

Accidental Damage Home Insurance

Product Disclosure Statement



Hollard.

This Product Disclosure Statement (PDS) was prepared on 19 June 2014 and tells you about our Accidental Damage Home Insurance. Any advice provided is general only and does not take into account your individual circumstances.

You should carefully read this document and any other documentation we send you and keep them in a safe place for future reference.

This Accidental Damage Home Insurance is underwritten by The Hollard Insurance Company Pty Ltd ABN 78 090 584 473 AFSL 241 436

www.hollard.com.au

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ABOUT HOLLARD

Hollard entered the Australian market in 1999 and now protects the assets and quality of life of over 700,000 Australian clients. Internationally, the Hollard Group provides a wide range of insurance products and services to more than 7.2 million policyholders.

Hollard's unique business model and partnership philosophy have quickly established Hollard as the partner of choice for many of Australia's leading underwriting agencies and independent insurance brokers, financial institutions and retailers.

Hollard is authorised by the Australian Prudential Regulation Authority (APRA) and holds an Australian Financial Services Licence issued by the Australian Securities and Investment Commission.

IMPORTANT INFORMATION

Important documents

Your insurance policy documentation consists of:

1. this policy booklet which sets out details of what is and what is not covered by this policy;
2. the Insurance Certificate we provide with details of:
 - who is insured;
 - the cover(s) selected;
 - the period of insurance;
 - the respective sums insured and/or limits of liability;
 - excesses and other important information.

You should ensure that you read these documents carefully and keep them in a safe place. If you have any questions regarding the policy or Insurance Certificate, please contact your insurance broker.

Your cooling off rights

You can return your policy to us within 14 days of the commencement or renewal of your cover. If we receive your written request to cancel this policy within this 14 day period, we will cancel the policy effective from the commencement date, and give you a full refund (less any taxes or duties payable that we are unable to have refunded). You cannot use this right where, before the 14 day period ends, you have exercised any of your rights or powers under the policy (e.g. you have made a claim). After the cooling off period ends you still have cancellation rights under the policy.

Cancelling your insurance

You can cancel your insurance at any time by letting us know in writing. We will refund any unused portion of your paid premium less any commissions, taxes and charges that we are unable to recover. Your insurance broker will usually retain the commission on the policy. We can cancel your insurance to the extent permitted by law, for example if you do not comply with the policy terms and conditions, if you fail to pay your premium, if you make a fraudulent claim or if you did not comply with your duty of disclosure or misrepresented information when you entered into this insurance contract. If we cancel your policy, we will send you a cancellation letter.

Renewing your insurance

At least 14 days before your insurance expires we will advise you whether we intend to renew your insurance or not, and if so, on what terms. You are not obliged to renew your insurance with us.

Your cooling off period continues to apply on each renewal. Each renewal is a separate contract and not an extension of the prior contract.

POLICY CONDITIONS AND YOUR RESPONSIBILITIES

You must abide by the conditions of this policy such as the conditions detailed below and the conditions applicable to the making of a claim. If you do not, your policy may not operate and we may reduce or refuse to pay a claim and cancel your policy.

Understand your Duty of Disclosure

We rely on the information you provide us with, to decide whether to insure you and the terms on which we will insure you. To comply with your duty of disclosure when first entering into an insurance contract with us, you must tell us everything you know and that a reasonable person in the circumstances could be expected to tell us, in answer to the questions we ask you. This applies to every person insured under the policy.

If you fail in your duty of disclosure, we may reduce or deny any claim you make or cancel your policy. If you fraudulently keep information from us or deliberately make false statements, we may avoid your contract and treat your insurance as if it never existed.

To comply with your duty of disclosure when you vary, renew, extend, reinstate or replace your policy, you must tell us everything that you know, and which a reasonable person in the circumstances could be expected to know, is relevant to our decision whether to insure you and, if so, on what terms. You do not have to tell us anything that is common knowledge that we should know through our business, that reduces the risk of a claim or that we tell you we do not need to know.

Ensure your premiums are always paid

You are responsible for ensuring that your premiums are paid and kept up to date or your cover could be put at risk.

Your property

You must keep your building and contents in good condition and repair and always protect them. Any loss or damage caused by poor maintenance is not covered under this policy. You must also make reasonable efforts to protect your building and contents from any loss or damage. If you make a claim and knew about something that could cause loss or damage to your property and you did not make reasonable efforts to avoid it before the loss or damage occurred, then your claim may not be paid. If you do suffer loss or damage to your property, you must also make reasonable efforts to prevent any further loss or damage.

Building work

You must tell us before you carry out any building work at your location if the total value of that work is likely to be more than \$100,000. If you notify us in advance of any building work, we may be able to provide you with liability cover during this period.

Leaving your building unoccupied

You must tell us if your building will not be occupied for a period exceeding 100 consecutive days. If you let us know before your building becomes unoccupied, we may be able to provide cover during this period.

Keep proof of ownership of your property

When you make a claim for loss or damage to an item, we will require proof that you owned the item and of its value or your claim may not be paid. The easiest way to do this is by keeping receipts, manuals and warranties for any items you purchase.

If you cannot find any of these, you can for example, take detailed photographs of your property.

WHAT YOU ARE INSURED FOR

Accidental damage cover

When you insure your building and/or your contents under this policy you will be covered for sudden and unexpected accidental loss or damage that occurs during the period of insurance and at the location up to the amount shown on your Insurance Certificate.

There are exclusions that apply to certain events or losses and these are detailed under 'When we will not pay a claim for loss or damage under the policy'. These limitations and exclusions may restrict the amount payable in the event of a claim or alternatively they may prevent a claim from being paid at all.

