CHU

Residential Strata Insurance Plan

Product Disclosure Statement and Policy Wording

Contents

Product Disclosure Statement 3

Policy Wording 11

General Definitions 11

General Conditions 17

General Exclusions 20

Claims Conditions 21

Section 1 – Insured Property 23

Standard extension to Section 1:

- Lot Owners' Fixtures and Improvements 31

Optional extensions to Section 1:

- Catastrophe Insurance 31
- Machinery Breakdown 33
- Lot Owners' Contents Cover 35

Section 2 – Liability to Others 36

Section 3 – Voluntary Workers 39

Section 4 – Fidelity Guarantee and Cyber 41

Section 5 – Office Bearers' Legal Liability 43

Section 6 – Government Audit Costs, Appeal Expenses and Legal Defence Expenses 46

Date of preparation: 10 March 2026

Date effective: 1 May 2026

QM562-0526

Product Disclosure Statement (PDS)

This PDS was prepared on the 10 March 2026.

Important information and notices

There are two parts to this booklet. The first part is important information about this Policy including information about how We will protect Your privacy and how to make a complaint or access Our dispute resolution service.

The second part is Your Policy Wording which sets out the detailed terms, conditions and exclusions of the Policy.

Because We don't know Your own personal circumstances, You should treat any advice in this booklet as purely general in nature.

It doesn't consider Your objectives, financial situation or needs. You should carefully consider the information provided with regard to Your personal circumstances to decide if it's right for You.

This booklet is also a Product Disclosure Statement (PDS). Other documents You receive may comprise the PDS. You will know when this happens because it will say so in the document.

The information in this PDS is current at the preparation date however it may change over time.

When we make a change that is materially adverse, either a Supplementary Product Disclosure Statement (SPDS) or a new PDS will be provided at renewal.

If we make a change to information in the PDS that is not materially adverse, we may not notify you of the change and may not immediately update the PDS. However, you can contact us for a copy of the change at no charge by us.

About QBE

The Policy is underwritten by QBE Insurance (Australia) Limited ABN 78 003 191 035 AFSL 239545 (QBE), a member of the QBE Insurance Group of companies. QBE Insurance Group Limited ABN 28 008 485 014 is the ultimate parent entity and is listed on the Australian Securities Exchange (ASX: QBE). QBE has been helping Australians protect the things that are important to them since 1886.

QBE in the community

Premiums4Good™

QBE is committed to giving back to the communities that it operates in. Through Premiums4Good, QBE invest a portion of customer premiums into impact investments that aim to make positive environmental or social change, alongside a financial return. It's just another way QBE helps in enabling a more resilient future.

About CHU

CHU Underwriting Agencies Pty Ltd (ABN 18 001 580 070) (CHU) is an underwriting agency that provides general advice to issue general insurance products in the Strata Industry and holds an Australian Financial Services Licence (AFS Licence No: 243261). CHUiSAVER Underwriting Agency Pty Ltd (ABN 85 613 645 239, AFSL 491113) trading as Flex Insurance (Flex) is a wholly owned subsidiary of CHU. CHU is a majority owned subsidiary of Steadfast Group Ltd (ABN 98 073 659 677) ('SGL').

Authority to deal with Your information

CHU may share information which You have provided to it with its related Body Corporate(s) Flex, not only for the purpose of this CHU product but also for the secondary purpose of products offered by Flex. This includes if You tell Us something in seeking insurance from Us. In purchasing the product described in this PDS, You consent to related Body Corporate disclosure for a secondary purpose.

Authority to act on QBE's behalf

QBE has given CHU a binding authority to market, underwrite, settle claims and administer this Policy on QBE's behalf.

Any matters or enquiries You may have should be directed to CHU. The contact details for CHU are shown on the back cover of this document.

Under the terms of this binding authority CHU acts as QBE's agent, and not Yours, but liability within the terms and conditions of the Policy remains at all times with QBE.

The cost of this Policy

Premium is what You pay Us for this Policy and it's made up of the amount We've calculated for the risk and any taxes and government charges.

When calculating Your Premium We take a number of factors into account, including:

- where the Insured Property is located;
- the Sum Insured;

- the Insured Property's characteristics including any defects or maintenance issues;
- the options that You have selected, where available and We have agreed to them;
- Your previous insurance and claims history; and
- any business activities of any Lots/Units used for commercial purposes (not including office work by employees working from home).

The total cost of the Policy is shown in the Schedule and is made up of Your Premium plus government taxes, fees, duties and charges such as Stamp Duty, GST and any Emergency Services Levy (where applicable).

When You apply for this insurance, You will be advised of the Premium. If You choose to effect cover, the amount will be set out in the Schedule.

Information relating to Premium calculation

The list of factors in 'The cost of this Policy' is not exhaustive. We may take other factors into account and add or remove factors. The importance We place on the factors We use to calculate the Premium and how the factors combine, all affect calculation of the Premium.

Some factors will not affect all components of the Premium and not all components of the Premium may be subject to discounts in the same way or at all.

How the factors combine to calculate Premium may also be impacted according to Your circumstances and other underwriting considerations. The Premium determined by a combination of the factors may be adjusted up or down to reflect Your circumstances and underwriting considerations including the risk being insured and the value of any claims. An adjustment like this may increase or decrease the Premium from the combination of factors and may limit discounts.

Minimum Premium and Your previous year's Premium are commercial factors that may limit Premium increases and decreases from the combination of the factors and any discounts. A minimum Premium is the least amount of Premium We will accept for the insurance and factors and any discounts will not reduce the Premium below minimum Premium. Your previous year's Premium is taken into account on renewal and may limit Premium increases and decreases from the combination of the factors and limit discounts.

The Premium We calculate according to the factors, Your circumstances and other commercial factors, including taxes and government charges, will be shown on Your Schedule.

For more information or to make a claim

Please contact Us to make a claim. We also have an after-hours Emergency Claims Hotline that You can contact on 1800 022 444. The Claims Conditions section sets out the full details of what You need to do in the event of a claim.

Claims made and Notified Insurance

Section 5 – Office Bearers' Legal Liability and Section 6 – Government Audit Costs, Appeal Expenses and Legal Defence Expenses of this Policy provide cover on a claims made and notified basis. This means that these Sections only cover claims first made against You during the period this Policy is in force and notified to Us as soon as reasonably practicable in writing while the Policy is in force. This Policy may not provide cover for any claims made against You if at any time prior to the commencement of this Policy You became aware of facts which might give rise to those claims being made against You.

Section 40(3) of the *Insurance Contracts Act 1984* (Cth) provides that where You gave notice in writing to Us of facts that might give rise to a claim against You as soon as was reasonably practicable after You became aware of those facts while this Policy is in force, We cannot refuse to pay a claim which arises out of those facts, when made, because it was made after the expiry of the Policy.

Privacy

QBE's Privacy Policy

QBE take the security of Your personal information seriously.

QBE will collect personal information when You deal with them, or sometimes through their agents, other companies in the QBE group or suppliers acting on their behalf.

QBE will only ever collect the personal information they need in order to provide their services to You, such as issuing and administering our products and services and processing claims. QBE will obtain consent before collecting sensitive information, such as health information, unless they are required or permitted by law to collect it without consent. Sometimes QBE may store and disclose Your personal information overseas. When they do this, QBE ensure Your information is retained in accordance with the Australian *Privacy Act 1988* (Cth) and local privacy laws.

QBE's Privacy Policy describes in more detail from whom they collect personal information, as well as where they store it and the ways they could use it. You can find it at qbe.com/au/about/governance/privacy-policy

If You would like to access or correct Your personal information, please contact QBE at complaints@qbe.com or on 1300 650 503.

CHU's Privacy Policy

You can view Our Privacy Policy at www.chu.com.au or obtain a copy by contacting CHU's / Steadfast's Privacy Officer at:

Phone:	+61 2 9307 6656
Email:	privacyofficer@steadfastagencies.com.au
Post:	PO Box A2016, Sydney South NSW 1235

It's up to You to decide whether to give Us Your personal information, but without it We might not be able to do business with You, including not paying Your claim.

What You should read

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

- all of the Product Disclosure Statement – this information is designed to help You understand this insurance and Your rights and obligations under it;
- the Policy Wording. It tells You about:
  - what makes up the insurance, i.e. Your contract with Us which We call a Policy;
  - important definitions that set out what We mean by certain words;
  - the cover We can provide (see Sections 1 to 6) which in addition to the standard cover provided to You under the relevant Sections may, depending on Your circumstances and selections, also consist of standard benefits, additional benefits, special benefits or optional extensions applicable to Your cover;
  - what Excesses You may have to pay;
  - when You are not insured (see General Exclusions and other exclusions under Sections 1 to 6);
  - what You and We need to do in relation to claims;
  - Yours and Our cancellation rights.
- the relevant quote/proposal form You need to complete to apply for cover (if applicable);
- any Schedule when it is issued to You; and
- any other documents We may give You which vary Our standard terms of cover set out in this document.

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

Significant features and benefits

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

Section 1 – Insured Property

We insure You up to the Sum Insured shown in the Schedule for Section 1 for Damage to Your Insured Property (Building and Common Area Contents) that occurs during the Period of Insurance not otherwise excluded in the Section.

If the Sum Insured is not otherwise expended, We will also pay for the costs or fees incurred as a result of Damage to Your Insured Property under Section 1. Details of the costs and fees We pay are set out under the heading 'Additional Benefits' in Section 1.

We also provide cover for Special Benefits in addition to the Sum Insured for Section 1. Details of the Special Benefits are set out under the heading 'Special Benefits' in Section 1. The combined total amount We will pay under Special Benefits arising out of any one Event that is admitted as a claim under Section 1 is limited to the percentage of the Building Sum Insured for Section 1 as shown in the Schedule or such other percentage as We may agree in writing.

Section 1 – Insured Property – standard extension – Lot Owners' Fixtures and Improvements

We insure the cost of replacing Lot Owners' Fixtures and Improvements in their Lot/Unit provided that the Sum Insured under Section 1 has been expended. Replacement of such installations must be following Damage by any Event that is not otherwise excluded under Section 1.

Section 2 – Liability to Others

We will indemnify You up to the Limit of Liability shown in the Schedule for Section 2 if You become legally responsible to pay compensation for Personal Injury or Property Damage resulting from an Occurrence in connection with the ownership of Your Common Area and Your Insured Property that happens during the Period of Insurance.

We also pay the costs of defending a claim in connection with a claim under this Section.

Section 3 – Voluntary Workers

We pay to a Voluntary Worker, or that person's estate, the corresponding benefits set out in the Table of Benefits in Section 3 in the event of such Voluntary Worker sustaining bodily injury during the Period of Insurance whilst voluntarily engaged in work on Your behalf and caused accidentally and which, independently of any other cause results in one of the insured events as set out in the Table of Benefits.

Section 4 – Fidelity Guarantee and Cyber

We will indemnify You up to the Sum Insured stated in the Schedule for Section 4 for:

- the fraudulent misappropriation of Your funds committed during the Period of Insurance;
- loss as a result of Social Engineering Fraud first discovered by You during the Period of Insurance.

Section 5 – Office Bearers' Legal Liability

We will respond to any Claim first made against an Office Bearer in respect of legal liability for any Claim made against them.

The amount payable in respect of all Claims under Section 5 will not exceed the Limit of Liability shown in the Schedule and is inclusive of the claimant's costs and expenses and the Defence Costs incurred by Us during the currency of any one Period of Insurance.

Section 6 – Government Audit Costs, Appeal Expenses and Legal Defence Expenses

We insure You on a Claims made basis for Parts A, B and C of Section 6 which means We will respond to Claims first made against You during the Period of Insurance and notified to Us during that Period of Insurance.

Important information You should understand

In addition to the covers summarised above, there are a number of terms, conditions, limits and exclusions contained in the Policy that can affect how or whether a claim is paid under this Policy. You need to read the PDS, Schedule and the Policy Wording for full details of the available cover, terms, definitions, conditions, exclusions and limits that apply to make sure it meets Your expectations.

Exclusions

The following provides a summary of the main exclusions to cover only. These are examples only. For full details of the exclusions that apply, please read the Policy in full.

For example, We will not pay for any loss, damage, benefit, legal liability, compensation, or any other loss, costs, fees, charges or expenses of whatsoever kind, arising directly or indirectly from or in any way connected with:

a. any Act of Terrorism where such act is directly or indirectly caused by, contributed to, resulting from, or arising out of or in connection with biological, chemical, or nuclear weapons, pollution or contamination;

b. the actual or alleged use or presence of asbestos;

c. ionising radiation from, or contamination by radio-activity from, any nuclear fuel or nuclear waste from the combustion of nuclear fuel.

