



# RESIDENTIAL STRATA INSURANCE

PRODUCT DISCLOSURE STATEMENT (PDS)  
AND POLICY WORDING

# SUPPLEMENTARY PRODUCT DISCLOSURE STATEMENT

## SPDS EDITION 1

This Supplementary Product Disclosure Statement (SPDS) was prepared on 30 July 2021 and will apply to all **SUU Residential Strata Insurance Product Disclosure Statements** (Preparation date 24/02/2021, version strata-r 0421) (PDS) with a new business effective date on or after 5 October 2021, or with a renewal effective date on or after 5 October 2021.

The information in this SPDS updates and should be read with the PDS and any other applicable SPDS. These documents together with your Schedule make up the terms and conditions of your insurance contract with us. Your current Schedule outlines the cover you have chosen.

## CHANGES TO YOUR PDS

### **Change 1 - Replacement of the complaints handling process**

**Your PDS is amended by deleting all the terms in the section 'How to resolve a complaint or dispute' on pages 4-5, and replacing those deleted terms with the following:**

We will always do our best to provide you the highest level of service but if you are not happy or have a complaint or dispute, here is what you or your insurance advisor can do.

If you experience a problem or are not satisfied with our products, our services or a decision we have made, let us know so we can help.

Call us on 1300 668 066 or go to our website for more information: [SUU.COM.AU](http://SUU.COM.AU)

We will try to resolve complaints at first contact or shortly thereafter.

If we are not able to resolve your complaint when you contact us or you would prefer not to contact the people who provided your initial service, our Customer Relations team can assist:

Free Call: 1800 045 517

Email: [Customer.Relations@iag.com.au](mailto:Customer.Relations@iag.com.au)

Customer Relations will contact you or your insurance advisor if they require additional information or have reached a decision. Customer Relations will advise you or your insurance advisor of the progress of your complaint and the timeframe for a decision in relation to your complaint.

We expect our procedures will deal fairly and promptly with your complaint. If you are unhappy with the decision made by Customer Relations you or your insurance advisor may wish to seek an external review, such as referring the issue to the Australian Financial Complaints Authority (AFCA). AFCA provides fair and independent financial services complaint resolution that is free to customers. AFCA has authority to hear certain complaints. AFCA will confirm if they can assist you:

Free Call: 1800 931 678

Email : [info@afca.org.au](mailto:info@afca.org.au)

Mail: Australian Financial Complaints Authority GPO Box 3 Melbourne VIC 3001

Visit: [www.afca.org.au](http://www.afca.org.au)

Further information about our complaint and dispute resolution process is available by contacting us.

This SPDS is issued by the Insurer  
Insurance Australia Limited  
ABN 11 000 016 722 AFSL 227681  
trading as CGU Insurance

## **THIS PRODUCT DISCLOSURE STATEMENT (PDS) CONTAINS TWO PARTS:**

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

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

To assist You to locate specific items in this PDS, a table of contents is provided on the next page.

## **PLEASE READ THIS PDS BEFORE YOU APPLY FOR INSURANCE.**

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

1. strata schemes;
2. community title schemes;
3. stratum development; and
4. other similar-type schemes.

When applying for this Policy You should take account of the particular rights and obligations under any act or regulation governing strata title, community title or similar type property where property to be insured is located. It is important that You insure in accordance with the requirements of applicable legislation where Your property is situated.

# TABLE OF CONTENTS

|  |           |   |           |
|--|-----------|---|-----------|
| <b>PART ONE – IMPORTANT INFORMATION</b>              | <b>4</b>  | EXCLUSIONS  | 23        |
| THE PURPOSE OF THIS PDS                              | 4         | CONDITIONS  | 23        |
| UPDATING THE PDS                                     | 4         | CLAIMS PROCEDURES   | 23        |
| WHO IS THE INSURER                                   | 4         | <b>SECTION 4 – LIABILITY</b>                                | <b>24</b> |
| WHO IS STRATA UNIT UNDERWRITERS                      | 4         | DEFINITIONS   | 24        |
| GENERAL INSURANCE CODE OF PRACTICE                   | 4         | WHAT YOU ARE COVERED FOR                                    | 24        |
| HOW TO RESOLVE A COMPLAINT OR DISPUTE                | 4         | ADDITIONAL BENEFITS   | 24        |
| HOW TO APPLY FOR INSURANCE                           | 5         | EXTENSIONS OF COVER   | 25        |
| WHEN YOU ARE INSURED                                 | 5         | EXCLUSIONS  | 25        |
| YOUR COOLING-OFF PERIOD                              | 5         | CONDITIONS  | 26        |
| HOW TO MAKE A CLAIM                                  | 5         | <b>SECTION 5 – FIDELITY GUARANTEE</b>                       | <b>27</b> |
| ADEQUATE SUM INSURED – BUILDINGS AND COMMON CONTENTS | 5         | DEFINITIONS   | 27        |
| CALCULATING YOUR PREMIUM                             | 5         | WHAT YOU ARE COVERED FOR                                    | 27        |
| EXCESSES   | 6         | ADDITIONAL BENEFIT  | 27        |
| CERTAIN THINGS YOU MUST DO                           | 6         | EXCLUSIONS  | 27        |
| RENEWALS   | 6         | CONDITIONS  | 27        |
| YOUR PRIVACY   | 6         | CLAIMS PROCEDURES   | 27        |
| TAXATION INFORMATION                                 | 6         | <b>SECTION 6 – OFFICE BEARERS’ LIABILITY</b>                | <b>28</b> |
| FINANCIAL CLAIMS SCHEME                              | 6         | DEFINITIONS   | 28        |
| INTEREST ON UNALLOCATED PREMIUM                      | 6         | WHAT YOU ARE COVERED FOR                                    | 28        |
| <b>PART TWO – THE INSURANCE POLICY</b>               | <b>7</b>  | EXTENSIONS OF COVER   | 28        |
| YOUR POLICY  | 7         | ADDITIONAL BENEFITS   | 29        |
| OUR AGREEMENT WITH YOU                               | 7         | EXCLUSIONS  | 29        |
| GENERAL DEFINITIONS RELATING TO ALL SECTIONS         | 7         | CONDITIONS  | 29        |
| <b>SECTION 1 – BUILDINGS AND COMMON CONTENTS</b>     | <b>11</b> | CLAIMS PROCEDURES   | 29        |
| DEFINITIONS  | 11        | <b>SECTION 7 – VOLUNTARY WORKERS</b>                        | <b>30</b> |
| WHAT YOU ARE COVERED FOR                             | 11        | DEFINITIONS   | 30        |
| ADDITIONAL BENEFITS                                  | 11        | ADDITIONAL BENEFITS   | 31        |
| OPTIONAL BENEFITS                                    | 16        | EXCLUSIONS  | 31        |
| HOW WE PAY CLAIMS                                    | 16        | CONDITIONS  | 31        |
| EXCLUSIONS   | 18        | CLAIMS PROCEDURES   | 31        |
| CONDITIONS   | 19        | <b>SECTION 8 – GOVERNMENT AUDIT COSTS</b>                   | <b>32</b> |
| CLAIMS PROCEDURES                                    | 19        | DEFINITIONS   | 32        |
| <b>SECTION 2 – GLASS</b>                             | <b>20</b> | WHAT YOU ARE COVERED FOR                                    | 32        |
| DEFINITIONS  | 20        | EXCLUSIONS  | 32        |
| WHAT YOU ARE COVERED FOR                             | 20        | CONDITIONS  | 33        |
| ADDITIONAL BENEFITS                                  | 20        | CLAIMS PROCEDURES   | 33        |
| HOW WE PAY CLAIMS                                    | 20        | <b>SECTION 9 – LEGAL EXPENSES</b>                           | <b>34</b> |
| EXCLUSIONS   | 21        | DEFINITIONS   | 34        |
| CONDITIONS   | 22        | WHAT YOU ARE COVERED FOR                                    | 34        |
| CLAIMS PROCEDURES                                    | 22        | EXTENSIONS OF COVER   | 35        |
| <b>SECTION 3 – THEFT</b>                             | <b>23</b> | EXCLUSIONS  | 35        |
| DEFINITIONS  | 23        | CONDITIONS  | 35        |
| WHAT YOU ARE COVERED FOR                             | 23        | CLAIMS PROCEDURES   | 35        |
| ADDITIONAL BENEFITS                                  | 23        | <b>SECTION 10 – WORKPLACE, HEALTH &amp; SAFETY BREACHES</b> | <b>36</b> |
| HOW WE PAY CLAIMS                                    | 23        | DEFINITIONS   | 36        |

|   |           |                                |           |
|---|-----------|--------------------------------|-----------|
| WHAT YOU ARE COVERED FOR                                      | 36        | SALVAGE VALUE                  | 47        |
| EXTENSIONS OF COVER   | 36        | CLAIMS PREPARATION COSTS       | 47        |
| EXCLUSIONS  | 36        | JURISDICTION                   | 47        |
| CONDITIONS  | 36        | GOODS AND SERVICES TAX (GST)   | 47        |
| CLAIMS PROCEDURES   | 36        | <b>CLAIMS PAYMENT EXAMPLES</b> | <b>48</b> |
| <b>SECTION 11 — MACHINERY BREAKDOWN</b>                       | <b>37</b> | SCENARIO 1                     | 48        |
| DEFINITION  | 37        | SCENARIO 2                     | 48        |
| WHAT YOU ARE COVERED FOR                                      | 37        | SCENARIO 3                     | 48        |
| ADDITIONAL BENEFITS   | 37        | SCENARIO 4                     | 49        |
| HOW WE PAY CLAIMS   | 38        | SCENARIO 5                     | 49        |
| EXCLUSIONS  | 38        | SCENARIO 6                     | 49        |
| MACHINERY   | 38        | SCENARIO 7                     | 49        |
| PRESSURE EQUIPMENT  | 39        | SCENARIO 8                     | 50        |
| CONDITIONS  | 39        | SCENARIO 9                     | 50        |
| CLAIMS PROCEDURES   | 39        | SCENARIO 10                    | 50        |
| <b>SECTION 12 — LOT OWNER'S IMPROVEMENTS</b>                  | <b>40</b> | SCENARIO 11                    | 50        |
| DEFINITIONS   | 40        |                                |           |
| WHAT YOU ARE COVERED FOR                                      | 40        |                                |           |
| HOW WE PAY CLAIMS   | 40        |                                |           |
| EXCLUSIONS  | 40        |                                |           |
| CONDITIONS  | 40        |                                |           |
| CLAIMS PROCEDURES   | 40        |                                |           |
| <b>SECTION 13 — WORKERS' COMPENSATION</b>                     | <b>41</b> |                                |           |
| <b>GENERAL EXCLUSIONS RELATING TO ALL SECTIONS</b>            | <b>42</b> |                                |           |
| <b>GENERAL CONDITIONS RELATING TO ALL SECTIONS</b>            | <b>44</b> |                                |           |
| CANCELLING YOUR POLICY  | 44        |                                |           |
| REFUND OF PREMIUM IF YOUR POLICY IS CANCELLED                 | 44        |                                |           |
| THE LAW THAT APPLIES TO THIS POLICY                           | 44        |                                |           |
| REINSTATEMENT OF SUM INSURED                                  | 44        |                                |           |
| CROSS LIABILITY   | 44        |                                |           |
| SEVERABILITY  | 45        |                                |           |
| NOTIFICATION OF CHANGES IN THE RISK                           | 45        |                                |           |
| REASONABLE PRECAUTIONS  | 45        |                                |           |
| INSPECTIONS   | 45        |                                |           |
| SPRINKLER INSTALLATIONS                                       | 45        |                                |           |
| <b>GENERAL CLAIMS PROCEDURES RELATING TO ALL SECTIONS</b>     | <b>46</b> |                                |           |
| WHEN YOU SUFFER DAMAGE OR LOSS OR A CLAIM IS MADE AGAINST YOU | 46        |                                |           |
| NOTIFICATION OF CLAIMS  | 46        |                                |           |
| OFFER TO SETTLE   | 47        |                                |           |
| REFUSAL OF RECOMMENDATIONS                                    | 47        |                                |           |
| DELAYS  | 47        |                                |           |
| ACTS OR OMISSIONS OF YOUR BODY CORPORATE MANAGER              | 47        |                                |           |
| RECOVERY ACTION   | 47        |                                |           |
| OTHER INSURANCES  | 47        |                                |           |
| REPAIRS OR REPLACEMENT  | 47        |                                |           |

## PART ONE — IMPORTANT INFORMATION

### THE PURPOSE OF THIS PDS

The PDS has been prepared to assist You in understanding Your Policy and making an informed choice about Your insurance needs. This PDS sets out important information about the insurance and the terms and conditions and limitations of the Policy. The Policy terms and conditions are set out in this PDS under the heading "The Insurance Policy" commencing on page 7.

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

### UPDATING THE PDS

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

### WHO IS THE INSURER

Insurance Australia Limited, trading as CGU Insurance (CGU) is the insurer of sections 1 to 12 of the Policy. Its Australian Business Number is 11 000 016 722. Its Australian Financial Services Licence Number is 227681. In this PDS, the insurer is called 'We', 'Us' or 'Our'. CGU can be contacted by writing to Us at CGU, GPO Box 9902 in Your capital city, by telephoning 131 532 or visiting [www.cgu.com.au](http://www.cgu.com.au).

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

Cover for section 13 is provided by Insurance Australia Limited ABN 11 000 016 722 trading as CGU Workers Compensation if Your situation is in Western Australia. In the Northern Territory, The Australian Capital Territory and Tasmania CGU provides cover for section 13. No workers compensation is provided in other states.

### WHO IS STRATA UNIT UNDERWRITERS

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

### GENERAL INSURANCE CODE OF PRACTICE

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

#### The objectives of the Code are:

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

The Code Governance Committee is an independent body that monitors and enforces insurers' compliance with the Code.

#### Our Commitment to you:

We have adopted and support the Code and are committed to complying with it. Please contact Us if you would like more information about the Code or the Code Governance Committee.

### HOW TO RESOLVE A COMPLAINT OR DISPUTE

1. Talk to Us first

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

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

cannot agree with You on alternative time frames, You can go to step 2.

## 2. Seek a review

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

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

## 3. Seek an external review

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

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

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

## HOW TO APPLY FOR INSURANCE

To apply for insurance please complete Our application form. If We accept Your application for insurance, You will receive a Schedule that sets out details of the insurance You have taken out.

## WHEN YOU ARE INSURED

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

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

## YOUR COOLING-OFF PERIOD

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

## HOW TO MAKE A CLAIM

When something happens that You believe You can claim for, please contact Strata Unit Underwriters. Details about making a claim are shown in the "The Insurance Policy" section of this PDS under "General Claims Procedures Relating to all sections". We have also provided "Claims Payment Examples" on page 48, to assist You to understand how We pay claims.

## ADEQUATE SUM INSURED — BUILDINGS AND COMMON CONTENTS

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

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

## CALCULATING YOUR PREMIUM

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

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

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

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

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

Your premium, including any discounts You may be eligible for, are subject to minimum premiums. We consider the minimum amount We are prepared to sell the Policy for and may adjust Your premium to ensure it does not fall below the minimum amount. Any discounts will be applied to Your Policy, only to the extent any minimum premium is not reached. This means that any discount You may be eligible for may be reduced. When We determine Your premium on renewal, We may also limit any increases or decreases in Your premium by considering factors such as Your previous year's premium amount.

## EXCESSES

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

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

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

## CERTAIN THINGS YOU MUST DO

You must do the following things:

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

## RENEWALS

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

## YOUR PRIVACY

CGU & Strata Unit Underwriters (SUU) use information provided by customers to allow Us to offer our products and services. This means CGU & SUU may need to collect Your personal information, and sometimes sensitive information about You as well (for example, health information for travel insurance). CGU & SUU will collect this information directly from You where possible, but there may be occasions when CGU & SUU collect this information from someone else.

CGU & SUU will only use Your information for the purposes for which it was collected, other related purposes and as permitted or required by law. You may choose not to give CGU & SUU Your information, but this may affect our ability to provide You with insurance cover.

