



Mansions of Australia

HOME AND CONTENTS INSURANCE
PRODUCT DISCLOSURE STATEMENT AND POLICY WORDING

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Product Disclosure Statement

About this Product Disclosure Statement

This Product Disclosure Statement ('PDS') is designed to help You understand the Mansions of Australia Home and Contents Insurance Policy and to provide You with sufficient information to enable You to make an informed choice about whether to buy this Policy. If You have any questions, please contact Your broker.

About this Document

This document consists of a Product Disclosure Statement ('PDS') and Policy Wording.

Preparation Date

This PDS was prepared by AIG Australia Limited on 22 September 2017. Other documents may form part of Our PDS and if they do, We will tell You in the relevant document.

The Insurer

This insurance is issued/insured by AIG Australia Limited (ABN 93 004 727 753, AFSL 381686) ('AIG', 'We', 'Us' or 'Our').

AIG issues/insures this product pursuant to an Australian Financial Services Licence ('AFSL') granted to Us by the Australian Securities and Investments Commission.

This PDS provides key information about Your cover, including its features, benefits and costs. It is designed to help You understand Your Policy and make an informed choice about whether this insurance meets Your needs before You buy it.

The information contained in this PDS is general information and does not form part of Your agreement with Us. The Policy is Our legal contract with You and contains details covering the terms, conditions and any exclusions relating to the insurance cover to be provided by Us.

We suggest that You read the entire Policy to make Yourself aware of all the cover offered and to ensure the cover offered meets Your needs.

You can contact AIG at:

Street Address: Level 19, 2 Park Street, Sydney NSW 2000

Phone: 1300 030 886

The Agent

SGUAS Pty Ltd t/as Mansions of Australia (ABN 15 096 726 895, AFSL 234437) ('Mansions') arranges policies for and on behalf of the Insurer. Mansions acts under a binding authority given to it by the Insurer to act as its agent for the purposes of administering, arranging and issuing policies, alterations and renewals. In all aspects of arranging this Policy, Mansions acts as an agent for the Insurer and not for You.

Mansions is a company within the Steadfast Underwriting Agencies division of Steadfast Group Limited (ABN 98 073 659 677) ('SGL').

You can contact Mansions at:

Street Address: Level 5, 99 Bathurst Street, Sydney NSW 2000

Phone: 1300 738 308

Facsimile: 1300 662 215

Email: mansions@mansions.com.au

Updating this PDS

We may need to update this PDS from time to time if certain changes occur where required and permitted by law. We will issue You with a new PDS or a Supplementary PDS or other compliant document to update the relevant information except in limited cases. Where the information is not something that would be materially adverse from the point of view of a reasonable person considering whether to buy this insurance, We may issue You with notice of this information in other forms or keep an internal record of such changes including via the Mansions website at www.mansions.com.au. A paper copy of any updated information is available to You at no cost by contacting Mansions.

Your Duty of Disclosure

Before You enter into an insurance contract You have a duty of disclosure under the *Insurance Contracts Act 1984* (Cth). If We ask any questions that are relevant to Our decision to insure You and on what terms, You must tell Us anything that You know and that a reasonable person in the circumstances would include in answering the questions. You have this duty until We agree to insure You.

If You do not tell Us something

If You do not tell Us anything You are required to tell Us, We may cancel Your contract or reduce the amount We will pay You if You make a claim, or both. If Your failure to tell Us is fraudulent, We may refuse to pay Your claim and treat the contract as if it never existed.

Your duty of disclosure for renewals

Before You renew this contract of insurance, You have a duty of disclosure under the *Insurance Contracts Act 1984* (Cth).

If We ask You questions that are relevant to Our decision to insure You and on what terms, You must tell Us anything that You know and that a reasonable person in the circumstances would include in answering the questions.

Also, We may give You a copy of anything You have previously told Us and ask You to tell Us if it has changed. If We do this, You must tell Us about any change or tell Us that there is no change.

If You do not tell Us about a change to something You have previously told Us, You will be taken to have told Us that there is no change. You have this duty until We agree to renew the contract.

If You do not tell Us something

If You do not tell Us anything You are required to tell Us, We may cancel Your contract or reduce the amount We will pay You if You make a claim, or both.

If Your failure to tell Us is fraudulent, We may refuse to pay a claim and treat the contract as if it never existed.

Who needs to tell Us

It is important that You understand that You must answer Our questions honestly for Yourself and anyone else whom You want to be covered by the Policy.

Important

This Duty of Disclosure applies to all the people named on the form. Please read this PDS carefully to ensure:

- You are aware of all the contractual rights and obligations;
- the Policy provides the cover You require; and
- You are aware of the limits regarding Policy coverage and what We will pay You under the Policy.

General Insurance Code of Practice

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

The Code sets out the minimum standards of service that can be expected from the insurance industry and requires insurers to be open, fair and honest in their dealings with customers.

We are committed to adhering to the objectives of the Code and to uphold these minimum standards when providing services covered by this Code. The Code objectives will be followed having regards to the law and acknowledging that a contract of insurance is a contract based on the utmost good faith.

For more information please visit the Code of Practice website, www.codeofpractice.com.au or follow the links from the Insurance Council of Australia's website at www.ica.com.au

What You should read

To understand the features, benefits and risks of this insurance and to determine if it is appropriate for You, it is important that You read:

1. all of the PDS. This information is designed to help You understand this insurance and Your rights and obligations under it;
2. the Policy Wording part;
3. any Insurance Schedule; and
4. any other documents We may give You which vary Our standard terms of cover set out in this document.

These documents should be read together carefully. It is important that they are kept in a safe place.

Benefits and Features of the Policy

This Policy has three sections of cover. They are:

- Section 1 – provides a choice of cover for either:
 - Your Building; or
 - Your Contents; or
 - Your Building and Contents;
- Section 2 – provides cover up to \$30,000,000 for Your legal liability to pay compensation. This cover is automatically included with any cover under Section 1;
- Section 3 – provides cover for Specified Personal Property.
(This cover is available, at Your election, in addition to Your Building and/or Contents insurance).

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

Section 1 – cover for Your Building or Your Contents, or both.

Benefits of the Building insurance include cover for accidental loss or damage to the Building up to the Replacement Cost. We also include cover for the following:

- removal of debris up to 20% of the Sum Insured for the Building;
- professional fees up to 20% of the Sum Insured for the Building;
- loss of rent up to 20% of the Sum Insured for the Building;
- temporary accommodation up to 20% of the Sum Insured for the Building;
- Building escalation costs up to 20% of the Sum Insured for the Building;
- the cost of replacement locks;
- necessary alterations to the Building up to \$25,000;
- automatic indexation of 0.42% per month.

Benefits of the Contents insurance include cover for accidental loss or damage to the Contents up to the Replacement Cost. We also include cover for the following:

- removal of debris up to 20% of the Sum Insured for the Contents;
- storage up to \$100,000 whilst contained in a professional furniture storage facility;
- transit up to the Sum Insured for the Contents;
- temporary removal for Contents in certain circumstances. The benefit is a maximum of \$25,000 per article or set and \$50,000 in total;
- illegal use of credit cards up to \$10,000;
- visitor's belongings up to \$10,000;
- Contents moved to a new location for up to thirty (30) days;
- frozen food up to \$10,000;
- temporary accommodation up to 20% of the Sum Insured for Contents;
- Contents in the open air at The Situation up to 20% of the Sum Insured for the Contents.

The following additional benefits are also automatically included in the cover for the Building and/or Contents insurance:

- damage to electrical items;
- automatic reinstatement;
- pet care up to \$10,000;
- temporary accommodation where You are denied access to the insured property, up to the reasonable costs of accommodation for You and Your pets;
- costs of relocating Your home as a result of violent crime – the benefit We will pay is \$20,000;
- automatic cover for additional property acquired to a total limit of \$50,000;
- appreciating assets for items with specified Sum(s) Insured declared in the Asset Schedule – if, at the time of loss, a declared item has appreciated in value, We will, under certain conditions, pay the cost of replacing that item at its increased value;
- removal of fallen trees and branches up to \$10,000.