Specified valuables cover (optional)

This section of the policy only applies when your Insurance Certificate shows that you have requested Specified valuables cover for a valuable item. Please see the 'Valuables' section to determine if you own any items that are worth more than the valuable limits in this policy to decide if you require this cover.

There is a limit of \$10,000 per item for contents items that are valuables. We also limit the amount we will pay for valuables to 25% of the contents sum insured per event. Our optional Specified valuables cover is designed to provide cover for items valued at more than this individual item limit or where you have a number of items that have a high total value. You need to elect to take this optional cover and you will be required to pay an additional premium. The items covered under this section are those items listed on your Insurance Certificate.

Your valuable items are insured for any accidental damage or accidental loss, provided that the accidental damage or accidental loss happens within Australia or New Zealand.

If the accidental damage or accidental loss happens outside Australia or New Zealand, cover away from Australia or New Zealand is limited to 120 consecutive days and starts from the time you leave Australia.

BUILDINGS

What are your buildings?

We consider the following as your buildings when they are situated at the location:

- residential buildings you live in including any professional offices or surgeries in those buildings;
- domestic outbuildings;
- fixed coverings to walls, floors and ceilings, not including fixed carpets, curtains or internal blinds;
- services, which include the supply of electricity, water, etc;
- items built in, or fixed to, or on, the buildings;
- blinds or awnings on the outside of the buildings;
- landscaping, paved terraces, driveways, retaining walls, fences and gates;
- swimming pools, saunas and spas that are permanently installed;
- jetties, wharfs and pontoons used only for domestic purposes;
- anything permanently built, permanently constructed or permanently installed on your property for domestic purposes that complies with all relevant building laws and rules.

What are not your buildings?

Buildings do not include property that a tenant is liable for under the terms of a rental agreement nor plants, shrubs, trees or grass. (Limited cover is provided for trees and plants under the Additional benefits).

CONTENTS

What are your contents?

We consider the following your contents:

Household goods or personal belongings which belong to you or for which you are legally responsible and that are not used for earning income, including:

- carpets, curtains and internal blinds;
- fixtures and fittings that you have installed for your own use if you are a tenant, or the owner of a strata title unit. We will not cover these fixtures and fittings if the body corporate has them insured;
- valuable items and Specified valuable items (See 'Valuables' section for definitions and limits);
- money and negotiable documents, limited to \$1,500 any one claim (other than from your business as excluded below);
- motorised golf carts, ride-on mowers, mobility scooters, wheelchairs and motorcycles with less than 125cc engines which do not require registration;
- fixtures and fittings owned by your landlord if you are renting which you are liable for under the terms of a rental agreement that are not otherwise insured by a body corporate or landlord.

What are not your contents?

- unset precious and semi-precious stones;
- plants and trees growing outdoors. This does not include plants and trees growing in pots or tubs. (See Additional benefits for details of the limited cover provided);
- animals, including birds and fish;
- motor vehicles (other than as described in the part 'What are your contents'), motorcycles exceeding 125cc engine capacity, caravans, trailers, hang gliders or aircraft other than model or toy aircraft;

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- motorcycles with less than 125cc engine capacity while they are in use for competitive racing or pace making;
 - motorcycles with less than 125cc engine capacity that require registration;
 - sporting equipment while it is being used;
 - pedal cycles while they are in use for competitive racing or pace making;
 - watercraft more than four metres long or any watercraft that require registration under state or territory legislation;
 - jet skis;
 - stock in trade or samples, business or trade cash takings or negotiable documents;
 - goods that you use for earning your income. (See Additional benefits for details of the limited cover provided);
 - any items that are defined as your building;
 - office and surgery equipment that you use for earning income. (See Additional benefits for details of the limited cover provided);
 - electronic data stored on any device (including the cost of restoring the data). (See Additional benefits for details of the limited cover provided);
 - accessories and spare parts for the following: motor vehicles, motorcycles, caravans, trailers, watercraft and motorised golf carts, ride-on mowers, mobility scooters, wheelchairs, surfboards, sailboards, surf skis and canoes (See Additional benefits for limited cover provided).

VALUABLES

What are your valuable items?

- jewellery and watches;
- furs;
- items that contain gold or silver (not including items plated with gold or silver that are not jewellery or watches);
- collections of stamps, money or medals;
- specified valuable items which are listed on your Insurance Certificate.

What are not valuable items?

- unset precious and semi-precious stones (these are not covered under any part of the policy);
- motor vehicles, motorcycles, mini-bikes, caravans, trailers, aircraft, or accessories or spare parts of any of these items;
- watercraft more than four metres long or any other watercraft that require registration under state or territory legislation.

Limit for valuable items

We will pay up to 25% in total, per event, of the contents sum insured listed on your Insurance Certificate for loss or damage to valuable items. The most we will pay for any one item, pair, set, or collection is \$10,000.

You can insure items, pairs, sets or collections that are worth more than the above limits for their actual value. To do this you must advise us of the items and they will be listed on your Insurance Certificate. The most we will pay in total for these listed valuable items will be the amount shown on your Insurance Certificate.

ADDITIONAL BENEFIT FOR YOUR BUILDING AND/OR CONTENTS

(included in the sum insured and still subject to the policy terms, conditions and exclusions)

Electric motor burnout

When you insure your building we will pay the cost of repairing or replacing any motor that forms part of your building that has suffered motor burnout.

When you insure your contents we will pay the cost of repairing or replacing any motor that forms part of your contents that has suffered motor burnout.