Conditions

You must meet certain conditions for Your insurance cover to apply. If You do not comply with the conditions, We may refuse to pay a claim in whole or in part. For full details of all the conditions of cover that apply, please read the Policy in full. The following are examples only:

1. Payment of any Excess shown in this Policy or in the Schedule for each claim made may be requested from You when the claim is lodged, or may be deducted from Our payment if Your claim is accepted.
2. When Your Insured Property is a total loss and We have paid out the total Sum Insured, this insurance ceases. If You rebuild or replace Your Insured Property, this requires a new insurance contract commencing at that time with an applicable Premium.
3. When You first purchase and when You renew Your insurance if You do not pay the amount by the due date, Your Policy may be cancelled and We will write to let You know when this will happen.
4. When renewing Your insurance with Us, You have a duty to take reasonable care not to make a misrepresentation. This means giving Us true, complete and accurate answers to Our questions, including where You provide information on someone else's behalf.

   We use Your answers to decide whether to insure You and on what terms. You must advise Us of any changes to Your claims or insurance history that a reasonable person in the circumstances would tell Us. We will notify You in writing of any effect a change may have on Your insurance renewal.

Paying Your Premium

Various options are available for paying Your Premium including annual payment by credit card, BPAY, EFT and direct deposit.

Annual Premium

We will let You know how much Premium You need to pay Us, how to pay it and when. If You pay Your Premium annually, You need to pay Your Premium on time to ensure You are covered. If You don't pay the Premium Your Policy may be cancelled and We'll write to You to let You know when this will happen.

Instalment payments

Customers who acquire a Policy directly through Us have an option to pay for the Policy by way of instalments.

If You pay Your Premium by instalment, Your Schedule will show the date and frequency of Your instalments. If Your direct debit details change You must tell Us no later than seven days before Your next instalment is due to allow Us to process the change in time.

What happens if You miss an instalment

If You miss an instalment, We'll contact You to ask You to pay it or arrange to collect it from You. If You don't pay the missed instalment Your Policy may be cancelled and We'll write to You to let You know when this will happen.

If You don't pay the missed instalment and a claim arises, then We will deduct the missed instalment from Your claim.

At renewal

If You pay by instalments, and You renew Your Policy, We will continue to deduct instalments for Your renewed Policy at the new Premium level according to the same instalment pattern, unless You tell Us to stop Your direct debit.

If You don't want to renew, You must tell Us at least seven days before Your Policy's end date so that We can arrange for the direct debit to stop in time.

A claim on Your Policy may affect Your renewal Premium

If You have a claim, contact Us as soon as You can after the incident – see Claims Conditions – What You must do. To avoid Your claim being delayed, reduced or refused You must not unnecessarily delay notifying Us of the incident – see Claims Conditions – What You must not do. If You were in difficult circumstances that prevented You from telling Us about the claim, let Us know.

If We send You a renewal invitation and the Premium doesn't take into account a claim on Your Policy, You agree to pay Us any additional Premium We would have charged if We had known about that claim.

If You tell Us about the claim before Your renewal takes effect and We agree to continue to insure You, We may apply specific conditions to Your Policy (including an imposed Excess) and/or recalculate Your renewal Premium and send You an updated renewal invitation.

If Your Policy has already renewed and We agree to continue to insure You, We may ask You for an additional Premium. If You're paying in instalments, any remaining instalments will be adjusted to reflect the additional Premium.

If You've already paid Your renewal Premium in full, You'll need to pay Us any additional Premium to ensure Your cover is not affected. If You don't pay the additional Premium by the due date then We may:

- deduct the outstanding Premium amount from a claim payment; or
- cancel Your Policy – see General Conditions.

If it was reasonable in the circumstances for You to be unaware that You had a claim until after we issued Your renewal invitation, We will not ask You to pay the additional Premium for that renewal period however the claim may affect Your future renewal Premiums and/or future Policy conditions (including the application of any imposed Excess).

Please note We may have other rights under this Policy or as permitted by law, depending on the circumstances.

If Your payment details change

If the direct debit details You use to pay Us change, such as You changing credit cards or bank accounts, You must tell Us at least seven days before Your next payment date to allow Us to process the change in time.

Other costs, fees and charges

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

Underwriting Agency Fee

An Underwriting Agency fee is payable by You for each Policy issued or renewed to cover CHU's administration cost of preparing and distributing the Policy. Any Underwriting Agency fee is noted in the Schedule and is not refundable in the event of cancellation, unless the insurance contract is cancelled within the cooling off period or is a full term cancellation. For more information on the Underwriting Agency fee please refer to Our Financial Services Guide or contact Us directly.

Refund of Premium

You may cancel the Policy at any time. If You choose to cancel the Policy, We will retain a portion of the Premium which relates to the period for which You have been insured. We will refund the residue for the unexpired period less any non-refundable government taxes or charges, provided that no Event has occurred where liability arises under the Policy.

Commissions

SGL or CHU may receive a commission payment from QBE when the Policy is issued and renewed. For details of the relevant commission paid, please refer to the Financial Services Guide, or contact SGL or Us directly.

Confirming transactions

You may contact Us in writing or by email or phone to confirm any transaction under Your insurance if You do not already have the required insurance confirmation details.

Sending You documents

Documents relating to Your insurance Policy will be sent by post or email. Where You have been given the choice, they will be sent by Your chosen delivery method and You can change Your preference at any time.

It is Your responsibility to make sure Your contact details are current (including telephone number, email and mailing address where relevant) and You must update these as soon as they change.

How to make a claim

Please contact Us to make a claim, the contact details are shown on the back cover of this document. We also have an after-hours Emergency Claims Hotline that You can contact on 1800 022 444.

You should advise Us as soon as reasonably practicable of an incident which could lead to a claim. Having the required documentation and possibly photographs of the items will assist in having Your claim assessed and settled. When You make a claim, We require You to:

- provide details of the incident and when requested complete the claim form We send You;
- subject to reasonable notice and at a reasonable time that suits You and Us, allow Us or Our appointed representative to inspect Your Insured Property and take possession of any Damaged item(s) if reasonable and required;
- take all reasonable steps to reduce the damage or loss and prevent further loss or Damage;
- inform the police and obtain a written report or notification of the incident from the police as soon as reasonably practicable following theft, vandalism, malicious damage or misappropriation of money or property;
- where practicable and reasonable not dispose of any Damaged items without first seeking Our approval; and
- not get repairs done, except for essential temporary repairs, and where reasonable We will seek Your cooperation in selecting the repairer or supplier.

These are only some of the things that You must do if making a claim.

Please refer to the Claims Conditions section which sets out claims information and what You must do if making a claim.

Cooling off period

If You change Your mind about Your Policy and haven't made a claim, You can cancel it within 21 days of the start or renewal date and We'll give You a full refund. If You cancel Your Policy in these circumstances, You will have no cover under the Policy.

To cancel Your Policy within the cooling off period, contact Us.

You can also cancel Your Policy outside the cooling off period, see 'Cancellation'.

Cancellation

You may cancel the Policy at any time by notifying Us in writing. We may cancel the Policy where We are entitled to by law.

Further details about cancellation are shown in the General Conditions.

General Insurance Code of Practice

QBE is a signatory to the General Insurance Code of Practice (Code) and is committed to providing high standards of service. The Code covers topics like buying insurance, how claims are handled, what happens if financial hardship occurs, and complaint handling. The aims of the Code are fully supported by CHU. You can read the Code at insurancecouncil.com.au

The Code Governance Committee is an independent body that monitors and enforces insurers' compliance with the Code. For more information about the Code Governance Committee please visit insurancecode.org.au

Misuse of Our products and family violence

We do not condone the misuse of Our products for the purpose of financial abuse or disadvantage, including through family and domestic violence. We are here to

provide support to Our customers who may be impacted. Further details about QBE's Family and Domestic Violence Customer Support Policy are available at qbe.com/au

Complaints

We're here to help. If You're unhappy with any of Our products or services, or the service or conduct of any of Our suppliers, please let Us know and We'll do Our best to put things right.

Step 1 – Talk to Us

Your first step is to get in touch with the team looking after Your Policy, direct debit, or claim. You'll find their contact details on Your Policy documents, letters, or emails from Us. Please provide Our team with as much information as possible so they can try to fix the problem quickly and fairly.

For additional assistance in lodging a complaint, please refer to https://www.chu.com.au/resource/complaints-and-disputes

Step 2 – Customer Relations

If Your complaint isn't resolved by the team looking after Your Policy, direct debit, or claim, You can ask them to refer Your complaint on to Our Internal Dispute Resolution Team. An Internal Dispute Resolution Specialist will review Your complaint independently and provide You with Our final decision.

You can also contact the Internal Dispute Resolution Team directly:

Phone:	1300 193 174
Email:	complaints@chu.com.au
Post:	PO Box 500, North Sydney NSW 2059 or Level 33, 101 Miller Street, North Sydney NSW 2060

Step 3 – Still not resolved?

If We are unable to resolve Your complaint to Your satisfaction within a reasonable time, or if You are not happy with Our final decision, You can refer Your complaint for external dispute resolution by contacting the Australian Financial Complaints Authority (AFCA). We are a member of AFCA and their decisions are binding on Us.

Phone:	1800 931 678
Email:	info@afca.org.au
Post:	GPO Box 3, Melbourne VIC 3001

AFCA will inform You if Your complaint falls within its jurisdiction. Time limits apply to most complaints to AFCA. For more information, visit afca.org.au

More information

You can find more information about how We deal with complaints on Our website at www.chu.com.au/resource/complaints-and-disputes/ or You can call Us on 1300 361 263 to speak with Us or request a copy of Our complaints brochure at no cost.

Complaints just about privacy

You can view CHU's Privacy Policy at www.chu.com.au or obtain a copy by contacting CHU's Privacy Officer at:

Phone:	1300 289 248
Email:	compliance@chu.com.au
Post:	PO Box 500, North Sydney NSW 2059

If You're not satisfied with Our response, You can contact the Office of the Australian Information Commissioner (OAIC):

Phone:	1300 363 992
Email:	enquiries@oaic.gov.au
Post:	GPO Box 5288, Sydney NSW 2001

Request for Information

You may request copies of information We have relied upon to arrive at Our decision(s) in the complaint handling process. In some instances, We may not release the information as requested and You may request a review of Our decision not to release such information.

We will comply with Code requirements regarding providing information You request.

Contact CHU

Phone:	1300 361 263
Email:	info@chu.com.au

Financial Claims Scheme

This Policy is protected under the Financial Claims Scheme (FCS), which protects certain insureds and claimants in the unlikely event QBE becomes insolvent. You may be entitled to access the FCS if You meet the eligibility criteria. For more information, contact the Australian Prudential Regulation Authority (APRA).

How to contact APRA

Phone: 1300 558 849

Online: www.apra.gov.au/financial-claims-scheme-general-insurers

Monetary limits on the cover

We can insure You up to the amount of the Sum Insured or Limit of Liability or other specified limits for Your Insured Property. These amounts are specified in the specific Sections of the Policy Wording or in the Schedule.

You need to decide if the relevant Sum(s) Insured and Limit(s) of Liability are appropriate for You. If You do not adequately insure Yourself You may have to bear the uninsured proportion of any loss Yourself.

Payment of Excesses

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

Payment of any Excess shown in this Policy Wording or in the Schedule for each claim made may be requested from You when the claim is lodged, or may be deducted from Our payment if Your claim is accepted.

The amount of Excess payable by You is shown in the Policy Wording or in the Schedule.

GST Implications

The Policy has provisions relating to Goods and Services Tax (GST). Please see General Conditions. In summary:

a. the amount of Premium payable by You for this Policy includes an amount on account of the GST on the Premium (including any additional fees that may be charged by Us);

b. the Sum Insured and other limits of insurance cover shown in Your Policy documentation are GST inclusive. When We pay a claim, Your GST status will determine the maximum amount We pay You.

There may be other taxation implications affecting You, depending upon Your own circumstances. We recommend that You seek professional advice.

Policy Wording

Our Agreement

The agreement between You and Us consists of:

a. the PDS and Policy Wording;

b. the Schedule; and

c. any Endorsement(s).

