

Landlords Insurance

Product Disclosure Statement
Landlords Accidental Damage



Landlord Accidental Damage

Product Disclosure Statement

Introduction

Thank You for choosing Us to insure You.

Please take the time to read this booklet carefully to ensure that You understand what Your policy covers, what Excesses apply and how to make a Claim. If You have any questions or need more information, please contact Your Steadfast Broker.

About this booklet

This booklet is a Product Disclosure Statement (**PDS**) which has two parts:

1. Important information which is to help You understand the insurance; and,
2. The policy wording which sets out terms and conditions of the cover provided. It is up to You to choose the cover You need.

Other documents may comprise the PDS and We will tell You if this is the case in the relevant document.

Any advice in this booklet is general in nature only and has not considered Your objectives, financial situation or needs. You should carefully consider the information provided having regard to Your personal circumstances to decide if it is right for You.

Updating this PDS

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

This PDS was prepared on 10 April 2018.

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Important Information

About Us

Insurance Australia Limited is the issuer. Our Australian Business Number is 11 000 016 722. Our Australian Financial Services Licence Number is 227681. Our address is 388 George Street, Sydney NSW 2000.

About Steadfast

Steadfast Group Limited (**Steadfast**) is a public company that operates a large network of insurance brokerages in Australia known as Steadfast Brokers. This policy is available exclusively to You through a Steadfast Broker.

Steadfast does not issue, guarantee or underwrite this Policy.

About this Policy

If We issue You a Policy, You will be given a Policy Schedule. The Policy Schedule sets out the covers You have chosen and should be read together with the Policy Wording. You should check the Policy Schedule carefully to ensure it accurately states what You have insured.

The Policy Wording and Policy Schedule form Your legal contract with Us so please keep them in a safe place for future reference.

If You require further assistance or information about this Policy, please contact Your Steadfast Broker.

Privacy of Your Personal Information

We, along with all entities in Insurance Australia Group value the privacy of the personal information We collect about You.

We are committed to handling Your personal information in line with the privacy laws and the terms of this PDS.

When You provide Your personal information Collecting and using Your information

You acknowledge and consent to Us, Insurance Australia Group and their distributors collecting and using Your information on a confidential basis to:

- consider Your insurance application and any subsequent application for insurance
- underwrite and price any policy
- calculate and offer discounts
- issue a policy to You
- administer Your policy
- investigate, assess and pay any claim made by or against You or that could be made against You
- recover money paid to You or recover debts You have incurred
- contact You for market research
- provide You with information and offers about products and services We offer
- provide You with information and offers about products and services offered by Insurance Australia Group and its related entities, Our related entities and by Our partners and to any agent of these that We promote

You can 'opt out' from receiving marketing information at any time by contacting Us. You must inform Us if You do not want Your personal information disclosed or used for these marketing or market research purposes.

Collecting and disclosing Your information

We collect Your personal information directly from You or through others. For these purposes, You acknowledge and consent to Us collecting Your personal information from, and disclosing Your information where disclosure is permitted by law to:

- Our agents
- Our related entities and their distributors
- other insurers
- insurance reference bureaus
- law enforcement agencies
- Our service providers (which includes investigators and recovery agents, lawyers, assessors, repairers, suppliers, advisers and any agent of these) - which includes some service providers that may be based overseas
- any credit provider that has security over Your assets
- publically available data
- Partners and affiliates

We may collect personal information about You directly in various ways including:

- over the phone,
- in person including at branches or offices
- over the internet, including via Our website, online forms and surveys, email or cookies
- in writing, including via hard copy forms
- electronics devices such as telematics device and home automation systems

Privacy Policy

Our Privacy Policy provides more information about how We collect, from whom We collect and how We hold, use and disclose Your personal information. Our Privacy Policy also provides information about how You can:

- access Your personal information
- ask Us to correct Your personal information, and
- complain about a breach of the privacy principles set out in the Privacy Act 1988 (Cth) and how We will deal with Your complaint.

To get a free copy of Our Privacy Policy go to <https://www.ial.com.au>

How to apply for this Policy

To apply for this Policy, please complete Our online application form with Your Steadfast Broker.

If We accept Your application, You will receive a Policy Schedule that sets out details of the cover You have chosen.

The cost of this Policy

The premium is the amount We charge You for this Policy. It includes the amount We have calculated for the risk as well as the taxes and government charges that are applicable. The premium will be shown on the Policy Schedule.

When calculating the premium We take a number of factors into account. These factors and the degree to which they affect the premium will depend on the information You give Us, and the level and type of cover You choose. The main factors that impact Your premium include:

- the type of property being insured;
- where the property is located;

- the type of construction of the property; and
- Your previous insurance and Claims history.

Some rating factors do not affect all components of the premium calculation. For example, age discounts, retiree discounts, no Claim bonus and loyalty discounts do not apply to the parts of the premium that are paid for liability cover or Flood cover.

Keep Your receipts

You should keep receipts, invoices or other evidence of ownership and value of any other property covered under the Policy because if You make a claim You will be asked to prove ownership and value in order for Us to pay the claim.

How to make a claim

Please contact Your Steadfast Broker to assist You in making a claim.

In an emergency outside normal business hours You may ring Our emergency service on 1300 559 019 for assistance.

Further details of what You must do for Us to consider Your claim are provided in the 'Making a claim' section of this booklet.

General Insurance Code of Practice

We are a signatory to the General Insurance Code of Practice.

The Code aims to:

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

You can download a copy of the Code from <http://codeofpractice.com.au>.

Your cooling off rights

If You want to cancel this Policy after Your decision to buy it, You may do so and receive a full refund of Your premium. To do this You must notify Your Steadfast Broker electronically or in writing within twenty one (21) days from the date the Policy commenced.

This cooling off right does not apply if You have made or are entitled to make a claim.

Even after the cooling off period ends, You still have cancellation rights however We and Your Steadfast Broker may deduct certain amounts from any refund that may be due for administration costs or any non-refundable taxes.

Dispute resolution

We will do everything possible to provide a quality service to You. However, We recognise that occasionally there may be some aspect of Our service or a decision We have made that You wish to query or draw Our attention to. We have a complaints and dispute resolution procedure which undertakes to deal with Your complaint promptly. It is important to follow the complaint handling process so We are able to resolve Your concern effectively.

1. Tell Us

If You would like to make a complaint please tell Us by contacting the relevant department Your complaint relates to (see table below). In most cases they will be able to resolve the matter. If not You will be referred to a manager who will attempt to resolve the matter. A response will be provided within fifteen (15) business days.

