Your interest.
2. Any matter arising out of any insurance cover required by legislation.
3. Any matter where insurance cover is separately available to You within this Policy, even if You do not take that cover.
4. Any proceedings brought by Us.
5. Anything which arises from a deliberate act including a deliberate act of fraud or dishonesty that You or anyone acting for You did.
6. Defamation, slander or libel.
7. Defending legal proceedings without obtaining Our prior Written Consent or in a different way from that advised to Your Authorised Legal Representative.

8. Improvement or prohibition notices or proceedings or any other circumstances which may lead to a proceeding, of which You were aware before You first effected this insurance.
9. Improvement or prohibition notices or proceedings that You have not immediately advised Us of.
10. Legal Expenses that You have not sought Our consent for prior to them being incurred.
11. Penalties, fines, compensation, or awards for aggravated, exemplary or punitive damages made against You, other than legal expenses.
12. Proceedings brought by You or on Your behalf.

*See also 'General Exclusions Relating To All Sections' on page 47.*

## **CONDITIONS**

### **APPEAL PROCEEDINGS**

If You are not successful in defending legal proceedings brought against You, We will only pay for one appeal. You must advise Us in writing of Your intention to appeal. This advice must be provided to Us at least seven (7) days before the time for making an appeal expires. We will only agree to the appeal if We consider that there are reasonable prospects of the appeal being successful.

*See also 'General Conditions Relating To All Sections' on pages 48 and 49.*

### **CLAIMS PROCEDURES**

*See 'General Claims Procedures Relating To All Sections' on pages 50 to 52.*

# Section 11 – Machinery Breakdown

## DEFINITION

### Breakdown

Means sudden and unforeseen physical destruction or physical damage to Machinery which requires repair or replacement to enable normal working to continue.

### Collapse

Means sudden and unforeseen physical destruction, damage, distortion, bending, or crushing, of any part of Pressure Equipment caused by force of steam, gas or fluid pressure or vacuum, including damage caused by overheating resulting from insufficiency of water.

### Explosion

Means sudden and unforeseen physical destruction or physical damage caused by violent rending of the permanent structure of the Pressure Equipment by force of internal steam, gas or fluid pressure (including pressure of ignited flue gases) causing displacement of any part of the Pressure Equipment together with forcible ejection of its contents.

### Machinery

Means the electric, electronic, mechanical or hydraulic Machinery, or Pressure Equipment belonging to You, but does not include:

1. Any mobile Machinery, vessel, craft or thing made or intended to fly, float or travel, or stored in or mounted upon such mobile Machinery, vessel, craft or thing; gaming, gambling, amusement, vending Machinery, audio or visual entertainment equipment; Machinery hired by You.
2. Calculators, photocopiers, typewriters, mobile phones, pagers, computers and other office Machinery;
3. Telephone and closed circuit television installations;
4. Wiring, fittings and outlet sockets of electric lighting or electric power circuits;

### Mobile Machinery

Means any mechanically operated or driven machine on wheels or self-laid tracks.

### Pressure Equipment

Means those parts of the permanent structure of a boiler, pressure vessel, economiser and superheater and attaching pipe systems which are subject to steam, gas or fluid pressure or vacuum, all belonging to You.

*See also 'General Definitions Relating To All Sections' on pages 5 to 7.*

## WHAT YOU ARE COVERED FOR

We will cover the Machinery shown in Your Schedule whilst at Your Situation against Breakdown, Collapse or Explosion.

The most We will pay is the Sum Insured specified on Your Schedule.

## ADDITIONAL BENEFITS

If We agree to pay a claim under this Section, We will also pay:

### 1. HIRE OF TEMPORARY MACHINERY AND EXPEDITING COSTS

If the Sum Insured under this Section is not otherwise exhausted, We will pay the reasonable expenses necessarily incurred for:

- a. Express freight including overseas airfreight.
- b. Hiring of substitute Machinery.
- c. Overtime.
- d. Temporary repairs.

We will not be liable for:

- a. Airfreight by aircraft specifically chartered for the purpose.
- b. Breakdown of Machinery or Explosion or Collapse of Pressure Equipment which has been hired or is on loan to You from a third party.
- c. Expenses for specialists or consultants to travel to or from Australia.
- d. Overtime charges which exceed 50% of the cost of carrying out the repairs at ordinary rates.