The cover under this Policy is provided during the Period of Insurance, once You have paid Us Your Premium. There are also:

- Conditions and exclusions which apply to specific covers or sections;
- General Exclusions, which apply to any claim You make under this Policy;
- General Conditions, which set out Your responsibilities under this Policy;
- Claims Conditions, which set out Our rights and Your responsibilities when You make a claim; and
- Other terms, which set out how this Policy operates.

Excesses

Payment of any Excess shown in this Policy or in the Schedule for each claim made may be requested from You when the claim is lodged, or may be deducted from Our payment.

The Excess(es) which You have to pay are set out in this Policy Wording or on Your Schedule.

How much We will pay

The most We will pay for a claim is the Sum Insured which applies to the cover or section You are claiming under, less any Excess.

General Definitions

The following words have been given a specific meaning and these specific meanings apply when the words begin with a capital letter. Other words may have special meanings for particular Sections. These words will be defined in those Sections.

Action of The Sea

means tidal wave, high tide, king tide, Storm Surge, or any other movement of the sea except for Tsunami.

Act of 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 of any nation by any person or group(s) of persons whether acting alone or on behalf of or in connection with any organisation(s) or government(s) 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.

Body Corporate

means the owner(s) of Your Insured Property and Common Area incorporated under the Strata Legislation where Your Insured Property and Common Area is situated.

Body Corporate Manager/Agent

means a person or other entity appointed in writing by Your Body Corporate with delegated functions including the authority to act as an Office Bearer in terms of the Strata Legislation applying where Your Insured Property is situated.

Common Area

means the area at Your Situation that is not part of any Lot/Unit. Where the Stata Legislation refers to Common Property, Common Property has the same meaning as Common Area.

Damage, Damaged

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

Earth Movement

means landslide, landslip, mudslide, subsidence and the heaving, collapsing, vibration, Erosion, settlement or shrinkage of earth, but not earthquake.

Note: 'Heave' is the upward movement of the earth supporting a building because of the expansion of soil.

Electronic Data

means any facts, concepts and/or information converted to a form usable for communications, interpretation, and/or processing by electronic, and/or electromechanical data processing and/or electronically controlled equipment which includes, but is not limited to, programs, software and/or other coded instructions for the processing and manipulation of data and/or the direction and/or manipulation of such equipment.

Endorsement

means a written alteration to the terms, conditions and limitations of this Policy which is shown in the Schedule.

Erosion

means being worn or washed away by water, ice or wind.

Event, Events

means a happening or an incident not intended to happen which occurs during a particular interval of time and causes or results in Damage or series of Damage happening from that one Event, that is claimable under this Policy.

Excess

means the amount You must pay or contribute towards a claim. The amount of any Excess is shown in the Policy or in the Schedule.

Payment of any Excess shown in this Policy or in the Schedule for each claim made may be requested from You when the claim is lodged, or may be deducted from Our payment.

Floating Floors

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

Flood

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

a. a lake (whether or not it has been altered or modified);

b. a river (whether or not it has been altered or modified);

c. a creek (whether or not it has been altered or modified);

d. another natural watercourse (whether or not it has been altered or modified);

e. a reservoir;

f. a canal;

g. a dam.

Fusion

means the process of fusing or melting together the windings of an electric motor following Damage to the insulating material as a result of overheating caused by electric current.

Indemnity Value

means the cost to rebuild, replace or repair property to a condition which is equivalent to or substantially the same as but not better nor more extensive than its condition at the time of loss taking into consideration age, condition and remaining useful life. We will take reasonable steps in determining the Indemnity Value and will provide You with details of Our calculation if requested by You.

Insured Property

a. Building:

means building or buildings as defined in the Strata Legislation applying where Your Building is situated, including:

i. outbuildings;

ii. fixtures and structural improvements (including Floating Floors), gates and fences;

iii. in-ground swimming pools and spas;

iv. marinas, wharves, jetties, docks, pontoons, swimming platforms, or similar type facilities (whether fixed or floating) which are used for non-commercial purposes and which do not provide fuel distribution facilities, unless We are advised and otherwise agree in writing;

v. satellite dishes, radio, television and other antennas including their associated wiring, masts, footings, foundations, moorings and towers;

vi. underground and overhead services;

vii. Stratum Lot or Volumetric Lot;

that You own or have legal responsibility for at, in or adjacent to Your Situation.

b. Common Area Contents:

i. furniture, furnishings, household goods, light fittings, internal blinds, curtains, fire extinguishers and the like;

ii. built-in or freestanding appliances such as dishwashers, washing machines and dryers, other electrical items;

iii. carpets (whether fixed or unfixed), floor rugs;

iv. swimming pools or spas that are not in-ground;

v. swimming pool or spa covers and accessories;

vi. wheelchairs, domestic garden equipment including lawn mowers, golf carts, golf buggies or other similar type items but only if such item is not required by law to be registered;

that You own or have legal responsibility for:

- at, in or adjacent to Your Situation, or
- temporarily removed elsewhere in Australia including transit to and from Your Situation.

Building and Common Area Contents do not include:

- aircraft, caravans, trailers, Vehicles (other than domestic garden appliances not required by law to be registered), hovercraft and Watercraft including their accessories or spare parts whether fitted or not;
- livestock, fish, birds or other animals;
- Lot Owners' Contents and any other personal property of theirs;
- money, other than as covered under Special Benefit 15 – Money of Section 1 – Insured Property;
- plants, hedges, trees, shrubs, gravel, shale, stones, clay or soil on paths or driveways or tennis courts, soil or bark or mulch in gardens other than as covered under Special Benefit 13 – Landscaping of Section 1 – Insured Property; and
- temporary wall, floor and ceiling coverings within a Lot/Unit, and mobile or fixed air-conditioning units servicing an individual Lot/ Unit (if Your Situation is in Queensland).

Where anything in this definition of 'Insured Property' is contrary to the Strata Legislation applying where Your Building is situated the requirements of that Act will apply.

Land Value

means the sum certified by the Valuer General as being the value of the land at the Situation after due allowance has been made for variations or other special circumstances affecting such value either before or after the Damage and which would have affected the value had Damage not occurred.

Limit of Liability

means the applicable Limit of Liability specified in the Schedule or as determined by the Policy where such limits are described for Section 2 – Liability to Others and Section 5 – Office Bearers' Legal Liability.

Lot/Unit

means an area shown on a plan as a lot or unit in the Strata Legislation applying where Your Insured Property is situated.

Lot Owner

means a person, persons or other entity registered as a proprietor or owner of an estate in fee simple in a Lot/ Unit in Your Building in terms of the Strata Legislation applying where Your Insured Property is situated.

Lot Owners' Contents

means (but not so as to limit the generality thereof):

a. built-in or freestanding appliances such as dishwashers, washing machines and dryers;

b. computers, electronic and electrical equipment, domestic garden equipment;

c. Lot Owners' business and personal effects, furniture, furnishings, carpets, and floor rugs.

Members

means and is limited to the interest of Proprietors, Members, Lot Owners or Shareholders in respect of the ownership of Your Insured Property as defined in the Strata Legislation applying where Your Insured Property is situated. Unless otherwise specifically provided by this Policy, the Proprietors', Lot Owners' or Shareholders' interest or liability as an owner and/or occupier of a Lot/ Unit is not included.

Period of Insurance

means the period for which You are insured. It commences at the time We agree to give You insurance and finishes at 4pm on the day of expiry. The expiry date is shown in the Schedule.

Policy

means this Product Disclosure Statement and Policy Wording, the Schedule and any Endorsements issued to You which form Your insurance contract with Us.

Premium

means any amount We require You to pay under the Policy and includes, any state and federal government taxes (including GST), fees, duties and charges as applicable.

Rainwater

means the rain which falls naturally from the sky. It includes Rainwater run-off over the surface of the land.

Rent

means, as regards to any Lot/Unit or part of Your Common Area leased to a Tenant, an amount of money in accordance with the residential tenancy agreement that applied immediately prior to Damage.

Replacement

means:

a. the reasonable cost of rebuilding, replacing or repairing to a condition which is equivalent to or substantially the same as but not better nor more extensive than when it was new; and

b. the extra costs necessarily incurred to alter or upgrade Your Insured Property to comply with Public, Statutory or Environmental Protection Authority requirements, but does not include:

i. any costs that would have been incurred in complying with orders issued prior to the happening of the loss;

ii. any extra costs to alter or upgrade any portion of Your undamaged Insured Property if the cost to rebuild, replace or repair the Damaged portion is less than 25% of what the cost would have been had Your Insured Property been totally destroyed.

Schedule

means the most recent current attachment to the Policy that specifies the Situation, those Sections and benefits that are in force and the details of the Sum(s) Insured or Limit(s) of Liability and includes any one or more of the following:

a. the Policy Schedule;

b. the renewal notice You have paid;

c. the Endorsement(s) sent to You.

Senior Counsel

means a barrister in active practice who is entitled to use the post-nominals QC, KC or SC in any one or more superior courts in Australia or New Zealand.

Situation

means the land at the address(es) shown in the Schedule where Your Insured Property is situated.

Storm

means violent weather and high winds, sometimes accompanied by rain, hail or snow including a cyclone or tornado.

Storm Surge

means the covering of normally dry coastal land by water as a result of wind and low atmospheric pressure caused by a Storm.

Strata Legislation

means the respective State Legislation applying where Your Building is situated and includes (but is not limited to) the following Acts or similar legislation:

a. *Strata Schemes Management Act 2015* (NSW)

b. *Strata Scheme Development Act 2015* (NSW)

c. *Owners Corporation Act 2006* (VIC)

d. *Unit Titles (Management) Act 2011* (ACT)

e. *Strata Titles Act 1998* (TAS)

f. *Body Corporate and Community Management Act 1997* (QLD)

g. *Strata Titles Act 1985* (WA)

h. *Strata Titles Act 1988* (SA)

i. *Unit Titles Scheme Act 2009* (NT)

Stratum Lot or Volumetric Lot

means an area or lot forming part of the Building required to form part of this insurance Policy excluding a Lot/Unit.

Stratum Lot or Volumetric Lot only extends to Section 1 and Section 1 – Insured Property optional extension (Catastrophe Insurance).

Sum Insured

means the amount shown in the Schedule as the Sum Insured corresponding to the cover selected for:

- Section 1 – Insured Property;
- Section 1 – Insured Property standard extension (Lot Owners' Fixtures and Improvements);
- Section 1 – Insured Property optional extension (Catastrophe Insurance);
- Section 1 – Insured Property optional extension (Machinery Breakdown);
- Section 3 – Voluntary Workers;
- Section 4 – Fidelity Guarantee and Cyber;

- Section 6 – Government Audit Costs, Appeal Expenses and Legal Defence Expenses.

Temporary Accommodation

means, as regards to any Lot/Unit occupied by the Lot Owner, an amount of money calculated on the basis of the annual rentable value (including any 'outgoings' that would have been payable by a Tenant or lessee) that would have applied immediately prior to the Damage.

Tenant

means any person authorised under the terms of a lease, rental or similar type agreement who occupies a Lot/Unit including any other co-inhabitant or family normally resident with that person.

Tsunami

means a sea wave caused by a disturbance of the ocean floor or seismic movement such as an underwater earthquake or landslide.

Vandalism or Malicious Act

means an act done with the intention of causing damage or harm, or with reckless disregard for the damaging or harmful consequences.

Vehicle, Vehicles

means:

a. any type of machine on wheels or self-laid tracks made or intended to be propelled by other than manual or animal power and any trailers or other attachments made or intended to be drawn by any of those machines; and

b. which is or should be registered and/or insured under legislation in the State or Territory of Australia in which it is being used.

Voluntary Worker

means a person engaged solely in work or duties on behalf of the Body Corporate without promise of reward or remuneration, other than an honorarium for duties associated with the position of an Office Bearer.

Voluntary Worker does not mean employees, contractors or any person who receives a payment, reward or remuneration (other than provided herein) for their services.

Watercraft

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

Wear and Tear

means physical deterioration to property occurring over time due to use and/or exposure to its environment.

We, Our, Us

means CHU Underwriting Agencies Pty Ltd (ABN 18 001 580 070).