Motor burnout refers to an item with an electric motor that has fused due to the actual burning out of the wiring of the motor by an electrical current.

We do not cover:

- motors that are more than 15 years old from the date of manufacture or any motor under any form of warranty;
- fuses, switches, electrical contacts, or protective devices;
- the cost of any part, such as a bearing, filter or dryer, which does not form part of a motor and was fitted during the repair or replacement of the motor.

ADDITIONAL BENEFITS FOR YOUR BUILDING

(in addition to the sum insured and still subject to the policy terms, conditions and exclusions)

Alternative accommodation

If we accept a claim for loss or damage to your building we will also pay the cost of renting another property if you are unable to live in your building because of that loss or damage.

We will pay for equivalent temporary accommodation that we believe is reasonable for you and your family living at your building at the time of the event. We will also pay the cost of alternate accommodation for your pets. We will pay this for up to 12 months. The most we will pay under this section is 20% of your building sum insured.

We will reduce this payment, or stop paying you, if:

- you receive any payment for rent from another source; or
- you do not need to rent another property.

Building materials

If your home is your primary residence, we will pay up to \$2,000 in total in any one period of insurance for loss or damage arising from an event covered by this policy to your unfixated building materials located at the site. Cover only applies to building materials intended to be used for repairs, alterations or additions to your building. This policy will not cover materials used to earn income or for purpose of your trade.

Building modifications

We will pay to make modifications to your buildings if you are injured as a result of damage or loss to your buildings covered by this policy. We will only pay for modifications if the injury results in permanent paraplegia or permanent quadriplegia. The most we will pay is \$35,000.

Removal of debris

We will pay the reasonable costs of demolishing and removing any buildings debris when damage or loss occurs.

Loss of rent

If your building is rented by tenants and they are unable to live in your building after loss or damage has occurred that is covered by this policy, we will pay up to 20% of the building sum insured for your loss of rent or rentable value provided the home is tenanted or there is a signed lease in place for a new tenant at the time the loss or damage occurred.

Mortgage discharge

We will pay your legal costs to discharge your mortgage if your building claim is for a total loss.

Certificate of Title replacement

We will pay to replace the Certificate of Title to your building if it is destroyed or damaged.

Architects, surveyors and legal fees

We will pay the reasonable costs of architects, surveyors and engineers fees together with any legal fees that arise from reinstating your building when loss or damage occurs.

Replacement of locks

If any keys to external door locks of your buildings, or keys to external window locks of your buildings, are stolen or lost, or you have reason to believe they have been duplicated, we will pay the reasonable and necessary costs of replacing the external locks, keys or cylinders with similar items. We will decide which one we will do.

This benefit is only payable under either the building or contents Additional benefits.

Tree removal

We will pay the professional costs for the removal of tree stumps, fallen trees and branches and associated disposal costs necessarily incurred in order to repair or replace insured damage caused to the buildings and contents by storm damage. We will also pay for the removal of trees and branches from the location if they have caused damage to landscaped gardens. In situations where there has been no damage to insured property or landscaped gardens we will pay up to \$5,000 any one claim for the cost of removal and disposal of fallen trees and tree stumps incurred as a result of a storm however we will not pay unless the cost exceeds \$500.

Trees, plants and shrubs

We will pay the reasonable cost of replacing your trees, plants, shrubs or lawns if they are destroyed as a result of an insured event, however, if the loss arises from a weather related event, we will only pay up to \$500 for any one tree, plant, shrub or lawn up to \$5,000 in total.

Fire brigade charges

We will pay the reasonable costs you have to pay the fire brigade to attend and protect your buildings against an actual fire or other emergency. The most we will pay is \$500 per event.

Statutory costs

We will pay the costs necessary to meet the requirements of any statutory authority in connection with rebuilding or repairing the buildings at the location. We will not pay any costs which resulted from any notice which a statutory authority served on you before loss or damage to your buildings was suffered. The most we will pay in any one period of insurance is \$35,000.

Contracted purchaser

If you have entered into a contract to sell your home, we will extend your policy to include the purchaser as an insured party from when the purchaser becomes liable for any damage to the home until the contract is settled or terminated, or until the purchaser insures the home, whichever happens first. This cover will not extend past the expiry of the period of insurance.

Environmental benefit

If your buildings have been totally destroyed by an insured event and we have agreed to rebuild your buildings, we will pay up to a maximum of \$5,000 of the cost to you, after deduction of any rebate you are eligible for under any government or council rebate scheme, to install (including all components) any combination of:

- a rainwater tank facility;
- a solar power system;
- a hot water heat exchange system;
- a grey water recycling system.

ADDITIONAL BENEFITS FOR YOUR CONTENTS **(included in the sum insured and still subject to the policy terms, conditions and exclusions)**

Items used to produce income

We will pay up to \$10,000 in total for loss or damage that occurs at the location to goods used to produce income. In determining what are goods that are used to produce income we will consider that you would normally receive a taxation deduction for income producing goods. This benefit does not cover office and surgery equipment, stock in trade or samples, business or trade cash takings.

Office and surgery equipment

We will pay for loss or damage at the location to office and surgery equipment you use to produce income. In determining what are office and surgery equipment that are used to produce income we will consider that you would normally receive a taxation deduction for the equipment.

Electronic data

We will pay up to \$2,000 in total for loss or damage to data stored on any device (including the cost of restoring the data).