Our maximum liability under this Additional Benefit is limited to \$25,000 or 15% of the total Sum Insured, whichever is the lesser, for any one event.

## 2. COVER FOR ADDITIONAL MACHINERY

Cover is extended to include other Machinery, delivered and installed, after the inception of this Policy at any of the Situations described in the Schedule, excluding items not owned by You.

- a. Such additions must be of similar type and class as described in the Policy.
- b. Such additions must be free from known defects and comply with all applicable statutory requirements.

Cover will not attach until such additions have become Your responsibility and have been successfully commissioned and operated for not less than eight (8) hours in total. Provided:

- a. Section limits and Excesses will remain the same for such additions.
- b. You notify Us of such additions in writing within thirty (30) days of the commencement of such additions.
- c. You pay the extra premium required by Us for the insurance of such additions.

## HOW WE PAY CLAIMS

### 1. FOR BREAKDOWN

- a. In the event of a claim for Breakdown of Machinery, We will, at Our option, repair or replace the damaged items or pay the cash equivalent of such repair or replacement. We will also pay the cost of liquids or refrigerant gas or insulating oil necessary to complete the repairs.

The amount payable will include the cost of transport, labour and the onsite cost of parts.

If it is necessary to replace parts which are unavailable or obsolete, We will not pay more than the estimated cost of similar parts for similar type of plant currently available. If similar parts are found to be unobtainable, We shall not pay more than the manufacturer's or supplier's latest list price.

We will not be responsible for the costs of any alterations, improvements, maintenance or overhauls carried out on the occasion of the repair or replacement.

- b. For each claim, We will reduce the amount We pay You for Your claim by the amount of Your Excess and the value of any salvage obtained following repair or replacement. The amount of Your Excess is shown on Your Schedule.

### 2. FOR EXPLOSION OR COLLAPSE OF PRESSURE EQUIPMENT

We will, at Our option, repair or replace the damaged items or pay the cash equivalent of such repair or replacement as follows:

- a. In the case of repairable damage, We will pay the cost of repairs necessary to restore the Pressure Equipment to its condition immediately before the Explosion or Collapse.
- b. In the case where the Pressure Equipment cannot be repaired at a cost less than the value of a new equivalent Unit, We will pay the cost of installing and commissioning replacement Pressure Equipment of equivalent quality and size. If the Pressure Equipment is replaced with one that is of a better kind, quality or size, We will pay the cost that would have been incurred if an exact replacement had been installed.

- c. If the repair or replacement is not affected within twelve (12) months of the Explosion or Collapse, We will only pay the indemnity value of the Pressure Equipment immediately prior to the Explosion or Collapse.

The amount payable will include the costs of transport, labour, the onsite cost of parts and airfreight. We will not be responsible for the costs of any alterations, improvements, maintenance or overhauls carried out on the occasion of the repair or replacement.

### 3. ILLEGAL INSTALLATIONS

We will not replace, repair or pay for any illegal installation or alteration of Insured Property of any kind.

### 4. POLICY EXCESS

For each Insured Property claim, We will reduce the amount We pay You for Your claim by the amount of Your Excess. The amount of Your Excess is shown on Your Schedule.

## EXCLUSIONS

We will not pay for:

1. Consequential financial loss, loss of use, or other indirect loss.
2. Liquidated damages or penalties for delay or detentions or in connection with guarantees of performance or efficiency.
3. Repair or replacement necessitated by:
  - a. Wasting or wearing out of any parts caused by, or resulting from, ordinary use or working or gradual deterioration.
  - b. Rust, corrosion, cavitation, erosion, oxidation, deposits of scale, sludge or other sediment.
  - c. Any direct consequences of progressive or continuous influences from working or atmospheric or chemical action, other than accidental contact with acids or other corrosive substances, causing damage which manifests itself within 24 hours of such accidental contact.
  - d. Rusting or scratching of painted or polished surfaces.but We will be liable for other physical damage to Machinery or Pressure Equipment insured by this policy, resulting from such causes.
4. The cost of removal of Machinery from a borehole and subsequent replacement.
5. Machinery and Pressure Equipment that has not been commissioned, or if commissioned, has operated continuously for a period of less than eight (8) hours.