You, Your, Yours

means:

a. in respect of Section 1 – Insured Property, Section 1 – Insured Property optional extension (Catastrophe Insurance), and Section 1 – Insured Property standard extension (Lot Owners' Fixtures and Improvements):

the Body Corporate, Corporation, Owners Corporation, Plan or Company named in the Schedule including:

i. the interest therein of Members;

ii. Lot Owners in respect of Special Benefits 1, 2, 11, 13, 18, 22 and 23 of Section 1 – Insured Property;

iii. Lot Owners in respect of Special Benefits 1, 2 and 4 of Section 1 – Insured Property optional extension (Catastrophe Insurance).

b. in respect of Section 2 – Liability to Others:

the Body Corporate, Corporation, Owners Corporation, Plan or Company named in the Schedule including:

i. the interest therein of Members;

ii. the organisers of recreational activities in respect of item 5 of Section 2;

iii. a Voluntary Worker whilst engaged solely in work or duties on behalf of the Body Corporate, Corporation, Owners Corporation, Plan or Company named in the Schedule, but excludes Office Bearers whilst acting in that capacity.

c. in respect of Section 1 – Insured Property optional extension (Machinery Breakdown), Section 4 – Fidelity Guarantee and Section 6 – Government Audit Costs, Appeal Expenses and Legal Defence Expenses:

the Body Corporate, Corporation, Owners Corporation, Plan or Company named in the Schedule.

d. in respect of Section 4 – Cyber:

the Body Corporate, Corporation, Owners Corporation, Plan or Company named in the Schedule including:

i. Office Bearers and committee members;

ii. Lot/Unit owners.

e. in respect of Section 5 – Office Bearers' Legal Liability:

the past, present or future Office Bearers or committee members of the Body Corporate, Corporation, Owners Corporation, Plan or Directors of the Company, including those persons':

i. estate, heirs, legal representative or assigns;

ii. legal representative or assigns if he/she is incompetent, insolvent or bankrupt;

but does not include a Body Corporate Manager/ Agent or any other contracted person(s), firm or company when acting in their professional capacity.

General Conditions

These General Conditions apply to all Sections. In addition to these General Conditions, each Section will be subject to specific conditions.

If any of the General Conditions or specific conditions applicable to each Section are not met, We may refuse a claim, reduce the amount We pay or in some circumstances We may cancel the Policy. Any person covered by the Section or claiming under it must also comply with these conditions.

1. Acts or omissions of Your Body Corporate Manager/ Agent

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

2. Tell Us when these things change

You must tell Us as soon as reasonably possible if any of the information noted below has changed:

- You are carrying out construction works, alterations or additions that exceed $500,000; or
- You have cranes, hoists or similar attached to the Insured Property or at the Situation; or
- there is a change in the percentage of floor space used for commercial purposes; or
- Your building becomes subject to a Building Rectification Order, Fire Order or any other Order issued by a Statutory Body.

If You don't tell Us, We may reduce or refuse to pay a claim.

When You tell Us about something that has changed or request a change to Your Policy, We will assess the change to the risk in accordance with Our underwriting rules and processes.

Changes to Your cover

If You request any change to cover (e.g. You choose to add a Section or You increase the Sum(s) Insured) then, if We agree to the change, We will issue a new Schedule and ask You for any additional Premium. If an additional Premium is required, the change will only be effective when:

- if You are paying in instalments by direct debit, any remaining instalments have been adjusted to reflect the additional Premium;

  or

- You have paid the additional Premium by the due date We give to You.

  If You don't pay the additional Premium by the due date then We will make reasonable efforts to contact You using the latest contact details You provided Us. If We don't receive payment of the additional Premium owed, the change will not be effective and We will confirm this by issuing a replacement Schedule.

If You request any change to cover and We don't agree to the change, then We will let You know and the Policy will continue unchanged.

Changes to Your circumstances

Contact Us to discuss potential changes in circumstances when You know the details of the timing and nature of the changes before they happen, to find out in advance whether We will be able to continue to insure You.

If You tell Us about any of the following changes then We will cancel Your Policy and refund any unused portion of the Premium:

- You are carrying out construction works, alterations or additions that exceed $500,000 that are unacceptable under Our underwriting rules and processes; or
- You have cranes, hoists or similar attached to the Insured Property or at the Situation.

If there is a change in the percentage of floor space used for commercial purposes, We may need to cancel Your Policy and replace it with another policy.

If You tell Us about any other change, We will consider it under Our underwriting rules and processes at the time.

3. Cancellation – how Your Policy may be cancelled

Cancellation by You

You may cancel this Policy at any time by telling Us in writing. We will retain a portion of Premium which relates to the period for which You have been insured together with any non-refundable government taxes or charges, or CHU Underwriting Agency fees.

Cancellation by Us

We may cancel this Policy at any time as allowed by law by notifying You in writing of the date from which cancellation is to take effect. Notification will be delivered to the address last notified to Us and cancellation will take effect no earlier than 4.00pm on the date set out in the cancellation notice unless the Policy was in force by virtue of Section 58 of the *Insurance Contracts Act 1984* (Cth), whereby the cancellation will take effect from the

fourteenth business day after the day on which notice was given to You.

4. Goods and Services Tax – how it affects any payments We make

The amount of Premium payable by You for this Policy includes an amount on account of the Goods and Services Tax (GST) on the Premium.

When We pay a claim, Your GST status will determine the amount We pay. When You are:

a. not registered for GST We will pay up to the Sum Insured, Limit of Liability or other Policy limit including GST.

b. registered for GST:

i. and We settle direct with the builder, repairer or supplier, We will pay up to the Sum Insured, Limit of Liability or other Policy limit including GST; or

ii. when We settle direct with You, We will pay up to the Sum Insured, Limit of Liability or other Policy limit; and

iii. where You are liable to pay an amount for GST in respect of an acquisition relevant to Your claim We will pay for the GST amount but We will reduce the GST amount We pay by the amount of any Input Tax Credits to which You are or would be entitled.

In these circumstances, the Input Tax Credit may be claimable through Your Business Activity Statement (BAS).

You must advise Us of Your correct Australian Business Number & Taxable Percentage. Any GST liability arising from Your incorrect advice is payable by You.

Where the settlement of Your claim is less than the Sum Insured or the other limits of insurance cover, We will only pay an amount for GST (less Your entitlement for Input Tax Credit) applicable to the settlement. This means that if these amounts are not sufficient to cover Your loss, We will only pay the GST relating to Our settlement of the claim.

GST, Input Tax Credit (ITC), Business Activity Statement (BAS) and Acquisition have the same meaning as given to those expressions in *A New Tax System (Goods and Services Tax) Act 1999* (Cth) and related legislation as amended from time to time. Taxable Percentage is Your entitlement to an Input Tax Credit on Your Premium as a percentage of the total GST on that Premium.

There may be other taxation implications affecting You, depending upon Your own circumstances. We recommend that You seek professional advice.

5. Joint insureds

When there is more than one insured on Your Policy, We may treat each as a separate and distinct party. The words You, Your, Yours may apply to each party in the same manner as if a separate Policy had been issued to each party, provided Our liability for any Sum Insured, Limit of Liability or other Policy limit for any one Event or Occurrence is not thereby increased.

We may treat what any one insured says or does in relation to Your Policy or any claim under it, as said or done by each of the insureds. We may rely on a request from one insured to change or cancel Your Policy or tell Us where a claim payment should be paid.

Any act, breach or non-compliance with the terms and conditions of this Policy committed by any one such party shall not be prejudicial to the rights and entitlements of the other insured party(ies), provided that the other insured party(ies) upon becoming aware of any such act, breach or non-compliance which increases the risk of loss, Damage or liability give Us written notice within a reasonable time.

6. Excess

You must pay or contribute the amount of any Excess shown in the Policy or in the Schedule for each claim made. Payment of any Excess shown in this Policy or in the Schedule for each claim made may be requested from You when the claim is lodged, or may be deducted from Our payment.

Should more than one Excess be payable for any claim arising from the one Event, such Excesses will not be aggregated and the highest single level of Excess only will apply.

For earthquake or seismological disturbance, where loss or Damage occurs during any one period of 72 consecutive hours, the Excess is $1,000, or the Excess amount shown in the Schedule, whichever is greater.

7. Reinstatement of Sum Insured

After We have admitted liability for a claim, We will automatically reinstate the Sum Insured and/or Special Benefit limits to their pre-loss amount without any additional Premium having to be paid.

This condition does not apply:

a. when We pay a total loss;

b. when We pay the full Sum Insured;

c. to Section 5 – Office Bearers' Legal Liability;

d. to Section 6 – Government Audit Costs, Appeal Expenses and Legal Defence Expenses;

e. to Special Benefits 6 and 22 of Section 1 – Insured Property.

8. Governing law and jurisdiction

This Policy is governed by the laws of the State or Territory of Australia in which this Policy is issued. Any dispute relating to this Policy shall be submitted to the jurisdiction of an Australian Court within the State or Territory in which this Policy was issued.

9. Subrogation, recovery action & uninsured loss

We may at any time in consultation with You, at Our expense and in Your name, use all legal means available to You of securing reimbursement for loss or Damage arising under Your Policy. In the event We do so, You agree to give all reasonable assistance for that purpose.

If You have suffered loss that was not covered by the Policy as a result of the incident, We may offer to attempt to recover this. You may also specifically ask Us to recover this for You.

You will need to give Us documents supporting Your loss. Before We include any uninsured loss in the recovery action, We will also ask You to agree to the basis on which We will handle Your recovery action. Where required and within reason, You may need to contribute to legal costs in some circumstances.

10. Related Claims

For the purposes of applying any Excess or Limit of Liability, all loss otherwise recoverable under this Policy resulting from or in connection with:

a. one and the same act, error or omission; or

b. a series of acts, errors or omissions arising out of or attributable to the same originating cause, or source;

will be deemed to be one claim.

11. Severability/Non-imputation/Innocent Non-disclosure

Where this Policy insures more than one party, where one party made a misrepresentation to Us before the Policy was entered into this shall not prejudice the right of any other insured person to indemnity as may be provided by this Policy provided that:

i. You were not aware of the failure or misrepresentation;

ii. as soon as is reasonably practicable upon becoming aware of any such conduct, You advise Us in writing of all known facts in relation to such conduct; and

iii. the conduct of the principals, partners and directors of the insured are imputed to the insured.

12. References to legislation

Legislation referenced in this Policy includes subsequent legislation. Any term used in this Policy and defined by reference to legislation will have the meaning given in any replacement definition or definition with materially the same object or purpose in subsequent legislation.

'Subsequent legislation' means:

- an act or regulation as amended, replaced or re-enacted;
- where an act or regulation has been repealed, the current equivalent act or regulation (Commonwealth, State or Territory) with materially the same object or purpose whether in whole or in part.

General Exclusions

These General Exclusions apply to all Sections. In addition to these General Exclusions, each Section will be subject to specific Exclusions.

We will not pay for any loss, damage, benefit, legal liability, compensation, or any other loss, costs, fees, charges or expenses of whatsoever kind, arising directly or indirectly from or in any way connected with:

1. Act of Terrorism

Any Act of Terrorism where such act is directly or indirectly caused by, contributed to, resulting from, or arising out of or in connection with biological, chemical, or nuclear weapons, pollution or contamination.

2. Asbestos

Liability to pay for personal injury or property damage caused by or arising directly or indirectly out of or in connection with the actual or alleged use or presence of asbestos.

3. Electronic Data

Losses or damage to Electronic Data, except as provided for by Special Benefit 20 – Damaged office records, under Section 1.

4. Intentional damage

Any deliberate or intentional damage or liability or omission caused or incurred by You or by any person acting with Your express or implied consent.

5. Nuclear

Ionising radiation from, or contamination by radio-activity from, any nuclear fuel or nuclear waste from the combustion of nuclear fuel.

6. War, expropriation

War or warlike activities including invasion, act of a foreign enemy, hostilities (whether war is declared or not), civil war, rebellion, revolution, insurrection, use of military or usurped power, looting, sacking or pillage following any of these, or the expropriation of property.

7. Sanctions limitation and exclusion

We will not be liable to provide any cover, pay any claim or provide any benefit under this Policy, to the extent that to do so may expose Us to any sanction, prohibition or restriction under United Nations resolutions or any applicable trade or economic sanctions, laws or regulations of any country.

8. Communicable diseases

There is no cover under any section of Your Policy for any claim, loss, damage, cost, injury, death or legal liability that is caused by or arises from or in connection with any contagious or communicable disease.

9. Cyber incident

There is no cover for any claim, loss, damage, cost, injury, death or legal liability that is caused by or arises from or in connection with:

- an unauthorised or Malicious Act, software, coding or instructions;
- a threat, hoax, scam or fraud;
- programming or operator error; or
- outage,

affecting the use, integrity, security, operation, storage of, or access to, data, information, a computer, system, device, appliance, equipment, software, hardware, back-up facility or a component of or attachment to any of these, regardless of time or place, except as provided by Section 4 – Fidelity Guarantee and Cyber.