CGU & SUU may share this information with companies within the Insurance Australia Group, government and law enforcement bodies if required by law and others who provide services to Us or on our behalf, some of which may be located outside of Australia.

For more details on how CGU collect, store, use and disclose Your information, please read Our Privacy Policy located at [www.cgu.com.au/privacy](http://www.cgu.com.au/privacy). Alternatively, contact CGU at [privacy@cgu.com.au](mailto:privacy@cgu.com.au) or 131 532 and We will send You a copy.

CGU recommend that You obtain a copy of this Privacy Policy and read it carefully.

By applying for, using or renewing any of CGU's products or services, or providing CGU with Your information, You agree to this information being collected, held, used and disclosed as set out in this Privacy Policy.

CGU's Privacy Policy also contains information about how You can access and seek correction of Your information, complain about a breach of the privacy law, and how CGU will deal with Your complaint.

For information on how SUU collect, store, use and disclose Your information, please read the SUU Privacy Policy located at [www.suu.com.au/privacy](http://www.suu.com.au/privacy) or contact the SUU Privacy Officer on 1300 668 066.

## TAXATION INFORMATION

We show all taxes and charges as separate items on all Schedules (e.g. stamp duty and the Goods and Services Tax). Details about the Goods and Services Tax are shown under "Goods And Services Tax (GST)" on page 47.

## FINANCIAL CLAIMS SCHEME

You may be entitled to payment under the financial claims scheme in the event that Insurance Australia Limited, trading as CGU Insurance (CGU) becomes insolvent. Access to the scheme is subject to eligibility criteria. Information about the scheme can be obtained from the Australian Prudential Regulation Authority (APRA) website at [www.apra.gov.au](http://www.apra.gov.au) and the APRA hotline on 1300 55 88 49.

## INTEREST ON UNALLOCATED PREMIUM

If We are unable to issue Your insurance when We receive Your application, We are required to hold Your premium in a trust account on Your behalf until Your insurance can be issued. We will retain any interest payable by Our bank to meet, among other things, bank fees and other bank costs We incur in operating the account.



## PART TWO — THE INSURANCE POLICY

### YOUR POLICY

Your Policy is a contract of insurance between You and Us.

#### Your Policy contains the following information:

- How We pay claims.
- Important information applicable to Your Policy.
- What You are covered for.
- What Your Policy does not cover.
- If You need more information about this Policy, please contact Your Financial Service Provider or Strata Unit Underwriters.

### OUR AGREEMENT WITH YOU

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

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

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

### GENERAL DEFINITIONS RELATING TO ALL SECTIONS

The general definitions set out below relate to all sections of this Policy. The meaning of other words that apply to specific sections of the Policy are set out in relevant sections of the Policy and have precedence. The singular includes the plural and vice versa.

#### Aircraft

means any craft or object designed to travel through air or space, other than model aircraft or unmanned inflatable balloons used for advertising or promotional purposes.

#### Authorised Legal Representative

means a solicitor, assessor, personal investigator or any other person appointed to act on Your behalf approved by Us. We will not unreasonably withhold Our approval.

#### Buildings

means Buildings as defined in any act or regulation governing strata title, community title or similar-type property in the state or territory where the buildings are located that You own or are liable for, including:

- anything permanently built, constructed or installed on Your property;
- blinds or awnings on the outside of the Buildings;
- outbuildings;
- services including roads, pipes, cables, power poles, aerials, satellite dishes;
- swimming pools; and
- tennis courts, marinas, wharves, docks, jetties, pontoons;

that You own or are liable for and are located at the Situation.

*Buildings do not include:*

- Unit Owner's Floating Floors unless You include Optional Benefit 1. of Section 1.
- illegal installations;
- mobile or fixed air conditioning units servicing an individual Unit where Your Building is located in Queensland;
- plants, lawns, trees, gravel, pebbles, rocks, stones, soil, sand, bark or mulch other than as covered under additional benefit "Landscaping" on page 14;
- property including removable fixtures that a tenant or lessee is liable for under the terms of a rental agreement; or
- temporary floor coverings, carpets, carpet underlay, curtains, blinds and window coverings inside a Unit.

Where anything in this definition of "Buildings" is contrary to any act or regulation governing strata title, community title or similar type property applying where Your Building is located the requirements of Your act or regulation will apply.

### **Common Area**

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

### **Common Contents**

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

- a. carpets in Common Areas;
- b. computer equipment and electronic equipment;
- c. furniture and furnishings;
- d. garden equipment;
- e. office equipment; and
- f. portable appliances.

*Common Contents do not include:*

- a. Aircraft, Watercraft, hovercraft and their accessories;
- b. plants, lawns, trees, gravel, pebbles, rocks, stones, soil, sand, bark or mulch other than as covered under additional benefit "Landscaping" on page 14.
- c. property of Unit Owners, shareholders, members, proprietors or any other person or party;
- d. Vehicles registered or required to be registered or compulsorily insured or be part of a statutory scheme of compensation under any legislation in the state or territory in which they are being used; or
- e. temporary floor coverings, carpets, carpet underlay, curtains, blinds and window coverings inside a Unit.

### **Communicable Disease**

means any disease which can be transmitted by means of any substance or agent from any organism to another organism where:

- a. the substance or agent includes, but is not limited to, a virus, bacterium, parasite or other organism or any variation thereof, whether deemed living or not;
- b. the method of transmission, whether direct or indirect, includes but is not limited to, airborne transmission, bodily fluid transmission, transmission from or to any surface or object, solid, liquid or gas between organisms; and
- c. the disease, substance or agent can cause or threaten bodily injury, illness, emotional distress or damage to human health or human welfare or can cause or threaten damage to, deterioration of, loss of value of, marketability of or loss of use of property.

### **Cyber Act**

means an unauthorised, malicious or criminal act or series of related unauthorised, malicious or criminal acts, regardless of time and place, or the threat or hoax thereof involving access to, processing of, use of or operation of any Computer Equipment.

### **Cyber Incident**

means:

- a. any error or omission or series of related errors or omissions involving access to, processing of, use of or operation of any Computer Equipment; or
- b. any partial or total unavailability or failure or series of related partial or total unavailability or failures to access, process, use or operate any Computer Equipment.

### **Cyber Loss**

means any loss, damage, liability, claim, cost or expense of whatsoever nature directly or indirectly caused by, contributed to by, resulting from, arising out of or in connection with any Cyber Act or Cyber Incident including, but not limited to, any action taken in controlling, preventing, suppressing or remediating any Cyber Act or Cyber Incident.

### **Damage**

means any partial or total physical loss of, or destruction of property from any sudden and accidental cause not otherwise excluded by this Policy. Damaged has a corresponding meaning.

### **Data Processing Media**

means any Insured Property by this Policy on which Electronic Data can be stored but not the Electronic Data itself.

### **Excess**

means the amount You will be required to pay towards the cost for any claim under the Policy. We will deduct the amount of the Excess from the amount payable in respect of Your claim. Your Excess will apply for each separate identifiable event. Where an Excess applies to each vacant lot, this Excess will be applied to each lot which has suffered loss or Damage. The amount of Your Excess is shown on Your Schedule or in the Policy wording.

### **Floating Floors**

means laminated, veneered or similar type flooring not glued or fastened to the sub-floor but held in position by its own weight with or without skirting at perimeter walls.

### **Forcible Entry**

means the unlawful entry accompanied by visible force used to get into a Building when normal means of entry are locked or blocked.

**Human Infectious or Contagious Disease**

means:

- a. influenza but not Highly Pathogenic Avian Influenza in humans or human influenza with pandemic potential; or
- b. viral gastroenteritis, norovirus and rotavirus; or
- c. legionnaires' disease (legionellosis).

**Indemnity Value**

means the cost to rebuild, replace or repair Insured Property to condition that is equivalent to or substantially the same as but not better nor more extensive than its condition at the time of Damage taking into consideration age, condition and remaining useful life.

**Insured**

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

**Insured Property**

means the Buildings and/or Common Contents at the Situation.

**Office Bearer**

means:

- a. a person or other entity appointed by Your strata community to act as an office bearer or committee member in terms of the strata schemes management act, strata titles act, community titles act or similar legislation applying where the Insured Property and Common Area is situated;
- b. a Strata Manager appointed as an agent of an Office Bearer and/or committee member;
- c. a person invited by an Office Bearer and/or committee member to assist in the management of Your Strata affairs.

but does not include a Strata Manager or any other contracted person, firm or company when acting in their professional capacity.

**Period of Insurance**

means the period of time during which cover is provided by the Policy as shown on the Schedule.

**Policy**

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

**Pollution**

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

**Schedule**

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

**Situation**

means the locations set out as the situation in the Schedule.

**Storm**

means a violent wind sometimes combined with thunder and/or lightning, heavy falls of rain, hail or snow.

**Storm Surge**

means an abnormal rise in the level of the sea along a coast caused by the onshore winds of a severe cyclone.

**Strata Manager**

means a person or other entity (appointed in writing by the Unit Owners) with delegated functions including the authority to act as an Office Bearer in terms of any act or regulation governing strata title, community title or similar type property applying where Your Insured Property is situated.

**Sum Insured**

means the amount shown on Your Schedule.

**Terrorism**

means any act, or preparation in respect of action, or threat of action designed to influence the government de jure or de facto of any nation or any political division thereof, or in pursuit of political, religious, ideological or similar purposes to intimidate the public or a section of the public or any nation by any person or group of persons whether acting alone or on behalf of or in connection with any organisation or government de jure or de facto, and which:

- a. involves violence against one or more persons; or
- b. involves Damage to property; or
- c. endangers life other than that of the person committing the action; or
- d. creates a risk to health or safety of the public or a section of the public; or
- e. is designed to interfere with or to disrupt an electronic system.

**Time Element Loss**

means business interruption, contingent business interruption or any other consequential losses insured under Your Policy.

**Unit**

means an area marked as a unit and/or a lot on the plan of Your Insured Property.

**Unit Owner**

means the registered owner of a Unit and/or a lot.

**Unit Occupier's Family**

means family who normally lives with a Unit Occupier, occupant, previous occupant or tenant (as the case may be) at the Unit, including a legal or de facto spouse and any member of their family who normally lives or lived with them at the Unit.

**Unit Owner's Family**

means family who normally lives with a Unit Owner at the Unit, including a legal or de facto spouse and any member of their family who normally lives with them at the Unit.

**Vehicle**

means any type of machine on wheels, skis, or on self-laid tracks, designed to be moved other than by manual or animal power and includes any trailer or attachment intended to be drawn by such machine.

It does not include wheelchairs, garden appliances, maintenance equipment or golf buggies which are not required to be registered.

**Watercraft**

means any vessel, craft or thing made or intended to float on or in, or travel on or through, or under water.

**We, Us, Our and CGU**

means the insurers named on the Schedule which is Insurance Australia Limited trading as CGU Insurance with the exception of the provision of cover to You under section 13 in Western Australia. If You have cover under section 13 in Western Australia the insurer is Insurance Australia Limited ABN 11 000 016 722 trading as CGU Workers Compensation for that section 13 workers compensation cover only.

**Written Consent**

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

**You, Your and Yours**

means the Insured named on the Schedule, unless otherwise noted.

## SECTION 1 — BUILDINGS AND COMMON CONTENTS

### DEFINITIONS

#### Accidental

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

#### Catastrophe

means an event causing widespread Damage and as a result of which the Insurance Council of Australia declares a Catastrophe.

#### Damage

means any physical loss of, destruction of, or Damage to property from any sudden and Accidental cause not otherwise excluded by this Policy. Damaged has a corresponding meaning.

#### Flood

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

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 altered or modified);
5. a reservoir;
6. a canal;
7. a dam.

#### Fusion

means an electrical motor burnt out by electric current.

#### Land Value

means the sum determined in accordance with the Australian Property Institute Professional Practice Standards as being the land value at the Situation.

#### Loss of Income

means an amount of money calculated on the annual rentable value of any part of Your Common Area, including outgoings that are payable by tenants or lessees, that applied immediately prior to the loss or Damage and that would have been received but for the loss or Damage.

#### Rent

means an amount of money calculated on the annual rentable value of a Unit or Common Area, including

outgoings that are payable by tenants or lessees, that applied immediately prior to the loss or Damage and that would have been received but for the loss or Damage less any commission or charges You are not required to pay to a letting or rental agent.

See also "General Definitions Relating To All Sections" on page 7.

### WHAT YOU ARE COVERED FOR

This section is an Accidental, physical Loss or destruction contract of insurance between You and Us.

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

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

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

- a. the reasonable costs of removal, storage, disposal of debris being the residue of Your Insured Property as a result of damage that We have agreed to pay for;
- b. the reasonable costs of demolition, dismantling, shoring up, propping, underpinning or other temporary repairs to Your Insured Property necessarily incurred and as a result of Damage that We have agreed to pay for;
- c. the reasonable costs of architect's, surveyor's, consulting engineer's and other professional fees incurred with Our Written Consent (which will not be unreasonably withheld) as a result of Damage that We have agreed to pay for;
- d. the reasonable costs incurred with Our Written Consent in making submissions and/or applications, attending meetings or hearings to any government or building licensing authority as a result of Damage that We have agreed to pay for; and
- e. the reasonable fees, contributions and taxes to be paid to any public or statutory authority to obtain authority to reinstate, repair or replace Your Insured Property as a result of Damage that We have agreed to pay for. We will not pay for any penalties or fines.

### ADDITIONAL BENEFITS

This insurance is extended to include the additional benefits shown below for events which occur during the Period of Insurance. Where an additional benefit shows an amount or percentage that We will pay, such amount or percentage will be paid in addition to the Sum Insured for this section.

#### Alterations & Additions

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

We will not pay for:

- a. any works that exceed \$100,000 unless We have given Our Written Consent before such works have commenced; or
- b. any works where a builder and/or contractor is required or has taken out insurance cover that insures material damage and liability risks for the alterations, additions and improvements.

#### **Arson Reward**

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

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

#### **Capital Additions**

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

We will do this when:

- a. a certificate of completion has been issued,
- b. You inform Us as soon as reasonably possible of completion of the capital additions, and
- c. You pay an additional premium at Our request.

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

#### **Catastrophe Cover**

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

Provided the additional amount for Catastrophe cover is not totally used for a claim, We will also increase the total amount We will pay under additional benefit Loss of Rent, Temporary Accommodation and Removal Costs by 15% if additional benefit for "Loss Of Rent, Reletting Costs, Temporary Accommodation And Removal Costs" on page 14 is payable. No amount will be paid under this additional benefit until such time as the Sum Insured on Your Buildings and Common Contents has been totally exhausted.

If You do not reinstate Your Buildings and Common Contents, no amount will be paid under this additional benefit.

#### **Common Contents Temporarily Removed**

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

#### **Communication Costs**

We will pay the reasonable costs incurred by You in developing and/or managing communications to occupants relating to the reinstatement of Your Buildings following Damage to Your Insured Property covered by this section. We will only pay these costs where:

- a. the cost of reinstatement of Your Buildings is more than \$500,000;
- b. Damage occurs to more than one (1) Unit or Common Area;
- c. the communication is intended for the exclusive benefit of Lot Owners and tenants of Your Buildings; and
- d. We have agreed to these costs in writing before they are incurred.

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

#### **Electricity, Gas, Water Charges — Additional Costs**

We will pay for any additional electricity, gas, water, sewerage and similar charges You incur following Damage to Your Insured Property covered by this section.

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

#### **Electricity, Gas, Water Charges — Unauthorised Use**

We will pay for any additional electricity, gas, water, sewerage and similar charges You are legally required to pay following its unauthorised use by an occupant of Your Buildings.

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

We will not pay unless all reasonable measures are taken to terminate the unauthorized use immediately once You become aware of the unauthorised use including notification to the police.

#### **Emergency Accommodation/Meal Costs**

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

- a. Damage to the Unit covered by this section, or
- b. prevention of access to or occupancy of the Unit as a result of Damage that would be covered under this section happening to other property in the immediate vicinity of the Insured Property, or
- c. access to or occupancy of the Unit being prevented by the police authority or other emergency service due to a danger or disturbance in the immediate vicinity of the Insured Property.