## MACHINERY

1. In respect of Machinery, We will not pay for loss, destruction or damage directly or indirectly caused by, or arising from, or in consequence of:
  - a. Fire resulting from Explosion (except caused by overheating of boilers) or otherwise, lightning, thunderbolt, spontaneous combustion, fermentation, heating or any process involving the direct application of heat.
  - b. Aircraft or other aerial devices or articles dropped therefrom, sonic boom.
  - c. Earthquake, subterranean fire, volcanic eruption.
  - d. Storm, tempest, rainwater, wind, hail, water from or action of the sea, tsunami, tidal wave, high water and flood.
  - e. Water, liquids, or substances discharged, overflowing or leaking from apparatus, appliances, pipes or other Reticulation systems, unless such apparatus, appliances, pipes or other Reticulation systems form part of the Machinery.

- f. Riots, civil commotions, strikes or locked out workers or persons taking part in labour disturbances or acts of vandalism or the acts of any lawfully constituted authority in connection with the foregoing, cessation of work (whether total or partial).
  - g. Explosion of Pressure Equipment, unless specified in the Schedule.
  - h. Chemical Explosion.
  - i. Attempts by civil authorities to prevent the spread of fire.
  - j. Theft, or attempted theft.
  - k. Unexplained inventory shortages or disappearances.
  - l. Unloading on delivery to, or loading prior to dispatch from, the Situation.
  - m. Incorrect siting, demolitions ordered by Government or Public or Local Authorities.
  - n. Erosion, subsidence, or collapse or any other movement of earth.
  - o. Testing and commissioning, intentional overloading or experiments.
  - p. Faults or defects known to You or any employee whose knowledge in law would be deemed to be Yours and not disclosed to Us at the time this insurance was arranged.
  - q. Any process of heat treatment, welding, grinding, cutting, drilling, shaping or the application of tools to the property other than for the purpose of lifting the insured machine or item.
  - r. Damaged or faulty doors, lids, catches, latches, locks or any door lid closing or securing mechanism or device of a cold chamber.
  - s. Loss of liquid or refrigerant gas resulting from leakage of glands, seals, shaft seals, gaskets, joints or from fatigue fractured pipes.
  - t. The cost of any modification or replacement to Insured plant due to legal requirement relating to the use of ozone-depleting refrigerant gases. This exclusion applies regardless of whether insured damage has occurred.
2. In addition, We will not pay for the loss of or physical destruction or damage caused to:
- a. Bits, drills, knives, saw blades, heating elements, fuses, electronic valves and tubes, Magnetron units, contacts which spark or arc.
  - b. Dies, moulds, patterns, blocks, stamps, punches.
  - c. Coating or engraving on cylinders and rolls.
  - d. Crushing, hammering or grinding surfaces, wear plates, screens, tyres, batteries, burner jets or other parts which by their use and nature suffer a high rate of wear, tear or gradual deterioration.
  - e. Sieves, seals, shaft seals, joints, gaskets or seams, packing materials, filters, ropes, chains, belts, cables (other than electrical conductors) brushes, refractory materials, fire bars, unless as a result of Breakdown.
  - f. Fuels, chemicals, filter substances, heat transfer media, cleansing agents, lubricants, oils, catalysts or other operating materials unless as a result of Breakdown.
  - g. Materials in the course of or undergoing processing.
  - h. Foundations and masonry, unless as a result of Breakdown.
  - i. Any unattended engine unless such engine is fitted with an effective, operational automatic safety engine monitoring device and such device stops the engine in the event of a lubricating or cooling fault or failure.

## **PRESSURE EQUIPMENT**

1. In respect of Pressure Equipment, We will not pay for repair or replacement caused by:
  - a. Wasting or wearing away whether by leakage, corrosion or by the action of the fuel or otherwise.
  - b. Slowly developing deformation or distortion.
  - c. Cracks, fractures, blisters, lamination separation, flaws or grooving which have not penetrated the entire thickness of the material, although repair or replacement may be necessary at some time in the future.However exclusions (a), (b) and (c) will not apply to subsequent Explosion or Collapse.
2. In addition, We will not pay for repair or replacement caused by Explosion or Collapse of any Pressure Equipment if at the time of such Explosion or Collapse:
  - a. The pressure on the pressure limiting device(s) upon the particular Pressure Equipment was in excess of that permitted in the applicable Australian Standards, codes and laws.
  - b. Any pressure limiting device was removed or rendered inoperative.
3. We will not pay for loss, destruction or damage to Pressure Equipment:
  - a. Where such equipment is operated in an unsafe condition; or
  - b. Where such equipment does not comply with Australian Standards, codes or laws; or
  - c. Where such equipment has not been inspected in accordance with Australian Standard AS3788 as amended, and any other applicable Australian Standards, codes or laws.