Examples of what are not covered under Your Policy:

- loss, damage, destruction, distortion, erasure, corruption or alteration of, or loss of access to, or interference with, data on a computer or access to an internet service, due to malicious software or a cyber-attack, including but not limited to viruses, worms, Trojan Horses, back doors, logic bombs, trap doors, denials of service, ransomware or any computer hacking;
- unauthorised access to or copying of personal information via the internet or mobile phone network;
- unauthorised access to, or interference with the operation of, an appliance or device via the internet, Wi-Fi or Bluetooth;
- unauthorised access to Your computer or device provided by means of a scam, or connection of a storage or other device affected by malicious software.

However, You will still have cover for physical damage to Your property insured under Your Policy caused by an Event such as fire.

10. Laws impacting cover

We will not be liable to provide any cover, pay any claim or provide any benefit under this Policy, to the extent that it is unlawful for Us to do so.

Claims Conditions

1. What You must do

As soon as You discover that an Event likely to result in a claim has occurred, You must:

- **a.** take all reasonable steps to reduce the damage and to prevent any further damage;
- **b.** report the incident to the police as soon as reasonably practicable and obtain a written report or notification from the police following theft, vandalism, malicious damage or misappropriation of money or property and provide details of the report to Us. We may need the police report number to process Your claim or Our recovery action if there is a third party who is liable for Your loss.

2. What You must not do

Whatever the circumstances You must not:

- **a.** admit guilt or fault (except in court or to the police);
- **b.** offer or negotiate to pay a claim;
- **c.** admit or deny liability;
- **d.** dispose of any damaged items without first seeking Our approval.

If You do then We will reduce Our liability to the extent of any prejudice caused by Your acts.

3. How to make a claim

When You make a claim, You may reasonably be required to:

- **a.** promptly inform Us by telephone, in writing or in person. You may have to contribute towards Your claim if Your notification is outside of a reasonable timeframe and results in higher costs for Us or harms Our investigation opportunities. We will reduce Our liability to the extent of any prejudice caused by Your delayed notification;
- **b.** provide details of the Event and when requested complete and return Our claim form as soon as reasonably practicable together with all letters, documents, valuations, receipts or evidence of ownership that You have been asked to provide;
- **c.** provide written statements under oath if We reasonably require it;
- **d.** be interviewed about the circumstances of the claim;
- **e.** allow Us to inspect Your Insured Property and take possession of any damaged item if reasonable and required and to deal with it in a reasonable way;
- **f.** provide Us as soon as reasonably practicable with every notice or communication received concerning a claim by another person or concerning any prosecution, inquest or other official inquiry arising from the Event.

4. Claim preparation costs and fees

We will pay up to $30,000 for the reasonable costs and fees You necessarily incur with Our written consent, which We will not unreasonably withhold, in the preparation of a claim under this Policy.

Claims Condition 4 – Claim preparation costs and fees does not apply to Section 6 – Government Audit Costs, Appeal Expenses and Legal Defence Expenses.

5. Our approval needed for repairs

Except for essential temporary repairs permitted under Additional Benefit 2 – Emergency and temporary protection costs of Section 1 – Insured Property, You are not authorised to commence repairs without Our approval which We will not unreasonably withhold.

6. Repairs or Replacement

We have the right to nominate the repairer or supplier to be used, and where reasonable and appropriate We will seek Your cooperation in selecting the repairer or supplier. Unless We otherwise advise in writing, if after We have assessed Your claim, You are required to enter into a contract with a third party to replace or reinstate damaged Insured Property that We have agreed to pay, where reasonable depending on the claims circumstance You may need to enter into that agreement with the third party as Our agent.

7. You must assist Us

Where reasonable You must:

- **a.** comply with all the requirements of this Policy; and
- **b.** give Us all relevant information and assistance which We reasonably require in relation to the claim and any proceedings.

8. False or misleading information

We may deny part or all of Your claim if You are not truthful and frank in any statement You make in connection with a claim or if a claim is fraudulent or false in any respect.

We may also report any suspected fraudulent act to the police for further investigation.

9. Salvage value

We are entitled to any salvage value on recovered items and Damaged items that have been replaced.

10. Contribution and other insurance

When making a claim, You must notify Us of any other insurance that You're aware will or may, whether in whole or in part, cover any loss insured under Your Policy.

If at the time of any loss, damage or liability there's any other insurance (whether issued to You or any other person) which covers the same loss, damage or liability You must provide Us with any reasonable assistance We require to make a claim for contribution from any other insurer(s).

11. Preventing Our right of recovery

If You have agreed with or told someone who caused You loss, damage or liability covered by Your Policy that You won't hold them responsible then, to the extent We have been prejudiced by this act, We won't cover You for that loss, damage or liability.

Section 1 – Insured Property

What We insure

If selected and shown in the Schedule, We will insure You up to the Sum Insured shown for Section 1 in the Schedule for Damage to Your Insured Property which occurs during the Period of Insurance.

Additional Benefits

When the Sum Insured under Section 1 is not otherwise expended, We will pay for the following incurred as a result of Damage to Your Insured Property that is admitted as a claim under Section 1:

1. Architects' and professional fees, removal of debris

a. the cost of architects' fees, surveyors' fees and other professional fees;

b. the cost of removal, storage and/or disposal of debris, being the residue of Your Damaged Insured Property (including debris required to be removed from adjoining or adjacent public or private land), Damaged Lot Owners' and occupiers' Contents and of anything which caused the Damage;

c. the cost of dismantling, demolishing, shoring up, propping, underpinning, or other temporary repairs;

d. the cost of demolition and disposal of any undamaged portion of Your Insured Property including undamaged foundations and footings in accordance with a demolition order issued by a Public or Statutory Authority;

that You necessarily incur in the Replacement of Your Insured Property.

2. Emergency and temporary protection costs

Reasonable cost of temporary protection and safety or emergency repairs in pursuance of Your duty to minimise insured loss and avoid further losses.

We will not pay more than $7,500 for this Additional Benefit unless You first obtain Our written consent prior to You incurring costs in excess of this amount, which will not be unreasonably withheld.

3. Government fees, contributions or imposts

Fees, contributions or imposts required to be paid to any Public or Statutory Authority to obtain their authority to rebuild, repair or replace Your Insured Property, but We will not pay for any fine or penalty imposed by any such authority.

4. Legal fees

Legal fees You necessarily incur in making submissions and/or applications to any Public or Statutory Authority, Builders Licensing Board, or Land and Environment Courts.

5. Emergency services

Damage to Your Insured Property caused by emergency services such as police, fire brigade, ambulance or others acting under their control, in gaining access to Your Insured Property in the lawful pursuit of their duty.

6. Lot/Unit internal wall coverings or paint

Where the Strata Legislation excludes paint and wallpaper within Lot Owners' Lots/Units from the definition of Building, and the Sum Insured under Section 1 is not otherwise expended in respect of any one Event We will pay for the cost of repainting or re-wallpapering the internal walls or ceilings of a Lot/Unit at Your Situation if they are Damaged by an Event claimable under Section 1. Our liability under this Additional Benefit is limited to the room, hallway or passageway where the Damage occurs.

Special Benefits

The following Special Benefits are included in addition to the Sum Insured for Section 1:

1. Temporary Accommodation / Rent / contributions / storage

a. Temporary Accommodation

When You occupy Your Lot/Unit We will pay the reasonable cost of Temporary Accommodation You necessarily incur if Your Lot/Unit is made unfit to be occupied for its intended purpose due to:

i. Damage to Your Insured Property that is admitted as a claim under Section 1; or

ii. reasonable access to or occupancy of Your Lot/Unit being prevented by Damage from an Event claimable under Section 1 happening to other property in the immediate vicinity.

We will pay:

- under Clause 1.a.i. from the time of the Event until the time Your Lot/Unit can be re-occupied following completion of rebuilding, repairs or Replacement; and

- under Clause 1.a.ii. from the time of the Event until the time when access to Your Lot/Unit is re-established.

We will not pay under Clause 1.a. Temporary Accommodation:

- if maintenance to the Lot Owner's property (that is separate to the Event leading to a claim) is the reason the Lot/Unit cannot be lived in or during the course of any maintenance works;
- if you had no intention of repairing or rebuilding Your Insured Property;
- if the Lot/Unit was not the Lot Owner's principal place of residence at the time of the loss or Damage;
- if the Lot/Unit owner had no intention of living in the Lot/Unit during the repair or rebuild period (had Damage not occurred within the Lot/Unit);
- beyond the period it should reasonably take to repair or reinstate the Lot/Unit to allow the Lot Owner to live in the Lot/Unit again;
- any other costs associated with any business activity being operated within the Lot/Unit.

b. Rent

When You have leased out or can substantiate by means of a signed agreement that You would have leased out Your Lot/Unit or Common Area, We will pay the actual Rent You lose or would have lost if Your Lot/Unit or Common Area is made unfit to be occupied for its intended purpose due to:

i. Damage to Your Insured Property that is admitted as a claim under Section 1; or

ii. reasonable access to or occupancy of Your Lot/Unit or Common Area being prevented by Damage from an Event claimable under Section 1 happening to other property in the immediate vicinity;

iii. disruption to Your Tenants' occupancy of Your Lot/Unit or Common Area that is made partially unfit to be occupied for its intended purpose.

We will pay:

- under Clause 1.b.i. from the time of the Event until the time Your Lot/Unit or Common Area is re-let following completion of rebuilding, repairs or Replacement provided You demonstrate You have taken all reasonable actions to obtain a new Tenant; and
- under Clause 1.b.ii. from the time of the Event until the time when access to Your Lot/Unit or Common Area is re-established;
- under Clause 1.b.iii, the cost You necessarily incur to abate the Rent of Your Tenant during this disruption from the time of the Event until the time when this disruption has ceased but in all not exceeding a maximum of three months.

We will not pay under Clause 1.b. Rent:

- if maintenance to the Lot Owner's property (that is separate to the Event leading to a claim) is the reason the Lot/Unit cannot be lived in or during the course of any maintenance works;
- if you had no intention of repairing or rebuilding Your Insured Property;
- beyond the period it should reasonably take to repair or reinstate the Lot/Unit to allow the Tenant to live in the Lot/Unit again;
- any other costs associated with any business activity being operated within the Lot/Unit.

c. Escape of airborne pathogens, murder and suicide

We will pay for:

i. the cost of Temporary Accommodation You necessarily incur;

ii. the actual Rent You lose;

if You or Your Tenant are not permitted to occupy Your Lot/Unit or Common Area by order of the police, a Public or Statutory Authority, other body, entity or person so empowered by law, due to:

- the discharge, release or escape of legionella or other airborne pathogens from water tanks, water systems, air-conditioning plant cooling towers and the like;
- murder or suicide;

occurring at Your Situation.

We will pay from the time the order is invoked until the time the order is revoked, or for a period of 30 days, whichever first occurs.

d. Failure of supply services

We will pay for:

i. the cost of Temporary Accommodation You necessarily incur;

ii. the actual Rent You lose;

if Your Lot/Unit or Common Area is made unfit to be occupied for its intended purpose by the failure of electricity, gas, water or sewerage services resulting from Damage by an Event claimable under Section 1 happening to property belonging to or under the control of any such supply authority, provided the failure of services extends for more than 48 hours We will pay from the time of the failure until the time such services are reinstated, or for a period of 30 days, whichever first occurs.

e. Cost of reletting

When You have leased out Your Lot/Unit or Common Area, We will pay reasonable reletting costs up to $1,500 a Lot/Unit or Common Area if it is made unfit to be occupied for its intended purpose due to:

i. Damage to Your Insured Property that is admitted as a claim under Section 1; and

ii. Your Tenant at the time of the Event subsequently advises they will not be reoccupying the Lot/Unit or Common Area they previously leased.

f. Meeting room hire

We will pay up to $5,000 for the cost of hiring temporary meeting room facilities for the purpose of holding Your annual general meeting or committee meetings if You are unable to occupy the meeting room facilities forming part of Your Insured Property due to Damage to Your Insured Property that is admitted as a claim under Section 1.