Section 2 – cover for Your legal liability

The Policy provides cover up to \$30,000,000 for Your legal liability to pay compensation for:

- death or bodily injury to other people;
- loss or damage to other people's property anywhere in the world.

Section 3 – cover for Specified Personal Property

Benefits include cover for accidental loss or damage to Specified Personal Property whilst the property is anywhere in the world.

Significant Risks

The following provides a summary of the main risks to cover only. These are examples only. You need to read the Insurance Schedule and the Policy Wording for full details of the available cover, terms, definitions, conditions, exclusions and limits that apply to make sure it meets Your expectations.

The risks associated with this insurance could include the following:

- cover may be inadequate for Your needs because the level or type of cover You need does not match the cover offered by this Policy. For example, an exclusion may apply, or You may not satisfy the terms and conditions of cover, or a limit applies to the amount You can claim. Do make sure You carefully read the terms and conditions before deciding whether it will meet Your needs;
- under insurance – for purposes of the Building and Contents cover it is important to make sure that the Sum Insured You select for Your Building and/or Contents fully reflects the value of Your property – otherwise Your cover may not be adequate to cover Your loss;
- failure to comply with the Policy terms and conditions – if You do not comply with the Policy terms and conditions (e.g. Your Duty of Disclosure) We may refuse to pay part or all of Your claim;
- failure to pay Your premium – in order for Your insurance to remain current, You must pay the premium by the due date. Otherwise We may cancel Your Policy;
- the Policy contains a sanctions clause which prevents Us paying claims to particular persons and/or making payment and providing covers in particular countries.

Conditions

All sections of the Policy are subject to important conditions. These include:

- You must at all times comply with Your Duty of Disclosure;
- You do not behave in a fraudulent manner;
- claims are handled in accordance with the claims standards set out in the Policy;
- We are entitled to inspect and salvage the insured property;
- We are entitled to negotiate, defend and settle any claim in Your name;
- cover will be suspended if the insured property is Uninhabited for a period of more than one hundred and twenty (120) continuous days;
- in the event of a claim, You must notify Us of other insurance providing cover the same as this Policy;
- We will provide an automatic reinstatement in the event of a partial loss on the payment of an additional premium;
- We are entitled to be subrogated to Your rights of recovery against a third party and You must not restrict or waive any such rights without Our written consent; and
- You must at all times take all appropriate maintenance and safety precautions found in the Policy.

Your Cooling-off Period

If, after reading the Policy, You are not satisfied with the cover, You may return the Policy within fifteen (15) days of receiving it, and obtain a full refund less any non-refundable government charges and taxes that We have paid. You may notify Us in writing or electronically.

If You make a claim for any incident within the fifteen (15) day period no cooling-off period is permitted.

Policy Costs

The cost of Your insurance is shown on Your Insurance Schedule. The cost of Your Policy is made up of Your premium, plus any applicable government taxes and charges such as stamp duty, applicable fire services levy and the GST.

We calculate Your premium using a rating system that includes certain rating factors. These factors include Your insurance history, the location and value of the Building insured, and the value of the Contents.

When You make a claim, an Excess is applicable. The applicable Excess is stated on Your Insurance Schedule. More than one (1) Excess may be applicable to the one (1) claim.

What happens if You do not pay the cost of Your Policy by the due date?

We will have the right to cancel Your Policy if You do not pay Your premium by the due date or if Your payment method is dishonoured and therefore We have not received Your payment by the due date. Unless We tell You, any payment reminder We send does not change the expiry of Your cover or the due date of Your premium.

Other costs, fees and charges

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

Costs or Fees	Details
Agency Fee	An agency fee is payable by You to cover the agent's administration cost of preparing and distributing Your Policy. The agency fee is noted in the Insurance Schedule and is not refundable in the event of cancellation, unless the insurance contract is cancelled within the cooling-off period or is a full term cancellation.
Cancellation Fee	You may cancel Your Policy at any time. If You choose to cancel Your Policy We will retain a portion of premium which relates to the period for which you have been insured. We will refund the residual for the unexpired period, less a cancellation fee which may be charged by Mansions of up to \$110 inclusive of GST, the agency fee and any non-refundable government taxes and charges, provided no event has occurred where liability arises under the Policy. For details of the cancellation fee, please refer to Mansions' FSG or contact Mansions.
Commissions	SGL or Mansions may receive a commission payment from Us when Your Policy is issued or renewed. If You cancel Your Policy, this commission payment may be non-refundable. For details of the relevant commission paid, please refer to SGL's FSG or Mansions' FSG or contact SGL or Mansions directly.

GST

The amount of premium payable for this Policy also includes an amount on account of GST. The Sum(s) Insured under this Policy exclude GST.

When We make a payment under this Policy for the acquisition of goods, services or other supplies, We will reduce the payment by the amount of any input tax credit that You are or would have been entitled to if You made a relevant acquisition.

Where You are registered for GST You must tell Us Your correct input tax credit entitlement. Any fines or penalties arising from Your incorrect advice are payable by You.

Excess

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

If We agree to pay Your claim, We will deduct the Excess from the amount of the claim We will pay to You, or We will ask You to pay the Excess to a supplier, repairer, or to Us.

The Excess payable by You is shown in Your Policy unless it is specifically noted in the Insurance Schedule to be otherwise.

There is no Excess to be paid on any items listed in Section 3, Specified Personal Property of the Policy unless specified otherwise in the Insurance Schedule.

In the case of loss or damage by earthquake, the Excess is \$2,000, unless otherwise stated in the Insurance Schedule. All destruction or damage from earthquake occurring within a period of forty-eight (48) hours of the first tremor shall be deemed one (1) event.

In the case of loss or damage by Flood, the Excess is \$2,000, unless otherwise stated in the Insurance Schedule. All destruction or damage for Flood occurring within a limit of forty-eight (48) hours from the time water moves into or over The Situation until it recedes shall be deemed one (1) event.

Privacy Notice

In this Privacy Notice the use of 'We', 'Us' or 'Our' means AIG Australia Limited ('AIG') and SGUAS Pty Ltd t/as Mansions of Australia ('Mansions') unless specified otherwise.

This notice sets out how AIG and Mansions collects, uses and discloses personal information about:

- You, if an individual; and
- other individuals You provide information about.

Further information about AIG's Privacy Policy is available at www.aig.com.au or by contacting AIG at australia.privacy.manager@aig.com or on 1300 030 886. Further information about Mansions' Privacy Policy is available at www.steadfastagencies.com.au/privacy-Policy/ or on +61 2 9307 6656.

How We collect Your personal information

AIG and Mansions usually collect personal information from You or Your agents.

AIG and Mansions may also collect personal information from:

- Our agents and service providers;
- other insurers;
- people who are involved in a claim or assist Us in investigating or processing claims, including third parties claiming under Your Policy, witnesses and medical practitioners;
- third parties who may be arranging insurance cover for a group that You are a part of;
- providers of marketing lists and industry databases; and
- publically available sources.

Why We collect Your personal information

AIG and Mansions collect information necessary to:

- underwrite and administer Your insurance cover;
- maintain and improve customer service; and
- advise You of Our and other products and services that may interest You.

You have a legal obligation under the *Insurance Contracts Act 1984* (Cth) to disclose certain information. Failure to disclose information required may result in AIG and Mansions declining cover, cancelling Your insurance cover or reducing the level of cover, or declining claims.

To whom We disclose Your personal information

In the course of underwriting and administering Your Policy We may disclose Your information to:

- entities to which AIG or Mansions is related, reinsurers, contractors or third party providers providing services related to the administration of Your Policy;
- banks and financial institutions for Policy payments;
- assessors, third party administrators, emergency providers, retailers, medical providers, travel carriers, in the event of a claim;
- other entities to enable them to offer their products or services to You; and
- government, law enforcement, dispute resolution, statutory or regulatory bodies, or as required by law.