Policy	<p>If Your complaint relates to, or if You have any concerns about, the sale of Your Policy, please contact Your Steadfast Broker.</p> <p>You can also contact Us by email to compliance.manager@ial.com.au. We will assist by directing Your concern to Your Steadfast Broker.</p>
Claims	<p>If Your complaint relates to a claim, please contact Us by:</p> <p>Phone: 1300 559 019 Email: claims@ial.com.au Fax: 1300 764 496</p>

2. Independent Internal Review

If You are dissatisfied with how Your complaint has been resolved, You can escalate Your complaint to Our Internal Dispute Resolution (**IDR**) department who will review the decision independently. You may be asked to put Your complaint in writing to Us.

You can contact Our IDR department by:

Email: compliance.manager@ial.com.au
Phone: (02) 9099 4997
Address: IAL IDR, GPO Box 933, Sydney NSW 2001

The IDR department will contact You with a decision within fifteen (15) business days of receiving Your complaint.

3. Review by the Financial Ombudsman Service

In most cases We can resolve any problems Our customers have but if You remain dissatisfied with how We have resolved Your concern You can contact the Financial Ombudsman Service (**FOS**) for an independent external review at no cost to You. We are bound by any determination by FOS but the decision is not binding on You.

FOS can be contacted by:

Phone: 1300 780 808
Fax: (03) 9621 2060
Email: info@fos.org.au
Address: Financial Ombudsman Service, GPO Box 3, Melbourne VIC 3001
Internet: www.fos.org.au

Financial Claims Scheme

This Policy is a protected policy under the Financial Claims Scheme (**FCS**) which protects certain insureds and claimants in the event of an insurer becoming insolvent. In the unlikely event of Us becoming insolvent You may be entitled to access the FCS, provided You meet the eligibility criteria.

More information about the FCS may be obtained from the APRA website at <http://www.apra.gov.au> and the APRA hotline on 1300 55 88 49.

Policy Wording

Our agreement with You

This policy is a legal contract between You and Us. If We accept Your application for insurance, You pay Us the premium and We provide You with the cover You have chosen as set out in this Policy and Your policy Schedule for the period of insurance shown on Your policy Schedule.

The limits of cover applying to the cover selected by You, and the amount of any Excess that applies to Your policy, is shown on Your policy Schedule.

Paying Your premium

There are two ways You can pay Your premium:

- in one (1) annual payment to Your Steadfast Broker; or
- if provided, in monthly instalments by automatic deductions from Your credit card or from Your bank account which can be arranged by Your Steadfast Broker

You must pay Your premium in the manner set out on Your Policy Schedule.

Paying Your annual premium

You must pay Your annual premium to Your Steadfast Broker by the due date.

If Your premium is unpaid by the due date or Your payment is dishonoured, this Policy will not operate and there will be no cover.

Paying Your instalment premium

We will deduct Your premium instalments each month from Your nominated bank account or credit card on the day of the month shown on Your Policy Schedule as Your payment date (or the next business day if Your payment date falls on a weekend or public holiday in any given month).

When You renew Your Policy, We will continue to deduct Your premium instalments for Your renewed Policy on the same day of the month, unless You tell Us otherwise.

Further details of Your instalments are shown on Your Policy Schedule.

If Your first instalment is unpaid by the due date (e.g. because Your payment is dishonoured), this Policy will not operate and there will be no cover.

In the event that You fail to make any of Your instalment premium payments when they are due, You may be responsible for any administration or dishonour fees.

We are entitled to deduct from any amount We pay You under a claim any unpaid premium instalments.

We may not pay a claim under this Policy if, at the time the claim occurred, any instalment of premium has remained unpaid for fourteen (14) days or more.

If any instalment of premium is overdue by one (1) month, We may cancel this Policy. We will send a notice to Your Steadfast Broker with details of the action We intend to take and when any cancellation will become effective.

You must tell Us if Your nominated bank account or credit card details change. You must do this no later than seven (7) days before Your next instalment is due.

Preventing Our right of recovery

If You have agreed not to seek compensation from another person who is liable to compensate You for any destruction, loss, damage or liability which is covered by this policy, We will not cover You under this policy for that destruction, loss, damage or liability.

Other party's interests

You must tell Us of the interest of all parties (e.g. financiers, lessors or owners) who will be covered by this insurance. We will protect their interests only if You have told Us about them and We have noted them on Your policy Schedule.

Providing proof

So that Your Claim can be assessed quickly You should keep the following:

- receipts or other confirmation of purchase and ownership;
- valuations; and
- photographs of items in the home.

We may ask You for these if You make a Claim. You must be able to prove to Us that You have suffered a loss that is covered by this policy before We will pay Your Claim for it.

Your Claim may be refused

We may refuse to pay or reduce the amount We pay for Your Claim if You do not comply with the policy conditions, if You do not provide Us with all information We require, if You make a misrepresentation, or if You make a fraudulent claim.

Changing Your Policy

If You want to make a change to this policy, the change becomes effective when:

- We agree to it; and
- We give You a new policy Schedule detailing the change.

Cancelling Your policy

How You may cancel this policy

You may cancel this policy at any time by telling Us in writing that You want to cancel it. Where 'You' involves more than one (1) person, We will only cancel the policy when a written agreement to cancel the policy is received from all persons named as the insured on the Schedule.

How We may cancel Your policy

We may cancel this policy in any of the circumstances permitted by law (e.g. failure to pay the premium by the due date) by informing You in writing.

We will give You notice in person or send it to Your address (including an electronic address) last known to Us.

Where You have paid Your premium in advance of the date of cancellation, We will refund to You the proportion of the premium for the remaining period of insurance (less any fees or expenses that may be charged by Us for administration costs and any non-refundable taxes). Unless directed otherwise by all insureds, the refund will be made payable to the first named insured on Your policy Schedule.

Notices

Any notice We give You will be in writing, and it will be effective:

- If it is delivered to You personally; or
- It is delivered to You at Your address (including an electronic address) which is last known to Us.

It is important for You to tell Us of any change of address as soon as possible.

Optional cover You can select

You can choose cover for:

- Buildings.
- Contents.
- Loss of Rent.

- Strata Title mortgagee protection.
- Rent Default.
- Theft by a Tenant.

Any optional cover We agree to provide You will be shown on Your Schedule.

Excess that may apply

If You make a Claim under the policy, You may be required to pay one or more Excesses. The descriptions of these Excesses and the circumstances in which they are applied are shown in the policy.

If You select cover for Buildings and Contents, in the event of destruction, loss or damage to both Your insured Buildings and Contents for the same event, You will only be required to pay one Excess. If the nominated Excess for Buildings and Contents are different, the Excess payable will be the higher of these Excesses.