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

The total combined amount payable under this additional benefit is limited to \$1,500 per Unit.

We will not pay these costs where:

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

#### Emergency Costs to Minimise Losses

We will pay the reasonable costs of necessary emergency repairs You may incur in Your duty to minimise Damage covered under this section and avoid further Damage to the Insured Property following a loss covered under this section.

#### Environmental Upgrade

Following Damage to Your Insured Property covered by this section and if You elect to repair or replace Your Insured Property (including part of Your Insured Property) We will pay the additional costs for environmental improvements not previously installed that improve the energy and water efficiency of Your Insured Property.

The most We will pay is \$20,000 for any one event less any governments subsidies to which You are entitled at the date of loss whether You claim these subsidies or not.

We will only pay these costs where the cost to repair or replace the Damaged portion of your Insured Property is more than twenty five per cent (25%) of what the cost would have been had Your Insured Property been totally destroyed.

#### Exploratory Costs

We will pay the reasonable and necessary costs incurred in identifying and locating the source of any bursting, leaking, discharging or overflowing from any tank, pipe or apparatus used to hold or carry liquid of any kind that has caused Damage to Your Insured Property that is not excluded by this section.

We will also pay the reasonable costs to:

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

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

#### Failure of Services

If Your Buildings or sections of Your Buildings are unable to be occupied for their intended purpose due to the failure of electricity, water, gas or sewerage services resulting from Damage (that would be covered by this section) to property belonging to the service provider, We will pay:

- a. where a Common Area within Your Insured Property is leased out, or You can provide evidence by means of a

signed agreement that it would have been leased out, We will pay an amount equal to the actual Loss of Income;

- b. where a Unit is leased out, or You can provide evidence by means of a signed agreement that it would have been leased out, We will pay an amount equal to the actual Rent lost; and
- c. where a Unit is owner-occupied, We will pay the reasonable cost of temporary accommodation You necessarily incur.

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

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

Under this additional benefit, We will also provide cover to a Unit Owner as an insured persons and in which case 'You' and 'Your' will be replaced with Unit Owner for this additional benefit only.

#### Fallen Trees

Where a tree or branch falls causing Damage to Your Insured Property We will pay the reasonable professional costs for:

- a. removal and disposal of the fallen trees and/or branches; and
- b. treating the stump or root to prevent re-growth of the tree.

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

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

#### Fire Extinguishment

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

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

#### Funeral Expenses

Where a Unit is owner-occupied, We will pay up to \$5,000 a Unit for the funeral costs of the Unit Owner, or member of the Unit Owner's Family permanently residing in the Unit, where death occurs as a direct result of Damage to Your Insured Property covered under this section.

## Fusion

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

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

We will not pay for:

- a. any additional costs arising from loss of use of the electric motor;
- b. contact at which sparking or arcing occurs in ordinary working;
- c. lighting or heating elements, fuses, protective devices or switches;
- d. motors under a guarantee or warranty; or
- e. other parts of any electrical appliance or non-electrical components, including software.

If the motor forms part of a sealed unit, We will also pay for the cost of replacing refrigerant gas.

If a motor in a sealed unit cannot be repaired or replaced because of the unit's inability to use a different type of refrigerant gas as required by regulation, or parts are no longer available, then We will only pay the cost that would have been incurred in repairing a sealed unit in an equivalent modern day appliance. If an equivalent modern day appliance is not available then one as close as possibly equivalent will be the basis of any claim.

If a motor (apart from a motor in a sealed unit) cannot be repaired or replaced because parts are no longer available or are obsolete, we will not pay more than the estimated cost of similar parts for similar type of motor currently available.

If similar parts are found to be unobtainable, we shall not pay more than the manufacturers or suppliers latest list price.

## Infectious Or Contagious Disease, Murder And/Or Suicide

If Your Buildings or sections of Your Buildings are unable to be occupied for their intended purpose by order of a competent public authority due to:

- a. a Human Infectious or Contagious Disease at Your Situation, not otherwise excluded under the Policy; or
- b. murder or suicide in or at Your Situation;

occurring during the Period of Insurance

then We will pay:

- a. where a Common Area within Your Insured Property is leased out, or You can provide evidence by means of a signed agreement that it would have been leased out, We will pay an amount equal to the actual Loss of Income;
- b. where a Unit is leased out, or You can provide evidence by means of a signed agreement that it would have been leased out, We will pay an amount equal to the actual Rent lost; and

- c. where a Unit is owner-occupied, We will pay the reasonable cost of temporary accommodation You necessarily incur.

Provided that:

- i. for the avoidance of doubt, exclusion h. within the 'General exclusions relating to all sections' section of the Policy applies to the cover provided by this additional benefit; and
- ii. the maximum amount payable under this additional benefit in the aggregate for the Period of Insurance is whichever is the lesser of up to 30 days of actual Loss of Income or actual Loss of Rent or \$250,000 unless otherwise specified in the Schedule; and
- iii. We will not cover the first 48 hours of any period Your Buildings cannot be occupied unless otherwise specified in the Schedule; and
- iv. We will not pay for any cost to clean up, decontaminate, disinfect, remove, replace, monitor and/or test for any diseases, conditions or circumstances described in this additional benefit; and
- v. The amounts payable under this additional benefit will be reduced by any amount payable under any insurance Policy affected by a Unit Owner.

Under this additional benefit, We will also provide cover to a Unit Owner as an insured person in which case 'You' and 'Your' will be replaced with Unit Owner for this additional benefit only.

For the purpose of this additional benefit only the following definition applies:

Your Situation means only the premises at the Situation shown in the Schedule that are directly owned, leased or controlled by You and does not include any extension to the definition of Situation elsewhere in the Policy or Schedule.

## Inflationary Costs – CPI Increase

Where Your Insured Property suffers Damage covered by this section, We will increase Your Sum Insured by the amount the Consumer Price Index (housing group) has increased since the start date of Your current Period of Insurance to the time of the Damage.

## Landscaping

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

## Loss Of Rent, Reletting Costs, Temporary Accommodation And Removal Costs

We will pay the following costs where Your Unit or Common Area suffers Damage covered by this section and areas are uninhabitable or when reasonable access to or occupancy of Your Unit or Common Area is prevented by Damage that would be covered by this section happening to other property within the immediate vicinity of Your Unit or Common Area:

- a. Loss of Rent



Where a Unit or Common Area is leased out, or You can provide evidence by means of a signed agreement that it would have been leased out, We will pay an amount equal to the actual Rent lost less any recoveries available from the bond authority. We will pay up until the time Your Unit or Common Area is re-leased following completion of reinstatement and/or repair of Your Insured Property or access to Your Unit or Common Property is re-established provided You can demonstrate that You have taken all necessary steps to re-let Your Unit or Common Area including the active marketing of Your Unit or Common Area at current market Rent.

b. Reletting Costs

Where a lease agreement is terminated as a result of Damage covered by this section to Your Unit or Common Area, We will pay the reasonable re-letting costs of that Unit or Common Area.

The most We will pay is \$1,500.

c. Removal & Storage Costs

Where a Unit is occupied for residential purposes, We will pay the reasonable costs to a Unit Owner incurred in:

- i. removing and storing their undamaged contents at the nearest place of safe keeping;
- ii. returning their undamaged contents to their Unit at the Situation when occupancy of their Unit is permitted; and
- iii. insuring their undamaged contents during such removal, storage and return.

We will also pay the above reasonable removal & storage costs for undamaged Common Contents owned by You.

d. Temporary Accommodation Costs

Where a Unit is owner-occupied, We will pay the reasonable costs for temporary accommodation You necessarily incur calculated on the basis of similar accommodation located in the vicinity of the Insured Property location. We will pay for the period that is reasonably necessary for repairs and rebuilding to be completed and access to Your Unit is re-established.

*Under this Additional Benefit:*

The combined total amount We will pay is limited to 15% of the Sum Insured on Your Buildings and Common Contents or other amount as shown on Your Schedule.

The amounts payable will be reduced by any amount payable under any insurance policy affected by a Unit Owner.

If You or anyone acting on Your behalf cause unreasonable delays in commencing or completing reinstatement or replacement of Your Insured Property We will reduce Our payment by the amounts which result from the delays.

If You or anyone acting on Your behalf fail to take reasonable steps to minimise and/or stop any further Damage to Your

Insured Property, We will reduce Our payment by the amounts which result from that further Damage.

We will also provide cover to the Unit Owner in which case 'You' and 'Your' will be replaced with 'Unit Owner' in this additional benefit only.

**Meeting Room Hire**

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

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

**Modifications**

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

The most We will pay is \$50,000.

**Money**

We will pay for loss of Your money while in the personal custody of an Office Bearer of Yours, or of Your Strata Manager while acting on Your behalf.

The most We will pay is \$25,000 for any one event.

We will not pay for fraudulent misappropriation, larceny or theft or any attempt thereof by:

- a. any person in Your employment;
- b. Unit Owner, including any family member of the Unit Owner's Family permanently residing with them; or
- c. a proxy of a Unit Owner.

**Mortgage Costs**

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

**Pets & Security Dogs**

We will pay Unit Owners for the cost to board pets or security dogs where their Unit is unable to be occupied as a result of Damage covered under this section.

We will only pay when:

- a. temporary accommodation does not allow pets;

- b. the pet is owned by the Unit Owner;
- c. the pet is usually kept at the Situation; and
- d. the Unit is used as a primary place of residency.

The most We will pay is \$1,000 for any one Unit.

#### **Property of Others**

We will pay the Indemnity Value of personal property of others in Your physical or legal control following Damage covered by this section.

We will not pay if the property is already insured under another policy entered into by a third party or by a policy required by law.

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

#### **Purchaser's Interest**

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

#### **Restoration of Records And Electronic Data**

We will pay the cost of collating information, preparing, replacing, rewriting and/or restoring Your records and electronic data directly related to Your Insured Property that suffer Damage covered by this section.

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

#### **Security Guard/Temporary Protection**

We will pay the necessary and reasonable cost of providing temporary protection and employment of security guards to safeguard Your Insured Property and residents following Damage to Your Insured Property covered by this section.

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

#### **Strata Levies And/Or Maintenance Fees**

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

#### **Title Deeds**

We will pay for the cost of preparing new title deeds to Your land, Buildings or any Unit contained within Your Buildings if the title deeds suffer Damage covered by this section.

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

#### **Travel Costs**

Where a Unit is rented, We will pay up to \$250 per Unit for the necessary and reasonable travel costs incurred by the Unit Owner in attending the Unit to consult with claim assessors, builders or other repairers following Damage to Your Insured

Property covered by this section that results in the Unit being unable to be occupied for its intended purpose.

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

#### **Water Removal**

We will pay the reasonable costs You incur for the removal of water from the basement area of Your Buildings caused directly by Storm or rain and not otherwise excluded by this section.

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

## **OPTIONAL BENEFITS**

The following optional benefits are operative when specified on Your Schedule as included:

### **1. Floating Floors**

Provided Your Sum Insured on Building and Common Contents is not totally used for a claim for Damage, We will also pay for Damage to Unit Owners Floating Floors.

## **HOW WE PAY CLAIMS**

### **1. Reinstatement And Replacement**

#### **a. Buildings**

When Damage not excluded by this section occurs to Your Buildings, We will pay the reasonable and necessary cost of rebuilding or replacing Your Buildings or repairing the Damaged portions to the same condition as when they were new. We decide which one We will do. Our choice will have regard to the circumstances of Your claim and consider any preference You may have. If We pay the cost of rebuilding Your Buildings, You can rebuild on another site. You can do this provided the amount We pay is not increased.

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

#### **b. Common Contents**

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

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

We will decide which one We will do. Our choice will have regard to the circumstances of Your claim and consider any preference You may have.

## 2. Cash Settlement

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

- a. assess the claim You have submitted for Us to pay;
- b. obtain quotations for the repairs or replacement that You have carried out; and
- c. reduce the amount We pay You by the amount which represents any disadvantage We suffer as a result of the repairs or replacement being carried out without Our consent.

Our choice will have regard to the circumstances of Your claim and consider any preference You may have.

If You choose not to repair or replace Your Insured Property, We will pay Your claim based on Indemnity Value.

### Extra Cost Of Reinstatement

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

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

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

### Undamaged Foundations And/Or Undamaged Portion Of Buildings

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

#### *Floor Space Ratio*

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

- a. pay the cost of rebuilding or repairing the Damaged portions of Your Buildings for the reduced size; and
- b. pay the difference between:
  - i. the actual cost of rebuilding or repairing the Damaged portions for the reduced size of Your Buildings, and

- ii. the estimated cost of rebuilding or repairing the Damaged portions, had the size of the Buildings not been reduced.

We will not pay more than the Sum Insured for this section. We will reduce the amount We pay You by any amount You may receive as compensation for or in respect of the size reduction of Your Buildings.

### Land Value

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

The most We will pay is the unused portion of Your Sum Insured for this section. The amount we will pay under for any loss of Land Value is reduced by the amount paid under clause 5 "Floor Space Ratio" above.

### Materials

We will make a fair and reasonable attempt to match new materials used to repair or replace Your Insured Property with the original, undamaged materials. If You are not satisfied with the closest match, You are able to pay the extra cost of replacing undamaged parts to achieve a matching appearance.

### Undamaged Property

We will not pay any costs for replacing, repairing, altering or modifying any undamaged Insured Property or undamaged sections of Your Insured Property including such costs which are incurred for the purpose of colour matching of or creating a uniform appearance between undamaged Insured Property and repaired or replaced Insured Property claimed under this Policy.

In the event of repairs, We will make a fair and reasonable attempt to match the repairs to undamaged areas, using the closest match available.

If You are not satisfied with the closest match:

- a. You are able to pay the extra cost of repairing undamaged areas to achieve a matching appearance; or
- b. We will pay You the reasonable cost to repair the damaged area, provided that cost is available and actionable by You.

### Illegal Installations

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

### Pairs, Sets, Systems And Collections

When a Damaged or lost item that is not excluded by this section is part of a pair, set, system or collection, We will only pay for the value of the item itself. 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.

### Policy Excess

For each Insured Property claim, We will reduce the amount We pay You for Your claim by the amount of Your Excess.

The amount of Your Excess is shown on Your Schedule.

Your Excess will be increased by \$250 for any claim for Damage arising from an earthquake or seismological disturbance which occurs during any one period of seventy two (72) consecutive hours.