AIG and Mansions are likely to disclose information to some of these entities located overseas, including in the following countries: United States of America, United Kingdom, Singapore, Malaysia, the Philippines, India, Hong Kong, New Zealand as well as any country in which You have a claim and such other countries as may be notified in Our Privacy Policies from time to time.

You may request not to receive direct marketing communications from AIG and Mansions.

Access to Your personal information

Our Privacy Policies contain information about how You may access and seek correction of personal information We hold about You. In summary, You may gain access to Your personal information by submitting a written request to AIG or Mansions.

In some circumstances permitted under the *Privacy Act 1988* (Cth), AIG and Mansions may not permit access to Your personal information. Circumstances where access may be denied include where it would have an unreasonable impact on the privacy of other individuals, or where it would be unlawful.

Complaints

Our Privacy Policies also contain information about how You may complain about a breach of the applicable privacy principles and how We will deal with such a complaint.

Consent

Your application includes a consent that You and any other individuals You provide information about consent to the collection, use and disclosure of personal information as set out in this notice.

Complaints and Disputes

How We will handle Your complaint

We strive to provide an efficient, honest, fair and transparent standard of service at all times. We recognise that occasionally mistakes or misunderstandings can happen. If this is the case, We realise that You will want to let Us know and may wish to make a complaint.

If You make a complaint We will make sure that Your concerns are addressed as quickly as possible.

What should You do if You have a complaint?

Any enquiry or complaint relating to this insurance should first be referred to Mansions on +61 2 9307 6653 or writing to Mansions at PO Box A2016, Sydney South NSW 1235 or by email at servicefeedback@steadfastagencies.com.au

If this does not resolve the matter or You are not satisfied with the way a complaint has been dealt with, please follow the procedure outlined below.

You can register a complaint by telephoning Us on 1800 339 669, lodging Your complaint on Our website, or by writing to:

The Compliance Manager
AIG Australia Limited
Level 12, 717 Bourke Street
Docklands VIC 3008

As soon as We receive Your complaint We will take all possible steps to resolve it. You will receive a written response to Your complaint within 15 working days, unless We agree a longer timeframe with You.

What should You do if You are not happy with Our response to Your complaint?

If You are not satisfied with Our response to Your complaint, You may wish to have the matter reviewed by Our Internal Dispute Resolution Committee ('Committee'). The Committee is comprised of Senior Management of the company who have the experience and authority to decide on matters brought to the Committee.

If You wish to have Your complaint reviewed by this Committee please telephone or write to the person who has signed the response letter to Your complaint and provide them with detailed reasons for requesting the review. This information will greatly assist the Committee in reviewing Your claim or enquiry.

Your complaint will then be treated as a dispute. You may also make a request for a review by the Committee by contacting:

The Chairperson IDRC
AIG Australia Limited
Level 12, 717 Bourke Street
Docklands VIC 3008

A written response setting out the final decision of the Committee and the reasons for this decision will be provided to You within 15 working days of the date You advise Us You wish to take Your complaint to IDRC.

If We are unable to provide a written response setting out the final decision We will keep You informed of progress at least every 10 days.

If You are not satisfied with the finding of the Committee, or if We have been unable to resolve Your complaint within 45 calendar days, You may be able to take Your matter to an independent dispute resolution body, the Financial Ombudsman Service Australia ('FOS'). This external dispute resolution body can make decisions with which AIG are obliged to comply. Contact details are:

Financial Ombudsman Service Australia
GPO Box 3
Melbourne VIC 3001

Phone: 1800 367 287 (or 1800 FOS AUS)

Email: info@fos.org.au

Website: www.fos.org.au

You should note that use of the FOS scheme does not preclude You from subsequently exercising any legal rights, which You may have if You are still unhappy with the outcome. Before doing so however, We strongly recommend that You obtain independent legal advice.

If Your complaint does not fall within the Financial Ombudsman Service's terms of reference, We will advise You to seek independent legal advice or give You information about any other external dispute resolution options (if any) that may be available to You.

Financial Claims Scheme

The protection provided under the Federal Government's Financial Claims Scheme ('the Scheme') applies to the Policy. In the unlikely event that the Insurer is unable to meet its obligations under the Policy, persons entitled to make a claim under the insurance cover under the Policy may be entitled to payment under the Scheme (access to the Scheme is subject to eligibility criteria). Information about the Scheme can be obtained from the APRA website at www.fcs.gov.au

Our Agreement

The agreement between You and Us consists of:

- Your application;
- the PDS and Policy Wording;
- Your Insurance Schedule; and
- any Endorsement.

An Insurance Schedule is issued when We agree to cover You and You have paid (or agreed to pay) the premium including any relevant government charges by the inception/due date.

Our liability is limited to:

- the Period of Insurance shown in Your Insurance Schedule;
- the Policy sections set out in Your Insurance Schedule; and
- the Sum(s) Insured set out in Your Insurance Schedule unless We have agreed to pay more as an additional benefit.

Paying Your premium

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

You must pay Your premium to Your 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.

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 in Your Insurance 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 comply with Your duty of disclosure, or if You make a fraudulent claim.

Changing Your Policy

If You want to make a change to Your Policy, the change becomes effective when:

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

Cancelling 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 to the address (including an electronic address) last provided to Us.

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.

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 non-refundable government taxes or charges, agency fee and cancellation fee. We will then refund the remaining premium to You). Unless directed otherwise by all Insureds, the refund will be made payable to the first named Insured in Your Insurance Schedule.

Notices

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

- if it is delivered to You personally; or
- if 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.

Policy Wording

Definitions

Words with special meanings are defined in this Definitions section.

Any word or expression that appears in this Definitions section has the same meaning wherever it appears. Words that use the masculine gender include the feminine and vice versa. Words using the singular include the plural and vice versa.

The following words have the same meaning when used throughout the Policy:

Asset Schedule means the specific schedule attaching to the Insurance Schedule which provides a description and value of all items of Special Contents or Specified Personal Property insured under this Policy.

Building means the dwelling, residential flat, home unit or that portion of the Building used as a Business office at The Situation.

If Heritage Listed Building means the dwelling, residential flat, home unit or other Buildings classified by The National Trust or Historical Foundation or which is the subject of any State or Local Authority classification order including any ancillary Building at The Situation and includes unclassified Buildings forming an integral part of a Building subject to a classification order including that portion of the Building used as a Business office.

In both cases, Building includes:

1. all domestic Buildings and their fixtures, including boat houses, garages and out buildings, including temporary or mobile structures;
2. Fixed Pontoons and jetties, and air docks attached thereto, up to four (4) metres in length. Pontoons and jetties over four (4) metres in length are not covered by this Policy unless specifically agreed in writing by Us and an additional premium paid;
3. fixed coverings to walls, floors and ceilings including landlord's fixtures and fittings. In all instances carpets are excluded;
4. services (whether underground or not) including communication installations;
5. exterior blinds and awnings;
6. the following structural improvements:
 - a. fixed swimming pools, prefabricated above-ground swimming pools, spas and saunas, including their accessories;
 - b. paved terraces, paths, driveways, retaining walls, gates, domestic fences, masts, aerials, clothes lines and tennis courts;
7. landscaping trees and plants for damage caused by fire, Theft, lightning, explosion, vandalism and impact by vehicle, limited to a maximum of \$30,000 any one (1) event.

Building does not include:

1. unpaved paths or driveways constructed of earth or gravel;
2. any artificial or synthetic grass.

Business means the deriving of income from any professional activity, trade or commercial or similar activity involving the provision of goods and/or services.

Computer Virus means a set of corrupting, harmful or otherwise unauthorised instructions or code including a set of maliciously introduced unauthorised instructions or code, programmatic or otherwise, that propagate themselves through a computer system or network of whatsoever nature. Computer Virus includes but is not limited to 'Trojan Horses', 'worms' and 'time or logic bombs'.