Motor vehicle and watercraft accessories

We will pay up to \$2,000 per item and \$4,000 in total for loss or damage to any accessories and spare parts for the following: motor vehicles, motorcycles, mobility scooters, caravans, trailers, watercraft and motorised golf carts, ride-on mowers, wheelchairs, surfboards, sailboards, surf skis and canoes. We will not pay if the accessories and spare parts are in, or on, motor vehicles, motorcycles, mini- bikes, caravans, trailers or watercraft.

ADDITIONAL BENEFITS FOR YOUR CONTENTS

(in addition to the sum insured and still subject to the policy terms, conditions and exclusions)

Credit cards

If any of your credit, debit or financial transaction cards or cheques are fraudulently used after they are stolen, or are fraudulently used on the internet, we will pay up to \$7,500 in total to the financial institutions that issued them. We will only pay this benefit if you are legally responsible to pay the amount and you have complied with the terms on which the credit, debit or financial transaction cards or cheques were issued.

Alternative accommodation

We will pay the reasonable additional cost of alternate accommodation that you incur after you have had a loss. We will pay this amount for up to 12 months. The most we will pay is 20% of your contents sum insured. We will only pay this for the period that the building or the strata property you own is unable to be lived in after damage or loss has occurred. We will reduce this payment, or stop paying you, if:

- we pay you for rent following damage to your building; or
- you receive any payment for rent or accommodation from another source; or
- you do not need to pay for alternate accommodation.

Removal of debris

We will pay the reasonable costs of removing any contents debris when loss or damage occurs.

Removal and storage of contents

If you are unable to live in your building after damage or loss has occurred, we will pay the reasonable costs to remove and store your contents while your building is being repaired.

Provided we have agreed to the storage location we will pay these costs for up to 12 months. We will also provide cover for loss or damage to your contents while they are in storage. We will only pay for this when you are unable to live at your location.

Visitors' contents

If guests, employees, exchange students or visitors to your location bring their own contents with them, we will regard those contents as belonging to you. The most we will pay is \$5,000 if these contents are lost or damaged. This cover is subject to the same items and limits that appear under the definition of contents. We will not pay a claim under this benefit if these contents are already insured.

Visitors' money

If money or negotiable documents belonging to guests, employees, exchange students or visitors are stolen or damaged, we will regard that money or the negotiable documents as belonging to you. The most we will pay is \$1,500 in total. We will not pay a claim under this benefit if the money or negotiable documents are already insured.

Replacement of locks

If any keys to external door locks of your building, or keys to external window locks of your building, are stolen or lost, or you have reason to believe they have been duplicated, we will pay the reasonable and necessary costs of replacing the external locks, keys or cylinders with a similar item. We decide which one we will do.

This benefit is only payable under either the building or contents Additional benefits.

Replacement of key/locks for your motor vehicle

If a key to a motor vehicle or motorcycle registered in your name is stolen or lost we will pay the reasonable costs of replacing the locks/security or key with a similar item. We decide which one we will do. The most we will pay under this benefit is \$500.

Personal legal cover

We will pay legal costs and expenses you are liable to pay following legal proceedings brought by you, or against you, in Australia. You must advise us of any legal proceedings brought by you, or against you. We will only pay for legal costs and expenses incurred with our prior written consent. The most we will pay during any one period of insurance is \$5,000. We will not pay legal costs and expenses relating to:

- spouse or partner disputes including, but not limited to divorce, child maintenance, or custody and property disputes;
- claims for death, bodily injury to, or disease of, any person;
- claims where cover is available by a standard form of insurance for motor vehicles, household building and contents, motorcycles, caravans or boats whether or not you have taken out any cover;
- any criminal charge or prosecution brought against you;
- any road traffic offence or boating offence committed by you;
- any matter arising out of your business or profession;
- any matter arising out of any insurance cover required by legislation;
- any award of damages made against you;
- any penalties, fines or awards of aggravated, exemplary or punitive damages made against you.

Reproduction of documents

We will pay to reinstate, reproduce or restore your documents if they are damaged while contained in your buildings at the location or in a bank vault. This includes the information contained on the documents.

Compensation for death or injury

We will pay \$15,000 if you or a member of your family normally living with you, dies or suffers paraplegia, quadriplegia or permanent total disablement as a direct result of a physical injury caused by an accident within the buildings at the location. The most that we will pay for all claims in any one period of insurance is \$15,000 and payment will be made to either the estate of the deceased person or the person who suffered paraplegia, quadriplegia or permanent total disablement.

Tax audit

We will pay for the fees that you must pay to an accountant when your personal financial affairs are audited by the Federal Commissioner of Taxation. You must advise us of any such audit prior to the fees being incurred. The most we will pay during any one period of insurance is \$5,000.

We will not pay claims for:

- any audit that relates to a criminal prosecution;
- fees where the final assessment of your taxable income for the period being audited is 20%, or more, higher than your original declaration;
- fees for work performed by your accountant outside the time limits allowed by the Federal Commissioner of Taxation;
- any fines, penalties or adjustments of taxation;
- any audit where notice of the audit was given to you prior to the inception of this policy.

Moving your contents

We will cover your contents in the building at both your new and old location for up to 45 days from the day you start moving. We do not cover loss or damage caused to your contents at your new location after 45 days from the day you start moving, unless you have told us and we have agreed to cover your contents at that location. Your contents are not covered under this benefit while they are being moved from the old to the new location.

Denial of access

If your building cannot be lived in because a government authority denies you access, we will pay any increase in your living expenses that we consider necessary and reasonable, for a period of up to 60 days, to maintain your normal standard of living. We will not cover loss due to cancellation of a lease or agreement.