*See also 'General Exclusions Relating To All Sections' on page 47.*

## **CONDITIONS**

*See also 'General Conditions Relating To All Sections' on pages 48 and 49.*

## **CLAIMS PROCEDURES**

*See 'General Claims Procedures Relating To All Sections' on pages 50 to 52.*

## Section 12 – Lot Owner’s Improvements

### DEFINITIONS

#### Damage

Means any accidental physical loss or destruction.

#### Lot Owner’s Improvements

Means:

1. Any New Fixtures installed by a Unit Owner,
2. Any upgrade made by a Unit Owner to an existing fixture that results in its replacement value being more than its replacement value immediately prior to the improvement;

being for the Unit Owner’s exclusive use and permanently attached to or fixed to Your Insured Property so as to become legally part of it.

#### New Fixture

Means an item or structure that is installed within a Unit Owner’s lot that is not a replacement of an existing item or structure.

*See also ‘General Definitions Relating To All Sections’ on pages 5 to 7.*

### WHAT YOU ARE COVERED FOR

We will cover You for any Damage to Lot Owner’s Improvements occurring during the Period of Insurance not excluded by this Section.

The most We will pay is the Sum Insured shown on Your Schedule.

### HOW WE PAY CLAIMS

We will only pay under this Section when the Sum Insured under Section 1 – Building(s) And Common Contents of this Policy has been totally exhausted.

#### Cash Settlement

If Your claim arises as a result of a total loss that is claimed for under Section 1 – Building(s) And Common Contents, and We agree to a cash settlement of that claim, the amount payable under this section will be paid to the Unit Owner.

*Section 12 is also subject to the same ‘How We Pay Claims’ as Section 1 – Building(s) And Common Contents on pages 15 and 16.*

### EXCLUSIONS

*Section 12 is subject to the same ‘Exclusions’ as Section 1 – Building(s) And Common Contents on page 17 and the ‘General Exclusions Relating To All Sections’ on page 47.*

### CONDITIONS

*See ‘General Conditions Relating To All Sections’ on pages 48 and 49.*

### CLAIMS PROCEDURES

*See ‘General Claims Procedures Relating To All Sections’ on pages 50 and 52.*



## Section 13 – Workers' Compensation

Some circumstances make workers' compensation insurance compulsory if You have employees.  
If You are unsure, check with Your local Workers Compensation Authority.

This Section only applies when Your Schedule shows that You have requested cover for workers' compensation.

This cover is subject to the relevant workers' compensation legislation in Your state or territory.

# General Exclusions Relating To All Sections

We will not be liable for any loss, damage, destruction or liability caused by, or arising directly or indirectly from:

1. Anything nuclear or radioactive.
2. Lawful confiscation, nationalisation, requisition or destruction of Your property.
3. Terrorism. This will only apply if:
  - a. The Sum Insured as shown on Your Schedule for the Building(s) and Common Contents is more than \$50,000,000, or
  - b. The damage is caused by pollution or contamination due to chemical and/or biological agents which result from the act of Terrorism.
4. The failure or inability of any item, equipment or computer software to recognise correctly, to interpret correctly or to process correctly any data, or to function correctly beyond any time when that item, equipment or computer software has not recognised, interpreted or processed correctly any data. We will pay for any resultant loss or damage that is covered by this Policy, other than resultant loss or damage to any computer equipment or computer software.
5. The failure or inability to receive, send, access or use electronic data and/or software, and/or the internet. We will pay for any resultant loss or damage that is covered by this Policy, other than resultant loss or damage to any electronic data and/or software.
6. War, invasion, act of foreign enemy, hostilities (whether war is declared or not), civil war, rebellion, revolution, insurrection, military or usurped power.