In most instances, You can select at the time of Your enquiry or application for insurance the amount of policy Excess You wish to pay should You have a Claim. When You select a higher policy Excess amount, We will normally reduce the amount of premium We charge You.

In some instances, We will impose the amount of policy Excess You will need to pay should You have a Claim.

In deciding to impose a policy Excess, We take into consideration a number of factors in setting the amount of the policy Excess. These include factors relating to the type of property being insured, where the property is located, the type of construction of the property and Your previous insurance and claims history. At the time of Your enquiry or application for insurance, the amount of policy Excess will be advised to You.

Words with special meanings

In this policy there are words that have a special meaning. These words are listed below.

Agent (Property Agent)

Your licenced real estate agent or property manager.

Allowable Reletting Expenses

Reletting expenses as specified in the current Rental Agreement for Your property.

Audit

An investigation of Your financial or taxation affairs that is initiated by an authorised government authority or agency in relation to, and following the lodgement of a tax return.

Bond Money

Money paid by the Tenant and held as security against damage to the property or outstanding Rent or other costs. Your policy will operate on the basis that Bond Money equal to at least four weeks Rent has been paid.

Buildings

Buildings are:

- Residential Buildings including any professional offices or surgeries in those Buildings.
- Domestic out-Buildings.
- Fixed coverings to walls, floors and ceilings. This does not include fixed carpet, curtains or internal blinds.
- Services, which include the supply of electricity, water, etc.
- Items built in or fixed to or on the Buildings.
- Jetties, wharfs, pontoons and moorings used for domestic purposes.
- Blinds or awnings on the outside of the Buildings.
- Anything permanently built, permanently constructed or installed permanently on Your property for domestic purposes.
- Building materials. We will pay up to \$5000 in total for these items.

Buildings are not:

- Property that a Tenant is liable for under the terms of a Rental Agreement. This does not apply to items listed under 'What are Buildings'.
- Lawns.
- Loose or compacted soil, gravel, pebbles, rocks or sand.
- Dams.
- Plants, shrubs, trees or grass.

Claim

A separate identifiable event for which the policy provides cover. Where multiple events are submitted at the same time or on the same Claim form, they will be treated as separate Claims for the application of any policy Excess or limitation.

Contents

Contents are:

- Household goods You own or are legally responsible for that are not fixed or fitted to Your Building at Your Rental property.
- Carpets, curtains and internal blinds.
- Furniture and furnishings that are not built in.
- Portable domestic appliances that are not built in and are installed specifically for tenants use.
- Swimming pools, saunas and spas that are not built in, and accessories for any swimming pools, saunas or spas.
- Items thinly covered with gold or silver that are not jewellery or watches.
- Fixtures and fittings that have been installed if You are the owner of a strata title unit. We will not cover any fixtures and fittings if the body corporate has them insured.
- Clothing, pedal cycles, surfboards, sailboards, surf skis. We will pay up to \$2,000 in total for these items.
- Special contents which are listed on Your Schedule.

Contents are not:

- Jewellery and watches.
- Items that contain gold or silver. This does not include items thinly covered with gold or silver
- Unset precious and semi- precious stones
- Furs.
- Personal effects.
- Money.
- Negotiable documents.
- Computers, computer tapes, or discs.
- Cameras and photographic equipment.
- Mobile phones
- Sporting equipment.
- Photographic equipment.
- Collections of stamps, medals or coins.
- Plants and trees growing outdoors. This does not include plants and trees growing in pots or tubs.
- Animals, including birds and fish.

- Motorcycles, mini- bikes, caravans, trailers, aircraft, watercraft or motor vehicles other than ride-on mowers.
- Building materials.

Deliberate or Intentional Damage

An act done without the owner's permission and with the full knowledge that the action will alter the current state of the property, and without any malice, vindictiveness or spite. This does not include:

- Tenant neglect, carelessness, poor housekeeping, or unhygienic living habits.
- Damage occurring during maintenance operations carried out by the Tenants or anyone acting on their behalf.
- Damage as a result of repairs, or attempted repairs, carried out by the Tenants or anyone acting on their behalf.
- Damage caused by failure of Tenants or their visitors to control their children
- Damage caused by pets belonging to Tenants, their visitors or children of the Tenants or their visitors.
- Theft, or damage caused by theft.
- Accidental damage or accidental loss.
- Malicious Damage or Vandalism.
- Scratching, dinting, chipping, rubbing or chafing.

Excess

This is the amount of money You will pay if You have a Claim. We will reduce the amount We pay You for Your Claim by the Excess. Your Excess will apply for each separate identifiable event.

If You select cover for Buildings and Contents, in the event of destruction, loss or damage to both Your insured Buildings and Contents for the same event, You will only be required to pay one Excess. If the nominated Excess for Buildings and Contents are different, the Excess payable will be the higher of these excesses.

Your Excess will be increased for claims for:

- An earthquake or tsunami by \$250.
- Accidental loss or damage by \$400.
- Malicious Damage or vandalism, deliberate or intentional damage by \$400.
- Rent Default and theft by a Tenant by \$400.

Flood

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.

Holiday Let

Short term holiday accommodation.

Malicious Damage or Vandalism

A wrongful act motivated by malice, vindictiveness or spite with the intention of damaging the property. This does not include:

- Tenant neglect, carelessness, poor housekeeping or unhygienic living habits.
- Damage occurring during maintenance operations carried out by the Tenants or anyone acting on their behalf.
- Damage as a result of repairs, or attempted repairs, carried out by the Tenants or anyone acting on their behalf.
- Damage caused by failure of Tenants or their visitors to control their children.
- Damage caused by pets belonging to Tenants, their visitors or children of the Tenants or their visitors.
- Theft, or damage caused by theft.
- Deliberate or Intentional Damage.
- Accidental damage or accidental loss.
- Scratching, dinting, chipping, rubbing or chafing.

Periodic Tenancy Agreement

When a Tenant continues to occupy the Situation, after a fixed term Rental Agreement has expired, and the Rental Agreement does not provide for its continuation, and:

- a notice to leave, or
- a notice of intention to leave, or
- an abandonment termination notice,

has not been given by the Tenant to You or Your agent, or by You or Your agent to the Tenant. The Tenant is then deemed to be under a Periodic Tenancy Agreement on the same terms which applied immediately before the Rental Agreement ended. This does not include any term about the agreement's term.

Rent

The amount of money paid, or payable, by the Tenant to Rent Your property.

Rent Default

Where the Tenant fails to pay Rent in accordance with a Rental Agreement and/or Periodic Tenancy Agreement.

Rental Agreement

The agreement between You or Your agent and the Tenant. This agreement must be in writing and state:

- the term of the Rental period, and
- the amount of Rent payable to You, and
- the amount of the Bond Money that the Tenant is required to pay.