We will pay from the time of the Event until the time when access to Your meeting room facilities is re-established.

g. Lot Owners' contributions and fees

We will pay, up to $2,000 per Lot/Unit, for contributions, levies, maintenance and other fees You are required to pay during the period Your Lot/Unit is made unfit to be occupied for its intended purpose due to Damage to Your Insured Property that is admitted as a claim under Section 1.

h. Lot Owners' removal and storage costs

We will pay the reasonable costs You necessarily incur in:

i. removing undamaged Lot Owners' Contents to the nearest place of safekeeping;

ii. storing undamaged Lot Owners' Contents at that place or an equivalent alternate place;

iii. returning undamaged Lot Owners' Contents to Your Situation when occupancy of their Lot/Unit is permitted;

iv. insuring undamaged Lot Owners' Contents during such removal, storage and return;

following Damage to Your Insured Property that is admitted as a claim under Section 1 that renders the Lot/Unit unfit to be occupied for its intended purpose.

i. Lot Owners' travel costs

When You have leased out Your Lot/Unit We will, if Your Lot/Unit is made unfit to be occupied for its intended purpose due to Damage to Your Insured Property that is admitted as a claim under Section 1, We will pay up to $250 per Lot/Unit for reasonable travel costs You incur in visiting Your Lot/Unit for the purpose of consulting with claim adjusters and/or building repairers.

We will not pay unless You first obtain Our consent to incur such travel costs, which will not be unreasonably withheld.

The combined total amount We will pay under Special Benefit 1 – Temporary Accommodation / Rent / contributions / storage – a. to i. arising out of any one Event that is admitted as a claim under Section 1 is limited to the percentage of the Building Sum Insured for Section 1 as shown in the Schedule or such other percentage as We may agree in writing.

2. Emergency accommodation

When You occupy Your Lot/Unit for residential purposes, We will pay up to $2,500 a Lot/Unit for the reasonable cost of emergency accommodation You necessarily incur if Your Lot/Unit is made unfit to be occupied for its intended purpose due to:

a. Damage to Your Insured Property that is admitted as a claim under Section 1; or

b. reasonable access to or occupancy of Your Lot/Unit being prevented by Damage from an Event claimable under Section 1 happening to other property in the immediate vicinity.

3. Alterations/additions

When You make alterations, additions or renovations to Your Insured Property during the Period of Insurance, We will during the construction period pay up to $250,000 for Damage to such alterations, additions or renovations by an Event claimable under Section 1 – Insured Property provided:

i. the value of such work does not exceed that amount; or

ii. You notify Us and We otherwise agree in writing before the commencement of such work;

but We will not pay if, under the terms and conditions of the contract You have signed with the builder, contractor or similar entity, such party is required to effect cover under a Contract Works or similar insurance policy that insures material damage.

4. Arson reward

We will pay a total reward of up to $10,000 for information (irrespective of the number of people supplying information) which leads to a conviction for arson, theft, vandalism or malicious damage, provided such Damage to Your Insured Property is claimable under

Section 1. We will pay the reward to the person or persons providing such relevant information or in such other manner as We may reasonably decide.

5. Electricity, gas, water and similar charges – excess costs

We will pay up to $5,000 for the cost of increased usage, accidental discharge or additional management charges of metered electricity, gas, sewerage, oil and water You are required to pay following Damage to Your Insured Property that is admitted as a claim under Section 1.

6. Electricity, gas, water and similar charges – unauthorised use

We will pay up to $5,000 any one Period of Insurance for the cost of metered electricity, gas, sewerage, oil and water You are legally required to pay following its unauthorised use by any person taking possession or occupying Your Insured Property without Your consent.

We will not pay unless all reasonably practicable steps are taken to terminate such unauthorised use as soon as reasonably practicable after You become aware of it.

7. Fusion of motors

We will pay up to $5,000 for the cost of repairing or replacing an electric motor forming part of Your Insured Property Damaged by Fusion.

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

If the motor in a sealed unit cannot be repaired or replaced because of the unit's inability to use a different type of refrigerant (a new gas as required by regulation) or parts are no longer available, then We will only pay the cost that would have been incurred in replacing with 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.

We will not pay for:

- **a.** motors under a guarantee or warranty or maintenance agreement;
- **b.** other parts of any electrical appliance nor for any software;
- **c.** lighting or heating elements, fuses, protective devices or switches;
- **d.** contact at which sparking or arcing occurs in ordinary working.

How We will settle Your Fusion claim

If Your claim is accepted, We will settle Your claim reasonably in one of the following ways:

- **a.** repairing the Insured Property;
- **b.** replacing the Insured Property; or
- **c.** paying for the cost of same to a condition equal to but not better or more extensive than its condition immediately before the Fusion.

We will not pay for the cost of any alterations, additions, improvements, modifications or overhauls.

Where components or manufacturers' specifications are no longer available due to obsolescence, the basis of settlement will be the cost of providing alternative suitable components equal to but not better or more extensive than the original component being substituted.

8. Environmental improvements

If Damage to Your Insured Property is admitted as a claim under Section 1 and the cost to rebuild, replace or repair the Damaged portion is more than 25% of what the cost would have been had your Insured Property been totally destroyed We will, in addition to the cost of environmental improvements claimable under Section 1, also pay up to $20,000 for the cost of additional environmental improvements not previously installed, such as rainwater tanks, solar energy and grey water recycling systems.

9. Exploratory costs, Replacement of defective parts

We will pay for the reasonable exploratory costs You necessarily incur in locating the source of bursting, leaking, discharging or overflowing of tanks, apparatus or pipes used to hold or carry liquid of any kind.

We will also pay for reasonable costs incurred in:

- **a.** repairing the area of Your Insured Property Damaged by such exploratory work;
- **b.** repairing or replacing the defective part or parts of such tanks, apparatus or pipes, to a limit of $1,000;
- **c.** rectifying contamination Damage or pollution Damage to land at Your Situation caused by the escape of liquid, to a limit of $1,000.

We will not pay for any of these costs if the bursting, leaking, discharging or overflowing is caused by a building defect, building movement, faulty workmanship, rust, oxidation, corrosion, Wear and Tear, gradual corrosion, gradual deterioration, Earth Movement or by trees, plants or their roots.

10. Fire extinguishing

We will pay for the reasonable costs and expenses You necessarily incur in:

- **a.** extinguishing a fire at Your Situation, or in the vicinity of Your Situation and threatening to

involve Your Insured Property or for the purpose of preventing or diminishing Damage including the costs to gain access to any property;

b. replenishing firefighting appliances, replacing used sprinkler heads, and resetting fire, smoke and security alarm systems;

c. shutting off the supply of water or any other substance following the accidental discharge or escape of such substances from fire protective equipment.

11. Funeral expenses

When a Lot/Unit is occupied by the Lot Owner, We will pay up to $5,000 a Lot/Unit for funeral expenses if the Lot Owner, or a family member who permanently resides with the Lot Owner, dies as the direct consequence of Damage to Your Insured Property that is admitted as a claim under Section 1.

12. Keys, lock Replacement

We will pay up to $25,000 for the reasonable costs You necessarily incur in:

a. re-keying or re-coding locks together with replacement keys; or

b. replacing locks with locks of a similar type and quality if they cannot be re-keyed or re-coded;

if the keys to Your Insured Property are stolen as a consequence of forcible entry into or out of:

i. any building forming part of such property;

ii. the premises of a keyholder; or

iii. during the hold-up of a person who normally has the keys in their possession.

We will not pay if there are reasonable grounds to believe the keys or codes have been stolen or duplicated by any occupant or previous occupant of Your Insured Property, or by their family or friends.

13. Landscaping

We will pay the lesser of 1% of the Building Sum Insured under Section 1 or $100,000, for the reasonable costs You or a Lot Owner necessarily incur in replacing or repairing Damaged trees, shrubs, plants, lawns or rockwork at Your Situation lost or Damaged by an Event claimable under Section 1.

For fallen trees or branches that have caused Damage to Your Insured Property, We will pay up to $5,000 for the reasonable professional costs You necessarily incur for their removal and disposal.

We will not pay for removal or disposal of trees or branches that have fallen and not Damaged Your Insured Property.

14. Modifications

When a Lot/Unit is occupied by the Lot Owner We will pay up to $50,000 a Lot/Unit for modifications to that Lot/Unit if the Lot Owner is physically injured and becomes a paraplegic or quadriplegic as the direct consequence of Damage to Your Insured Property that is admitted as a claim under Section 1.

This Benefit only applies if the paraplegia or quadriplegia has continued for a period of not less than six months from the date of the Event and is substantiated by a legally qualified medical practitioner.

15. Money

We will pay up to $25,000 for loss of Your money while in the personal custody of an Office Bearer or committee member of Yours, or of Your Body Corporate Manager/ Agent while acting on Your behalf.

We will not pay for fraudulent misappropriation, theft or any attempt to engage in such acts by:

a. any person in Your employment;

b. a Lot Owner, including any family member permanently residing with them; or

c. a proxy of a Lot Owner.

16. Mortgage discharge

We will pay up to $10,000 to discharge any mortgage over Your Insured Property if it becomes a total loss, is not replaced and We have paid the Sum Insured payable under Section 1.

17. Personal property of others

We will pay up to $10,000 for the Indemnity Value of personal property of others (including employees) which is Damaged by an Event claimable under Section 1 while in Your physical or legal control.

18. Pets, security dogs

When a Lot/Unit is occupied solely for residential purposes, We will pay up to $1,000 a Lot/Unit for the reasonable costs You necessarily incur for boarding pets or security dogs if the Lot/Unit is rendered unfit for its intended purpose by Damage to Your Insured Property that is admitted as a claim under Section 1 and Temporary Accommodation does not allow pets or security dogs.

19. Purchaser's interest

We will cover a purchaser's legal interest in Your Insured Property, in accordance with the terms and conditions of Section 1, when the purchaser has signed an agreement to buy part of or all of such property.

20. Damaged office records

We will pay up to $100,000 for the reasonable expenditure You necessarily incur in collating information, preparing, rewriting or reproducing records, books of account, Electronic Data and valuable papers directly related to Your Insured Property which are Damaged by an Event claimable under Section 1, while anywhere in Australia.

21. Removal, storage costs

We will pay up to $25,000 for the reasonable costs You necessarily incur in:

a. removing any undamaged portion of Your Insured Property to the nearest place of safe keeping;

b. storing such undamaged portion at that place or an equivalent alternate place;

c. returning such undamaged portion to the Situation when restoration work is completed;

d. insuring Your undamaged Insured Property during such removal, storage and return;

following Damage to Your Insured Property that is admitted as a claim under Section 1.

22. Removal of squatters

We will pay up to $1,000 any one Period of Insurance for legal fees You necessarily incur to repossess Your Insured Property or a Lot/Unit if squatters are living in it.

We will not pay unless You first obtain Our consent to incur such legal fees, which We will not unreasonably withhold.

23. Title deeds

We will pay up to $5,000 for the reasonable costs You necessarily incur in replacing Title Deeds to a Lot/Unit or Your Insured Property if Damaged by an Event claimable under Section 1, while anywhere in Australia.

24. Water removal from basement

We will pay up to $2,000 for the reasonable costs You necessarily incur in removing water from the basement or undercroft area of Your Insured Property if such inundation is directly caused by Storm or Rainwater.

We will not pay if the inundation is caused by any other Event that is not claimable under Section 1.

Exclusions

1. We will not pay for damage caused by or arising directly or indirectly from:

a. Storm or Rainwater to retaining walls, or caused by Flood if shown in the Schedule as not selected;

b. lack of maintenance, rust, oxidation, corrosion, mould, mildew, Wear and Tear, fading, concrete or brick cancer, developing flaws, wet or dry rot, gradual corrosion or gradual deterioration or, failure to maintain Your Insured Property in a reasonably good state of repair. This includes when the damage to the Insured Property is caused by light, air, sand, the climate (which includes wind or rain) or the passage of time;

c. overwinding, mechanical breakdown or derangement, electrical breakdown or derangement, or failure caused by electric current. However, We will pay if the Damage is due to:

i. Fusion of electric motors as covered under Special Benefit 7;

ii. lightning;

iii. power surge when such Event is confirmed by the supply authority; or

iv. resulting fire Damage;

d. any Action of The Sea;

e. vibration or from the removal or weakening of or interference with the support of land or buildings or any other property, Erosion or Earth Movement. However, We will pay if the Damage is due to:

i. earthquake or seismological disturbance, Tsunami, explosion, physical impact by aircraft;

ii. bursting, leaking or overflowing of water tanks, pipes, drains, gutters or other water or liquid carrying apparatus;

f. underground (hydrostatic) water. However, We will pay if the Damage is due to bursting, leaking or overflowing of water tanks, pipes, or drains;

g. the invasion of tree or plant roots nor for the cost of clearing pipes or drains blocked by any such invasion. However, We will pay for water or liquid Damage resulting from blocked pipes or drains;

h. inherent defect or latent defect that you were aware of, or a reasonable person in the circumstances would have been aware of;

i. vermin, mice, rats, termites, insects, or by pecking, biting, chewing or scratching by birds or animals. However, We will pay if any of these causes directly result in Damage from any other Event claimable under Section 1 – Insured Property such as fire or glass breakage;

j. the movement of swimming pools or spas or the accidental breakage, chipping or lifting of tiles of swimming pools or spas or their surrounds;

k. water in swimming pools, spas or water tanks;

l. normal settling, creeping, heaving, seepage, shrinkage, or expansion in buildings, foundations/ footings, walls, bridges, roadways, kerbing, driveways, paths, garden borders and other structural improvements;

m. smut or smoke from industrial operations (other than sudden or unforeseen Damage resulting therefrom);

n. any process involving the application of heat being applied directly to any part of Your Insured Property. However, We will pay if any other part of Your Insured Property is Damaged or destroyed by fire.