Counselling

If you or a member of your family, who normally resides at the location, requires counselling as a direct result of a fire or theft at the location, or where bodily injury or death has occurred as a result of loss or damage insured under this policy, we will pay the costs reasonably incurred by you for counselling. The most we will pay under this benefit is \$1,500 for any one event.

Monitored alarm costs

We will pay the reasonable costs you have to pay a security firm to attend your building in response to your monitored burglar alarm system. The most we will pay is \$2,000 and we will only pay these costs when there is a burglary or an attempted burglary. We will not pay these costs when there is a false alarm or no evidence of an attempted burglary.

Contents away from your location

Your contents are also insured while they are away from your location in Australia or New Zealand (and up to 120 consecutive days while anywhere else in the world) however, they are not insured if they:

- are on the way to, or from, or in, commercial storage (refer to the 'Contents in Storage' section of this policy);
- are in transit during a permanent removal (refer to the 'Contents in Transit' section of this policy);
- have been removed permanently from your location other than:
 - sporting equipment that is stored within a club room;
 - personal belongings including sporting equipment whilst you are away from home attending school, college or University.

The following items of contents are not covered while away from your location:

- accessories and spare parts for the following:
 - motor vehicles, motorcycles, mini-bikes, mobility scooters, caravans, trailers, watercraft, motorised golf carts, ride-on mowers, wheelchairs, surfboards, surf skis and canoes if they are in a tent, vehicle, watercraft, aircraft or in the open air. Open air includes non-lockable structures and non-lockable parts of structures at the location.
- goods that you use for earning your income;
- office and surgery equipment that you use for earning your income.

Veterinary expenses

We will pay for veterinary expenses if your pet is injured or killed as a result of a road accident, fire, lightning, earthquake, burglary or attempted burglary. The most we will pay for this benefit is \$1,000.

Contents in storage

We will cover your contents for loss or damage while they are in a commercial storage facility in Australia up to the contents sum insured listed on your Insurance Certificate. There is no cover under this benefit for jewellery, money or negotiable documents.

Your contents are only covered under this benefit if you have advised us before your contents are put into the commercial storage facility and we have agreed to provide cover and noted this on your Insurance Certificate.

Contents in transit

We will cover loss or damage sustained during the period of insurance to your contents while they are being transported by a vehicle to your location, or to a commercial storage facility within Australia.

We will only cover your contents if there is theft following violent and forcible entry, or loss or damage arising out of fire, collision or overturning of the vehicle that is transporting your contents.

We will not cover loss or damage to glassware, crystal, crockery, mirrors and china or damage caused by denting, scratching, chipping or bruising.

WHEN WE WILL NOT PAY A CLAIM FOR LOSS OR DAMAGE UNDER THIS POLICY

You are not covered for any loss or damage caused by or resulting from, or the costs incurred from or of:

- bushfire/grassfire, flood or named cyclone which occurs within the first 48 hours of the start of this policy unless:
 - you transferred a building and/or contents insurance policy, with equivalent cover, to us from another insurance company without an interruption in cover;
 - you have entered into a contract of sale during that period to purchase the insured property;
 - you have entered into a contract during that period to lease the property;
- actions of the sea, including tidal waves and high tides;
- mould or mildew, wet or dry rot, rising damp or dampness;
- inherent defects, structural faults, faulty workmanship or faulty design;
- rats, mice or insects;
- any earth movement not caused by earthquake, including erosion, mudslide, collapse, earth shrinkage and expansion;
- landslide or subsidence unless it occurs within 72 hours after one of the following:
 - storm, rainwater, flood or wind;
 - earthquake or tsunami;
 - explosion;
 - escape of liquid from a fixed pipe or something attached to a pipe, fixed gutter, fixed tank or fixed drain;
- breakage of mirrors, glassware, crystal, crockery or china while they are being used, cleaned or carried by hand;

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- roots from trees, plants, shrubs or grass;
 - water (other than as a result of flood) entering your buildings through an opening made for any building, renovation or repair work or because of a structural defect, faulty design or faulty workmanship when your building was constructed;
 - any deliberate action by you or others living at the location, including tenants;
 - any process of cleaning involving the use of chemicals other than domestic household chemicals;
 - mechanical, electronic or electrical breakdown or malfunction unless directly caused by fire, storm, rainwater, flood, malicious damage or covered otherwise by the 'Electric motor burnout' section of this policy;
 - accidental damage caused by or as a consequence of building work, including any extensions or renovations. We will however pay for accidental damage arising out of work undertaken directly by you unless the damage results from the weakening or removal of support;
 - gradual deterioration, including wear and tear, rust, corrosion, depreciation, fading or deterioration from exposure to light.

You are also not covered for:

- loss or damage to your building or contents if your building is unoccupied for longer than 100 consecutive days, unless you have told us about this and we have agreed to provide cover. This exclusion will not apply to loss or damage caused by lightning, riot and civil commotion, damage directly caused by impact by a vehicle, waterborne craft, space debris, aircraft, rocket, satellite, a tree, tree branch, tsunami or earthquake that occurs during the period of unoccupancy;
- poor housekeeping by your tenant or a member of their immediate family or your tenant's invitees;
- any consequential loss or loss of profit;
- the cost to repair or replace a fixed tank, pipe, drain or other apparatus that burst, leaked, discharged or overflowed. We will pay the costs to repair the damage caused to your insured building or contents by the bursting, leaking, discharge or overflow. If we accept a claim for damage we will also pay the reasonable costs of locating the cause of the damage, and of repairing or reinstating any property damaged or disturbed in the course of locating the cause of the damage;
- malicious damage, vandalism or theft by a tenant;
- damage to a heating element. We will pay for any resultant damage following damage to a heating element;
- confiscation or damage caused by the lawful seizure, confiscation, nationalisation or requisition of or damage to, the insured property by a government, public or local authority.