Schedule

This is 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.

Short Term Rental

Refers to Rental periods of less than three months in length.

Situation

This is the place where the Building and/or Contents are located. We will show this place on all Schedules We give You.

Tenant

The person(s) named in the Rental Agreement or Periodic Tenancy Agreement and including that person's partner, children, pets, and any other person(s) permanently living at the Situation.

Any person(s) including that person's partner, children, pets and any other person(s) living at Your Situation under a Rental arrangement that is not a Rental Agreement or Periodic Tenancy Agreement.

We, Us, Our (the insurer)

Insurance Australia Limited ABN 11 000 016 722, AFS Licence Number 227681.

You, Your (the insured)

The person(s) whose name or entity is set out on the Schedule as the insured.

Section 1 – Buildings and Contents

What is insured

Your Buildings and/or Contents as set out in Your Schedule are insured if they are destroyed, lost or damaged. They are insured only if You own them, or are liable for them.

If You only insure Buildings, the cover provided for destruction, loss or damage does not apply to Contents. This does not include the Contents cover We provide shown under 'Additional things We will pay for when You have insured Your Buildings'. If You only insure Contents, the cover provided for destruction, loss or damage does not apply to Buildings.

Your Buildings and Contents are only insured while at Your Situation.

We will cover Your Buildings and Contents for any accidental damage or accidental loss including that caused by:

- Erosion, subsidence, landslide or earth movement.

The cover for erosion, subsidence, landslide or earth movement only applies if the loss or damage occurs within seventy-two (72) hours of, and as a direct result of, erosion, subsidence, landslide or earth movement directly caused by:

- storm, storm surge, Flood, rainwater, hail, snow, wind, tornado or cyclone;
- earthquake, subterranean fire, volcanic eruption or tsunami;
- explosion; or
- liquid escaping from a fixed pipe or something attached to a pipe, fixed gutter, fixed tank apparatus or a drain.

If You have insured Your Buildings under this policy, We will also cover destruction, loss or damage to gates, fences or retaining walls that are attached to, and are part of the structure of the Buildings.

- Storm, Flood, rainwater or wind. This includes storm, Flood, rainwater or wind damage to:
 - gates, fences or walls that are attached to, and are part of, the structure of the Buildings,
 - gates, fences or walls that are not attached to, and are not part of, the structure of the Buildings but only for any section of a gate, fence or wall made of brick, stone, metal or frame-supported corrugated fibrous material. The frame supporting the corrugated fibrous material must be made of brick, stone or metal
 - gates, fences or walls made of timber and that are not attached to, and are not part of, the structure of the Buildings. We will only pay for gates, fences or walls which are 15 years old or less
 - free-standing fences that do not have a supporting frame but only if these fences are made from corrugated fibrous material. These fences must have been installed and constructed according to the manufacturer's specifications.

We will not pay for storm, Flood, rainwater or wind damage to swimming pool covers including solar covers, plastic liners for swimming pools. Or to jetties, wharves, bridges or pontoons for damage by Flood.

- An electric motor burning out. If an electric motor burns out, We will repair, reinstate or replace it. We decide which one We will do. We will only do this if the electric motor is 15 years old or less.

We will not cover Your Buildings and Contents for any accidental damage or accidental loss caused by:

- Landslide, or subsidence, settling, shrinkage or any movement of earth or erosion except as described under Buildings and Contents – What is insured.
- Water entering the Buildings through an opening made for any Building, renovation or repair work.
- Water entering the Buildings because of a structural defect, faulty design or faulty workmanship when the Buildings were constructed and that You knew about (or should reasonably have known about) and did not fix before the loss or damage occurred (e.g. if there are signs that previous damage was caused by a defect, We will not pay a later Claim for further damage from that defect).

- Rust, corrosion, gradual deterioration, depreciation, Wear or tear.
- Rats, mice or insects gnawing, biting, chewing, clawing, scratching or in any way polluting or contaminating Your Buildings or Contents. However, this exclusion only applies to damage caused directly by the gnawing, biting, chewing, clawing, scratching, polluting or contaminating. For example, if a mouse chews through an electrical wire, which leads to a fire, this exclusion will not operate to exclude the destruction or damage caused directly by the fire. We will not however pay for the damage to the electrical wire caused by the mouse chewing the wire.
- Roots from trees, plants, shrubs or grass For example, if the tree roots damage and block a pipe, We will pay for the resultant destruction of or damage to the Buildings caused by water overflowing in the Building. We will not however pay for damage to the pipe.
- Any process of cleaning involving the use of chemicals other than domestic household chemicals.
- A defect in an item, faulty workmanship, structural defects or faulty design that You knew about (or should reasonably have known about) and did not fix before the loss or damage occurred. We will however cover resultant damage. But we will not pay for the defective item or for the costs to rectify the faulty workmanship or design.
- Breakage of mirrors, glassware, crystal, crockery or china while they are being used, cleaned or carried by hand.
- Tenants, their visitors, their visitors' children, or their visitors' pets, scratching, denting, chipping, rubbing, or scuffing, any surface
- Mechanical or electrical breakdown other than an electric motor burning out. We will for any resultant damage following mechanical or electrical breakdown.

Additional things We will pay for when You have insured Your Buildings

The following will be paid in addition to the sum insured. These will only be paid when they relate to damage or loss that is covered by Section 1 – 'Buildings and Contents' of this policy.

- We will pay Your legal costs to discharge Your mortgage if Your Claim is for a total loss.
- We will pay the reasonable costs of demolishing and removing any Building debris when damage or loss occurs. We will pay up to 15 per cent of Your Buildings sum insured.
- We will pay the reasonable costs of architects, surveyors and legal fees when damage or loss occurs. We will pay up to 15 per cent of Your Buildings sum insured.
- We will pay up to \$10,000 for Contents. This will be paid in addition to any value of Contents shown on Your Schedule.
- If You have a loss, We will increase Your sum insured by the amount the Consumer Price Index (all groups) has increased since You took out Your policy or last renewed it.
- You are fully insured again for Your Buildings for the amount shown in Your Schedule following a Claim. This does not apply when Your Claim is for a total loss as Your cover for Buildings, including Contents cover We provide under 'Additional things We will pay for when You have insured Your Buildings' will end then.
- We will pay up to an additional 15 per cent of the Buildings sum insured if Your Buildings are damaged as a result of an event that the government declares a catastrophe or emergency.
- If a key to an external door lock of Your Buildings, or a key to an external window lock of Your Buildings, is stolen as a result of burglary or housebreaking, We will pay the reasonable costs of replacing the external lock, key or cylinder with a similar item. We decide which one We will do. The most We will pay is \$1,000. The burglary or housebreaking must be reported to the Police.
- If Your Buildings have been totally destroyed and We have agreed to rebuild Your Buildings, We will pay for the cost to install any combination of:
 - rainwater tank facility (including the rainwater tank, water pump and wiring, foundation or tank stand, pipes connecting the roof to the tank);
 - solar power system (including the solar or PV panels, water tank, pump, electrical wiring, foundation or tank stand and pipes connecting the roof solar panels to the tank);

- hot water exchange system (including the heat exchange system, electrical wiring, foundation or tank stand and water pipes); and
- grey water recycling system (including the recycling system, distribution pipes and connectors and outlet housings).