Contents means all Your household Contents at The Situation, including:

1. carpets, unfixed floor coverings, internal blinds and curtains;
2. money, cheques, negotiable securities, stamps (not being part of a stamp collection), title deeds, documents of any kind, up to \$10,000 in all any one (1) claim. In addition, We will also pay You up to \$10,000 in all any one (1) claim for the reasonable costs incurred, to restore or replace personal documents following loss or damage at The Situation or whilst in a bank vault or safe deposit box;
3. CDs and DVDs. We will pay for the cost to replace CDs and DVDs however We will not pay the cost to replace the lost data from these disks nor will We pay for the cost of remaking a film or disk or rewriting the lost information;
4. Business and professional equipment used to generate an income to a maximum of \$50,000 any one (1) claim;
5. valuables such as:
 - a. fine art, paintings, works of art, antiques or curios and other works of a similar nature at The Situation. Cover for such valuables is limited to \$250,000 any one (1) article. The most We will pay for all such valuables is a maximum of \$2,500,000.

For fine art listed as Special Contents in the Asset Schedule, if only part of the item is lost or damaged We shall pay either the amount to restore the item to its condition immediately before the loss or to make up the difference between its market value before and after the loss. If after restoration, the market value of the item is less than its market value immediately before the loss, We shall pay the difference. The most We will pay for loss of market value is \$25,000 any one (1) article, up to \$100,000 in all any one (1) claim. In no event shall payment exceed the Sum Insured for that item;

- b. articles of jewellery, furs, watches, gold or silver articles or objects, bullion, precious stones, coin collections, stamp collections and guns. At The Situation or in storage these items are limited to \$25,000 any one (1) article, set or collection. The most We will pay for all articles, sets or collections is \$50,000 or 20% of the Contents Sum Insured, whichever is the greater up to a maximum of \$100,000;
 - c. wine collections (meaning any alcoholic wine stored within the home regardless of colour) at The Situation or in storage are limited to \$25,000 for any one (1) bottle to a maximum of \$50,000 for all bottles.

Cover at The Situation can be increased by listing items which are above the per item limit as Special Contents. Worldwide cover can be included by listing items as Specified Personal Property;

6. computer systems including data carrying material forming part of a fixed head drive unit, monitors, printers and other peripheral devices including software, photocopiers, communication equipment including radio transmitting, monitoring and receiving devices and telephone answering and facsimile machines, amplification equipment, sound and visual systems including televisions and video devices; and cameras, projectors, screens, enlargers and developing equipment, photographic equipment, processed film slides and prints, video cameras and equipment, tapes, cassettes, cartridges and disks;
7. personal data stored on computer software which You own or possess. We will pay up to \$5,000 for replacing or recreating that personal data as a result of a covered loss or Computer Virus if it is actually replaced at Your expense. The cover is subject to Your computer having anti virus software installed and You subscribe to a virus checking service;
8. clothing and personal effects;
9. accessories or spare parts for motor cars, motor cycles, Watercraft, or aircraft, but:
 - a. only whilst not attached to the motor car, motor cycle, Watercraft, or aircraft;
 - b. only up to \$10,000 in all any one (1) claim;
10. fixtures and domestic structural improvements in a strata title home unit that are not insured by the Body Corporate of the Building;
11. sporting equipment, but excluding losses occurring when the equipment is in use or play. We will also pay You if the equipment is usually kept permanently in a locked clubroom or locker away from The Situation when not in use or play;
12. Contents in the open air at The Situation is limited to 20% of the Contents Sum Insured;
13. Contents in any boat house, garage or out building at The Situation is limited to 50% of the Contents Sum Insured.

Contents does not include:

1. pets, birds, fish, livestock;
2. motor cars and other motor vehicles, motor cycles, mechanically propelled mini bikes and scooters, farm vehicles, Watercraft, aircraft, aerial devices, and equipment belonging to these items including keys, unless otherwise stated in the Insurance Schedule;
3. mechanically propelled vehicles or caravans or trailers of any and every kind other than:
 - a. a lift or inclinator;
 - b. a ride on motor mower under eighteen (18) horse power, wheel chair or golf buggy not requiring registration or statutory motor insurance under any law for the purpose for which it was being used at the time of loss, unless otherwise stated in the Insurance Schedule;

4. stock used for Business purposes;
5. money being takings relating to Your Business;
6. travel tickets;
7. photos either stored electronically or as a hard copy.

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

Endorsement means the document which may be issued and form part of the Policy and which details any amendments made to the coverage granted by Us to You during the Period of Insurance.

Excess means the amount as shown in the Insurance Schedule which You must first contribute towards each claim arising from any one (1) event.

Fixed Pontoon means the structure that is actually floating on the water and the ancillary attachments that form part of the pontoon structure including the articulated part of any walkway such as gangways or sections of the walkway leading down to and attached to the floating part of the pontoon, the anchor poles or pylons or piles which assist the pontoon in rising up and down but “fix” it to one spot and associated attachments to the pontoon structure including winches, flood chains, weights, superfenders and pontoon pile caps.

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:

1. a lake (whether or not it has been altered or modified);
2. a river (whether or not it has been altered or modified);
3. a creek (whether or not it has been altered or modified);
4. another natural watercourse (whether or not it has been altered or modified);
5. a reservoir;
6. a canal;
7. a dam.

Heave means upward movement of the ground beneath the Building as a result of the soil expanding.

Heritage Listed means that the Building is classified by The National Trust or Historical Foundation or is the subject of any State or Local Authority classification and any other Building governed by appropriate legislation.

Immediate Family means the Insured's spouse (legal or de facto), unmarried children and parents of the Insured and their spouses, where such person(s) permanently reside(s) with the Insured.

Insurance Schedule means the document which forms part of this Policy and which provides details of the Insured, The Situation, Period of Insurance, coverage provided, Sum(s) Insured and any amendments to the Policy Wording.

Landslide means the downward movement of ground down a slope.

Period of Insurance means the period specified in Your Insurance Schedule.

Policy means this document, the Proposal Form, Insurance Schedule, any Asset Schedule and Endorsements which form the Agreement and which provide formal evidence of coverage granted by Us to You.

Present Value means the cost of replacement or repair of the Building and/or Contents immediately preceding the loss, up to the Sum Insured shown in the Insurance Schedule, subject always to due allowance for wear, tear, depreciation or betterment.

Replacement Cost means the cost of replacing, rebuilding or repairing the Building and/or its Contents to a condition equal to their condition when new. This includes the additional costs necessary to comply with government or local body by-laws. Until an amount equal to the Replacement Cost or Present Value, whichever is the lesser, has been actually expended, Our liability is limited to the Sum Insured shown in the Insurance Schedule of the Building and/or Contents destroyed or damaged.

If the Building is Heritage Listed then Replacement Cost in those cases where the architectural features and/or structural materials of the Buildings described in this Policy possess an ornamental, antiquarian or historical character, or the original materials are not available and when property is lost or damaged, means the rebuilding, replacing, repairing or restoring to a reasonably equivalent appearance and capacity using original design and suitable equivalent materials. This includes the additional costs necessary to comply with government or local body by-laws. Until an amount equal to the Replacement Cost or Present Value, whichever is the lesser, has actually been expended, Our liability is limited to the Sum Insured shown in the Insurance Schedule of the Building and/or Contents destroyed or damaged.

Standard Gross Rentals means the gross rentals during that period in the twelve (12) months immediately before the date of the damage which corresponds with the indemnity period.

Subsidence means the downward movement of the ground on which the Building stands by a cause other than the weight of the house itself.

Sum Insured means the amount which is the limit We will pay for any loss, damage or liability unless We have agreed in writing otherwise. These amounts are shown in Your Insurance Schedule and any sub-limits or variations are outlined in the Policy.

The Situation means The Situation of the Building shown in the Insurance Schedule.

Theft means burglary, attempted burglary and/or housebreaking.

Uninhabited means without an authorised person sleeping in the Building for more than sixty (60) consecutive days.

Watercraft means any craft or vessel intended for use on or in water:

1. which is powered, or designed to be powered, or which is propelled by motor or sail; or
2. which exceeds three metres in length, unless otherwise stated in the Insurance Schedule.

We, Us, Our, the Insurer means AIG Australia Limited (ABN 93 004 727 753, AFSL 381686) ('AIG').