## EXCLUSIONS

1. We will not pay any claims for Damage to Insured Property arising directly or indirectly from any of the following:
  - a. construction, erection, alteration or addition where the value of such work exceeds \$500,000, unless Our Written Consent to continue cover has been obtained prior to the commencement of such work;
  - b. the removal or weakening of or interference with the support of land or Buildings or any other property, vibration, erosion, subsidence, landslide, collapse or any other earth movement unless it happens immediately following and is a result of:
    - i. earthquake, seismological disturbance or tsunami;
    - ii. explosion;
    - iii. Storm, rainwater or wind;
    - iv. bursting, leaking, discharging or overflowing from any tank, pipe, gutter, drain or other fixed plumbing apparatus;
  - c. wear and tear, fading, marring, gradual deterioration, developing flaws, normal up-keeping or making good, rust, gradual corrosion, oxidization, concrete or brick cancer, wet or dry rot. However this exclusion does not apply to subsequent Damage to Insured Property not otherwise excluded by the Policy;
  - d. the action of the sea, tidal wave, high water or high tide, (other than that directly attributable to Damage caused by tsunami);
  - e. Flood;
  - f. Storm Surge but we will cover Damage to Insured Property caused by Storm Surge if such Damage occurs at the same time as other Damage to Insured Property and was directly caused by a named cyclone. Any named cyclone Excess noted on your Schedule will apply to all damage caused by Storm Surge and named cyclone;
  - g. heating or any process involving the direct application of heat. This exclusion shall be limited to the item or items immediately affected and shall not extend to Damage to other Insured Property which may result from such heating or any process involving the direct application of heat;
  - h. mechanical breakdown or derangement, electrical and/or electronic breakdown or derangement or failure caused by electric current. However We will pay if the Damage is due to:
    - i. an electric motor burning out as described under Additional Benefit "Fusion" on page 14;
    - ii. lightning;
    - iii. power surge when the Insured has provided evidence that the power surge event is confirmed by the supply authority; or
    - iv. resulting fire; or
    - v. Damage or other subsequent damage not otherwise excluded by this section;
  - i. mould and/or fungi, mildew, pollution or contamination, change in colour, dampness, variations in temperature, evaporation, inherent vice or latent defect, loss of weight, change in texture or finish, unless arising from:
    - i. Storm, rainwater or wind;
    - ii. Bursting, leaking, discharging or overflowing from any tank, pipe, gutter, drain or other fixed plumbing apparatus;
    - iii. Named cyclone; or
    - iv. Storm Surge if such Damage occurs at the same time as other Damage to Insured Property and was directly caused by a named cyclone. Any named cyclone Excess noted on your Schedule will apply to all damage caused by Storm Surge and named cyclone.
  - j. normal settling, seepage, shrinkage, expansion, creeping, heaving in Buildings, foundations/footings, walls, bridges, roadways, kerbing, driveways, paths, garden borders, retaining walls and other structural improvements;
  - k. rats, mice, insects, termites, possums, birds, bats, vermin or other animals that peck, bite, chew or scratch. However this exclusion does not apply to subsequent Damage to Insured Property not otherwise excluded by the Policy;
  - l. the invasion from trees, plants, shrubs, grass and/or their roots or for the cost of clearing pipes or drains blocked by such invasion. We will pay for the resultant Damage to Insured Property caused by the escape of water or liquids from blocked pipes or drains; or
  - m. defect in any item, structural defect, faulty design, faulty workmanship, error or omission that You were aware of or should have reasonably been aware of.

2. We will not pay for:
- a. consequential loss of any kind, including but without limiting the generality of this exclusion, loss due to delay, lack of performance, loss of contract or depreciation in the value of any undamaged Insured Property except as provided for under this section;
  - b. theft or attempted theft;
  - c. breakage of glass;
  - d. demolition ordered by a public or statutory authority as a result of an error in architectural design, specification, faulty workmanship or non-compliance with lawful requirements or due to the incorrect siting of Your Insured Property;
  - e. the cost of rectifying faulty or defective materials or faulty or defective workmanship;
  - f. the cost of clearing blocked pipes or drains unless the blockage causes or is the result of physical Damage to the pipe or drain. We will pay for the resultant water or liquid Damage to Your Insured Property from the overflow of such pipes or drains;
  - g. Damage to Your Insured Property if it is vacant and undergoing demolition unless Our Written Consent to continue cover has been obtained before the commencement of demolition; or
  - h. Storm Damage and rainwater Damage to retaining walls installed to prevent subsidence or collapse of the Insured Property.

See also "General Exclusions Relating To All Sections" on page 42.

## CONDITIONS

See the "General Conditions Relating To All Sections" on page 44.

## CLAIMS PROCEDURES

See the "General Claims Procedures Relating To All Sections" on page 46.

## SECTION 2 — GLASS

### DEFINITIONS

#### Breakage

means any physical loss or destruction.

#### Glass

means internal and external Glass that form part of Your Insured Property.

See also "General Definitions Relating To All Sections" on page 7.

### WHAT YOU ARE COVERED FOR

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

The most We will pay is the Sum Insured shown on Your Schedule under "section 1 – Building and Common Contents".

If We have agreed to pay a claim and the Sum Insured shown on Your Schedule under "section 1 – Building and Common Contents" is not totally used, We will also pay for:

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

### ADDITIONAL BENEFITS

This insurance is extended to include the additional benefits listed in section 1 as if any Breakage of Glass covered under this section is covered under section 1 for the additional benefits only, as shown on page 11, for events which occur during the Period of Insurance. Where an additional benefit shows an amount or percentage that We will pay, such amount or percentage will be paid in addition to the Sum Insured on Your Schedule under "section 1 – Building and Common Contents".

### HOW WE PAY CLAIMS

#### 1. Reinstatement And Replacement

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

- a. replace the Damaged Glass in compliance with the requirements of the Standards Association of Australia and any statutory authority; or
- b. pay the cost of replacing the Glass.

We will decide which one We will do. Our choice will have regard to the circumstances of Your claim and consider any preference You may have.

#### Cash Settlement

- a. If You submit a claim for cash settlement for repairs or replacing Your Glass that have already been carried out,

We will at Our option:

- i. assess the claim You have submitted for Us to pay;
  - ii. obtain quotations for the repairs or replacement that You have carried out; and
  - iii. reduce the amount We pay You by the amount which represents any disadvantage We suffer as a result of the repairs or replacement being carried out without Our consent.
- b. If You choose not to repair or replace Your Glass, We will at Our option:
    - i. cash settle Your claim based on the cost to repair or replace Your Glass, or
    - ii. pay Your claim based on Indemnity Value.

Our choice will have regard to the circumstances of Your claim and consider any preference You may have.

#### Materials

We will make a fair and reasonable attempt to match new materials used to repair or replace Your Insured Property with the original, undamaged materials. If You are not satisfied with the closest match, You are able to pay the extra cost of replacing undamaged parts to achieve a matching appearance.

#### Undamaged Property

We will not pay any costs for replacing, repairing, altering or modifying any undamaged Glass or undamaged sections of Your Glass including such costs which are incurred for the purpose of colour matching of or creating a uniform appearance between undamaged Glass and repaired or replaced Glass claimed under this Policy.

#### Illegal Installations

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

## Policy Excess

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

## EXCLUSIONS

### We will not pay claims for Breakage to Glass arising directly or indirectly from:

- a. construction, erection, alteration or addition where the value of such work exceeds \$500,000, unless Our Written Consent to continue cover has been obtained prior to the commencement of such work;
- b. the removal or weakening of or interference with the support of land or Buildings or any other property, vibration, erosion, subsidence, landslide, collapse or any other earth movement unless it happens immediately following and is a result of:
  - i. earthquake, seismological disturbance or tsunami;
  - ii. explosion;
  - iii. Storm, rainwater or wind; or
  - iv. bursting, leaking, discharging or overflowing from any tank, pipe, gutter, drain or other fixed plumbing apparatus;
- c. wear and tear, fading, marring, gradual deterioration, developing flaws, normal up-keeping or making good, rust, corrosion, oxidization, concrete or brick cancer, wet or dry rot;
- d. the action of the sea, tidal wave, high water, (other than that directly attributable to Damage caused by tsunami);
- e. Flood;
- f. Storm Surge but we will cover Damage to Insured Property caused by Storm Surge if such Damage occurs at the same time as other Damage to Insured Property was directly caused by a named cyclone. Any named cyclone Excess noted on your Schedule will apply to all damage caused by Storm Surge and named cyclone;
- g. heating or any process involving the direct application of heat. This exclusion shall be limited to the item or items immediately affected and shall not extend to Damage to other Insured Property which may result from such heating or any process involving the direct application of heat;
- h. mould and/or fungi, mildew, pollution or contamination, change in colour, dampness, variations in temperature, evaporation, inherent vice or latent defect, loss of weight, change in texture or finish, unless arising from:
  - i. Storm, rainwater or wind;
  - ii. Bursting, leaking, discharging or overflowing from any tank, pipe, gutter, drain or other fixed plumbing apparatus;
  - iii. Named cyclone; or
  - iv. Storm Surge if such Damage occurs at the same time as other Damage to Insured Property and was directly caused by a named cyclone.

Any named cyclone Excess noted on your Schedule will apply to all damage caused by Storm Surge and named cyclone.
- i. normal settling, seepage, shrinkage, expansion, creeping, heaving in Buildings, foundations/footings, walls, bridges, roadways, kerbing, driveways, paths, garden borders, retaining walls and other structural improvements;
- j. rats, mice, insects, termites, possums, birds, bats, vermin or other animals that peck, bite, chew or scratch;
- k. the invasion from trees, plants, shrubs, grass and/or their roots nor for the cost of clearing pipes or drains blocked by such invasion. We will pay for the resultant Damage to Insured Property caused by the escape of water or liquids from blocked pipes or drains;
- l. defect in any item, structural defect, faulty design, faulty workmanship, error or omission that You were aware of or should have reasonably been aware of;
- m. smut or smoke from industrial operations (other than directly attributable to sudden or unforeseen Damage);
- n. underground water or water exerting hydrostatic pressure. However We will pay if the Damage is due to bursting, leaking, discharging or overflowing from any tank, pipe, gutter, drain or other fixed plumbing apparatus;
- o. any process of cleaning involving the use of chemicals other than domestic household chemicals; or
- p. artificial heat, installation or removal.

### We will not pay for:

- a. consequential loss of any kind, including but without limiting the generality of this exclusion, loss due to delay, lack of performance, loss of contract or depreciation in the value of any undamaged Insured Property except as provided for under this section;
- b. demolition ordered by a public or statutory authority as a result of an error in architectural design, specification, faulty workmanship or non compliance with lawful requirements or due to the incorrect sitting of Your Insured Property;
- c. the cost of rectifying faulty or defective materials or faulty or defective workmanship;
- d. damage to Your Glass if Your Insured Property is vacant and undergoing demolition unless Our Written Consent to continue cover has been obtained before the commencement of demolition; or
- e. breakage of sign writing that has been fixed by tenants;
- f. theft or attempted theft.

See also "General Exclusions Relating To All Sections" on page 42.

## CONDITIONS

See the "General Conditions Relating To All Sections" on page 44.

## CLAIMS PROCEDURES

See the "General Claims Procedures Relating To All Sections" on page 46.



## SECTION 3 — THEFT

### DEFINITIONS

See "General Definitions Relating To All Sections" on page 7.

### WHAT YOU ARE COVERED FOR

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

The most We will pay is the Sum Insured shown on Your Schedule under "section 1 – Buildings And Common Contents".

### ADDITIONAL BENEFITS

This insurance is extended to include the additional benefit shown below and the additional benefits listed in section 1, as shown on page 11, as if theft or attempted theft covered under this section is covered under section 1 for the purposes of the additional benefits only for events which occur during the Period of Insurance. Where an additional benefit shows an amount or percentage that We will pay, such amount or percentage will be paid in addition to the Sum Insured on Your Schedule under "section 1 – Building and Common Contents".

#### Loss of Keys

In the event of keys having been stolen as the result of forcible entry into your Building(s), We will pay the costs of rekeying or recoding locks together with replacement keys, or replacement with locks of a similar type and quality if they cannot be rekeyed or recoded.

The most We will pay is up to \$5,000.

We will not pay:

when there are reasonable grounds to believe the keys and/or codes have been stolen or duplicated by any occupant or previous occupant of Your Insured Property, or by the Unit Occupier's Family or their friends.

### HOW WE PAY CLAIMS

#### 1. Reinstatement And Replacement

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

- a. replace the item with the nearest equivalent item available; or
- b. pay You the reasonable and necessary cost of replacement or repair.

We will decide which one We will do. Our choice will have regard to the circumstances of Your claim and consider any preference You may have.

#### 2. Cash Settlement

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

- a. assess the claim You have submitted for Us to pay;
  - b. obtain quotations for the repairs or replacement that You have carried out; and
  - c. reduce the amount We pay You by the amount which represents any disadvantage We suffer as a result of the repairs or replacement being carried out without Our consent.
2. If You choose not to repair or replace Your Insured Property, We will at Our option:
    - a. cash settle Your claim based on the cost to repair or replace Your Insured Property, or
    - b. pay Your claim based on Indemnity Value.

Our choice will have regard to the circumstances of Your claim and consider any preference You may have.

#### 3. Pairs, Sets, Systems And Collections

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

#### 4. Policy Excess

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

### EXCLUSIONS

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

1. clerical or accounting errors; or
2. fraudulent misappropriation, embezzlement or fraudulent acts.

We will not pay for consequential loss of any kind, including but without limiting the generality of this exclusion, loss due to delay, lack of performance, loss of contract or depreciation in the value of any undamaged Insured Property except as provided for under this section.

See "General Exclusions Relating To All Sections" on page 42.

### CONDITIONS

See "General Conditions Relating To All Sections" on page 44.

### CLAIMS PROCEDURES

See "General Claims Procedures Relating To All Sections" on page 46.

## SECTION 4 — LIABILITY

### DEFINITIONS

#### Your Business

means the ownership of or responsibility for Your Common Area and Insured Property unless You otherwise advise Us and We agree to such an inclusion in writing.

#### Defamation

means the tort of defamation at general law in Australia.

#### Fire Warden

means Voluntary Workers who are responsible for and implement the safety procedures of Your Common Area and Insured Property to ensure the safety of occupants or visitors.

#### Members

means the proprietors, Unit Owners or shareholders of Your Insured Property, whilst acting in the performance of their duties under any act or regulation governing strata title, community title or similar-type property applying where Your Insured Property is situated, and in that capacity only. Their interest or liability as an owner and/or occupier of a lot/Unit is not included unless otherwise specifically provided by this Policy.

#### Occurrence

means:

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

#### Personal Injury

means:

1. bodily injury, death, sickness, disease, disability;
2. shock, fright, mental anguish;
3. false arrest, false imprisonment, wrongful detention or malicious prosecution;
4. Defamation;
5. wrongful eviction, wrongful entry or other invasion of privacy;

that happens during the Period of Insurance anywhere in Australia.

#### Working Tool

means a Vehicle that has tools, implements, machinery or plant attached to or towed by the Vehicle and is being used by You within the confines of Your Common Area or Insured Property. It does not mean transit to or from or within the confines of Your Common Area or Insured Property.

#### Property Damage

means:

1. physical Damage or destruction to tangible property including any loss of its use following such physical Damage or destruction; or
2. loss of use of tangible property that has not been physically Damaged or destroyed provided that the loss of use has been caused by an Occurrence;

that happens during the Period of Insurance anywhere in Australia.

#### Voluntary Worker

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

A Voluntary Worker does not include employees, contractors or any person who receives reward or remuneration for the services they have provided to You or a Unit Owner.

See also "General Definitions Relating To All Sections" on page 7.

### WHAT YOU ARE COVERED FOR

We will pay for all sums which You become legally liable to pay as compensation in respect of:

1. Personal Injury; or
2. Property Damage;

Resulting from an Occurrence happening in connection with Your Business.

The most We will pay, for any Occurrence, is the Sum Insured shown on Your Schedule for this section. Where the Occurrence takes place over more than one Period of Insurance, We will only pay up to the amount shown on Your Schedule once in respect of each Occurrence.

### ADDITIONAL BENEFITS

If We agree to indemnify You under this section, We will also cover the following costs and expenses. We will pay these costs and expenses in addition to the Sum Insured for this section shown on Your Schedule.

**1. Legal Costs**

We will pay:

- a. all legal costs and expenses incurred by Us;
- b. reasonable cost of legal representation You necessarily incur with Our Written Consent;
- c. other reasonable expenses You necessarily incur that We have agreed to reimburse; and
- d. all interest accruing after judgement has been entered against You until We have paid, tendered or deposited in court the amount that We are liable to pay following judgement.

**2. Court Appearance**

We will pay compensation if We require an Office Bearer or Your Strata Manager to attend a court as Our witness in connection with a claim under this section.

The most We will pay is \$250 per day.

**EXTENSIONS OF COVER****1. Cover For Others**

Provided that they observe, fulfil and are subject to the terms, conditions and exclusions of this Policy, We will also cover as though they were 'You' the following that are not named in the Schedule:

- a. the interest therein of Members;
- b. employees of the Insured in connection with the employees duties as an employee;
- c. any of Your directors, Office Bearers or Voluntary Workers, including Fire Wardens, but only for liability incurred by them while acting within the scope of their duties on behalf of the Insured;
- d. volunteers in connection with their duties in organising recreational activities for and on behalf of the body corporate for Unit Owners and occupiers of the Units.
- e. the interest of an owner and/or leaseholder of property adjacent to Your Insured Property in respect of their liability, which arises from the Insured's acts or omissions, in relation to any part of the Insured Property that overhangs and/or infringes adjoining public or private property.