The most We will pay under this additional cover is \$5,000 after deduction of any rebate that You are eligible for under any government or council rebate scheme.

Additional things We will pay for when You have insured Your Contents

The following will be paid in addition to the sum insured. This will be paid only when they relate to a Claim for Malicious Damage or Vandalism. This does not include Deliberate or Intentional Damage.

- We will pay up to \$25,000 if a Tenant or their visitors, or the children of a Tenant or their visitors, or the pets of Tenants or their visitors damage Your Body Corporate Building and You are legally liable for the damage.

The following will be paid in addition to the sum insured. These will only be paid when they relate to damage or loss that is covered by Section 1 – ‘Buildings and Contents’ of this Policy.

- We will pay the reasonable costs of removing any Contents debris when damage or loss occurs. We will pay up to 15 per cent of Your Contents sum insured.
- If You have a loss, We will increase Your sum insured by the amount the Consumer Price Index (all groups) has increased since You took out Your policy or last renewed it. This increase does not apply to any special contents You have insured.
- You are fully insured again for Your Contents for the amount shown in Your Schedule following a Claim. This does not apply when Your Claim is for a total loss as Your cover for Contents will end then.
- If a key to an external door lock of Your Buildings, or a key to an external window lock of Your Buildings, is stolen as a result of burglary or housebreaking, We will pay the reasonable costs of replacing the external lock, key or cylinder with a similar item. We decide which one We will do. The most We will pay is \$1,000. The burglary or housebreaking must be reported to the Police.

Additional things We will pay for when You have insured Your Buildings and/or Contents

If you have insured your Buildings or Contents under this policy, or both, the following will be paid in addition to the corresponding sum insured. If you have insured your Buildings and your Contents under this policy, we will only pay once under these additional covers for any one (1) period of insurance.

- We will pay the professional costs for the removal of tree stumps, fallen trees and branches and associated removal costs necessarily incurred in order to repair or replace your Buildings and Contents damaged by a storm or storm surge covered by this policy.

We will pay for the fees that You must pay to an accountant when Your financial affairs in respect of the Situation shown on Your Schedule, are Audited by the Australian Taxation Office during the period of insurance. You must advise Us of any such Audit prior to the fees being incurred.

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 outside the time limits allowed by the Australian Taxation Office; and
- any fines, penalties or adjustments of taxation.

The most We will pay under this additional cover is \$5,000 during any one (1) period of insurance.

Limit for the value of Contents

The most We will pay for any one item, pair, set, collection or system is \$20,000. This does not apply to carpets, curtains and internal blinds. You can insure items that are worth more than \$20,000 each as a ‘special contents’ item. To do this You must advise Us and the items will be listed on Your Schedule.

Paying Claims

Policy Excess

For each Buildings or Contents Claim We will reduce the amount We pay You for Your Claim by the Excess.

If You select cover for Buildings and Contents, in the event of destruction, loss or damage to both Your insured Buildings and Contents for the same event, You will only be required to pay one Excess. If the nominated Excess for Buildings and Contents are different, the Excess payable will be the higher of these excesses.

Your Excesses will be shown on Your Schedule.

Your Excess will be increased by \$250 for any Claim for damage or loss arising from Earthquake or tsunami. Damage or loss from earthquake must occur within 72 hours of the earthquake.

Your Excess will be increased by \$400 for any Claim for damage or loss arising from accidental loss or damage, Malicious Damage or Vandalism, Deliberate or Intentional Damage, theft from any part of Your Buildings or Contents by Tenants, their visitors, or their visitors children. When loss or damage is discovered and a Claim is submitted for separate identifiable events, the maximum Excess that will apply is \$1,000 in total.

The additional \$400 Excess for Claims arising from accidental loss or damage by Tenants, their visitors, or their visitors children, does not apply to Claims arising from:

- Fire.
- Explosion.
- Liquid that escapes from:
 - a fixed pipe or something attaching to a pipe, fixed gutter, fixed tank or a drain
 - a bath, basin, shower, sink, toilet or tiled floor that has drainage holes
 - a washing machine or dishwasher
 - an aquarium
 - a waterbed.
- Impact by a vehicle.
- Accidental breakage of:
 - fixed glass in the Buildings
 - fixed shower bases, basins, sinks, baths or toilets.

The most We will pay for Your Buildings or Contents

The most We will pay for any Claim for Buildings or Contents is the sum insured shown on Your Schedule, less any applicable Excess. This does not apply to amounts payable under 'Additional things We will pay for when You have insured Your Buildings' or 'Additional things We will pay for when You have insured Your Contents'.

When damage or loss occurs to Your Buildings We will pay the cost of rebuilding Your Buildings or repairing the damaged portions to the same condition as when they were new.

We will also pay any additional costs required for Your Buildings to comply with government or local authority bylaws. We will not pay these additional costs if You were required to comply with these bylaws, and had not done so, before the damage or loss occurred. Where the damage is less than 50% of the costs of rebuilding Your Buildings, We will only pay for the additional costs in the damaged portions.

Unless We otherwise agree in writing, rebuilding or repairing Your Buildings must commence within six months of the damage or loss occurring. If it does not commence within six months, We will do one of the following:

- reinstate or repair the Buildings to the condition they Were in just before the damage or loss occurred, or
- pay You the cost of reinstating or repairing the Buildings to the condition they Were in just before the damage or loss occurred, or
- pay You the value of the land and Buildings just before the damage or loss occurred. We will reduce this payment by the value of Your land and Buildings after the damage or loss occurred.

We decide which one We will do.

We will pay for the damaged portion of fixed coverings to walls, floors and ceilings only in the room, hall or passage where the damage occurred.

We will try to match any material used to repair the Buildings with the original materials. If We cannot, We will use the nearest equivalent available to the original materials. We will not pay any costs for replacing undamaged property, or fixing or finding leaks that have not caused loss or damage to Your Buildings or Contents.