# General Conditions Relating To All Sections

Our liability to pay a claim under this Policy is subject to compliance with the following conditions:

## **CANCELLING YOUR POLICY**

You can cancel this Policy at any time. To do this, You must ask Us in writing. The Policy will end when We receive Your request.

We can cancel this Policy if You do any of the following:

1. Are not fair and open in Your dealings with Us.
2. Fail to comply with the conditions of this Policy.
3. Fail to pay the premium for this insurance.
4. Fail to tell Us anything You should tell Us when You apply for this Policy, renew this Policy and when You change or reinstate this Policy.
5. Make a claim during the period of this Policy that is fraudulent. The claim does not have to be under this Policy and can be with Us or another insurance company.
6. Make a misleading statement to Us when You apply for Your insurance.

We may also cancel this Policy if there is a change in the circumstances of the risk during the Period of Insurance.

If We cancel this Policy, We will advise You in writing. To do this, a notice will be delivered to You or posted to You.

## **REFUND OF PREMIUM IF YOUR POLICY IS CANCELLED**

If Your Policy is cancelled (other than by exercising Your cooling-off rights) before the due date, We will:

1. Keep the premium that applies to the period in respect of which the Policy was in force.
2. Return to You the premium which You have paid that applies to the period from the date the Policy ended to the due date of the Policy, unless You make a fraudulent claim.

## **THE LAW THAT APPLIES TO THIS POLICY**

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

Where any part of this Policy is contrary to any State or Territory Legislation Act or Regulation governing strata plan, company title property or any similar scheme, the requirements of that Act or Regulation will apply.

## **REINSTATEMENT OF SUM INSURED**

We will automatically reinstate the Sum Insured and/or Additional Benefits to the amount shown in this Policy and as shown on Your Schedule following a claim. This does not apply:

1. To Section 6 – Office Bearers' Liability, Section 8 – Government Audit Costs, and Section 9 – Legal Expenses; or
2. When Your claim is for a total loss; or
3. We have paid the total Sum Insured as Your cover will end then.

## **CROSS LIABILITY**

Where there is more than one party named in the Schedule as an Insured, We will treat each as a separate and distinct party.

The words You, Your and Yours will apply to each party in the same manner as if a separate Policy has been issued to each party, however, Our liability for any Sum Insured or Policy limit is not increased.

## **SEVERABILITY**

Any act, breach or non compliance with the terms and conditions of this Policy committed by any party named in the Schedule as an Insured, will not prejudice the rights of the remaining party(ies) named in the Schedule, provided that the remaining party(ies) shall, within a reasonable time after becoming aware of any act, breach or non compliance whereby the risk of damage, loss or liability has increased, give notice in writing to Us.

## **CLAIMS PREPARATION COSTS**

We will pay the reasonable costs You necessarily incur for the preparation of a claim under this Policy. We will only pay these costs when You have obtained Our Written Consent prior to them being incurred. The most We will pay is \$30,000.

This condition does not apply to Section 13 – Workers' Compensation and Section 8 – Government Audit Costs.

## **NOTIFICATION OF CHANGES**

You must advise Us immediately in writing of:

1. All changes in occupation or circumstances to Your Insured Property.
2. Any change in information or details You have given Us in relation to Your Insured Property or You.
3. Any change that increases the risk of damage at Your Insured Property.

## **REASONABLE PRECAUTIONS**

You must take all reasonable care to:

1. Comply with any law, bylaw, safety requirement.
2. Maintain Your Insured Property in a good state of repair to prevent anything which could result in a claim under this Policy.
3. Prevent damage to other people's property or personal injury to other people and must comply (and use reasonable endeavours to ensure that Your employees, servants and agents comply) with all statutory obligations and bylaws or regulations imposed for the safety of property or persons.

## **INSPECTIONS**

We (or agents appointed by Us) have the right to inspect and examine, by mutual appointment, any Property insured under this Policy.

*See also 'Conditions' in each section of this Policy.*

# General Claims Procedures Relating To All Sections

Our liability to pay a claim under this Policy is subject to compliance with the following procedures:

## NOTIFICATION OF CLAIMS

We depend upon Your co-operation. This means when something happens that You believe You can claim for, or something occurs that may result in a claim, You must:

1. Complete any forms as requested by Us.
2. Advise Us immediately of receipt of any intention to make a claim against You.
3. Advise Us immediately in writing of any circumstance or event which may result in a claim being made against You.
4. Make Your claim as soon as possible after You suffer a loss. If You do not make it within 30 days of the date of loss, We may reduce what We pay You by an amount which represents any disadvantage We suffer by the delay.
5. Send all documents, accounts, communications, Writ or Summons relating to Your claim within 72 hours of receiving them.
6. Provide to the Authorised Legal Representative all assistance they require and all required materials available to You.