**2. Recreational Activities**

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

The most We will pay in respect of any one Occurrence is the Sum Insured for this section shown in the Schedule.

**3. Services**

We will pay the amounts You are liable to pay for Personal Injury or Property Damage if Your liability arises out of the service or services You provide for the benefit, general use and enjoyment of Unit Owners and occupiers of Units at Your Situation.

**4. Car Parks**

We will pay the amounts You are liable to pay for Property Damage to Vehicles that are in Your physical or legal control where the Property Damage occurs while the Vehicles are in a car park that You own or operate at Your Situation.

We will not pay if:

- a. the Vehicle is owned by or being used by You, or on Your behalf; or
- b. You operate the car park for reward.

**5. Strata Managers Defence**

If a claim is made jointly against You and Your Strata Manager solely by virtue of their relationship with You, We will treat Your Strata Manager as though they were You.

We will not indemnify Your Strata Manager if his/her joining in the claim is attributable to allegations he/ she committed a negligent or wrongful act, error or omission of his/her when acting in a professional capacity, including but not limited to performance of his/her obligations with respect to any management agreement or other contractual arrangement he/ she may have in place with You.

**EXCLUSIONS**

We will not pay claims directly or indirectly arising from:

1. Defamation arising from publication of defamatory matter that:
  - a. You published prior to the Period of Insurance; and
  - b. You knew or ought to have known to be false; or
  - c. You published maliciously.
2. any agreement or contract You enter into unless liability would have attached to You in the absence of such agreement. This exclusion does not apply to:
  - a. liability assumed by You under any contract or lease of real or personal property;
  - b. liability assumed by You in the course of Your Business under the terms of any written agreement with the company, person or firm appointed to manage Your business except where liability arises out of:
    - i. any alleged act of negligence on their part; or
    - ii. their default in performing their obligations under such agreement.

3. any business, profession, trade or occupation carried on by You other than the hiring out of Your sporting or recreational facilities and the managing of the Buildings and its surrounds;
  4. assault or battery committed by You or at Your direction, unless it was committed for the reasonably proportionate purpose of preventing or eliminating danger to persons or property;
  5. arising out of construction, erection, demolition, alteration or addition where the value of such work exceeds \$500,000, unless Our Written Consent to continue cover has been obtained prior to the commencement of such work;
  6. Damage to, or loss of, property that belongs to any person employed by You and that Damage or loss arises from his/her employment with You;
  7. Damage to property belonging to, rented by or leased by You or in Your physical or legal control, other than as provided under this section;
  8. penalties, fines or awards of aggravated, exemplary or punitive damages (including interest and costs) imposed against You;
  9. Personal Injury to any person employed by You and that injury arise from his/her employment with You;
  10. the discharge, release or escape of any Pollutants or the testing, monitoring, containing, prevention, removal, neutralising or cleaning up of Pollutants. This exclusion will not apply where the discharge, dispersal, release or escape of Pollutants:
    - a. is caused by a single incident, and;
    - b. is clearly identifiable and;
    - c. is confined to one specific location; and
    - d. is instantaneous.
  11. liability in consequence of, contributed to, or aggravated by asbestos in whatever form or quantity;
  12. vibrations, removal or weakening of support or from the removal of or weakening of or interference with the support of land, Common Area, Insured Property or other property.
  13. liability for Personal Injury or Property Damage in connection with the ownership, possession, or use by You of any Vehicle:
    - a. which is registered or which is required under any legislation to be registered, or
    - b. in respect of which compulsory liability insurance or statutory indemnity is required by virtue of any legislation (whether or not that insurance is affected).
- Exclusions 13(a) and 13(b) above do not apply to claims for Personal Injury where:
- i. that compulsory liability insurance or statutory indemnity does not provide indemnity; and
  - ii. the reason or reasons why that compulsory liability insurance or statutory indemnity does not provide indemnity do not involve a breach by You of legislation relating to Vehicles; or
- iii. arising out of and during the loading or unloading of goods to or from any Vehicle; or
  - iv. the use of the Vehicle, or plant or attachment to the Vehicle, as a Working Tool within the confines of Your Common Area or Insured Property;
14. Your use, operation, ownership, possession or maintenance of any Watercraft exceeding 8 metres in length or any Hovercraft. This exclusion does not apply to liability arising out of:
    - a. the use of Watercraft by an independent contractor carrying out works and/or operations on behalf of the Insured in the course of the Insured's Business;
    - b. Watercraft or Hovercraft owned and operated by others and used by an Insured for the purpose of entertainment of Unit Owners, tenants and the Unit Owner's Family and friends; or
    - c. floating jetties, floating pontoons or buoys;
  15. Your use, operation, ownership, possession or maintenance of Aircraft or Aircraft landing areas;
  16. Your performance of or failing to render professional advice or service, but this exclusion does not apply to the rendering of or failing to render professional medical advice by a legally qualified medical practitioner, legally qualified registered nurse, dentist or first aid attendant You use to provide first aid services at Your Situation;
  17. the actual or alleged use or presence of asbestos, removal of asbestos, exposure to asbestos, or in any way involving asbestos or asbestos contained in any materials in whatever form or quantity;
  18. actions instituted outside of Australia or actions in Australia that are governed by the laws of a foreign country; or
  19. any liability required by law to be covered under any fund, scheme, policy of insurance or self-insurance pursuant to or required by any legislation relating to workers compensation, whether or not such fund, scheme or insurance has been effected.

See also "General Exclusions Relating To All Sections" on page 42.

## CONDITIONS

See the "General Conditions Relating To All Sections" on page 44.

## CLAIMS PROCEDURES

See the "General Claims Procedures Relating To All Sections" on page 46.

## SECTION 5 — FIDELITY GUARANTEE

### DEFINITIONS

#### Funds

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

#### Misappropriation

means the intentional, illegal use of Your Funds.

See also "General Definitions Relating To All Sections" on page 7.

### WHAT YOU ARE COVERED FOR

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

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

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

### ADDITIONAL BENEFIT

If We agree to indemnify You under this section, We will also cover the following costs and expenses. We will pay these costs and expenses in addition to the Sum Insured shown on Your Schedule.

#### Auditors Fees

Subject to Our prior Written Consent (which will not be unreasonably withheld) before incurring such costs, We will pay up to \$2,500 for the necessary and reasonable fees payable to external auditors which are incurred to support Your claim.

### EXCLUSIONS

We will not pay:

1. for any further loss arising from an act of fraud or dishonesty committed by the same person or persons after the first loss has been discovered;
2. losses that are recoverable under any other fidelity bond or fund of any type, which provides indemnity for this loss; or
3. any claims arising out of losses discovered more than twelve (12) months after the expiry of this Policy, or any renewal of this section of the Policy.

See also "General Exclusions Relating To All Sections" on page 42.

### CONDITIONS

#### How A Loss Is Reduced

To the extent allowed by law, You are required to retain any money or assets that belong to that person or entity that was fraudulent or dishonest and for which You are claiming under this section of Your Policy. The amount We pay You for the loss will be reduced by:

- a. the amount of money You are entitled to retain; and
- b. the proceeds of the sale of any assets You are entitled to retain.

See the "General Conditions Relating To All Sections" on page 44.

### CLAIMS PROCEDURES

See the "General Claims Procedures Relating To All Sections" on page 46.

## SECTION 6 — OFFICE BEARERS' LIABILITY

### DEFINITIONS

#### Building Management Committee

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

#### Claim

means any writ, summons, legal proceeding, written or verbal demand that is issued against or served upon You alleging any Wrongful Act that is covered by this section.

#### Defence Costs

means costs, charges and expenses (other than Your fees, salaries or salaries of Your employees) incurred by Us or by You with Our Written Consent (such consent not to be unreasonably withheld):

1. in the investigation, defence, monitoring or settlement of any Claim or proceedings and appeals there from together with the costs of appeal; or
2. in the legally compellable attendance by an Office Bearer at any official investigation into the Insured's affairs.

#### Loss

means money payable by reason of:

1. a judgment ordered by a court of competent jurisdiction;
2. any arbitration award or settlement of claims, negotiated with Our consent;
3. the legal costs and expenses, incurred with Our written agreement, in defending a claim;
4. the legal costs and expenses of any claimant, awarded against You; or
5. the legal costs and expenses of any claimant We elect to pay.

#### Sub Committee

means a committee formed and approved by the committee of the governing body of the Buildings.

#### Wrongful Act

means any actual or alleged:

1. error, misstatement, incorrect act or omission; or
2. neglect or breach of duty;

by an Office Bearer whilst acting in his or her capacity as such.

#### You, Your and Yours

For the purpose of this section, You, Your and Yours is extended to also include a past or present Office Bearer.

See also "General Definitions Relating To All Sections" on page 7.

### WHAT YOU ARE COVERED FOR

We will indemnify You for Loss arising from a Wrongful Act which results in a Claim made against You in Australia that is:

1. first made against You, during the Period of Insurance, and
2. notified to Us in the current Period of Insurance or as soon as reasonably possible thereafter.

The most We will pay for all Claims in respect of any one Period of Insurance is:

1. the Sum Insured shown on Your Schedule for this section; and
2. when We have reinstated Your cover under additional benefit 2 of this section, an amount equal to that limit of indemnity.

#### Multiple Claims

Where any Wrongful Act results in more than one Claim covered by Us under this Policy or another policy, all such Claims will jointly constitute one Loss and be deemed to have originated in the earliest Period of Insurance in which any of such Wrongful Acts is first reported to Us.

### EXTENSIONS OF COVER

1. Continuous Cover

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

- a. We have continuously been the Office Bearers' liability insurer since the time when the first notification should have been given, and the time the notification is given; and
- b. the Policy limit of cover, including its terms, conditions and exclusions provided, will be those applicable to Our Office Bearers' Liability Insurance, current when the Claim should have or could have been made.

2. Extended Period Of Insurance

We agree that should a Claim arise within a period of thirty (30) days following the expiry date of this Policy and Your renewal instructions have not been received We will, subject to Your renewal instructions being received by Us during that period, accept the notification of such Claim under this section.

3. Cross Liability

For the purposes of this section only, where more than one legal entity is insured under this Policy, We will indemnify You to another Insured as if that other Insured were not a party to the Policy subject to Our total liability not exceeding the Sum Insured for this section.

## ADDITIONAL BENEFITS

### Advancement Of Defence Costs

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

- a. decide not to manage the settlement of a Claim and then We may, at Our option, pay the Defence Costs arising from the Claim as they are incurred; or
- b. decide to manage the settlement of a Claim and then We will pay the Defence Costs arising from the Claim as they are incurred.

We decide which one We will do.

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

### Reinstatement Of Sum Insured

When We have paid a Claim under this section and the total amount of the Claim equals, or but for the Sum Insured for this section would exceed, the Sum Insured for this section We will reinstate the Sum Insured for this section once only to that shown on the Schedule, subject to You paying any additional premium that We may require. This reinstatement shall not apply to:

- a. any Claim, fact or circumstance that should have been or could have been notified to Us during the proceeding Period of Insurance of this section or under an earlier Office Bearers Liability section issued by Us;
- b. any Claim notified to Us for which a Loss payment has not been made; or
- c. any existing Claim on which a Loss payment has been made including any subsequent Claim that may arise from the same event.

## EXCLUSIONS

We will not pay claims directly or indirectly arising from:

1. failure to provide to Us first notification of a Claim made against You in the current Period of Insurance except as otherwise provided by this section;
2. any circumstance or event where You intentionally acted outside Your authority as an Office Bearer;
3. any circumstance or event where You are entitled to claim under another policy that ended before this Policy started, to the extent that indemnity is provided to the insured under that other policy;
4. any Claim brought against You in a court of law outside of Australia or an Australian Court applying a foreign law;
5. any conflict of duty or conflict of interest of Yours;

6. any bodily injury, sickness, disease, illness or death of any person, or Damage or Loss to any property. This exclusion does not apply to Loss or Damage to documents which are Your property, or entrusted to You, or the costs incurred by You to replace or restore such documents;
7. any profit or advantage gained by You where You are not entitled to or may be held accountable to the named Insured on the Schedule or any member thereof;
8. loss or liability arising from circumstances which You knew of prior to the inception date of this Policy section or a reasonable person in the circumstances could be expected to know to be circumstances which may give rise to a Claim against You;
9. money or gratuity given to You which was not approved by the named Insured in the Schedule or where approval is required by law;
10. fines, penalties, punitive or exemplary or aggravated damages or any additional damages resulting from the multiplication of compensatory damages;
11. pollution or contamination;
12. the actual or alleged use or presence of asbestos, removal of asbestos, exposure to asbestos, or in any way involving asbestos or asbestos contained in any materials in whatever form or quantity; or
13. any dishonest, fraudulent, criminal or malicious Wrongful Act by You.

However this exclusion does not apply:

- a. where You did not commit or condone such Wrongful Act; and
- b. to the costs incurred by You in successfully defending any Claim made against You.

14. defamation; or
15. Your intentional decision not to effect and maintain insurances as required by the Strata Schemes Management Act, Strata Titles Act, Community Titles Act, Company Titles Act or similar legislation applying where Your Insured Property is Situated.

See also "General Exclusions Relating To All Sections" on page 42.

## CONDITIONS

See the "General Conditions Relating To All Sections" on page 44.

## CLAIMS PROCEDURES

See also "General Claims Procedures Relating To All Sections" on page 46.

## SECTION 7 — VOLUNTARY WORKERS

### DEFINITIONS

#### Death

means cessation of all vital functions.

#### Injury

means an Injury to a person caused solely and directly by violent, accidental, external and visible means. The Injury must be independent of some other cause.

#### Medical Practitioner

means a doctor in general practice who is qualified and licensed to practice medicine in the place where he or she is practicing, or a specialist medical doctor to whom the Voluntary Worker is referred by such a doctor in general practice.

#### Occupation

means any trade, business, profession or employment for which the Voluntary Worker receives an income.

#### Partial Disablement

means where, in the opinion of a Medical Practitioner, the Voluntary Worker is completely prevented from performing some of the normal duties of their usual Occupation.

#### Total Disablement

means where, in the opinion of a Medical Practitioner, the Voluntary Worker is prevented from performing all of the duties of their usual Occupation.

#### Voluntary Worker

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

A Voluntary Worker does not include employees, contractors or any person who receives reward or remuneration (other than provided herein) for his or her services.

See also "General Definitions Relating To All Sections" on page 7.

### WHAT YOU ARE COVERED FOR

If a Voluntary Worker sustains Injury resulting in an event tabled below, We will pay to the Voluntary Worker or to their estate, the benefit shown next to that event.

| This section forms part of Your Policy<br>Events   | Benefit          |
|--|------------------|
| Event 1 — Death  | \$200,000        |
| Event 2 — Total and permanent loss of sight in both eyes   | \$200,000        |
| Event 3 — Total loss of use of both hands or both feet or one hand and one foot  | \$200,000        |
| Event 4 — Total and permanent loss of use of one hand or one foot  | \$200,000        |
| Event 5 — Total and permanent loss of sight in one eye   | \$100,000        |
| Event 6 — Total Disablement preventing the injured Voluntary Worker from performing all of the duties of their usual Occupation          | \$2,000 per week |
| Event 7 — Partial Disablement preventing the injured Voluntary Worker from performing all of the normal duties of their usual Occupation | \$1,000 per week |

We will only pay when:

1. the Injury is sustained during the Period of Insurance when the Voluntary Worker is engaged in voluntary work on behalf of the Insured named in the Schedule in Australia; and
2. the Injury results in any of the events tabled above occurring within 12 consecutive months from the date of Injury.

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

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



## ADDITIONAL BENEFITS

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

### Domestic Assistance

reasonable expenses that the injured Voluntary Worker incurs in obtaining necessary domestic help where, in the opinion of a Medical Practitioner, the Voluntary Worker is prevented from performing all of the duties of their usual Occupation. The most We will pay arising out of any one event is \$5,000.

### Funeral Expenses

the reasonable costs of burial or cremation of the Voluntary Worker up to \$5,000.

### Miscellaneous Expenses

any other reasonable and necessary expenses that the injured Voluntary Worker incurs as a direct result of the Injury.