If the damage or loss was caused to the Buildings by liquid escaping from a bath, basin, sauna, spa, shower base or shower wall, We will pay the costs to repair the Buildings and identify and locate where the liquid escaped from. We will not pay:

- The cost to repair or replace the bath, basin, sauna, spa, shower base or shower wall.
- Fixing or finding leaks that have not caused loss or damage to Your Buildings or Contents.

If the rebuilding or repair is limited by government or local authority bylaws that reduce the floor area of the Buildings We will:

- Pay the actual cost of rebuilding or repairing the reduced floor area of the Buildings, and
- Pay the difference between the actual costs of rebuilding or repairing the reduced floor area of the Buildings and the estimated costs of rebuilding or repairing had the limit not applied.

Provided Your sum insured is not totally used for a Claim We will also pay for any loss of land value following Your Claim. This loss must be as a result of government or local authority legislation that reduces the floor area of Your Buildings. Loss of land value is the difference between the value of the land just before the damage or loss occurred, and the value of the land just after the damage or loss 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.

Where You are entitled to use Bond Money to pay for or reduce the costs of any loss or damage, You must do so and the amount of that entitlement will be deducted from Your Claim.

Where a Claim relates to the Contents cover provided under 'Additional things We will pay for when You have insured Your Buildings' it will be settled under the section 'How We pay a Claim for Your Contents'.

How We pay a Claim for Your Contents

When damage or loss occurs to:

- any item that consists solely of fabric, or
- carpet which is 10 years old or more, or
- any other Contents item that is 15 years old or more, We will do one of the following:
 - replace the property with property of the same condition. The replacement property will be no better than the property replaced, or
 - repair the property to the same condition it was in before the damage or loss, or
 - We will pay You the cost of replacement or repair.

When damage or loss occurs to any other Contents item We will do one of the following:

- replace the property with the nearest equivalent new property, or
- repair the property to the condition it was in when new, or
- pay You the cost of replacement or repair. We decide which one We will do.

We will pay for carpets, wall, floor and ceiling coverings, internal blinds and curtains, only in the room, hall or passage where the damage or loss occurred.

When a damaged or lost item 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.

Where You are entitled to use Bond Money to pay for or reduce the costs of any loss or damage, You must do so and the amount of that entitlement will be deducted from Your Claim.

Optional benefit – Loss of Rent

This section of the policy only applies when Your Schedule shows that You have requested cover for Loss of Rent.

It applies when accidental damage or accidental loss occurs on the same basis as set out in Section 1 "Building and Contents". We will pay when the Building or sections of the Buildings and/or Contents are:

- unable to be lived in after the accidental damage or accidental loss has occurred, or
- unable to be leased or rented when the property is used for short term Rental after the accidental damage or accidental loss has occurred We will deduct an amount equal to five days Rent from Our payment to You.

Unable to be lived in means when Your Buildings are not:

- fit to live in due to the Buildings not being connected to:
 - electricity or gas, or
 - hot and cold running water, or
- safe to live in.

Unable to be leased or Rented means when You cannot lease or Rent the Buildings due to the condition of the Buildings after the accidental damage or accidental loss has occurred, but does not mean 'unable to be lived in'.

The cover also applies when accidental damage or accidental loss to other property located near the insured Buildings is damaged and access to the Buildings or Contents is prevented.

We will pay the amount that is equal to the Rent up to the period of time Your Buildings have been repaired or replaced. We will pay this for up to 24 months and the amount We pay will not be greater than double the amount of the sum insured shown on Your Schedule.

When accidental damage or accidental loss occurs to Buildings that are subject to Rent Pool arrangements We will only pay where other sections of the Buildings are not available for lease and a financial loss occurs.

Where the Buildings are not used for Short Term letting, We will extend cover for up to 2 Weeks after the Buildings have been repaired or replaced.

Where You are entitled to use Bond Money to pay for or reduce the costs of any loss or damage, You must do so and the amount of that entitlement will be deducted from Your Claim.

Optional benefit – Strata Title Mortgagee Protection

This section of the policy only applies when Your Schedule shows that You have requested cover for Mortgagee Protection.

It applies when You own part of a Building that has been subdivided, usually into strata title units, and You have a mortgage on that part of the Building. We will cover the part of the Building that You own for any damage or loss covered by Section 1 – 'Buildings and Contents'.

We will pay up to the amount You owe on Your mortgage but no more than the sum insured shown on Your Schedule, less any applicable Excess. We will pay this to Your mortgagee when You are required to pay Your mortgage in full following a loss. We will only pay this when the body corporate has not insured the Buildings, or it has not insured the Buildings for damage that You can Claim for under this policy.

Optional Benefit – Rent Default

This section of the policy only applies when Your Schedule shows that You have requested cover for Rent Default.

When We will pay for Rent Default

We will pay if Your Tenant:

- leaves Your Buildings before the end of the tenancy period stated in the Rental Agreement and does not give You or Your agent notice, or
- stops paying Rent owed to You or Your agent, or
- is legally evicted from Your Buildings.

We will pay the Weekly amount Your Buildings are Rented for. The most We will pay is \$12,000. We will not pay You when Your Buildings are re-Tenanted.

We will also provide cover for up to six weeks Rent after:

- A death of a sole Tenant that occurs before the end of the tenancy period of Your Rental agreement or during a periodic tenancy agreement. Cover will start from the date of the death of the sole Tenant. We will not pay if the sole Tenant had given You or Your agent notice in accordance with the Rental agreement or periodic tenancy agreement prior to their death.
- Your Rental agreement or periodic tenancy agreement is legally terminated by a Residential Tenancies Tribunal or another relevant authority on the grounds of hardship on the part of the Tenant. Cover will start from when the termination order issued by the Residential Tenancies Tribunal or other relevant authority takes effect.

This cover will stop immediately if Your Rental property is re-Tenanted.

Paying Claims for Rent Default

We will only pay a Rent Default Claim when You and Your Tenant have a Rental Agreement, and if the Tenant breaches the Rental Agreement.

The cover for Rent Default will not apply if the Rent is in arrears at the commencement date of this insurance.

The cover will not commence until the Rent arrears have been paid, and the Tenant has paid agreed Rent in accordance with the Rental Agreement for a period of not less than four consecutive Weeks.

When We pay a Claim for Rent and/or legal expenses, the Claim will be reduced by the balance, if any, of any Bond Money remaining after deduction of allowable reletting expenses and any other costs or expenses You are legally entitled to deduct from the Bond Money. If a tribunal orders the refund of the Bond Money to the Tenant, on the grounds of hardship, an Excess equal to four Weeks Rent will apply to Your Claim.