## WHEN YOU MAKE A CLAIM

You must:

1. Take all reasonable steps to minimise and/or stop any further loss or damage from occurring.
2. Advise the nearest police station if Your property is lost, stolen, vandalised or maliciously damaged. We may ask You to give Us a written report from the police.
3. Keep the property that has been damaged so We can inspect it.
4. Not repair or replace any damaged property without Our consent except for emergency repairs We have agreed to pay under Section 1 – Additional Benefit 8 on page 10.
5. Cease the continued use of damaged property, until such property is repaired to Our satisfaction.
6. Use best endeavours to preserve any damaged or defective appliances, plant or things which might prove necessary or useful by way of evidence in connection with any claim.
7. Allow Us to access Your property for inspections conducted by Us, assessors or repairers.
8. Allow Us to obtain information from Your property manager, strata manager, accountant, registered tax agent, lawyer, legal representative, employees, person(s) or organisation(s) engaged by You, and/or any repairer to assist Us in managing Your claim.
9. At Your own expense, provide Us with all records, invoices, and other documents, information, explanations and other evidence together with statutory declarations, as We may require for the purpose of investigating or verifying a claim under this Policy.

You must not:

1. Make any admission of liability or payment or promise or offer of payment in connection with any claim without Our consent.
2. Authorise repairs to, or arrange replacement of, any of the Insured Property relevant to the claim, or incur any cost or expense for a claim without Our consent unless by not authorising the repairs, the safety of people is put at risk.

We reserve the right to:

1. Take over and conduct in Your name the settlement of any claim or legal proceeding or appeal.
2. Refuse to use the Authorised Legal Representative You propose without providing any reason.
3. Instruct You to terminate the services of the Authorised Legal Representative if We consider it is in Your interest to do so.

4. Appeal any decision if You are not successful in defending legal proceedings brought against You.
5. Instruct You to take necessary steps to minimise further loss or damage from occurring.

## **OFFER TO SETTLE**

You must advise Us of any offer to settle a proceeding. We may stop paying Your legal costs and expenses if You do not agree to a reasonable settlement. When the Authorised Legal Representative recommends settlement of a proceeding and You wish to continue with the proceeding, We will only pay the legal costs and expenses incurred up to that date.

## **REFUSAL OF RECOMMENDATIONS**

If against Our recommendations You elect to continue any legal proceedings, Our liability will not exceed the liability for which the claim could have been settled for up to that date.

## **DELAYS**

If You cause unreasonable delays preventing Us from commencing reinstatement or replacement of Your Insured Property, We will not pay for any extra costs that result from that delay.

## **LOSS OF RENT CLAIMS**

Following notice of termination of a tenancy or lease agreement where a claim under this Policy has been accepted, the owner of the Unit must take all reasonable steps to re-let the Unit.

## **ACTS OR OMISSIONS OF YOUR BODY CORPORATE MANAGER/AGENT**

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

## **RECOVERY ACTION**

If You have the right of recovery against someone else for a claim You made under this Policy, You give Us Your rights to pursue that recovery. You also give Us Your rights to conduct, defend or settle any legal action and to act in Your name.

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

## **OTHER INSURANCES**

If loss, damage or an event occurs that results in a claim being lodged under this Policy, You must notify Us of any other insurance that covers the same loss, damage or event. We have the right to seek contribution from the other insurer.

## **REPAIRS OR REPLACEMENT**

You must allow Us to:

1. Nominate the supplier or repairer to be used.
2. Inspect any damaged item or Insured Property.
3. Take possession of any damaged item or Insured Property.

## **SALVAGE VALUE**

If We have paid a claim for damage, or replaced items which have been recovered, We are entitled to any salvage value.

## **STRATA LEGISLATION**

Where any part of this Policy is contrary to any act or regulation governing strata plan, company title property or any similar scheme, the requirements of that act or regulation will apply. Claims for Your Insured Property will be settled in accordance with the requirements of that act or regulation.