The most We will pay is \$2,000 per Injury.

### Travel Expenses

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

## EXCLUSIONS

We will not pay any claims:

1. for any amounts payable by or recoverable from any registered health fund, Medicare or other insurer or which we are prohibited from providing cover for under the Health Insurance Act 1973 (Cth), the Private Health Insurance Act 2007 (Cth) or National Health Act 1953 (Cth);
2. for any deliberately self-inflicted Injury;
3. for Event 6 or Event 7 if the injured Voluntary Worker is not in paid employment at the time of the Injury;
4. for Event 6 or Event 7 for more than 104 weeks for the same Injury;
5. for Event 6 or Event 7 for more than the Voluntary Worker's current average weekly earnings;
6. for any pre-existing Injury, physical or mental disability;
7. if the injured Voluntary Worker does not obtain medical advice and/or treatment from a Medical Practitioner as soon as possible after the Injury occurs;
8. to an injured Voluntary Worker when that Voluntary Worker has already been paid for Events 2, 3, 4 or 5;
9. which results from the Voluntary Worker being addicted to alcohol or drugs;

10. which results from the Voluntary Worker being under the influence of alcohol or a drug. This does not apply to a drug taken or given with the advice of a registered Medical Practitioner;
11. arising from childbirth or pregnancy;
12. unless the Injury manifests itself within twelve months of sustaining such Injury;
13. which results from the Voluntary Worker recklessly disregarding his or her own safety; or
14. for Injury suffered which occurred before this cover commenced.

See also "General Exclusions Relating To All Sections" on page 42.

## CONDITIONS

1. Medical Certificates

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

2. Medical Treatment And Examination

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

See also "General Conditions Relating To All Sections" on page 44.

## CLAIMS PROCEDURES

See "General Claims Procedures Relating To All Sections" on page 46.

## SECTION 8 — GOVERNMENT AUDIT COSTS

### DEFINITIONS

#### Audit

means an investigation of Your financial affairs or an investigation or enquiry of Your compliance with record-keeping requirements by a state, territory or Commonwealth department, statutory body, agency or the Australian Taxation Office in relation to Your Business activities.

#### Audit Costs

means fees, charges and disbursements of an Auditor engaged by You, and approved by Us, for work undertaken in connection with an Audit or investigation.

#### Auditor

means a person authorised under state, territory or Commonwealth legislation to carry out an investigation or Audit of Your financial affairs.

#### Business

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

See also "General Definitions Relating To All Sections" on page 7.

### WHAT YOU ARE COVERED FOR

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

We will only pay:

- a. if You have obtained Our Written Consent prior to the Audit Costs being incurred, and
- b. You notify Us of the Audit during the Period of Insurance or as soon as reasonably possible thereafter.

The most We will pay in the aggregate for all claims notified to Us in the Period of Insurance (including such claims notified to Us in the Period of Insurance but not finalized until a subsequent Period of Insurance) is the Sum Insured shown on Your Schedule for this section.

### EXCLUSIONS

We will not pay claims in respect of, arising out of, or relating to:

1. a return of income that has not been prepared or reviewed prior to dispatch by an accountant or registered tax agent. This exclusion does not apply to a return that is in respect of income derived from a contract of employment or service between You and a third party (not being income from a company employing You where You are a director of such company or have a financial interest in that company);
2. any Audit that results from You, or any person acting on Your behalf, becoming aware of any error or deficiency in any information, and choosing not to notify the Australian Taxation Office, Commonwealth, state or territory department, statutory body or agency;
3. any fraudulent act or fraudulent omission committed by You, or on Your behalf, or any statement made by You, or on Your behalf that is false or misleading;
4. any improper, unwarranted or unjustified refusal or failure to comply with any request made by or on behalf of the Australian Taxation Office, Commonwealth, state or territory department, statutory body or agency, under Sections 263, 264 or any other relevant section of the Income Tax Assessment Act 1936 or any other notice under any other relevant legislation;
5. any outside accountant or registered tax agent or any other outside professional person or consultant engaged by or replacing the accountant or registered tax agent engaged by You, unless We have given Our Written Consent to the appointment of such person or consultant;
6. any subsequent objection lodged with the Australian Taxation Office, Commonwealth, state or territory department, statutory body or agency, the Administrative Appeals Tribunal, or the Federal or High Courts in respect of the Audit;
7. Audit Costs incurred after the Audit has been completed;
8. Audit Costs incurred as a result of Your delay in responding to the Australian Taxation Office, Commonwealth, state or territory department, statutory body or agency;
9. Audits or investigations, notice of which or information as to their likely conduct was received by You or by any person acting on Your behalf prior to the Period of Insurance;
10. inquiries from the Australian Taxation Office;
11. Commonwealth, state or territory department, statutory body or agency that are not related to an identified intention to conduct an Audit or are not directed at obtaining information or data in respect of a likely future Audit;

12. Your failure to pay all taxes by due date or within any extension of time granted by the Australian Taxation Office, Commonwealth, state or territory department, statutory body or agency; or
13. fines and penalties incurred by Your failure to lodge documents in relation to an Audit within the required timeframe, or in accordance with the Audit requirements.

See also "General Exclusions Relating To All Sections" on page 42.

## CONDITIONS

You must comply with the conditions noted below otherwise We may refuse or reduce the amount We pay for a claim under this section. The course of action We take when You fail to comply will be considered in each circumstance based on what impact or effect Your failure caused or contributed to the claim or Our decision to issue Your Policy:

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

See also "General Conditions Relating To All Sections" on page 44.

## CLAIMS PROCEDURES

In the event of a claim arising under this section:

1. We or Our duly appointed agent may conduct Our own investigation into any matter that is or may be the subject of a claim under this section;
2. You and all accountants, registered tax agents or lawyers engaged by You shall assist Us with any matter that We wish to pursue directly with the Australian Taxation Office, Commonwealth, state or territory department, statutory body or agency;
3. You must keep Us fully informed of all material developments in relation to any investigation or Audit; and
4. You must take all steps necessary and reasonable to minimise any delays and the amount of any costs incurred, or likely to be incurred, in connection with any Audit.

See "General Claims Procedures Relating To All Sections" on page 46.

## SECTION 9 — LEGAL EXPENSES

### DEFINITIONS

#### Claim

means:

- a. written or verbal advice of the intention to instigate legal proceedings, or seek compensation or damages or seek non-monetary relief; or
- b. a civil proceeding initiated by the serving of a complaint, summons, statement of claim or demand or similar pleading against You; or
- c. a criminal proceeding commenced by a summons or charge against You;

in Australia.

#### Legal Expenses

means legal fees, costs, expenses and disbursements reasonably and necessarily incurred in connection with a Claim.

See also "General Definitions Relating To All Sections" on page 7.

### WHAT YOU ARE COVERED FOR

We will pay Legal Expenses You incur in defence of a Claim.

We will only pay:

1. for Legal Expenses arising out of a Claim which occurred during the Period of Insurance and was notified to Us during the Period of Insurance or as soon as reasonably possible thereafter; and
2. when a Claim is made or brought against You:
  - a. in respect of owning, operating and managing the Buildings insured under section 1; or
  - b. under any consumer protection legislation; or
  - c. about a dispute in respect of:
    - i. terms and conditions of employment, or
    - ii. discrimination legislation with a current, past or prospective employee; and
3. where You obtain Our Written Consent and are able to satisfy Us that:
  - a. there are good prospects of successfully defending the Claim brought against You; and
  - b. the costs and expenses are reasonable and necessary; and
4. where You notify Us as soon as reasonably possible once You are advised of or become aware of a Claim or any circumstances that could give rise to a Claim.

We will not unreasonably withhold Our Written Consent. The most We will pay for all Claims and appeals notified (including any such Claims and appeals notified but not finalised until a subsequent period of insurance) during the Period of Insurance is the Sum Insured shown on Your Schedule for this section.

## EXTENSIONS OF COVER

### 1. Continuous Cover

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

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

### 2. Appeal Proceedings

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

## EXCLUSIONS

We will not pay Claims directly or indirectly arising from:

1. a conflict of Your duty or a conflict of Your interest;
2. any matter arising out of any insurance cover required by legislation;
3. any matter where Legal Expenses cover is separately available to You within this Policy or would have been available but for the operation of any clause limiting or excluding cover, even if You do not take that cover;
4. any proceedings brought by Us;
5. anything which arises from a deliberate act including a deliberate act of fraud or dishonesty that You or anyone acting for You did;
6. costs and expenses that You have not sought Our Written Consent prior to them being incurred;
7. defending legal proceedings without obtaining Our prior Written Consent or in a different way from that advised to Your Authorised Legal Representative;
8. penalties, fines, compensation or awards of aggravated, exemplary or punitive damages made against You, other than legal costs and expenses;
9. proceedings brought by You or on Your behalf;
10. proceedings, or any other circumstances which may lead to a Claim, of which You were aware before You first effected this insurance; or
11. proceedings or any other circumstances which may lead to a Claim that You have not advised Us of as soon as reasonably possible.

See also "General Exclusions Relating To All Sections" on page 42.

## CONDITIONS

See also "General Conditions Relating To All Sections" on page 44.

## CLAIMS PROCEDURES

See "General Claims Procedures Relating To All Sections" on page 46.

## SECTION 10 — WORKPLACE, HEALTH & SAFETY BREACHES

### DEFINITIONS

#### Legal Expenses

means legal fees, costs, expenses and disbursements reasonably and necessarily incurred by You in connection with a Workplace Proceeding.

#### Workplace Proceeding

means:

- a. an appeal against an imposition of an improvement or prohibition notice under any workplace, occupational health and safety or similar legislation; or
- b. an appeal against a determination by a court or tribunal made under any workplace, occupational health and safety or similar legislation;

in Australia.

See also "General Definitions Relating To All Sections" on page 7.

### WHAT YOU ARE COVERED FOR

We will pay Legal Expenses in relation to a Workplace Proceeding which occurred during the Period of Insurance.

We will only pay:

1. if the imposition of an improvement or prohibition notice or determination arises from Your failure to provide and maintain so far as is reasonable:
  - a. a safe working environment and a safe system of work;
  - b. plant and equipment in a safe condition; or
  - c. adequate facilities for the welfare of Your employees; and
2. if You have obtained Our Written Consent. We will only agree to the appeal if We consider that there are good prospects of the appeal being successful;
3. when such improvement or prohibition notice or determination was first made or first brought against You during the Period of Insurance; and
4. if You notify Us of any improvement or prohibition notice or determination by any court or tribunal during the Period of Insurance or as soon as reasonably possible thereafter.

The most We will pay for any one claim and in the aggregate in any one Period of Insurance is the Sum Insured shown on Your Schedule for this section.

### EXTENSIONS OF COVER

#### 1. Continuous Cover

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

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

### EXCLUSIONS

We will not pay claims directly or indirectly arising from:

1. any matter where insurance cover is separately available to You within this Policy, or would have been available but for the operation of any clause limiting or excluding cover even if You do not take that cover;
2. anything which arises from a deliberate act including a deliberate act of fraud or dishonesty that You or anyone acting for You did;
3. improvement or prohibition notices or proceedings or any other circumstances which may lead to a proceeding, of which You were aware before You first effected this insurance;
4. improvement or prohibition notices or proceedings that You have not advised Us of as soon as reasonably possible or;
5. penalties, fines, compensation, or awards for aggravated, exemplary or punitive damages made against You, other than Legal Expenses.

See also "General Exclusions Relating To All Sections" on page 42.

### CONDITIONS

See also "General Conditions Relating To All Sections" on page 44.

### CLAIMS PROCEDURES

See "General Claims Procedures Relating To All Sections" on page 46.

## SECTION 11 — MACHINERY BREAKDOWN

### DEFINITION

#### Breakdown

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

#### Collapse

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

#### Explosion

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

#### Machinery

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

1. any Mobile Machinery, vessel, craft or thing made or intended to fly, float or travel, or stored in or mounted upon such Mobile Machinery, vessel, craft or thing, gaming, gambling, amusement, vending machinery, audio or visual entertainment equipment; machinery hired by You;
2. calculators, photocopiers, typewriters, mobile phones, pagers, computers and other office machinery; or
3. telecommunication transmitting and receiving equipment including but not limited to intercom equipment, wiring, fittings and outlet sockets of electric lighting or electric power circuits.

#### Mobile Machinery

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

#### Pressure Equipment

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

See also "General Definitions Relating To All Sections" on page 7.

### WHAT YOU ARE COVERED FOR

We will cover the Machinery shown on Your Schedule whilst at Your Situation against Breakdown, Collapse or Explosion during the Period of Insurance.

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

### ADDITIONAL BENEFITS

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

#### Hire of Temporary Machinery And Expecting Costs

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

- a. express freight including overseas airfreight of replacement Machinery or replacement Machinery parts;
- b. hiring of substitute Machinery;
- c. overtime; and
- d. temporary repairs.

We will not be liable for:

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

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

#### Cover For Additional Machinery

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

This additional benefit is subject to the following conditions:

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

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

- a. section limits and Excesses will remain the same for such additions;

- b. You notify Us of such additions in writing as soon as reasonably possible of the commencement of such additions; and
- c. You pay the extra premium required by Us for the insurance of such additions.

## HOW WE PAY CLAIMS

### 1. For Breakdown

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

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

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

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

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

### 2. For Explosion Or Collapse Of Pressure Equipment

In the event of a claim for Explosion or Collapse of Pressure Equipment, We will, at Our option, repair or replace the Damaged items or pay the cash equivalent of such repair or replacement as follows:

- a. in the case of repairable Damage, We will pay the cost of repairs necessary to restore the Pressure Equipment to its condition immediately before the Explosion or Collapse.
- b. in the case where the Pressure Equipment cannot be repaired at a cost less than the value of a new equivalent unit, We will pay the cost of installing and commissioning replacement Pressure Equipment of equivalent quality and size. If the Pressure Equipment is replaced with one that is of a better kind, quality or size, We will pay the cost that would have been incurred if an exact replacement had been installed.
- c. if the repair or replacement is not affected within twelve (12) months of the Explosion or Collapse, We will only pay the Indemnity Value of the Pressure Equipment immediately prior to the Explosion or Collapse.

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

### 3. Illegal Installations

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

### 4. Policy Excess

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

## EXCLUSIONS

We will not pay for:

1. consequential financial loss or other indirect loss, for example loss of use or enjoyment, loss of profits or depreciation;
2. liquidated damages or penalties for delay or detentions or in connection with guarantees of performance or efficiency;
3. repair or replacement necessitated by:
  - a. wasting or wearing out of any parts caused by, or resulting from, ordinary use or working or gradual deterioration or wear and tear;
  - b. rust, corrosion, cavitations, erosion, oxidation, deposits of scale, sludge or other sediment;
  - c. any direct consequences of progressive or continuous influences from working or atmospheric or chemical action, other than accidental contact with acids or other corrosive substances, causing Damage which manifests itself within 24 hours of such accidental contact; or
  - d. rusting or scratching of painted or polished surfaces. but We will be liable for other physical Damage to Machinery or Pressure Equipment insured by this Policy, resulting from such causes;
4. the cost of removal of Machinery from a borehole and subsequent replacement;
5. Machinery and Pressure Equipment that has not been commissioned, or if commissioned, has operated continuously for a period of less than eight (8) hours; or
6. the cost of converting refrigeration, chillers or air conditioning units from the use of CFC (chlorofluorocarbon) refrigeration gas to any other type of refrigerated gas.