You, Your, the Insured means the company or companies; person or persons named as the Insured in the Insurance Schedule and their Immediate Family.

SECTION 1

ITEM 1 – BUILDING

APPLIES WHEN INDICATED IN THE INSURANCE SCHEDULE

The Cover

We will cover You if there is accidental loss of or accidental damage, which occurs during the Period of Insurance, to the Building described in the Insurance Schedule. This means We will, at Our option, repair, replace or pay You the reasonable cost to repair or replace the Building to its Replacement Cost.

If We agree to repair the Building and You nominate to choose Your own repairer, You must obtain Our authorisation for the repairs and quoted cost before those repairs are commenced.

In the event that no evidence of repair or replacement is provided by You, Our liability is limited to the Present Value of the Building.

We will not pay You more than the Building Sum Insured shown in the Insurance Schedule unless otherwise stated in this Policy.

We include cover for:

- 1. Removal of Debris.** In addition to the repair or replacement of the Building, We will pay up to 20% of the Building Sum Insured for the demolition, removal of debris and disposal costs necessarily incurred to remove insured property in order to repair or replace accidental damage caused to the Building, unless otherwise stated in the Insurance Schedule provided the Sum Insured on the Building represents at least 90% of the Replacement Cost of the Building. Otherwise Removal of Debris is included in the Building Sum Insured. For uninsured property, We will pay the costs necessarily incurred to remove the property from the Building in order to repair or replace accidental damage.
- 2. Professional Fees.** In addition to the repair or replacement of the Building, We will pay up to 20% of the Building Sum Insured for architects' fees, surveyors' fees, consulting engineers' fees and legal fees necessarily incurred in the repair or replacement of accidental damage to the Building, unless otherwise stated in the Insurance Schedule provided the Sum Insured of the Building represents at least 90% of the Replacement Cost of the Building. Otherwise Professional Fees are included in the Building Sum Insured. Payment of professional fees is subject to Our prior written approval.
- 3. Loss of Rent.** In addition to the repair or replacement of the Building, where the Building is rented to others and there is a signed rental agreement in place, if the Building becomes uninhabitable as a result of any loss, destruction or damage covered by this Policy, and lost rental income has occurred, We will pay an amount equal to the Standard Gross Rentals lost for the period reasonably necessary for repair or replacement up to 20% of the Building Sum Insured for a maximum period of twenty-four (24) months in all, unless otherwise stated in the Insurance Schedule.

- 4. Temporary Accommodation.** If the Building is Your principal private residence and a loss covered by this Policy has occurred, We will reimburse You monies You have incurred for the reasonable additional cost of alternative accommodation in the event that the Building is accidentally damaged so as to become uninhabitable.

Payment is limited to the following amounts:

- a. the amount You have paid in rent only (excluding deposit) for renting similar premises, up to a maximum of twenty-four (24) months;
- b. an amount equal to 20% of the Building Sum Insured;

whichever is the lesser.

In addition, We will reimburse You for the reasonable costs of temporary accommodation for Your household pets. Cover is limited to a maximum of \$10,000 any one (1) claim.

- 5. Building Escalation Costs.** If the Building is Your principal private residence, We will reimburse Your additional costs due to delay imposed by local council or other relevant authority which requires an escalation in the Building costs. Payment is limited to an amount equal to 20% of the Building Sum Insured.
- 6. Replacement Locks.** If the keys to external door locks in the Building are stolen, We will cover the costs necessarily incurred in replacing the locks operated by the keys.
- 7. Necessary Alterations to the Building.** We will pay You up to \$25,000 any one (1) claim for the reasonable costs of necessary alterations to the Building in order to enable You to remain in the property following Your permanent disability as a result of paraplegia or quadriplegia due to an accident during the Period of Insurance stated in the Insurance Schedule provided that You have not been compensated for the injury under workers' compensation, compulsory third party or other insurance required to be effected by or under any Australian law.
- 8. Subsidence:** We will not provide cover for any loss or damage caused by or resulting from the movement of the Building at The Situation including settling, cracking, shrinking, bulging or expansion unless caused by Subsidence.
- 9. Automatic Indexation.** We will increase the Building Sum Insured other than Fixed pontoons and jetties shown in the Insurance Schedule by 0.42% per month until the 'To' date shown in the Insurance Schedule. At the end of the Period of Insurance the renewal premium will be calculated on the new indexed Sum Insured. There will be no extra or return premium due during the Period of Insurance.

The total increase in the Sum Insured over a twelve (12) month period will be 5.04%. If You make a claim on Your Policy during the Period of Insurance the maximum Sum Insured payable will be that sum calculated at the end of the month preceding the incident date of the claim.

SECTION 1

ITEM 2 – CONTENTS

APPLIES WHEN INDICATED IN THE INSURANCE SCHEDULE

The Cover

We will cover You if there is accidental loss of or accidental damage, which occurs during the Period of Insurance, to the Contents described in the Insurance Schedule whilst contained at The Situation or whilst temporarily removed from The Situation unless otherwise stated. This means that for all Contents, We will, at Our option, repair, replace or pay You the reasonable cost to repair or replace the Contents to their Replacement Cost.

If We agree to repair the Contents and You nominate to choose Your Own repairer, You must obtain Our authorisation for the repairs and quoted cost before those repairs are commenced.

In the event that no evidence of repair or replacement is provided by You, Our liability is limited to the Present Value of the Contents.

We will not pay You more than the Contents Sum Insured shown in the Insurance Schedule unless otherwise stated in this Policy.

We include cover for:

- 1. Removal of Debris.** In addition to the repair or replacement of the Contents, We will pay up to 20% of the Contents Sum Insured for removal of debris and disposal costs necessarily incurred to remove insured property in order to repair or replace accidental damage caused to the Contents provided the Sum Insured on Contents represents at least 90% of the Replacement Cost of the Contents. Otherwise Removal of Debris is included in the Contents Sum Insured.
- 2. Storage.** In respect of Contents which are temporarily moved into a professional storage facility We will automatically cover such Contents against accidental loss or accidental damage occurring whilst at the professional storage facility, for 25% of the Sum Insured up to a maximum \$100,000 any one (1) claim, unless otherwise stated in the Insurance Schedule.
- 3. Transit.** We will cover You automatically for Contents whilst in the course of transit from The Situation to another location within Australia, unless otherwise stated in the Insurance Schedule. Cover is provided up to the Contents Sum Insured.
- 4. Temporary Removal.** Cover is provided for Contents for an amount up to \$25,000 in respect of any one (1) article, set or collection or component set up to a maximum of \$50,000 in all whilst temporarily removed from The Situation to anywhere in the world.

Temporary Removal does not include:

- a. Theft or disappearance of money greater than \$5,000;
- b. Contents with a value greater than \$10,000 in all whilst on exhibition at auctioneers' rooms, museums and art galleries or on consignment;

- c. Contents moved from The Situation to another property owned by You unless that property is insured by Us;
 - d. accessories or spare parts for motor cars, motor cycles, Watercraft or aircraft, unless otherwise stated in the Insurance Schedule.
- 5. Credit Cards.** We will cover You up to \$10,000 any one (1) claim for liability for debts which arise from the illegal use by an unauthorised person of any credit or debit cards belonging to You but only if:
- a. You comply with the requirements of the bank or organisation which issued the card; and
 - b. the unauthorised person is not a member of Your family or other person normally residing in Your home.
- 6. Visitors' Effects.** We will pay up to \$10,000 any one (1) claim for accidental loss of or accidental damage to visitors' effects whilst the property is contained in The Situation, but:
- a. only if the property is not otherwise insured;
 - b. only if We would have paid the claim had the property been Your own;
 - c. only if the visitors are not tenants or paying guests.
- 7. Contents Moved to a New Situation.** If You are moving to a new situation, to be permanently occupied by You within Australia, We will cover Your Contents against accidental loss or accidental damage whilst they are contained in the new situation for a period of thirty (30) days however:
- a. the cover on Contents contained in The Situation will be reduced by the value of the Contents in the new situation;
 - b. Our total liability at both Situations will be limited to the Sum Insured shown in the Insurance Schedule;
 - c. the cover on the Contents at The Situation will cease thirty (30) days from the date the Contents were first removed to the new situation;
 - d. You must advise Us in writing of the new situation within thirty (30) days from the date the Contents were first removed to the new situation.
- 8. Frozen Foods.** We will pay up to \$10,000 any one (1) claim for loss of or damage to frozen food in a domestic freezer or refrigerator as a result of any mechanical or electrical breakdown.
- 9. Temporary Accommodation.** We will pay You the reasonable additional cost of rent paid in renting a similar property not otherwise reimbursed by Us that is necessarily incurred if The Situation becomes uninhabitable as a result of accidental loss or accidental damage.