2. We will not pay for damage to:

a. glass caused by artificial heat, during installation or removal, which has a crack or imperfection, or is required to be insured by any other party in terms of an occupancy agreement;

b. carpets and other floor coverings resulting from staining, fading or fraying. However, We will pay if the Damage directly results from any other Event claimable under Section 1 – Insured Property;

c. boilers (other than boilers used for domestic purposes), economisers or pressure vessels and their contents resulting from the explosion thereof;

d. 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, which will not be unreasonably withheld;

e. Your Insured Property directly resulting from construction, erection, alteration or addition where the value of such work exceeds $500,000 unless Our written consent to continue cover has been obtained, which will not be unreasonably withheld, before the commencement of such work. However, We will pay for Damage which results from any other Event claimable under Section 1.

3. We will not pay for:

a. demolition ordered by any Public or Statutory Authority as a result of Your failure, or the failure of anyone acting on Your behalf, to comply with any lawful requirement or due to the incorrect siting of Your Insured Property;

b. Damage caused by non-rectification of an Insured Property defect, error or omission that You were aware of, or should reasonably have been aware of;

c. the cost of rectifying faulty or defective materials or faulty or defective workmanship, design or specification;

d. consequential loss, including but not limited to any:

i. loss of use;

ii. loss of contract;

iii. loss of profit/revenue;

iv. loss of opportunity;

v. loss of goodwill and/or reputational damage; or

vi. special damages;

other than specifically provided under an operative Additional Benefit or Special Benefit;

e. Wear and Tear.

Claims – how We will settle Your claim

1. Rebuilding, Replacement or repair

If Your Insured Property is Damaged, and Your claim is accepted, after consultation with You, We will either rebuild, replace, repair or pay the amount it would cost to rebuild, replace or repair.

Additionally, if We accept a claim for Lot Owners' Contents cover, after consultation with You, We will either rebuild, replace, repair or pay the amount it would cost to rebuild, replace or repair.

The amount We pay under Section 1 will be the cost of Replacement at the time of Replacement subject to the following provisions:

a. the necessary work of rebuilding, replacing or repairing (which may be carried out upon another site or in any manner suitable to Your requirements provided Our liability is not increased), must be commenced and carried out without unreasonable delay;

b. where Your Insured Property or, in respect to an accepted claim for Lot Owners' Contents cover, should the Lot Owners' Fixtures and Fittings in the Lot/Unit contain any architectural or structural feature of an ornamental, heritage or historical character or where materials used in the original construction are not readily available, We will use the nearest equivalent available to the original materials;

c. if it is lawful, and with Our prior written consent, which will not be unreasonably withheld, You will not be required to actually rebuild any building destroyed but may purchase any alternative existing building or part thereof to replace all or part of the one destroyed.

Such Replacement will be deemed to constitute Replacement for the purpose of this insurance provided Our liability is not increased;

d. if You cause unreasonable delays in commencing or carrying out Replacement, We will not pay any extra costs that result from that delay;

e. when We wish to rebuild, replace or repair and You do not want this to occur and submit a claim for cash settlement in lieu, We will only pay Indemnity Value, which means We will:

i. reduce the amount payable after due consideration of age and condition of the property at the time of loss. We will ensure any reduction of the amount payable is fair and reasonable;

ii. not pay in excess of Indemnity Value of Your Insured Property; and

iii. seek release from further liability under this Section.

We will not pay under Section 1 as part of the cost of Replacement for the cost to:

i. rebuild or replace Your undamaged Insured Property, or, if applicable, Lot Owners' Fixtures and Fittings in the Lot/Unit;

ii. rebuild, replace or repair illegal installations.

2. Undamaged part of Insured Property, foundations and footings

If Your Insured Property is Damaged and any Public or Statutory Authority requires Replacement to be carried out on another site We will pay for the value of any undamaged part of Your Insured Property, including foundations and footings, as though they had been destroyed.

If the sale value of the original Situation with such undamaged part is greater than without them We will deduct the amount of such difference from any settlement otherwise payable by Us.

3. Floor space ratio

If Your Insured Property is Damaged and Replacement is limited or restricted by any Public or Statutory Authority requirement which results in the reduction of the floor space ratio index, We will pay:

a. the difference between:

i. the actual costs incurred in Replacement in accordance with the reduced floor space ratio index; and

ii. the estimated cost of Replacement at the time of Damage had the reduced floor space ratio index not applied;

alternatively, We will pay:

b.

i. the actual costs incurred in Replacement in accordance with the reduced floor space ratio index; plus

ii. the cost of purchasing an existing building or part thereof equivalent in size to the area by which the floor space ratio index has been reduced; or

iii. the cost of purchasing a block of land and the cost of Replacement thereon of Insured Property equivalent in size to the area by which the floor space ratio index has been reduced;

provided that Our liability does not exceed the estimated cost of Replacement at the time of Damage had the reduced floor space ratio index not applied.

4. Land Value

We will pay the difference between Land Value before and after Damage if any Public or Statutory Authority refuses to allow Your Insured Property to be replaced or only allows partial Replacement, less any sum paid by way of compensation by any such authority.

5. Electronic Data

We will pay the cost of reasonable and necessary expenses incurred to recreate, gather or assemble lost or Damaged Electronic Data, but not the value of the Electronic Data to You or any other party, even if such Electronic Data cannot be recreated, gathered or assembled.

Special Provisions

1. Under Clauses 2., 3. and 4. above, Our liability is limited to the extent to which the Sum Insured for Section 1 is not otherwise expended.

2. Under Clauses 2. and 4. above, any differences relating to value may be referred to the Australian Property Institute Inc. who will appoint a qualified valuer whose decision will be final and binding.

Excesses

Special Provisions

In relation to Damage resulting from Vandalism or Malicious Act, an excess will be applied to each Event that caused the Damage.

Earthquake Excess

For earthquake or seismological disturbance, where loss or Damage occurs during any one period of 72 consecutive hours, the Excess is $1,000, or the Excess amount shown in the Schedule, whichever is greater.

Standard extension to Section 1

Lot Owners' Fixtures and Improvements

If the Sum Insured under Section 1 – Insured Property has been expended, We insure You up to the Sum Insured shown in the Schedule for Damage to Lot Owners' Fixtures and Improvements. The Event must be claimable under Section 1 and must occur during the Period of Insurance.

This standard extension (Lot Owners' Fixtures and Improvements) is subject to the same terms, conditions and exclusions as Section 1 – Insured Property as they may be expressly varied herein.

Claims – how We will settle Your claim

If Lot Owners' Fixtures and Improvements are Damaged, and Your claim is accepted, We will either replace, repair or pay the amount it would cost to replace or repair.

The amount We pay under this standard extension will be the cost of Replacement at the time of Replacement subject to the following provisions:

a. the necessary work of replacing or repairing must be commenced and carried out without unreasonable delay;

b. if You cause unreasonable delays in commencing or carrying out Replacement or repair, We will not pay any extra costs that result from that delay;

c. where materials used in the original construction are not readily available, We will use the nearest equivalent available;

d. when We wish to replace or repair and You do not want this to occur, We will only pay Indemnity Value.

We will not pay for the cost to:

i. replace undamaged Lot Owners' Fixtures and Improvements;

ii. replace or repair illegal installations.

Definition

The word listed below has been given a specific meaning and applies to this automatic extension when it begins with a capital letter.

Lot Owners' Fixtures and Improvements

means any fixture or structural improvement, installed by a Lot Owner for their exclusive use and which is permanently attached to or fixed to Your Building so as to become legally part of it, including any improvements made to an existing fixture or structure.

Optional extensions to Section 1

The following policy extensions are optional and if selected by the insured are subject to additional Premium. If selected, the Sum Insured for each optional extension will be shown on the Schedule.

1. Catastrophe Insurance

What We insure

If selected and shown in the Schedule, We insure You up to the Sum Insured shown in the Schedule for this optional extension (Catastrophe Insurance), against the Escalation in the cost of Replacement of Your Insured Property if it is destroyed, or it is assessed as a constructive total loss, following a loss which occurs during the Period of Insurance:

1. **a.** due to a Catastrophe; or

b. due to another Event which occurs not later than 60 days after a Catastrophe, provided Your Insured Property has been continuously insured with Us for that period; and

2. the Event giving rise to the loss is admitted as a claim under Section 1 – Insured Property.

Special Benefits

Special Benefits are included in addition to the Sum Insured for this optional extension (Catastrophe Insurance).

The total amount We will pay under Special Benefits 1 to 4 arising out of any Event claimable under this optional extension is limited to the percentages shown hereunder of the Sum Insured for this optional extension or such other percentage as We may agree in writing.

a. Special Benefit 1. 15%;

b. Special Benefit 2. 5%;

c. Special Benefit 3. and 4. combined 5%;

1. Temporary Accommodation / Rent – extended period of cover

a. Temporary Accommodation

When You occupy Your Lot/Unit We will pay the reasonable cost of Temporary Accommodation You necessarily incur if Your Lot/Unit is Damaged and made unfit to be occupied for its intended purpose:

- due to the happening of a Catastrophe, or other Event referred to in Clause 1.b. of 'What We insure'; and
- the Damage to Your Insured Property is admitted as a claim under Section 1 – Insured Property.

We will pay from the time indemnity provided under Special Benefit 1.a. of Section 1 – Insured Property is expended until the time You reoccupy Your Lot/Unit following completion of rebuilding, repairs or Replacement.

b. Rent

When You have leased out or can substantiate by means of a signed agreement that You would have leased out Your Lot/Unit or Common Area We will pay the actual Rent You lose or would have lost if Your Lot/Unit or Common Area is Damaged and made unfit to be occupied for its intended purpose:

- due to the happening of a Catastrophe, or other Event referred to in Clause 1.b. of 'What We insure';
- and Damage to Your Insured Property is admitted as a claim under Section 1 – Insured Property.

We will pay from the time indemnity provided under Special Benefit 1.b. of Section 1 – Insured Property is expended until the time Your Lot/Unit or Common Area is re-let following completion of rebuilding, repairs or Replacement provided You demonstrate You have taken all reasonable actions to obtain a new tenant.

2. Temporary Accommodation – escalation in cost

When You occupy Your Lot/Unit We will pay for Escalation in the cost of Temporary Accommodation You necessarily incur if Your Lot/Unit is Damaged and made unfit to be occupied for its intended purpose:

- due to the happening of a Catastrophe, or other Event referred to in Clause 1.b. of 'What We insure';
- and the Damage to Your Insured Property is admitted as a claim under Section 1 – Insured Property.

We will pay from the time Temporary Accommodation is obtained until the time You reoccupy Your Lot/Unit following completion of rebuilding, repairs or replacement.

3. Removal, storage

We will pay for the costs You necessarily incur in:

a. removing any undamaged portion of Your Insured Property to the nearest place of safekeeping;

b. storing the undamaged portion at that place or an equivalent alternate place;

c. returning the undamaged portion to Your Situation when occupancy of Your Insured Property is permitted;

d. insuring Your undamaged Insured Property during such removal, storage and return.

We will pay if the Damage to Your Insured Property is due to:

- the happening of a Catastrophe, or other Event referred to in Clause 1.b. of 'What We insure';
- and the Damage to Your Insured Property is admitted as a claim under Section 1 – Insured Property.

The amount We pay will be reduced by any amount payable for such costs under Section 1 – Insured Property.