## MACHINERY

1. In respect of Machinery, We will not pay for loss, destruction or Damage arising directly or indirectly from:
  - a. testing and commissioning, intentional overloading or experiments;



- b. faults or defects known to You or any employee whose knowledge in law would be deemed to be Yours and not disclosed to Us at the time this insurance was arranged;
  - c. any process of heat treatment, welding, grinding, cutting, drilling, shaping or the application of tools to the property other than for the purpose of lifting the insured Machinery or item;
  - d. loss of liquid or refrigerant gas resulting from leakage of glands, seals, shaft seals, gaskets, joints or from fatigue fractured pipes;
  - e. the cost of any modification or replacement to insured Machinery due to legal requirement relating to the use of ozone-depleting refrigerant gases. This exclusion applies regardless of whether Damage has occurred;
  - f. Damage which is claimable under any maintenance or warranty agreement between You and any supplier, manufacturer, repairer or any other person with which You hold such agreement;
  - g. any loss which would be claimable under section 1, 2 or 3 of this Policy if it was operative or would have been covered under Sections 1,2 or 3 except for the operation of an Excess applying to Sections 1,2 or 3;
  - h. erosion, earth movement, flood, the action of the sea, tidal wave, high water or high tide;
2. We will not pay for the loss of or physical destruction or Damage caused to:
- a. bits, drills, knives, saw blades, heating elements, fuses, electronic glass bulbs, lamps, valves, valve plates, x-ray tubes and tubes, commutators, slip rings, conducting brushes, thermal expansion (tx) valves, thermostats, protective and controlling devices, over-loads, pressure switches, bearings, filters, dryers, magnetron units, contacts which spark or arc;
  - b. dies, moulds, patterns, blocks, stamps, punches;
  - c. coating or engraving on cylinders and rolls;
  - d. crushing, hammering or grinding surfaces, wear plates, screens, tyres, batteries, burner jets or other parts which by their use and nature suffer a high rate of wear, tear or gradual deterioration;
  - e. sieves, seals, shaft seals, joints, gaskets or seams, packing materials, filters, ropes, chains, belts, cables (other than electrical conductors), brushes, refractory materials, fire bars, unless as a result of Breakdown;
  - f. fuels, chemicals, filter substances, heat transfer media, cleansing agents, lubricants, oils, catalysts or other operating materials unless as a result of Breakdown.
  - g. materials in the course of or undergoing processing; or

- h. foundations and masonry, unless as a result of Breakdown.

## PRESSURE EQUIPMENT

1. In respect of Pressure Equipment, We will not pay for repair or replacement caused by:
  - a. wasting or wearing away whether by leakage, corrosion or by the action of the fuel or otherwise;
  - b. slowly developing deformation or distortion; or
  - c. cracks, fractures, blisters, lamination separation, flaws or grooving which have not penetrated the entire thickness of the material, although repair or replacement may be necessary at some time in the future.

However exclusions (a), (b) and (c) above will not apply to subsequent Explosion or Collapse.

2. In addition, We will not pay for repair or replacement caused by Explosion or Collapse of any Pressure Equipment if at the time of such Explosion or Collapse:
  - a. the pressure on the pressure limiting devices upon the particular Pressure Equipment were in excess of that permitted in the applicable Australian Standards, codes and laws, and that non compliance caused or contributed to the loss, destruction or damage; or
  - b. any pressure limiting devices was removed or rendered inoperative.
3. We will not pay for loss, destruction or Damage to Pressure Equipment:
  - a. where such equipment is operated in an unsafe condition, and that operation caused or contributed to the loss, destruction or damage; or
  - b. where such equipment does not comply with relevant Australian Standards, codes or laws, and that non compliance caused or contributed to the loss, destruction or damage; or
  - c. where such equipment has not been inspected in accordance with Australian Standard AS3788 as amended, and any other applicable Australian Standards, codes or laws, and that non compliance caused or contributed to the loss, destruction or damage.

See also "General Exclusions Relating To All Sections" on page 42.

## CONDITIONS

See also "General Conditions Relating To All Sections" on page 44.

## CLAIMS PROCEDURES

See "General Claims Procedures Relating To All Sections" on page 46.

## SECTION 12 — LOT OWNER'S IMPROVEMENTS

### DEFINITIONS

#### Damage

means any accidental physical loss or destruction.

#### Lot Owner's Improvements

means:

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

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

#### New Fixture

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

See also "General Definitions Relating To All Sections" on page 7.

### WHAT YOU ARE COVERED FOR

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

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

### HOW WE PAY CLAIMS

We will only pay under this section when the Sum Insured under "section 1 – Building and Common Contents" of this Policy has been totally exhausted.

#### Cash Settlement

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

Section 12 is also subject to the same "How We Pay Claims" as section 1 – Buildings And Common Contents on page 16. However any reference to a "Sum Insured" in section 1 will be read as a reference to the Sum Insured on Your Schedule for this section and subject to any definitions in this section applying if there is a conflict.

### EXCLUSIONS

Section 12 is subject to the same "Exclusions" as section 1 – Buildings And Common Contents on page 18 (subject to any definitions in this section applying if there is a conflict) and the "General Exclusions Relating To All Sections" on page 42.

### CONDITIONS

See "General Conditions Relating To All Sections" on page 44.

### CLAIMS PROCEDURES

See "General Claims Procedures Relating To All Sections" on page 46.

## SECTION 13 — WORKERS' COMPENSATION

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

This cover is subject to the relevant workers' compensation legislation in Your State or Territory.

## GENERAL EXCLUSIONS RELATING TO ALL SECTIONS

We will not be liable for any loss, Damage, destruction, benefit, compensation, legal liability or any other loss, costs, fees, charges or expenses of whatsoever kind arising directly or indirectly from:

- a. anything nuclear or radioactive including but not limited to radioactivity or the use, existence or escape of any nuclear fuel, nuclear material, or nuclear waste or action of nuclear fission or fusion;
- b. lawful confiscation, nationalisation, requisition or destruction of Your property;
- c. any liability arising out of:
  - i. death, injury, illness, loss, Damage or destruction directly or indirectly caused by, contributed by, resulting from or arising out of or in connection with any Act of Terrorism, regardless of any other cause or event contributing concurrently or in any other sequence to the death, injury, illness, loss or Damage, or any action in controlling, preventing, suppressing, retaliating against or responding to any Act of Terrorism.

This exclusion will not apply if the Sum Insured as shown on Your Schedule for the Buildings and Common Contents is less than \$50,000,000;

- d. any:
  - i. Cyber Loss, except that subject to all the terms, conditions, limitations and exclusions of this Policy or any endorsement thereto, this Policy covers any Damage to Insured Property and any Time Element Loss directly resulting therefrom where such Damage is directly caused by the following perils if otherwise covered under Your Policy:
    - a. theft or burglary;
    - b. Storm, windstorm, hail, tornado, cyclone, hurricane;
    - c. fire, lightning or explosion;
    - d. earthquake, volcanic eruption or tsunami;
    - e. Flood, freeze or weight of snow;
    - f. Aircraft impact or Vehicle impact or falling objects;
    - g. water damage;
    - h. a change in temperature affecting refrigerated goods; or
    - i. Machinery or electronic Breakdown, including Collapse or Explosion of Pressure Equipment,

which directly results from a Cyber Incident, unless that Cyber Incident is caused by, contributed to by, resulting from, arising out of or in connection with

a Cyber Act including, but not limited to, any action taken in controlling, preventing, suppressing or remediating any Cyber Act; or

- ii. loss, damage, liability, claim, cost, expense of whatsoever nature directly or indirectly caused by, contributed to by, resulting from, arising out of or in connection with any loss of use, reduction in functionality, repair, replacement, restoration or reproduction of any Electronic Data, including any amount pertaining to the value of such Electronic Data.

Provided however that subject to all the terms, conditions, limitations and exclusions of this Policy or any endorsement thereto, should Data Processing Media owned or operated by You suffer physical loss or physical damage insured by this Policy, then this Policy will cover the cost to repair or replace the Data Processing Media itself plus the costs of copying the Electronic Data from back up or from originals of a previous generation. These costs will not include research and engineering nor any costs of recreating, gathering or assembling the Electronic Data. If such media is not repaired, replaced or restored the basis of valuation shall be the cost of the blank Data Processing Media. However, this Policy excludes any amount pertaining to the value of such Electronic Data, to You or any other party, even if such Electronic Data cannot be recreated, gathered or assembled.

This exclusion does not apply to Section 4 – Liability, Section 5 – Fidelity Guarantee or Section 6 – Office Bearers' Liability.

This exclusion clause supersedes and, if in conflict with any other wording in the Policy or any endorsement thereto having a bearing on Cyber Loss, Electronic Data or Data Processing Media, replaces that wording. Product Disclosure Statement & Policy Wording

- e. war, invasion, act of foreign enemy, hostilities (whether war is declared or not), civil war, rebellion, revolution, insurrection, military or usurped power;
- f. any deliberate or intentional act or omission by You or by any person acting with Your express or implied consent unless for the purposes for preventing or eliminating danger to Insured Property or persons; or
- g. circumstances which, prior to the Period of Insurance:
  - i. You disclosed to, or notified to, any insurer; or
  - ii. You were aware of, or a reasonable person in Your position ought to have been aware of; and
  - iii. You knew, or a reasonable person in Your position ought to have known, to be circumstances which may give rise to a claim or an occurrence.
- h.
  - i. disease;

- ii. a Communicable Disease or the fear or threat (whether actual or perceived) of a Communicable Disease regardless of any other cause or event contributing concurrently or in any other sequence thereto;
- iii. any disease determined to be a 'listed human disease' under, or any disease in respect of which a 'biosecurity emergency' or 'human biosecurity emergency' is declared under, the Biosecurity Act 2015 (Cth) including any amendment, replacement, re-enactment, successor, equivalent or similar legislation including delegated legislation;
- iv. any disease determined by the World Health Organisation to be a Public Health Emergency of International Concern (PHEIC);
- v. Highly Pathogenic Avian Influenza (HPAI) in humans;
- vi. rabies;
- vii. cholera;
- viii. any pandemic, epidemic or any other outbreak of infectious disease; or
- ix. any:
  - mutation of; or
  - fear or threat (actual or perceived) of; or
  - action taken to control or prevent or suppress,
 the diseases, conditions or circumstances described in this exclusion.

Provided that this exclusion will not apply to Damage to Your Insured Property under Section 1 - Buildings and Common Contents caused by the following perils, subject to all other provisions of the Policy:

fire, lightning, thunderbolt, Aircraft or other aerial devices or articles dropped therefrom, earthquake, tsunami, subterranean fire, volcanic eruption, Storm, tempest, rainwater, snow, sleet, wind, hail, water, liquids or substances discharged, overflowing or leaking from fixed apparatus, fixed appliances, fixed pipes or other systems, riots, civil commotions, strikes or locked out workers or persons taking part in labour disturbances, explosion, impact by Vehicles, animals or trees or branches of trees, communication masts, towers, antennae, satellite dishes, Watercraft, meteorites, or theft of Electronic Data solely where such theft is accompanied by theft of the computer hardware, firmware, medium, microchip, integrated circuit or similar device containing such Electronic Data.

For the avoidance of doubt "loss, Damage, destruction, benefit, compensation, legal liability or any other loss, costs, fees, charges or expenses" includes any cost to clean up, decontaminate, disinfect, remove, replace, monitor and/or test for such diseases, conditions or circumstances described in this exclusion.

This exclusion does not apply to Section 4 – Liability or Section – 6 Office Bearers' Liability.

This exclusion does not apply to the 'Infectious Or Contagious Disease, Murder And/Or Suicide' Additional benefit to Section 1 – Buildings and Common Contents but only in respect of any Human Infectious or Contagious Disease not otherwise excluded by sub-clauses iii., iv., v., viii. (as it relates to any pandemic or epidemic) or ix. (as it relates to iii., iv., v. or viii. as it relates to any pandemic or epidemic) above.

- i. any liability arising out of or in any way connected with:
  - i. disease determined to be a 'listed human disease' or in respect of which a 'human biosecurity emergency' is declared under the Biosecurity Act 2015 (Cth) including any amendment, replacement, re-enactment, successor, equivalent or similar legislation including delegated legislation; or
  - ii. outbreak of infectious disease declared as a pandemic or epidemic by the World Health Organisation or any Australian government or Australian government agency; or
  - iii. disease determined by the World Health Organisation to be a Public Health Emergency of International Concern (PHEIC).

This exclusion does not apply to Section 1 – Buildings and Common Contents, Section 2 – Glass, Section 3 – Theft, Section 5 – Fidelity Guarantee, Section 7 – Voluntary Workers, Section 8 – Government Audit Costs, Section 9 – Legal Expenses, Section 10 – Workplace, Health & Safety Breaches, Section 11 – Machinery Breakdown, Section 12 – Lot Owner's Improvements or Section 13 – Workers' Compensation.

- j. any liability arising out of or in any way connected with any illegal, unlawful, malicious or criminal act or series of related illegal, unlawful, malicious or criminal acts, regardless of time and place, or the threat or hoax thereof involving access to, processing of or use of Data.

For the purpose of this exclusion only the following definition applies:

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

This exclusion does not apply to Section 1 – Buildings and Common Contents, Section 2 – Glass, Section 3 – Theft, Section 5 – Fidelity Guarantee, Section 7 – Voluntary Workers, Section 8 – Government Audit Costs, Section 9 – Legal Expenses, Section 10 – Workplace, Health & Safety Breaches, Section 11 – Machinery Breakdown, Section 12 – Lot Owner's Improvements or Section 13 – Workers' Compensation.

## GENERAL CONDITIONS RELATING TO ALL SECTIONS

Our liability to pay a claim under this Policy is subject to compliance with the following conditions. The course of action We take when You fail to comply will be considered in each circumstance based on what impact or effect Your failure caused or contributed to the claim or Our decision to issue Your policy.

### CANCELLING YOUR POLICY

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

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

1. fail to comply with the duty of utmost good faith;
2. fail to comply with the conditions of this Policy;
3. fail to pay the premium for this insurance;
4. fail to tell Us anything You should tell Us when You apply for this Policy, renew this Policy and when You vary or reinstate this Policy;
5. make a claim during the period of this Policy that is fraudulent. The claim does not have to be made under this Policy and can be with Us or another insurance company; or
6. make a misleading statement to Us when You apply for Your insurance.

We may also cancel this Policy if You fail to notify us as soon as reasonably possible of a change in the risk as set out in the clause "Notification of Changes in the Risk" during the Period of Insurance if the change materially increases the risk under Your Policy.

If We cancel this Policy, We will advise You in writing. To do this, a notice will be delivered to You or posted to You. In the Northern Territory the cancellation notice will be provided to the mortgagee of each Unit and in Victoria to any mortgagee whose interest are noted on the Policy.

In the Northern Territory, We cannot cancel the Policy on the sole basis of a breach of the Policy conditions by someone other than the body corporate. In Victoria We cannot avoid the whole of the Policy for a breach of a condition of the Policy by someone other than the owners corporation or all Unit Owners. In the Northern Territory and Victoria We have a right of indemnity against a Unit Owner who breaches a condition of the Policy.

### REFUND OF PREMIUM IF YOUR POLICY IS CANCELLED

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

1. keep the premium that applies to the period in respect of which the Policy was in force.
2. return to You the premium which You have paid that applies to the period from the date the Policy ended to the due date of the Policy, less any non-refundable duties.

### 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.

### REINSTATEMENT OF SUM INSURED

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

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

### CROSS LIABILITY

This clause applies to all sections of the Policy, save for "Section 6 – Office Bearers' Liability" of the Policy, Where there is more than one party named in the Schedule as an Insured, We will treat each as a separate and distinct party.

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

## SEVERABILITY

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

## NOTIFICATION OF CHANGES IN THE RISK

You must advise Us as soon as reasonably possible in writing of:

1. all changes in occupation or circumstances relating to Your Insured Property and other property insured under this Policy;
2. any change in information or details You have given Us in relation to Your Insured Property and other property insured under this Policy or You; and
3. any change that increases the risk of Damage or personal injury at Your Insured Property or by other property insured under this Policy.

If You do not provide such notification before the happening of an occurrence giving rise to a claim under this Policy then, subject to the Insurance Contracts Act, 1984, We may refuse to pay a claim, either in whole or in part. The course of action We take when You fail to provide such notification will be considered in each circumstance based on what impact or effect Your failure caused or contributed to the claim or our decision to issue Your Policy.

## REASONABLE PRECAUTIONS

You must take all reasonable care and exercise all necessary steps to:

1. maintain Your Insured Property and other property insured under this Policy in a good state of repair to prevent anything which could result in a claim under this Policy; and
2. prevent Damage to other people's property or personal injury to other people and comply (and use reasonable endeavours to ensure that Your employees, servants and agents comply) with all relevant statutory obligations and bylaws or regulations imposed for the safety of property or persons.