This cover is limited to:

- a. a maximum period of twenty-four (24) months; or
 - b. an additional amount of 20% of the Contents Sum Insured;
- whichever is the lesser.

10. Automatic Indexation. We will increase the Contents (other than Special Contents) Sum Insured shown in the Insurance Schedule by 0.42% per month until the 'To' date shown in the Insurance Schedule. At the end of the Period of Insurance the renewal premium will be calculated on the new indexed Sum Insured. There will be no extra or return premium due during the Period of Insurance.

The total increase in the Contents Sum Insured over a twelve (12) month period will be 5.04%. If You make a claim on Your Policy during the Period of Insurance the maximum Sum Insured payable will be that sum calculated at the end of the month preceding the incident date of the claim.

11. Contents in the Open Air at The Situation. Cover is limited to 20% of the Contents Sum Insured.

SECTION 1

ADDITIONAL BENEFITS

(APPLIES TO ITEM 1 – BUILDING AND ITEM 2 – CONTENTS)

The following additional benefits are also automatically included in the Policy:

- 1. Damage to Electrical Apparatus.** We will pay for loss or damage caused by the actual burning out by the electrical current to any part or parts of household electrical machines or apparatus forming part of the:

- a. Building where the Building is insured;
- b. Contents where the Contents are insured.

This additional benefit excludes loss of or damage to Your property which is caused by wear and tear.

Prior to acceptance of liability by Us, Our express authority for the repair or replacement of electrical apparatus must be obtained in writing.

- 2. Automatic Reinstatement.** Following the payment of a claim, other than a claim for total loss, the Sum Insured will be automatically reinstated to the value shown in the Insurance Schedule at the date of loss.
- 3. Pet Care.** We will pay the veterinary/hospital costs for the treatment and care of Your household pets registered at The Situation as a result of an accident. Cover is limited to a maximum of \$10,000 during the Period of Insurance.
- 4. Alternative Temporary Accommodation Due to Denial of Access.** If, as a direct result of damage to neighbouring premises by a cause insured under the relevant section of insurance cover, a local or police authority prohibits access to The Situation, We will pay for a period not exceeding sixty (60) days for:
 - a. the reasonable additional costs of comparable accommodation incurred by You;
 - b. the reasonable costs of temporary accommodation for Your household pets.
- 5. Violent Crime.** If during the Period of Insurance a violent crime is committed against You at The Situation by a person unknown to You, against whom as a result criminal charges have been preferred, and if, as a direct and exclusive consequence, You decide to move home, We will pay up to \$20,000 any one (1) claim for the conveyancing costs, estate agent fees and removal expenses You incur, providing You notify Us of Your intention to move within ninety (90) days of the incident occurring. We shall not be liable for expenses which You have incurred or are contracted to incur at the time of effecting this insurance or before this violent crime is committed against You.
- 6. Additional Acquired Property.** Cover is provided anywhere in the world automatically for additional property purchased or acquired during the Period of Insurance to a total limit of \$50,000, subject to immediate advice to Your designated insurance broker within thirty (30) days on return to Australia or since its first purchase in Australia and payment of the appropriate premium. Subject always to indemnities provided under any credit card insurance being first invoked and exhausted prior to indemnity being provided under this clause.

- 7. Appreciating Assets.** Notwithstanding any Sum(s) Insured declared for items of Special Contents as stated in the Asset Schedule, it is agreed that We will pay the cost of replacing any item to its full value at the time of loss or damage provided that the item has not increased in value by more than 10% during the Period of Insurance at the time of loss, the item has a certified valuation not more than sixty (60) days old at the inception of coverage and that the item was insured for its full value. All items must be revalued annually and insured for their full value for this coverage to apply.
- 8. Fallen Trees and Branches.** We will pay the professional costs for the removal of fallen trees and branches and associated disposal costs where they have caused accidental loss of or damage to the Building or Contents but excluding any loss or damage caused by a contractor. Cover is limited to a maximum of \$10,000 any one (1) claim, unless otherwise stated in the Insurance Schedule.
- 9. Emergency Clothing and Personal Effects.** We will pay the Insured the cost of emergency clothing and personal effects where the Insured suffers accidental loss or damage caused by an event covered by the Policy.
- 10. Fire Department Charges.** We will pay charges as a result of the Fire Brigade attending The Situation to a maximum of \$10,000.
- 11. Flood.** We will not pay any valid claim for loss or damage arising from Flood for the first thirty (30) days from commencement of this Policy or any amended cover subsequently placed. However, We will cover You for claims for loss or damage arising from Flood within that period if immediately prior to commencing this Policy, another policy covering the same risk expired, without a break in cover.
- 12. Storm surge, actions of the sea and tsunami.** Covered for storm surge, actions of the sea and tsunami. However there will be no cover where such loss or damage occurs due to the actions of a king tide.

SECTION 2

LEGAL LIABILITY

The Cover

We will cover You against Your legal liability, including Your personal legal liability, to pay compensation for:

1. Death or bodily injury to any person; or
2. Physical damage to property including loss of property;

as a result of an incident or series of incidents forming one (1) occurrence which occur during the Period of Insurance anywhere in the world to a maximum of \$30,000,000. In the U.S.A. and Canada jurisdictions, personal legal liability cover is limited to a total of thirty (30) days during the Period of Insurance.

In providing this cover:

1. We will pay no more than the liability limits specified in the Insurance Schedule in relation to any one (1) occurrence;
2. We will only indemnify You:
 - a. where the Building is insured, for Your legal liability as owner or occupier of the insured Building; or
 - b. where the Contents are insured and You are the occupier of a Building not owned by You, or You are the owner of a strata title home unit, for Your legal liability as occupier of that Building; or
 - c. where the Contents are insured, for Your legal liability other than Your legal liability as owner or occupier of any Building not insured under this Policy.

In addition, We will pay, in connection with such compensation, all legal costs and expenses incurred by You with Our written consent.

Exclusions

This Section 2 does not extend to cover Your legal liability:

1. to You or to any person who normally resides with You at The Situation;
2. incurred as an employer or for which You hold, or ought to hold, a Policy of insurance required by law (including a policy under any workers' compensation legislation or statutory accident compensation scheme), or incurred under any industrial award or agreement;
3. in respect of any Business, trade or profession, other than Your legal liability as occupier of the premises or owner/occupier of the premises;
4. which arises only because You agreed to take the liability upon Yourself;

5. in respect of the ownership or use of any:
 - a. motor cars or other motor vehicles, motor cycles or farm vehicles;
 - b. mechanically propelled vehicles of any and every kind other than:
 - i. a lift or inclinator, but only whilst at The Situation;
 - ii. a ride on mower under eighteen (18) horse power, wheel chair or golf buggy not requiring registration or statutory motor insurance under any law for the purpose for which it was being used at the time of loss;
 - c. a caravan or trailer unless they are in a fixed stationary position at The Situation;
 - d. Watercraft, aircraft or aerial device (including any drones or other unmanned aircraft or ship that is guided remotely) other than a toy ship, kite or model aircraft;
 - e. any conveyance designed to travel supported by air pressure, unless otherwise insured under this Policy;
6. which results from the Building undergoing any process of building, rebuilding, alteration, extension or renovation, where the value of such works is in excess of \$200,000;
7. for damage to property owned by You or in Your physical and legal control. This Exclusion shall not apply to liability in respect of guests' and/or visitors' property including motor vehicles whilst at The Situation;
8. arising directly or indirectly out of You transmitting or contracting:
 - a. AIDS or any AIDS related disease;
 - b. any venereal disease;
 - c. herpes; or
 - d. any other communicable disease or infection.