We will only pay a Claim when You have taken all reasonable steps legally available to You under the Residential Tenancies Act or other relevant legislation, to remedy non-payment and evict the Tenant. Your Claim for Rent Default ceases when the Rental Agreement could reasonably have been legally terminated by You.

When You or Your agent issues a Notice to Leave to the Tenant, the maximum Rent payable under this policy will be two Weeks from the date the Tenant vacates the Building.

We will not pay if Your Tenant leaves the Buildings with or without notice, and You have failed to rectify a Notice of Remedy breach issued by the Tenant to You.

Theft by a Tenant

This section of the policy only applies when Your Schedule shows that You have requested cover for Theft by a Tenant.

When We will pay Theft by a Tenant

We will pay if there is theft of any part of Your Buildings or Contents by Your Tenant or their visitors, or their visitors' children.

We will only pay for theft to:

- Your Buildings if You have insured Your Buildings under Section 1 of this policy.
The most We will pay is the sum insured You have selected for Your Buildings, less any applicable Excess. This includes \$10,000 for Contents as set out under 'Additional things We will pay for under the Building'.
- Your Contents if You have insured Your Contents under Section 1 of this policy.
The most We will pay is the sum insured You have selected for Your Contents, less any applicable Excess.

Rent Default and Theft by a Tenant Excess

We will reduce the amount We pay You for Your Claim by the Excess that applies to Your Buildings and/or Contents. The amount of Your Excess is shown on Your Schedule.

Your Excess will be increased by \$400 for any Claim arising from the theft of any part of Your Buildings or Contents, Malicious Damage or Vandalism, Deliberate or Intentional Damage by Your Tenants or their visitors or the children of Your Tenants or their visitors. When loss or damage is discovered and a Claim is submitted for separate identifiable events, the maximum Excess that will apply is \$1,000 in total.

Additional things We will pay for when You make a Claim for Rent Default and Theft by a Tenant

We will also pay legal costs You incur:

- to legally evict Tenants, or
- to recover amounts owed to You by Your Tenants, or
- to recover amounts for items stolen by Your Tenants or their visitors, or their visitors' children.

We will not pay legal costs to recover any amount owed to You solely for the payment of any Excess applicable to any Claim under this policy.

The most We will pay for Your legal costs is \$5,000. We will only pay Your legal costs when We agree to pay them before they are incurred.

Section 2 - Liability

What You are covered for

- If You have insured Your Buildings under this Policy, We will cover You against any claim for compensation or expenses which You become legally liable to pay for:
 - the death of, or Personal Injury to, any person; or
 - the Damage to Property,resulting from an Occurrence during the period of insurance arising out of the ownership or occupancy of Your Buildings or the Situation.
- If You have insured Your Contents under this Policy and You own part of a Building that has been subdivided, We will cover You against any claim for compensation or expenses which You become legally liable to pay for:
 - the death of, or Personal Injury to, any person; or
 - the Damage to Property,resulting from an Occurrence during the period of insurance arising out of the ownership of Your Contents or occupancy of Your part of the Building or Situation. This does not include any amount You have to pay because You are the owner of part of the Building.

Definitions for Your Liability Cover

In this section:

'Bodily Injury' means physical bodily harm including resultant sickness or disease that requires care or loss of services and/or resultant death.

'Damage to Property' means physical injury to or destruction of tangible property, including the loss of its use. Tangible property includes the cost of recreating or replacing stocks, bonds, deeds, mortgages, bank deposits and similar instruments, but does not include the value represented by such instruments.

'Occurrence' includes continuous or repeated exposure to substantially the same general conditions. We regard all death, Personal Injury or Damage to Property arising from one (1) original source or cause as one (1) occurrence.

'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; or
- 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.

Limit of Your Liability Cover

The most We will cover for any liability Claim is \$20,000,000 for any one (1) Occurrence, including any legal costs You have to pay in relation to the Claim and costs awarded against You.

However we will only pay for those legal costs that we have provided our prior consent to you incurring.

Liability cover after total loss

If Your Buildings are a total loss, We will continue to provide cover for Your liability as owner or occupier of the Buildings for up to six months from the date Your Buildings were destroyed.

This cover will stop immediately if:

- construction commences at the Situation, or
- You sell the land, or
- You take out a new buildings insurance policy for the Building.

When We will not pay

We will not pay Claims arising from:

- Penalties, fines or awards of aggravated, exemplary or punitive damages made against You.
- Using motor vehicles, motor-cycles, mini-bikes, aircraft or watercraft, other than ride-on mowers.
- Servicing, repairing or maintaining any vehicle.
- 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 to any person You employ and that injury arises from their employment with You.
- Damage to 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.
- Damage to Property that belongs to any person You employ and that damage arises from their employment with You.
- Damage to Property that is in Your control, or the control of any member of Your family who normally lives with You, or any other person who normally lives with You.
- Any alterations, servicing, repairing or any additions to lifts, escalators or hoists. This includes anything that is part of a lift, escalator or hoist.
- Vibration or interference with the support of land, Buildings or other property.
- 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 other than managing the Buildings and their surrounds.
- Any alterations, repairs, renovations or additions to Your Buildings that cost more than \$100,000.
- The erection or demolition of Buildings.
- Any agreement or contract You enter into other than where You would have been liable without the agreement or contract.
- The use, removal of or exposure to any asbestos product or products containing asbestos.
- The discharge, release or escape of any pollutants.
- The removal, neutralising or cleaning up of pollutants.
- Any act of libel or slander.

What Section 1 and Section 2 of the Policy Do Not Cover

We will not pay Claims arising from:

- War or warlike activity. War does not have to be declared. We also do not provide cover for theft following this.
- Hostilities, rebellion, insurrection or revolution. We also do not provide cover for theft following these events.
- Contamination by chemical and/or biological agents, which results from an act of terrorism. Terrorism is 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.
- Lawful destruction or confiscation of Your property.
- Anything nuclear or radioactive.
- Damage to a heating element. We will pay for any resultant damage following damage to a heating element.
- Mildew, atmospheric or climatic conditions.
- Anything that You or anyone acting for You deliberately caused.
- Action of the sea, tidal wave, high water.
- Landslide, subsidence, settling, shrinkage or any movement of earth or erosion except as detailed under 'What is insured'.
- Any event that does not occur within the period of insurance.
- Failure or inability of any item, equipment or computer software to recognise correctly, to interpret correctly or to process correctly any date, or to function correctly beyond any time when that item, equipment or computer software has not recognised, interpreted or processed correctly any date. We will pay for any resultant loss or damage that is covered by this policy, other than loss or damage to any frozen food, or loss or damage to any computer equipment or computer software.

Policy Information – General Terms and Conditions

This applies to Section 1 and Section 2 of the policy.