## INSPECTIONS

We (or agents appointed by Us) have the right to inspect and examine, by mutual appointment, any Property Insured under this Policy at any reasonable time and place. Any such inspection shall not amount to a representation as to ownership, fitness for purpose, safety or compliance with any law or regulation.

## SPRINKLER INSTALLATIONS

It is a condition of this Policy that, in regard to any property, being property insured in which an automatic sprinkler system is installed and which is owned by You, or where You are responsible for the operation or maintenance of the automatic sprinkler system, You shall:

- a. ensure that the property is protected as required by law by an approved installation of automatic sprinklers, automatic external alarm signal and automatic alarm signal connected with a fire brigade station or other legally approved monitoring organisation;
- b. exercise due diligence to ensure that any system and alarm signal are at all times maintained in good working order;
- c. ensure that such system will be regularly maintained in accordance with Australian Standard AS1851 (Part 3); and
- d. notify Us, in writing and as soon as reasonably practicable, of any alterations or additions to the automatic sprinkler installation.

We may reduce the amount We pay for a claim to the extent that Your failure to comply with these conditions caused or contributed to the loss.

See also "Conditions" in each section of this Policy.

## GENERAL CLAIMS PROCEDURES RELATING TO ALL SECTIONS

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

### WHEN YOU SUFFER DAMAGE OR LOSS OR A CLAIM IS MADE AGAINST YOU

You must:

- a. take reasonable steps to minimise and/or stop any further loss or Damage from occurring;
- b. advise the nearest police station if Your property is lost, stolen, vandalised or maliciously Damaged. We may ask You to give Us a written report from the police. Where the police are unable to assist You please contact Us to discuss alternatives;
- c. keep the property that has been Damaged so We can inspect it at any reasonable time and place, provided that it is reasonable and safe to do so;
- d. not repair or replace any Damaged property without Our consent except for emergency repairs We have agreed to pay under section 1 – Additional Benefit "Emergency Costs to Minimise Losses" on page 12;
- e. cease the continued use of Damaged property, until such property is repaired to Our satisfaction;
- f. use best endeavours to preserve any Damaged or defective appliances, plant or things which might prove necessary or useful by way of evidence in connection with any claim;
- g. allow Us to access Your property for inspections conducted by Us, assessors or repairers at any reasonable time and place;
- h. allow Us to obtain information from Your property manager, Strata Manager, accountant, registered tax agent, lawyer, legal representative, employees, person or organization engaged by You, and/or any repairer to assist Us in managing Your claim; and
- i. at Your own expense, provide Us with all records, invoices, and other documents, information, explanations and other evidence together with statutory declarations, as We may reasonably require for the purpose of investigating or verifying a claim under this Policy. We will only request information relevant to handling Your claim and will explain why the information, documents and help is required.

You must not:

1. make any admission of liability or payment or promise or offer of payment in connection with any claim without Our consent; or
2. authorise repairs to, or arrange replacement of, any of the Insured Property or other property insured under this Policy relevant to the claim, or incur any cost or expense for a claim without Our consent unless by not authorising the repairs, the safety of people is put at risk.

We reserve the right to:

1. take over and conduct in Your name the settlement of any claim or legal proceeding or appeal;
2. refuse to use the Authorised Legal Representative You propose without providing any reason subject to Our obligation to act with the utmost good faith;
3. instruct You to terminate the services of the Authorised Legal Representative if We consider it is in Your interest to do so;
4. appeal any decision if You are not successful in defending legal proceedings brought against You; and
5. instruct You to take reasonable steps to minimise further loss or Damage from occurring.

### NOTIFICATION OF CLAIMS

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

1. complete any forms as requested by Us;
2. advise Us as soon as reasonably possible on receipt of any intention to make a claim against You;
3. advise Us as soon as reasonably possible in writing of any circumstance or event which may result in a claim being made against You;
4. make Your claim as soon as reasonably possible after You suffer a loss. If You do not make it within 30 days of the date of loss, We may reduce what We pay You by an amount which represents any disadvantage We suffer by the delay;
5. send Us all documents, accounts, communications, writ or summons relating to Your claim within 72 hours of receiving them;
6. provide to the Authorised Legal Representative all assistance they require and all required materials available to You; and
7. advise Us as soon as reasonably possible of any impending prosecution or inquest.



## OFFER TO SETTLE

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

## REFUSAL OF RECOMMENDATIONS

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

## DELAYS

If You, the Unit Owner or anyone acting on Your or the Unit Owners behalf cause delays preventing Us from commencing and completing reinstatement or replacement of Your Insured Property or other property insured under this Policy, We will not pay for any extra costs that result from that delay.

## ACTS OR OMISSIONS OF YOUR BODY CORPORATE MANAGER

We will not deny liability for a claim, or reduce the amount thereof, if Our right of denial or reduction is solely caused by an act, error or omission of Your duly appointed Strata Manager while acting on Your behalf and You have not directly authorised the act, error or omission.

## RECOVERY ACTION

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

You and/or the Unit Owner must not do anything that prevents Us from doing this, prejudice our rights or settle any claim without Our consent and You and/ or the Unit Owner must give Us the information and cooperation that We reasonably require. We will only request information relevant to handling Your claim and will explain why the information, documents and help is required.

## OTHER INSURANCES

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

## REPAIRS OR REPLACEMENT

We will agree with You the supplier or repairer to be used. If We cannot agree and if You choose Your own repairer or supplier the most We will pay is the costs of repair or supply

as determined by Our supplier or repairer for comparable supply or repair.

You must allow Us to:

1. inspect any Damaged item or Insured Property at any reasonable time and place; and
2. take possession of any Damaged item or Insured Property.

## SALVAGE VALUE

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

## CLAIMS PREPARATION COSTS

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

We will not pay these costs in respect of claims under "section 13 – Workers' Compensation" and "section 8 – Government Audit Costs".

## JURISDICTION

Any dispute arising out of or under this Policy will be subject to determination by any Court of competent jurisdiction within Australia according to the law applicable to that jurisdiction.

## GOODS AND SERVICES TAX (GST)

Where We make a payment under this Policy for the acquisition of goods, services or other supply, We will reduce the amount of the payment by the amount of any input tax credit that You are, or will be, or would have been entitled to under A New Tax System (Goods and Services Tax) Act 1999 in relation to that acquisition, whether or not that acquisition is actually made. Where We have arranged services directly with the builder, repairer, supplier or other service provider, We will pay up to the Sum Insured shown on Your Schedule or other Policy limit including GST. Where We make a payment under this Policy as compensation instead of payment for the acquisition of goods, services or other supply, We will reduce the amount of the payment by the amount of any input tax credit that You would have been entitled to under A New Tax System (Goods and Services Tax) Act 1999 had the payment been applied to acquire such goods, services or other supply.

See also "Claims Procedures" in each section of this Policy.

## CLAIMS PAYMENT EXAMPLES

### CLAIMS PAYMENT EXAMPLE

These claim payment examples show You how a claim settlement is calculated based upon some practical scenarios. Any claim settlement amount will depend upon the facts of each case. These claims examples are illustrative only and do not form part of the Policy. For each of the claims scenarios all supporting documentation has been provided and there has been compliance with all claims procedures. All claims examples are for claims within the relevant Sum Insured.

#### SCENARIO 1

##### Section 1 — Buildings and Common Contents

- Damage occurs to the Buildings resulting from Storm.
- You claim \$10,000 for Building Damage and \$1,000 for loss of rent.
- The Excess is \$250 and You are GST registered (with a 100% input tax credit).

| Repairs to Building Damage — You have paid for the repairs | \$10,000          |
|--|-------------------|
| Less GST   | \$909.09          |
| Less Policy Excess   | \$250.00          |
| Building(s) Settlement Amount                              | \$8,840.91        |
| Plus Loss Of Rent  | \$1,000.00        |
| <b>TOTAL SETTLEMENT AMOUNT</b>                             | <b>\$9,840.91</b> |

We will automatically reinstate the Sum Insured and additional benefits for section 1.

#### SCENARIO 2

##### Section 1 — Buildings and Common Contents

- Total loss Damage to Buildings and Common Contents resulting from fire.
- You claim \$10,000,000 for Building and Common Contents Damage and \$1,500,000 for Loss Of Rent.
- Repairs are arranged by Us directly with the builder and We will be paying the builder direct.
- The Excess is \$500 and You are GST registered (with a 100% input tax credit).

| Total Loss Building and Common Contents      | \$10,000,000        |
|--|---------------------|
| Amount paid by Us to builder (including GST) | \$10,000,000        |
| Loss Of Rent claim                           | \$1,500,000         |
| Less Policy Excess                           | \$500               |
| Amount Paid to Insured for Loss Of Rent      | \$1,499,500         |
| <b>TOTAL SETTLEMENT AMOUNT</b>               | <b>\$11,499,500</b> |

The Sum Insured for Building and Common Contents is not reinstated as there is a total loss.

#### SCENARIO 3

##### Section 1 — Buildings and Common Contents

- Damage to Buildings resulting from Storm.
- You claim \$10,000 for Building Damage and \$1,000 for Loss Of Rent.
- The Excess is \$250 and You are not GST registered (with 0% input tax credit).

| Total Loss Building and Common Contents                    | \$10,000,000    |
|--|-----------------|
| Repairs to Building Damage — You have paid for the repairs | \$10,000        |
| Less GST   | \$0.00          |
| Less Policy Excess   | \$250           |
| Building(s) Settlement Amount                              | \$9,750         |
| Plus Loss Of Rent  | \$1,000         |
| <b>TOTAL SETTLEMENT AMOUNT</b>                             | <b>\$10,750</b> |

We will automatically reinstate the Sum Insured and additional benefits for section 1.

## SCENARIO 4

### Section 2 — Glass

- Accidental Breakage of Glass.
- You claim \$4,500 for Glass Breakage and \$500 for Temporary Protection.
- The Excess is \$250 and You are GST registered (with a 100% input tax credit).

|   |                   |
|---|-------------------|
| <b>Repairs to Glass — You have paid for the repairs</b> | <b>\$4,500.00</b> |
| Temporary Protection — You have paid for this cost      | \$500.00          |
| Subtotal  | \$5,000.00        |
| Less GST  | \$454.54          |
| Less Policy Excess                                      | \$250.00          |
| <b>TOTAL SETTLEMENT AMOUNT</b>                          | <b>\$4,295.46</b> |

We will automatically reinstate the Sum Insured and additional benefits for section 1.

## SCENARIO 5

### Section 2 — Glass

- Accidental breakage of Glass.
- You claim for \$4,500 for Glass Breakage and \$500 for Temporary Protection.
- The Excess is \$250 and You are not GST registered (with a 0% input tax credit).

|   |                |
|---|----------------|
| <b>Repairs to Glass — You have paid for the repairs</b> | <b>\$4,500</b> |
| Temporary Protection — You have paid for this cost      | \$500          |
| Subtotal  | \$5,000        |
| Less GST  | \$0.00         |
| Less Policy Excess                                      | \$250          |
| <b>TOTAL SETTLEMENT AMOUNT</b>                          | <b>\$4,750</b> |

We will automatically reinstate the Sum Insured and additional benefits for section 1.

## SCENARIO 6

### Section 3 — Theft

- Theft of Common Contents – garden equipment.
- The cost is \$2,500 for the replacement of Common Contents.
- The Excess is \$250 and You are GST registered (with a 100% input tax credit).

|  |                   |
|--|-------------------|
| <b>Replacement of Common Contents — You have replaced the item</b> | <b>\$2,500.00</b> |
| Less GST   | \$227.27          |
| Less Policy Excess   | \$250.00          |
| <b>TOTAL SETTLEMENT AMOUNT</b>                                     | <b>\$2,022.73</b> |

We will automatically reinstate the Sum Insured and additional benefits for section 1.

## SCENARIO 7

### Section 3 — Theft

- Theft of Common Contents – garden equipment.
- The cost is \$2,500 for the replacement of Common Contents.
- The Excess is \$250 and You are not GST registered (with a 0% input tax credit).

|  |                |
|--|----------------|
| <b>Replacement of Common Contents — You have replaced the item</b> | <b>\$2,500</b> |
| Less GST   | \$0.00         |
| Less Policy Excess   | \$250          |
| <b>TOTAL SETTLEMENT AMOUNT</b>                                     | <b>\$2,250</b> |

## SCENARIO 8

### Section 7 — Voluntary Workers

- A Voluntary Worker suffers an Injury resulting in permanent loss of sight in both eyes during the Period of Insurance.
- Claim is \$200,000 being the benefit under Policy.
- There is no Excess.
- You are not GST Registered (with a 0% input tax credit).

| Claimable Benefit              | \$200,000        |
|--------------------------------|------------------|
| Less GST                       | \$0.00           |
| Less Policy Excess             | \$0.00           |
| <b>TOTAL SETTLEMENT AMOUNT</b> | <b>\$200,000</b> |

## SCENARIO 9

### Section 7 — Voluntary Workers

- A Voluntary Worker suffers Total Disablement preventing them from carrying out all of the usual duties of their Occupation for 52 weeks.
- The Voluntary Worker's current weekly average earnings are \$2,000.
- The claim is \$2,000 per week being the benefit under Policy for 52 weeks.
- We pay \$2,000 per week as the benefit under the Policy as it is not more than the Voluntary Worker's average weekly earnings.
- There is no Excess and You are not GST Registered (with a 0% input tax credit).
- In addition the Voluntary Worker claims for travel expense which he incurred in obtaining medical treatment in the actual amount incurred of \$100.00.

| Claimable Benefit — 52 weeks @ \$2,000 per week | \$104,000        |
|---|------------------|
| Less GST  | \$0.00           |
| Less Policy Excess                              | \$0.00           |
| <b>TOTAL SETTLEMENT AMOUNT</b>                  | <b>\$104,000</b> |
| Plus Travel Expenses                            | \$100            |
| <b>TOTAL SETTLEMENT AMOUNT</b>                  | <b>\$104,100</b> |

## SCENARIO 10

### Section 7 — Voluntary Workers

- Voluntary Worker suffers Total Disablement preventing them from carrying out all of the usual duties of his or her Occupation for 25 weeks.
- The Voluntary Worker's current weekly average earnings are \$2,000.
- The claim is \$2,000 per week being the benefit under Policy for 25 weeks.
- We pay \$2,000 per week as the benefit under the Policy as it is not more than the Voluntary Worker's average weekly earnings.
- After 25 weeks the Voluntary Worker dies from the same Injury.
- The benefit payable is \$200,000 but this is reduced by the amount paid under benefit 6 for Total Disablement for which is \$50,000.
- There is no Excess and You are not GST Registered (with a 0% input tax credit).

| Claimable Benefit for total disablement @ \$2,000 per week x 25 weeks               | \$50,000         |
|---|------------------|
| Claimable Death benefit — \$200,000 less \$50,000 being the amount paid for Event 6 | \$150,000        |
| Less GST  | \$0.00           |
| Less Excess   | \$0.00           |
| <b>TOTAL SETTLEMENT AMOUNT</b>  | <b>\$200,000</b> |

## SCENARIO 11

### Section 12 — Lot Owner's Improvements

- Damage to Lot Owner's Improvements, a kitchen, resulting from fire not otherwise covered under section 1 – Building(s) and Common Contents. The Sum Insured for section 1 is exhausted.
- The claim is \$10,000 for Damage to the kitchen.
- There is no Excess and You are not GST Registered (with a 0% input tax credit).

| Claim Cost                     | \$10,000        |
|--------------------------------|-----------------|
| Less GST                       | \$0.00          |
| Less Policy Excess             | \$0.00          |
| <b>TOTAL SETTLEMENT AMOUNT</b> | <b>\$10,000</b> |

We will automatically reinstate the Sum Insured for this section.

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## CONTACT DETAILS

**You may contact us to give us instructions by mail, fax, telephone or e-mail.**

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**If you need any further information or have any questions please contact us.**