SECTION 3

SPECIFIED PERSONAL PROPERTY

APPLIES WHEN INDICATED IN THE INSURANCE SCHEDULE

The Cover

We will cover You if there is accidental loss of or accidental damage, which occurs during the Period of Insurance, to the Specified Personal Property described in the Insurance Schedule. This means We will, at Our option, repair, replace or pay the reasonable cost to repair or replace the property lost or damaged.

If We agree to repair the Specified Personal Property and You nominate to choose Your own repairer, You must obtain Our authorisation for the repairs and quoted cost before those repairs are commenced.

In the event that no evidence of repair or replacement is provided by You, Our liability is limited to the Present Value of the Specified Personal Property.

This cover is provided whilst the property is anywhere in the world, unless otherwise stated in the Insurance Schedule.

We will not pay You more than the Sum Insured stated against each item in the Insurance Schedule.

If only part of the specified item is lost or damaged, We shall pay either the amount to restore the item to its condition immediately before the loss or to make up the difference between its market value before and after the loss. If after restoration, the market value of the item is less than its market value immediately before the loss, We shall pay the difference. In no event shall payment exceed the Sum Insured for that item.

We include cover for:

- 1. Pairs, Sets and Parts.** For a covered loss to a pair or set, or to part of a larger unit, We will pay whichever is the lesser of:
 - a. the cost to repair the damaged property to its condition before the loss;
 - b. the cost to replace it; or
 - c. the cost to make up the difference between its market value before and after the loss.

However, if You agree to surrender the undamaged article(s) of the pair, set or parts to Us and We agree to accept, We will pay You the full Replacement Cost of the entire pair, set or parts.

- 2. Additional Acquired Property.** Cover is provided anywhere in the world automatically for additional property purchased or acquired during the Period of Insurance to a total limit of \$50,000, subject to immediate advice to Your designated insurance broker within thirty (30) days on return to Australia or since its first purchase in Australia and payment of the appropriate premium.

- 3. Appreciating Assets.** Notwithstanding the Sum(s) Insured declared in the Asset Schedule, it is agreed that We will pay the cost of replacing any item to its full value at the time of loss or damage provided that the item has not increased in value by more than 10% during the Period of Insurance at the time of loss, the item has a certified valuation not more than sixty (60) days old at the inception of coverage and that the item was insured for its full value. All items must be revalued annually and insured for their full value for this coverage to apply.

GENERAL EXCLUSIONS

These General Exclusions apply to all sections of the Policy. In addition to these General Exclusions, sections of this Policy may be subject to specific exclusions.

Unless otherwise stated in the Insurance Schedule, this Policy does not cover:

1. loss of or damage to Your property which is caused by:
 - a. wear, tear, rust, corrosion or gradual deterioration;
 - b. mechanical breakdown, electrical breakdown, faulty workmanship, inherent defect, omission, faulty design or faulty materials;
 - c. vermin, insects, mildew, atmospheric or climatic conditions (other than storms);
 - d. tearing, chewing, fouling caused by a domestic animal or any infestations;
 - e. wildlife, but only in respect of external damage to the Building or any property in the open air;
 - f. it undergoing any process necessarily involving the application of heat;
 - g. any process of cleaning, repairing, restoring or renovating of any item;
 - h. tenants or paying guests, arising from or due to:
 - i. larceny or Theft from any portion of the Building occupied by a tenant or paying guest; or
 - ii. rough usage or deliberate, intentional and malicious vandalism of the surfaces and fixtures of the Building and/or Contents by tenants or paying guests and/or their visitors;
 - iii. loss or damage caused by tree roots, but this does not exclude subsequent damage resulting from an ensuing cause which is not otherwise excluded;
2. loss or damage caused by any consequence of war, invasion, acts of foreign enemies, hostilities (whether war be declared or not), civil war, rebellion, revolution, insurrection, military or usurped power or confiscation or nationalisation or requisition or destruction of or damage to property by or under the order of any government or public or local authority;
3. loss, damage, cost or expense of whatsoever nature directly or indirectly caused by, resulting from or in connection with any act of terrorism regardless of any other cause or event contributing concurrently or in any other sequence to the loss.

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

This Exclusion also does not cover loss, damage, cost or expense of whatsoever nature directly or indirectly caused by, resulting from or in connection with any action taken in controlling, preventing, suppressing or in any way relating to any act of terrorism;

4. any loss or damage or any additional expense that is not directly associated with the incident that caused You to claim, unless expressly stated in this Policy;
5. a. loss or destruction of or damage to any property whatsoever or any loss or expense whatsoever resulting or arising therefrom;
- b. any legal liability of whatsoever nature;

directly or indirectly caused by or contributed to by or arising from:

- i. ionising radiations or contamination by radioactivity from any nuclear fuel or from any nuclear waste from the combustion of nuclear fuel;
 - ii. the radioactive, toxic, explosive or other hazardous properties of any explosive nuclear assembly or nuclear component thereof;
6. loss, damage, destruction, distortion, erasure, corruption or alteration of Electronic Data from any cause whatsoever (including but not limited to Computer Virus) or loss of use, reduction in functionality, cost, expense of whatsoever nature resulting therefrom, regardless of any other cause or event contributing concurrently or in any other sequence to the loss. However, in the event that a fire or explosion results from any of the matters described here, this Policy, subject to all its terms, conditions and exclusions, will cover physical damage occurring during the Period of Insurance to property insured by this Policy directly caused by such fire or explosion;
 7. except as set forth in the following Exclusion 7, this Policy does not insure asbestos or any sum relating thereto.

This Policy only insures asbestos physically incorporated in an insured Building or structure, and then only that part of the asbestos which has been physically damaged during the Period of Insurance by one (1) of these Listed Perils: fire; explosion; lightning; windstorm; Flood; hail; direct impact of vehicle, aircraft or vessel; riot or civil commotion, vandalism or malicious mischief; or accidental discharge of fire protective equipment.

This coverage is subject to each of the following specific limitations:

- a. the said Building or structure must be insured under this Policy for damage by that Listed Peril;
- b. the Listed Peril must be the immediate, sole cause of the damage of the asbestos;
- c. You must report to Us the existence and cost of the damage as soon as practicable after the Listed Peril first damaged the asbestos. However, this Policy does not insure any such damage first reported to Us more than twelve (12) months after the expiration, or termination, of the Period of Insurance;

- d. insurance under this Policy in respect of asbestos shall not include any sum relating to:
 - i. any faults in the design, manufacture or installation of the asbestos;
 - ii. asbestos not physically damaged by the Listed Peril including any governmental or regulatory authority direction or request of whatsoever nature relating to undamaged asbestos;
- 8. loss, damage, cost or expense of whatsoever nature directly or indirectly caused by, resulting from or in connection with the actual or threatened malicious use of pathogenic or poisonous biological or chemical materials regardless of any other cause or event contributing concurrently or in any other sequence thereto;
- 9. any losses which are not directly covered by the terms and conditions of this Policy;
- 10. floor coverings, internal blinds and curtains other than in the room or rooms in which damage occurs;
- 11. loss or damage when the Building is undergoing any process of building, rebuilding, alteration, extension or renovation, where the value of such work is in excess of \$200,000;

However, this Exclusion does not apply:

- a. to property not affected by the building, rebuilding, alteration, extension or renovation; and
 - b. when the Building is enclosed and under roof, with all outside doors and windows permanently in place;
12. the following items are excluded from the Flood coverage:
- a. retaining walls, garden borders and free standing walls;
 - b. the surfaces of tennis courts;
 - c. wharves, jetties, pontoons or sea walls;
 - d. swimming pools or spas or their liners or covers;
 - e. cabanas and gazebos;
 - f. the cost of clearing mud or debris out of swimming pools or spas as a result of Flood;
 - g. gates, fences or wall fences that were in a state of disrepair before the Flood damage occurred;
13. Theft or disappearance of Contents greater than \$10,000 from unattended motor vehicles or unattended Watercrafts;
14. loss or damage or liability arising out of the pollution and/or contamination of air, water or soil unless it can be demonstrably proven to have been caused by immediate discharge consequent upon an accident, and You notify Us of the incident as soon as possible;
15. loss or damage caused by delay, detention, confiscation or destruction by customs officials or other authorities;

16. loss or damage incurred:
 - a. in the capacity of a director, officer or an employee or any person deemed to be an employee by any Workers' Compensation legislation; or
 - b. in the course of any Business, trade or profession, except in relation to a surgery or Business office in the Building, or Business and professional equipment used by You in connection with Your Business;
17. loss or damage to any Building or Contents whilst the Building is Uninhabited;
18. all costs associated with preparing and presenting a claim to Us;
19. liability for fines, penalties or punitive damages;
20. any loss or damage caused, or allowed to be caused, deliberately, willfully, maliciously, illegally or unlawfully by You or any member of Your family, paying guest or tenant, or anyone lawfully in the home;
21. loss or damage:
 - a. occurring before cover starts or arising from an event before cover starts;
 - b. caused deliberately by You or any permanent member of Your home;
22. loss or damage caused by anything which happens gradually, including smoke or rising damp;
23. We will not pay the cost of replacing or repairing any undamaged external parts of the Building which form part of, a pair, set, suite or part of a common design or function when the loss or damage is restricted to a clearly identifiable area or to a specific part;
24. subject to Exclusion 26, loss or damage caused by earth movement from any cause unless due to an earthquake, Subsidence, Heave or Landslide.
25. subject to Exclusion 26, loss or damage caused by settling, cracking, shrinking, bulging or expansion of the Building unless such movement is caused by earthquake, Subsidence, Heave or Landslide. We do insure ensuing covered loss unless another Exclusion applies;
26. notwithstanding and irrespective of the operation of Exclusions 24 and 25, there will be no cover for loss or damage caused by Subsidence, Heave, Landslide or earthquake to footpaths, gates, fences, swimming pools, walls including retaining walls, boat houses, garages or outbuildings and other structures even if all of such structures so listed form or do not form part of the Building.

GENERAL CONDITIONS

These General Conditions apply to all sections of the Policy. In addition to these General Conditions, each section of the Policy may be subject to specific conditions. If any of these conditions are not met We may refuse a claim, reduce the amount We pay or in some circumstances We may cancel Your Policy. Any person covered by Your Policy or claiming under it must also comply with these conditions.

If You or someone covered under Your Policy, do not meet these conditions or make a fraudulent claim We may:

- refuse to pay Your claim or reduce what We pay for Your claim; or
- cancel Your Policy.

1. Fraud

We are entitled to refuse to pay a claim without prejudice to any other right We may have under this Policy if:

- a. any claim is in any way fraudulent; or
- b. any fraudulent means or devices are used by You or anyone acting on Your behalf to obtain any benefits under this Policy; or
- c. any destruction or damage is occasioned by Your wilful act or connivance.

2. Claims

On the happening of any event likely to give rise to a claim You must:

- a. take all reasonable precautions without delay to minimise the loss or damage and to prevent further loss or damage;
- b. immediately inform the police if the insured property is lost or damaged or if forcible and violent entry or malicious damage has occurred or is suspected:

Notify Us verbally and confirm in writing as soon as possible to AIG:

Phone: 1300 170 902

Email: mansionsclaims@aig.com

- c. complete and lodge a claim form as soon as practicable and submit in writing to Us all particulars of the claim;
- d. not authorise the repair of the insured property without Our consent except to prevent or limit further damage;
- e. promptly forward to Us any writ, summons or communication received concerning the event or claim and You shall not negotiate, admit or repudiate liability without Our written consent;
- f. provide Us with all information, including both proof of ownership and value, as We may reasonably require together with a statutory declaration (if requested) of the truth of the claim and any other matter connected with it.

3. Inspection and Salvage

We will be entitled on the happening of any loss or damage, without incurring any liability, to enter any Building where the loss or damage has occurred and to take possession of the insured property and to deal with the salvage in a reasonable manner provided that the insured property may not be abandoned to Us.

4. Proceedings

We have the right to negotiate, defend or settle in Your name and on Your behalf any claim and will have full discretion in the conduct of any proceedings or in the settlement of any claim. We will have the right for Our own benefit of any legal right of recovery held by You and You must give all information and assistance required by Us.

5. Unoccupancy

Unless Our written consent has been obtained, cover shall be entirely suspended if:

- a. The Situation is Uninhabited and has been without an inhabitant for a continuous period of more than one hundred and twenty (120) days;
- b. The Situation was previously tenanted and becomes Uninhabited and has been without an inhabitant for a continuous period of more than thirty (30) days;
- c. the Contents are contained in premises which are Uninhabited and have been without an inhabitant for a continuous period of more than one hundred and twenty (120) days.

6. Other Insurance

Should You make a claim under this Policy, You must give Us written notice of any insurance already effected to cover anything that is covered under this Policy.

7. Reinstatement for Partial Loss

Where partial loss or damage to the Building, Contents, Special Contents or Specified Personal Property occurs, the Sum Insured will be automatically reinstated to the original Sum Insured, subject in all instances to the payment of the customary additional premium. However, the premium is waived where the additional premium is less than \$100.

8. Retained Asset Schedules

Any Asset Schedule forming part of this Policy may be retained at the office of Your designated insurance broker, or solicitor, or accountant whichever is applicable, subject to the Asset Schedule being formulated in its entirety and the date of formulation being signed by the Insured. A written confirmation is required that the Asset Schedule is retained and it must be available for Our inspection upon request. In the event of a claim, the Asset Schedule must be produced to support the ownership and value of the item or items which have been lost and/or damaged.

9. Waiver of Subrogation

We will be entitled to Your rights of recovery against others arising from loss or damage for which a claim payment has been made under this Policy and You may not limit or restrict Your right of recovery against any third party without Our written agreement.

10. Cancellation

The Policy may be cancelled by:

Us on any of the grounds set out in the *Insurance Contracts Act 1984* (Cth) as amended from time to time, in which case:

- a. We will give You three business days' notice in writing of the date from which the Policy will be cancelled;
- b. We will refund the premium for the unexpired portion of the Period of Insurance;

You at any time by notifying Us writing, in which case:

- a. cancellation takes place when We receive the notice;
- b. We will retain, or be entitled to retain, the premium for the period during which the Policy was in force together with any non-refundable government taxes or charges;
- c. Mansions will also retain the agency fee and the cancellation fee if applicable.

11. Maintenance and Safety

You must at all times:

- a. maintain the insured property in a satisfactory state of repair;
- b. take all reasonable precautions for the safety of the insured property;
- c. take all reasonable precautions to prevent injury, loss or damage;
- d. comply with all laws, by-laws or statutory regulations;
- e. comply with all safety regulations imposed by any responsible authority;
- f. maintain the security system installed at The Situation in entire working order.

12. Interpretation

Any interpretation of this Policy relating to its construction, validity or operation shall be made in accordance with the laws of the Commonwealth of Australia and the Australian State or Australian Territory in which the Policy is issued. Except as otherwise provided herein, the parties will submit to the exclusive jurisdiction of the Australian Court within the state or territory in which this Policy was issued.

13. Sanctions

In this section, the reference to Insurer is a reference to Us and Insured is a reference to You.

If, by virtue of any law or regulation which is applicable to an Insurer, its parent company or its ultimate controlling entity, at the inception of this Policy or at any time thereafter, providing coverage to the Insured is or would be unlawful because it breaches an applicable embargo or sanction, that Insurer shall provide no coverage and have no liability whatsoever nor provide any defence to the Insured or make any payment of defence costs or provide any form of security on behalf of the Insured, to the extent that it would be in breach of such embargo or sanction.



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