## **GOODS AND SERVICES TAX (GST)**

Where We make a payment under this Policy for the acquisition of goods, services or other supply, We will reduce the amount of the payment by the amount of any input tax credit that You are, or will be, or would have been entitled to under A New Tax System (Goods and Services Tax) Act 1999 in relation to that acquisition, whether or not that acquisition is actually made.

Where We make a payment under this Policy as compensation instead of payment for the acquisition of goods, services or other supply, We will reduce the amount of the payment by the amount of any input tax credit that You would have been entitled to under A New Tax System (Goods and Services Tax) Act 1999 had the payment been applied to acquire such goods, services or other supply.

*See also 'Claims Procedures' in each section of this Policy.*

# Claims Payment Examples

These claim payment examples show You how a claim settlement is calculated based upon some practical scenarios. Any claim settlement amount will depend upon the facts of each case.

## SCENARIO 1

### Section 1 – Building(s) and Common Contents

Damage to Building(s) resulting from storm

Claim costs	\$10,000 (building damage)
	\$1,000 (loss of rent)
Excess	\$100

You are GST registered (100% input tax credit).

Repairs to Building Damage – You have paid for the repairs	\$	10,000.00
<i>Less GST</i>	\$	909.09
<i>Less Policy Excess</i>	\$	100.00
<b>Building(s) Settlement Amount:</b>	<b>\$</b>	<b>8,990.90</b>
Loss of Rent	\$	1,000.00
<b>TOTAL SETTLEMENT AMOUNT:</b>	<b>\$</b>	<b>9,990.90</b>

## SCENARIO 2

### Section 1 – Building(s) and Common Contents

Damage to Building(s) resulting from storm

Claim costs	\$10,000 (building damage)
	\$1,000 (loss of rent)
Excess	\$100

You are not GST registered (0% input tax credit).

Repairs to Building Damage – You have paid for the repairs	\$	10,000.00
<i>Less GST</i>	\$	0.00
<i>Less Policy Excess</i>	\$	100.00
<b>Building(s) Settlement Amount:</b>	<b>\$</b>	<b>9,900.00</b>
Loss of Rent	\$	1,000.00
<b>TOTAL SETTLEMENT AMOUNT:</b>	<b>\$</b>	<b>10,900.00</b>



## SCENARIO 3

### Section 2 – Glass

#### Accidental breakage of Glass

Claim costs	\$4,500 (glass damage)
	\$500 (temporary protection)
Excess	\$100

You are GST registered (100% input tax credit).

Repairs to Glass – You have paid for the repairs	\$	4,500.00
Temporary Protection – You have paid for this cost	\$	500.00
<b>Subtotal</b>	<b>\$</b>	<b>5,000.00</b>
<i>Less GST</i>	<i>\$</i>	<i>454.54</i>
<i>Less Policy Excess</i>	<i>\$</i>	<i>100.00</i>
<b>TOTAL SETTLEMENT AMOUNT:</b>	<b>\$</b>	<b>4,445.45</b>

## SCENARIO 4

### Section 2 – Glass

#### Accidental breakage of Glass

Claim costs	\$4,500 (glass damage)
	\$500 (temporary protection)
Excess	\$100

You are not GST registered (0% input tax credit).

Repairs to Glass – You have paid for the repairs	\$	4,500.00
Temporary Protection – You have paid for this cost	\$	500.00
<b>Subtotal</b>	<b>\$</b>	<b>5,000.00</b>
<i>Less GST</i>	<i>\$</i>	<i>0.00</i>
<i>Less Policy Excess</i>	<i>\$</i>	<i>100.00</i>
<b>TOTAL SETTLEMENT AMOUNT:</b>	<b>\$</b>	<b>4,900.00</b>

## SCENARIO 5

### Section 3 – Theft

#### Theft of Common Contents – garden equipment

Claim costs	\$2,500 (replacement items)
Excess	\$100

You are GST registered (100% input tax credit).