(Please refer to the section 'When we will not pay a claim for loss, damage or liability' for further exclusions).

LIABILITY

We will cover you for legal liability to pay compensation as a result of an occurrence caused by your negligence, happening during the period of insurance, that causes death, personal injury or loss or damage to others' property.

Your Insurance Certificate will indicate the most that we will pay in total for any event(s) arising directly or indirectly from the one original accident, source or cause. In addition to this amount we will pay all legal costs and expenses incurred with our consent or which you have a legal liability to pay. If we agree to pay your claim we will pay the costs of compensation awarded by a court or a settlement agreed to by us and your reasonable legal fees and costs that we incur on your behalf or that you incur with our written consent. You can only claim for legal fees and expenses if we have agreed to them in writing before you incur them.

When we will pay

If your building is insured we will pay the amount you have to pay for personal injury or loss or damage to others' property arising from your occupancy and ownership of your building and its land or occurs within the building or location on which it stands.

If your contents are insured we will pay the amount you have to pay for personal injury or loss or damage to others' property arising out of the ownership of your contents or occupation of the building at the location.

If you have insured your contents and you own part of a building that has been strata or community titled, we will pay the amount you have to pay as owner of your contents or occupier of your part of the building. We will not pay for an accident that happens in any common areas of the building.

If you have insured your contents, we will pay the amount you have to pay for an accident that happens:

- anywhere in Australia;
- anywhere in the world. Cover away from Australia is limited to 120 consecutive days and starts from the time you leave Australia;
- anywhere in Australia arising out of the use of any watercraft that is less than four metres long and does not require registration under state or territory legislation. This section of the policy does not provide cover for jet skis.

Definitions for liability cover

personal injury means bodily injury, shock, mental anguish or mental injury, libel, slander or defamation of character, including death.

Personal injury does not include the publication or utterance of a libel or slander:

- made prior to the commencement of the period of insurance;
- made by or at the direction of you with knowledge of its falsity; or
- relating to advertising, broadcasting or telecasting activities by or on behalf of you.

occurrence means an event which results in personal injury or property damage neither expected nor intended from your standpoint. All personal injury or property damage arising out of continuous or repeated exposure to substantially the same general conditions will be construed as arising out of one occurrence.

ADDITIONAL LIABILITY COVER WHEN YOU HAVE INSURED YOUR CONTENTS

Committee members

We will pay the amount you are liable to pay following an alleged or actual act or omission that arises from your duties as a committee member of a sporting or social club, however we will not pay if you receive more than \$1,000 per year for holding this position. Any claim made against you must occur within the period of insurance stated in the Insurance Certificate. The most we will pay, including costs, during any one period of insurance, is \$10,000.

Vehicle liability

We will cover you against any claim for compensation or expenses which you become legally liable to pay resulting from an accident that occurs in Australia during the period of insurance for:

- personal injury to any person;
- the loss of, or damage to property;

arising from the ownership, custody, or use of any vehicle not required to be registered by law including:

- motorcycles up to 125cc capacity;
- motorised golf carts;
- ride-on mowers;
- any motorised wheelchair or mobility scooter;
- any domestic trailer that is not attached to a vehicle.

We also insure you against any claim for compensation or expenses you become legally liable to pay for:

- personal injury to any person caused by you solely as a result of you being a passenger in a registered vehicle if the occurrence causing personal injury occurs during the period of insurance;
- personal injury to, any person arising from the ownership, custody, or use of any registered vehicle if the occurrence causing the death or personal injury takes place at the location.

We do not cover you:

- if you are entitled to be wholly or partly insured by any compulsory statutory insurance or accident compensation scheme, or would have been, but for failure to register the vehicle or to apply for cover under the insurance or scheme or to comply with a term or condition of the insurance or scheme;
- if you are entitled to be wholly or partly protected by any other policy of insurance which specifically covers compulsory third party motor vehicle liability;
- while any vehicle is used for competitive racing or pace making.

WHEN WE WILL NOT PAY UNDER THE LIABILITY SECTION

We will not pay claims arising from:

- penalties, fines or awards of aggravated, exemplary or punitive damages made against you;
- use of a motor vehicle, motorcycle, mini-bike, aircraft or watercraft, other than:
 - unregistered motorised golf carts, ride-on mowers, mobility scooters and wheelchairs;
 - model or toy aircraft;
 - a surfboard, sailboard or surf ski;
 - watercraft less than four metres long that do not require registration under state or territory legislation;
- use of a caravan or trailer when the caravan or trailer is attached to a motor vehicle or motorcycle;
- personal injury to you, or any member of your family who normally lives with you, or any other person who normally lives with you;
- personal injury, or loss or damage to property belonging to any person you employ and that injury, loss or damage arises out of their employment with you;
- damage to or loss of property that belongs to you, or any member of your family who normally lives with you, or any other person who normally lives with you;
- any disease that is transmitted by you, or any member of your family who normally lives with you;
- any business, profession, trade or occupation carried on by you;
- alterations, repairs, renovations or additions to your buildings that cost more than \$100,000;
- any agreement or contract you enter into however we will pay for your liability if you would have been liable without the agreement or contract;