When Your insurance cover does not apply

Cover for Your Buildings and Contents will not apply if, for a continuous period of ninety (90) days or more, no one has Occupied Your Buildings. This does not apply to holiday lettings or if the destruction, loss or damage results from lightning, thunderbolt, riot and civil commotion, damage directly caused by impact by a vehicle, aircraft, waterborne craft, space debris, rocket, satellite, or a branch, tsunami or earthquake. However, We do not insure You against any subsequent resultant damage such as rainwater entering any opening made by impact or looting subsequent to a riot. This does not apply to holiday lettings.

You can ask Us to provide cover if Your Buildings are not going to be occupied for more than ninety (90) days. If We agree to provide cover, We will advise You in writing.

Sanction limitation and exclusion clause

You are not insured under any section of this Policy where a Claim payment breaches any sanction, prohibition or restriction under United Nations resolutions or the trade or economic sanctions, laws or regulations of Australia, the European Union, United Kingdom or United States of America.

Other interests

You must not transfer any interests in this Policy without Our written consent.

Any person whose interests You have told Us about and We have noted on Your Policy Schedule is bound by the terms of this Policy.

What You are required to do for Us

- You must pay Us the premium for this Policy.
- You must tell Us as soon as possible of anything that changes the facts or circumstances relating to Your insurance.
- You must take reasonable precautions to prevent anything which could result in a Claim under this Policy.
- You must make sure that anyone doing anything on Your behalf obeys all laws.
- You must comply with the terms and conditions of this Policy.

Goods and Services Tax (GST)

Unless expressly stated otherwise, all dollar amounts described in this policy are exclusive of GST.

If You are (or required to be) registered for GST You must tell Us Your Australian Business Number and entitlement to an input tax credit which We will deduct from any claim payment We make to You.

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.

How to make a Claim

Please contact Your Steadfast Broker to assist You in making a Claim.

In an emergency outside normal business hours You may ring Our emergency service on 1300 559 019 for assistance.

What You must do when You make a Claim

You must make Your Claim as soon as possible after You suffer a loss. If You do not make Your Claim within thirty (30) days, We may reduce what We pay You by an amount to take account of any disadvantage We suffer by the delay.

You must also:

- Take all reasonable steps to stop any further loss from occurring.
- Advise the nearest Police station if Your property is lost or stolen, vandalised or Maliciously Damaged. We may ask You to give Us a written report from the Police.
- Keep the property that has been damaged so We can inspect it.
- Tell Us about any prosecution or inquest that may be held.
- Send Us any document relating to Your Claim within seventy two (72) hours of You receiving the document.

What You must not do when You make a Claim

You must not do any of the following:

- Repair or replace any damaged property without Our consent.
- Pay, promise to pay, or offer payment, or admit responsibility for a Claim.

You give Us Your rights to Claim from anyone else

If You have a right to Claim against someone else for a Claim that You have made and We have paid under this Policy, You give Us Your rights to make that Claim. 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 which prevents Us from doing this and You must give Us all the information and cooperation that We require.

Claims Payment Examples

The following claims payment examples are designed to illustrate how a Claim payment might typically be calculated. These examples do not cover all scenarios or all benefits and do not form part of the Policy terms and conditions. They are a guide only. The amount payable under the Policy will depend on the facts applicable to the Claim as well as the coverage, exclusions and excesses set out in the Policy and the Policy Schedule.

Section 1 Example 1 - Buildings & Contents

The sum insured on Your Buildings is \$500,000. There is an Excess of \$500 applicable to any Claim. Your Building's roof is damaged during a storm, resulting in a Building repair cost of \$5,500.

How much We will pay	Explanation
\$5,000	We will pay \$5,500 being the cost to repair the roof inclusive of GST less the policy Excess of \$500. We would pay the builder \$5,000 and ask You to pay the Excess of \$500 to the builder.

Section 1 Example 2 - Buildings and Contents Insurance and Loss of Rent

You have insured Your Building and Contents under this Policy and You have selected the additional cover for Loss of Rent. The Building and Contents are partially damaged by a fire. As a result of the fire We agree that Your Tenants are unable to live in Your Buildings and You suffer a loss of Rent. The cost to repair the Building is \$14,250 and to replace the Contents is \$5,500. You receive \$525 per week as Rent from Your Tenants. The Building repairs take eight weeks to complete. There is an Excess of \$750 applicable to any Claim.

How much We will pay	Explanation
\$14,250	We will pay \$14,250 being the cost to repair the Building inclusive of GST.
\$5,500	We will pay \$5,500 comprising the replacement cost of Your Contents.
\$3,825	We will pay eight (8) weeks Rent for the period of time taken to repair the Building- (8 weeks x \$525 = \$4,200) less an amount equal to five (5) days Rent- (1/7 of \$525 = \$75, 5 days x \$75 = \$375). \$4,200 - \$375 = \$3,825. We will pay \$3,825.00 for the amount of Rent You have lost.
Total Claim Payment \$22,825	We will pay the total amount of \$23,575 less the policy Excess of \$750.

Section 1 Example 3 - Rent Default and Theft by Tenant

You have insured Your Building and Contents under this policy and You have selected the additional cover for Rent Default and Theft by a Tenant. Your Tenant has left the property during the fixed term Rental Agreement without giving You notice and has stolen a number of items (valued at \$3,350) from the property. You received \$900 per week as Rent from Your Tenant. You retain \$900 as Bond Money and Your Rental Agreement provides for Allowable Re-letting Expenses of \$200. You find another Tenant for the property after 10 weeks. There is a standard Excess of \$350 plus an additional Excess of \$400.

How much We will pay	Explanation
\$8,300	We will pay ten (10) weeks Rent for the time it takes to find another tenant.- (10 weeks x \$900 = \$9,000) less the Bond Money after deducting Allowance Re-letting Expenses- (\$900 - \$200 = \$700) Totaling \$8,300.
\$3,350	The value of the items stolen are assessed at \$3,350.
Total Claim Payment \$10,900	We will pay the amount of the Rent Default plus the value of the stolen items (\$11,650) less the Excess of \$750.

Section 2 - Liability

You have insured Your Building and Contents under this policy and an injury has occurred to a third party on Your property for which We agree You are liable. The third party claims \$18,000 as medical expenses from You together with \$7,000 in legal expenses which We agree to pay.

How much We will pay	Explanation
\$7,000	We pay the legal costs incurred.
\$18,000	We will pay the value of the medical expenses incurred by the third party as a result of the injury as the amount You are legally liable to pay the third party.
Total Claim Payment \$25,000	We will pay the total amount of the legal and medical expenses (\$7,000 plus \$18,000) to the third party.



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