Replacement of Common Contents – You have replaced the item	\$	2,500.00
<i>Less GST</i>	<i>\$</i>	<i>227.27</i>
<i>Less Policy Excess</i>	<i>\$</i>	<i>100.00</i>
<b>TOTAL SETTLEMENT AMOUNT:</b>	<b>\$</b>	<b>2,172.72</b>

## SCENARIO 6

### Section 3 – Theft

Theft of Common Contents – garden equipment

Claim costs	\$2,500 (replacement items)
Excess	\$100

You are not GST registered (0% input tax credit).

Replacement of Common Contents – You have replaced the item	\$	2,500.00
<i>Less GST</i>	\$	0.00
<i>Less Policy Excess</i>	\$	100.00
<b>TOTAL SETTLEMENT AMOUNT:</b>	<b>\$</b>	<b>2,400.00</b>

## SCENARIO 7

### Section 4 – Liability

Insured is legally liable to pay damages for Personal Injury to a Third Party

Claim costs	\$12,500 (medical costs)
	\$2,500 (legal costs – where appointed by Strata Unit Underwriters)
Excess	\$Nil

You are GST registered (100% input tax credit).

Medical Expenses of Third Party	\$	12,500.00
Legal Costs incurred by Strata Unit Underwriters	\$	2,500.00
<i>Less GST</i>	\$	0.00
<b>Subtotal</b>	<b>\$</b>	<b>15,000.00</b>
<i>Less Policy Excess</i>	\$	0.00
<b>TOTAL SETTLEMENT AMOUNT:</b>	<b>\$</b>	<b>15,000.00</b>

## SCENARIO 8

### Section 4 – Liability

Insured is legally liable to pay for Damage to Third Party's Vehicle

Claim costs	\$6,000 (repair costs)
Excess	\$Nil

You are not GST registered (0% input tax credit).

Repairs to Third Party Vehicle	\$	6,000.00
<i>Less GST</i>	\$	0.00
<i>Less Policy Excess</i>	\$	0.00
<b>TOTAL SETTLEMENT AMOUNT:</b>	<b>\$</b>	<b>6,000.00</b>

## SCENARIO 9

### Section 7 – Voluntary Workers

Voluntary Worker suffers permanent loss of sight in both eyes.

Claim Costs \$200,000 (Benefit under policy)  
Excess \$Nil

You are not GST Registered (0% input tax credit).

Claimable Benefit	\$	200,000.00
<i>Less GST</i>	\$	0.00
<i>Less Policy Excess</i>	\$	0.00
<b>TOTAL SETTLEMENT AMOUNT:</b>	<b>\$</b>	<b>200,000.00</b>

## SCENARIO 10

### Section 7 – Voluntary Workers

Voluntary Worker suffers total disablement preventing them from carrying out all of the usual duties of their occupation for 52 weeks. Current weekly average earnings are \$2,000.

Claim Costs \$2,000 per week up to a total of 52 weeks. (Benefit under policy)  
Excess \$Nil

You are not GST Registered (0% input tax credit).

Claimable Benefit (52 weeks @ \$2,000 per week)	\$	104,000.00
<i>Less GST</i>	\$	0.00
<i>Less Policy Excess</i>	\$	0.00
<b>TOTAL SETTLEMENT AMOUNT:</b>	<b>\$</b>	<b>104,000.00</b>

## SCENARIO 11

### Section 12 – Lot Owner's Improvements

Damage to kitchen resulting from fire not otherwise covered under Section 1 – Building(s) and Common Contents.

Claim Costs \$10,000  
Excess \$Nil

You are not GST Registered (0% input tax credit).

Claim Cost	\$	10,000.00
<i>Less GST</i>	\$	0.00
<i>Less Policy Excess</i>	\$	0.00
<b>TOTAL SETTLEMENT AMOUNT:</b>	<b>\$</b>	<b>10,000.00</b>

The information in this PDS was current at the date of preparation. CGU Insurance may update some of the information in the PDS from time to time without needing to notify You. You can obtain a copy of any updated information by contacting Us, or Strata Unit Underwriters. We will give You a free paper copy of any updates if You request them. If it becomes necessary, We will issue a supplementary or replacement PDS.

more than insurance

Strata Unit Underwriting Agency Pty Ltd  
T/As Strata Unit Underwriters

5/263 Alfred Street North Sydney NSW 2060

info@stratainsurance.com.au www.stratainsurance.com.au

T 1300 668 066 F 1300 668 166

ABN 30 089 201 534 AFS Licence No: 246719