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- gaining a personal profit or advantage that is illegal;
 - a conflict of duty or interest;
 - any act or omission that is dishonest, fraudulent, criminal, wilful or malicious;
 - any loss that can be indemnified by your sporting or social club;
 - any alleged or actual act or omission committed, or alleged to have been committed, prior to the commencement of the period of insurance;
 - any actual alleged or threatened contamination or pollution of any property, land, the atmosphere or any watercourse or body of water (including groundwater) other than arising from an occurrence which is neither reasonably expected or intended by you and is a consequence of a sudden cause which takes place at a clearly identifiable time and place during the period of insurance;
 - any loss or damage in connection with the common property where the building is a strata titled property;
 - any event or liability for which you or your family are required by law to hold an insurance policy;
 - any claims made against you because your body corporate failed to insure (or adequately insure) against property damage as required by relevant state or territory, strata title or unit legislation;
 - your ownership or occupancy of any land or buildings other than the location listed on the Insurance Certificate, except if you are a tenant;
 - any activity involving riding, sitting on, mounting or dismounting an animal.

WHEN WE WILL NOT PAY A CLAIM FOR LOSS, DAMAGE OR LIABILITY

You are not covered for any loss, damage or liability caused by or resulting from, or the costs incurred from or of:

- your ownership or occupancy of any land or buildings other than the location listed on the Insurance Certificate, except if you are a tenant;
- war, invasion, acts of foreign enemies, hostilities (whether war is declared or not), civil war, rebellion, revolution, insurrection or military or usurped power or by contamination or pollution by chemical, biological or nuclear agents which results from an act of terrorism;
- ionising radiation, contamination by radioactivity from any nuclear weapons material, nuclear fuel or waste, or the combustion of nuclear fuel or waste where the combustion is a self-sustaining nuclear process;
- asbestos or any product containing asbestos.

WHAT HAPPENS IF YOU NEED TO MAKE A CLAIM?

If an event occurs that is likely to result in a claim, the following checklist will help you ensure that you have done everything you need to, so that your claim can be assessed quickly. Not all items may be applicable to your claim.

First you should:

1. do what you can to prevent any further loss, damage, cost or liability;
2. tell the police if the event involves theft, attempted theft, malicious acts, civil unrest or impact by a vehicle;
3. call your insurance broker.

You must never, without our consent:

- admit guilt, fault or liability (except to the Police);
- offer or negotiate to pay a claim;
- approve any repairs or arrange replacements (other than emergency repairs necessary to minimise or prevent further loss or damage);
- dispose of any damaged property.

We will also require you to:

- provide us with the proof that we need regarding lost or damaged items;
- help us manage the claim, which may include us inspecting your building or asking you questions either in writing or in a face to face interview, or you providing written statements to us under oath or affirmation;
- keep items that have been damaged and allow us to inspect them or assess repair costs;
- allow us to take possession of damaged property that is the subject of a claim;
- send us any communication you receive relating to the claim (including telling us of pending court proceedings or offers of settlement);
- help us as we work to negotiate, defend or settle any claim made under this insurance and to exercise for our benefit your legal right of recovery against any other party;
- tell us about any other insurance that may be relevant to the claim.

Your excess

Your excess is the amount that you agree to contribute at the time that a claim is paid. The excess selected for your building, contents and valuable items cover will be clearly documented on your Insurance Certificate.

In the event of an earthquake or flood, a fixed excess of \$500 will apply to each event. If you do have a claim for one of these events the higher of the selected excess and the fixed excess will apply.

How we settle claims for your building

When we agree to pay a claim for your building, we will rebuild or repair your building as new, or pay you the cost of rebuilding or replacing it, at our discretion. We will only pay up to your building sum insured, or any lesser limit that applies, less any applicable excess.

If you decide not to proceed with the rebuild or repair of your building we will pay the lesser of:

- the rebuild or repair cost; or
- the difference in the value of your building and the land it is situated on before the damage occurred and the value of the building and the land after the damage has been sustained.

We will only pay to repair or rebuild that part of your building that was damaged. We do not cover any additional expenses to replace undamaged parts of your building to create a uniform appearance. Where the original materials used to build your building are not readily available in Australia, we will pay for the cost of materials we believe to be of a similar kind or quality.

How we settle claims for your contents

When we agree to pay a claim for your contents, we will at our discretion, repair or replace any lost or damaged item or pay you the cost of repairing or replacing the item (if unusual circumstances exist), based on the amount that it would have cost us to repair or replace it. We will pay up to your contents sum insured, or any lesser limit that applies to the item, group of items or event, less any applicable excess.

Where we can, we will match materials and contents or where this is not possible, use materials and contents that in our opinion match as near as reasonably possible.

If the lost or damaged item is part of a collection, we will only pay for the repair or replacement of the damaged or lost item. We will not pay for any resulting decrease in the value of the collection.

Claims for the replacement or repair of damaged fixed carpets will be limited to the passageway, room or stairwell where the damage occurred.

Automatic increase of sum insured

If you have a loss for your building or contents we will increase your sum insured by the amount that the Consumer Price Index has increased since you took out your policy or last renewed it. This increase will not apply to any valuable items specifically listed on your Insurance Certificate.

How we settle claims for valuable items

If you have selected cover for valuable items and it is noted on your Insurance Certificate we will at our discretion, repair or replace any lost or damaged item or pay you the cost of repairing or replacing the item (if unusual circumstances exist).

If the lost or damaged item is part of a collection, we will only pay for the repair or replacement of the damaged or lost item. We will not pay for any resulting decrease in the value of the collection. We will reduce any payment for damage to, or loss of, an item under this section by the amount we may pay you for the same item under your contents insurance.

Goods and Services Tax (GST)

Any claim payments made under this policy will be based on GST inclusive costs. However, if you are or would be entitled to claim any input tax credits for the repair or replacement of insured property or for other things covered, we will reduce any claim under the policy by the amount of such input tax credits.

How claims impact your policy

After we pay a claim under your policy, other than a claim for a total loss, the amount you are insured for will remain the same as the value shown on your Insurance Certificate at the date of loss. If a claim is paid for any item individually listed on your Insurance Certificate, that item will be removed from your policy and you will have to notify us to add the replacement item again and pay any additional premium if required.

If a claim is for the total loss of your building or contents, your insurance for the damaged building and/or contents will cease as soon as we accept your claim and a settlement amount has been formally agreed, however, your legal liability cover for your buildings will remain in force until the expiry of the period of insurance. There is no premium refund payable if you have paid your premium annually.

WORDS WITH SPECIAL MEANING

accident means an event you did not intend or expect to happen.

event means any single occurrence resulting in loss or damage.

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

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

Insurance Certificate is the latest insurance certificate we send you which forms a part of our contract with you and sets out the types and amount of cover you have selected.

location means the land at the insured address on the Insurance Certificate. The location does not include common property.

period of insurance means the period during which this policy is current. The period of insurance is stated on your Insurance Certificate. If this insurance policy is cancelled, the period of insurance terminates when the cancellation becomes effective. Unless otherwise stated the period of insurance commences and ends at 4pm on the days stated as the period of insurance on the Insurance Certificate.

terrorism means any act which may or may not involve the use of, or threat of, force or violence where the purpose of the act is to further a political, religious, ideological aim or to intimidate or influence a government (whether lawfully constituted or not) or any section of the public.

unoccupied means that either no-one is living in the home or someone is living in the home but without your consent.

we, us, our or Hollard means The Hollard Insurance Company Pty Ltd (ABN 78 090 584 473) (AFSL 241436).

you, your means:

- the policy holder or policy holders named on the Insurance Certificate;
- the policy holder's spouse (legal or defacto);
- a person living at the insured's address who lives with, and is a family member of, the policy holder or the policy holder's spouse.

OTHER IMPORTANT MATTERS

How we protect your privacy

We are bound by the Australian Privacy Principles (APPs) under the Privacy Act 1988 (Cth) and comply with the Privacy Act 1988 (Cth). We are committed to ensuring that all our business dealings comply with the APPs and acknowledge the importance of keeping personal details for individuals confidential and secure.

We collect personal information for the purpose of providing insurance, including arranging insurance, policy administration and claims handling. Without this information, we are not able to provide you with the services you require.

If you would like a copy of our privacy policy, would like to seek access to or correct your personal information, or opt out of receiving materials we send, please contact us. Our detailed privacy policy can be viewed on www.hollard.com.au or a copy can be obtained by phoning 02 9253 6600.

Determining your premium

When you purchase your insurance we will tell you the premium you must pay, which is determined by considering factors such as the cover you want, the property you are insuring, the applicable limits and excesses and your insurance history. It also includes any compulsory government charges, taxes or levies (such as Stamp Duty, GST and Fire Services Levy) that we are obliged to pay for your insurance. Your premium, including these charges, will be noted on your Insurance Certificate.

Financial Claims Scheme

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

The protection provided under the Financial Claims Scheme legislation applies in relation to Hollard and the policy. If Hollard were to fail and were unable to meet their obligations under the policy, a person entitled to claim under the policy may be entitled to payment under the Financial Claims Scheme (access to the Scheme is subject to eligibility criteria).

Information about the Financial Claims Scheme can be obtained from the APRA website at www.apra.gov.au or the APRA hotline on 1300 55 88 49.

Hollard is exempted from the requirement to meet the compensation arrangements Australian financial services licensees must have in place to compensate retail clients for loss or damage suffered because of breaches by the licensee or its representatives of Chapter 7 of the Corporations Act. Hollard has compensation arrangements in place that are in accordance with the Insurance Act.

The Dispute Resolution Process

We welcome every opportunity to resolve any concerns you may have with our products or service. In the first instance contact your insurance broker.

If your concern is still not resolved to your satisfaction please write to our Internal Dispute Resolution Committee at:

post The Hollard Insurance Company Pty Ltd
Internal Dispute Resolution Committee
Locked Bag 2010, St Leonards, NSW 1590

email resolution@hollard.com.au

phone 02 9253 6600

Your concern will be investigated by an officer with full authority to deal with the complaint and you will be informed of the outcome within fifteen working days of receiving your concern. If your concern still remains unresolved to your satisfaction or has not been resolved within 45 days, you may refer the matter to the Financial Ombudsman Service (FOS) subject to its terms of reference, which acts as our external dispute resolution provider. FOS is an independent body and its service is free to you. FOS can be contacted via:

post GPO Box 3, Melbourne, VIC 3001

web www.fos.org.au

email info@fos.org.au

phone 1300 78 08 08

A decision of FOS is binding on us (up to specified jurisdiction limits). A decision of FOS is not binding on you and you have the right to seek further legal assistance.

General Insurance Code of Practice

Hollard is a signatory to the General Insurance Code of Practice. The objectives of this Code are to:

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

You can obtain a copy of the Code from the Insurance Council of Australia website www.insurancecouncil.com.au or by phoning (02) 9253 5100.

Updating our PDS

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

The Hollard Insurance Company Pty Ltd
ABN 78 090 584 473 AFSL 241436

Locked Bag 2010, St Leonards NSW 1590
E: enquiry@hollard.com.au T: 02 9253 6600

www.hollard.com.au

Hollard.