4. Cost of Evacuation

When You occupy Your Lot/Unit for residential purposes We will pay for the Cost of Evacuation You, or any person or persons permanently residing with You at the time immediately prior to such a happening, necessarily incur following an order issued by a Public or Statutory Authority, Body, entity or person so empowered by law, to evacuate Your Lot/Unit:

- due to the happening of a Catastrophe; and
- the Damage to Your Lot/Unit is admitted as a claim under Section 1 – Insured Property.

Any Cost of Evacuation so payable will be reduced by any amount paid or payable by way of compensation by any Public or Statutory Authority.

Claims – how We will settle Your claim

The basis upon which the amount payable as escalation in the cost of Replacement is to be calculated as the difference between:

a. the actual cost necessarily incurred to rebuild, repair or replace Your Insured Property following a Catastrophe, or other Event referred to in Clause 1.b. of 'What We insure'; and

b. the greater of either:

i. the cost that would have applied to rebuild, repair or replace Your Insured Property in terms of Section 1 – Insured Property immediately prior to the Catastrophe; or

ii. the Sum Insured in force under Section 1 – Insured Property at the time of the Catastrophe, or other Event referred to in Clause 1.b. of 'What We insure'.

Special Provisions

1. No payment will be made under this Catastrophe Insurance optional extension until such time as the greater amount determined in accordance with the provisions of Clause b. of 'Claims – how We will settle Your claim' has been fully expended in Replacement of Your Insured Property.

2. In certifying the cost of Replacement of Your Insured Property at the time immediately prior to a happening giving rise to a claim under this Catastrophe Insurance optional extension the qualified valuer, loss adjuster or other suitably qualified person will use as the basis of certification:

a. the accepted building industry cost standards or recognised cost of materials guide in force on

the day immediately prior to the happening of the Catastrophe or a day as close as practicable thereto;

b. any extra cost necessarily incurred to comply with any Public or Statutory Authority requirements but will not include any cost that would have been incurred in complying with orders issued prior to the Damage;

c. architects' fees, surveyors' fees and any other professional fees;

d. legal fees necessarily incurred in making submissions or applications to any Public or Statutory Authority, Builders Licensing Board, or Land and Environment Courts as a result of Damage to Your Insured Property;

e. fees, contributions or imposts payable to any Public or Statutory Authority to obtain consent to rebuild, replace or repair Your Insured Property.

3. Any differences relating to the cost of Replacement at the time immediately prior to a happening giving rise to a claim under this Catastrophe Insurance optional extension may be referred to the Australian Property Institute Inc. who will appoint a qualified valuer whose decision will be binding.

Conditions

This Catastrophe Insurance optional extension is subject to the same terms, conditions and exclusions as Section 1 – Insured Property and except as they may be expressly varied herein.

Definitions

The words listed below have been given a specific meaning and apply to this Catastrophe Insurance optional extension when they begin with a capital letter.

Catastrophe

means an Event which is sudden and widespread and which causes substantial damage to property over a large area, and as a result of which the Insurance Council of Australia issues a catastrophe code.

Cost of Evacuation

means costs necessarily incurred for road, rail, air or sea transport to the designated place of evacuation and returning to Your Situation from the place of evacuation to resume permanent residency.

Escalation in the Cost of Temporary Accommodation

means, when a Lot/Unit in Your Insured Property is occupied by a Lot Owner, the difference between:

a. the amount of money payable for rental of a residential building or similar type accommodation of substantially the same size, containing similar facilities and in an equivalent suburban environment as Your Insured Property, following a Catastrophe or other loss referred to in Clause 1.b. of 'What We insure'; and

b. the cost of Temporary Accommodation that would have applied had the Catastrophe not occurred.

2. Machinery Breakdown

What We insure

If selected and shown in the Schedule, We will insure You up to the Sum Insured shown in the Schedule against Insured Damage provided that the Insured Item is within Your Situation and was operating as intended at the time Damage occurs.

The amount We pay will:

- be calculated in accordance with the clause herein titled 'Claims – how We will settle Your claim';
- be subject to the application of any Excess shown in the Schedule; and
- not exceed the Sum Insured stated in the Schedule.

Additional Benefits

Additional Benefits are included when the Sum Insured under this optional extension is not otherwise expended in respect of any one Event. We will pay for the reasonable cost of:

1. expediting repair including overtime working;

2. express or air freight;

3. replacing oil and refrigerant gas from air-conditioning units or refrigeration units;

4. hiring a temporary replacement item provided such cost is necessary to maintain a vital service provided by You.

These costs must be incurred as the result of Insured Damage.

Special Benefit

Special Benefit for Loss of Rent and/or Temporary Accommodation following a breakdown of plant and equipment is included in addition to the Sum Insured under this optional extension.

We will pay for the reasonable cost of:

1. Temporary Accommodation You necessarily incur;

2. the actual Rent You lose;

if Your Lot/Unit or Common Area is made unfit to be occupied for its intended purpose by the breakdown of plant and equipment resulting from Damage by an

Event claimable under this optional extension provided the breakdown of plant and equipment extends for more than seven days, We will pay from the time of the breakdown of plant and equipment until the time such plant and equipment is repaired or replaced.

Unless otherwise agreed in writing, Our liability for Loss of Rent or Temporary Accommodation will be limited up to a maximum of 20% of the amount shown in the Schedule as applying to this optional extension, and not exceeding a maximum of 30 days following the breakdown of plant and equipment.

Exclusions

We will not pay for:

1. Damage caused by:
   - **a.** Wear and Tear;
   - **b.** chipping, scratching or discolouration of painted, polished or finished surfaces;
   - **c.** the deterioration of any pre-existing crack, fracture, blister, lamination, flaw or grooving which had not previously penetrated completely through the entire thickness of the material of the Insured Item, notwithstanding that repair or renewal of the part affected may be necessary either immediately or at some future time, except where caused by Insured Damage and You did not know or should not reasonably have known of the pre-existing condition;
   - **d.** the wearing away or wasting of material caused by or naturally resulting from atmospheric conditions, rust, Erosion, corrosion, oxidation or ordinary use;
   - **e.** the tightening of loose parts, recalibration or adjustments;
   - **f.** the carrying out of tests involving abnormal stresses or the intentional overloading of any Insured Item.
2. Damage to:
   - **a.** glass or ceramic components;
   - **b.** defective tube joints or other defective joints or seams;
   - **c.** any valve fitting, shaft seal, gland packing joint or connection except where caused directly by Insured Damage;
   - **d.** foundations, brickwork, and refractory materials forming part of an Insured Item;
   - **e.** television, video or audio equipment other than security system equipment;
   - **f.** expendable items, including electrical and electronic glass bulbs, tubes, lamps, x-ray tubes, electrical contacts, fuses, heating elements, commutators, slip rings, conducting brushes, thermal expansion (TX) valves, thermostats, protective and controlling devices, over-loads, chains, belts, ropes, tyres, pressure switches, bearings, valves, valve plates, filters and dryers;
   - **g.** computers, telecommunication transmitting and receiving equipment, electronic data processing equipment, electrical office machines, coin operated machines, gaming machines, storage tanks and vats, stationary and mobile pressure vessels containing explosive gases, mobile machinery, ducting, reticulating electrical wiring, water and gas piping and all other plant and equipment not owned by You;
   - **h.** plant which has been hired or is on loan unless We specifically agree in writing.
3. consequential loss of any kind, including but not limited to loss of use, loss of contract, loss of profit/revenue, loss of opportunity, loss of goodwill and/or reputational damage, or special damages, other than that which is specifically stated.
4. Damage caused by the application of any tool or process in the course of maintenance, inspection, repair, alteration, modification or overhaul.
5. Damage occurring during installation or erection other than the dismantling, movement and re-erection for the purpose of cleaning, inspection, repair or installation in another position within the Situation.
6. Damage which is claimable from any manufacturer, supplier, engineer or other person under the provisions of any maintenance or warranty agreement.
7. loss of oil, liquid or gas resulting from leakage from glands, seals, gaskets, joints or from corroded, pitted or deteriorated parts.
8. the cost of converting refrigeration/air-conditioning units from the use of CFC (chlorofluorocarbon) refrigerant gas to any other type of refrigerant gas.

Claims – how We will settle Your claim

If Your claim is accepted, We will, in consultation with You, settle Your claim by repairing or replacing the Insured Item, or paying for the cost of same to a condition equal to but not better or more extensive than its condition immediately before the Insured Damage.

We will not pay for the cost of any alterations, additions, improvements, modifications or overhauls.

Where components or manufacturers' specifications are no longer available due to obsolescence, the basis of settlement will be the cost of providing alternative suitable components equal to but not better or more extensive than the original component being substituted.

Definitions

The words listed below have been given a specific meaning and these specific meanings apply to Section 1 – Insured Property optional extension (Machinery Breakdown) when the words begin with a capital letter.

Insured Damage

means Damage which occurs during the Period of Insurance and requires repair or Replacement to allow continuation of use, other than by a cause:

a. which is covered under Section 1 – Insured Property; or

b. which is not claimable under Section 1 – optional extension – Machinery Breakdown.

Insured Item

means:

a. lifts, elevators, escalators and inclinators provided they are subject to a current comprehensive maintenance agreement;

b. all other electrical, electronic and mechanical machinery, boilers and pressure vessels and similar plant;

that forms part of Your Insured Property or its services.

3. Lot Owners' Contents cover

If:

a. Lot Owners' Contents cover is selected and shown in the Schedule;

b. We accept a claim for Damage to Your Insured Property under Section 1;

c. the Sum Insured under Section 1 is not otherwise expended in respect to the one Event; and

d. Damage to Lot Owners' Fixtures and Fittings results from the same Event in connection with Rainwater, Storm or Escape of Liquid that caused the Damage to Your Insured Property,

We will insure You for the Damage to Lot Owners' Fixtures and Fittings within the Lot/Unit to repair, or replace as a consequence of Damage to your Insured Property, up to the maximum amount per Lot/Unit shown on the Schedule.

We will not pay for:

a. Damage to Lot Owners' Fixtures and Fittings:

i. where Your Lot/Unit is not used entirely or primarily for residential purposes;

ii. caused by or arising directly or indirectly from Flood, Action of The Sea or any other Event not specified;

b. any cover otherwise provided under Special Benefit 1 to Section 1 that directly relates to Lot Owners' Contents cover.

Definitions

The words listed below have been given a specific meaning and apply to Lot Owners' Contents when they begin with a capital letter.

Escape of Liquid

means the escape of water or liquid caused by the bursting, leaking, or discharging of pipes that form part of the Common Area.

Lot Owners' Fixtures and Fittings

means:

- any fixture or fitting which is permanently attached or fixed to the Lot/Unit, including but not limited to:
  - home appliances such as dishwashers, washing machines and dryers;
  - curtains or blinds, carpets, carpet underlay;
  - light fittings, ceiling fans or airconditioning units;
  - paint, wallpaper and temporary wall, floor and ceiling coverings.

Section 2 – Liability to Others

What We insure

If selected and shown in the Schedule, We will insure You up to the Limit of Liability shown in the Schedule for Section 2, if You become legally responsible to pay compensation for Personal Injury or Property Damage resulting from an Occurrence in connection with the ownership of Your Common Area and Insured Property that happens during the Period of Insurance.

Further, 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, which We will not unreasonably withhold, at a coronial inquest or inquiry into any death which may be the subject of a claim for compensation under Section 2;
- **c.** other reasonable expenses You necessarily incur that We have agreed to reimburse; and
- **d.** all interest accruing after judgment has been entered against You until We have paid, tendered or deposited in court the amount that We are liable to pay following judgment;

in addition to the Limit of Liability shown in the Schedule for Section 2.

For the avoidance of doubt, We agree to insure You up to the Limit of Liability specified in the Schedule for Section 2 for:

1. Bridges, roadways, kerbing, footpaths, services

compensation You become legally responsible to pay for Personal Injury or Property Damage arising from bridges, roadways, kerbing, footpaths, underground and overhead services You own at the Situation.

2. Car park liability

compensation You become legally responsible to pay for Personal Injury or Property Damage to Vehicles in Your physical or legal control where such Property Damage occurs in a car park You own at the Situation.

We will not pay if the Vehicle is owned or being used by You or is being used on Your behalf.

3. Fertiliser, pesticide, herbicide application

compensation You become legally responsible to pay for Personal Injury or Property Damage arising from the application of any fertiliser, pesticide or herbicide to Insured Property.

We will not pay:

- **a.** unless the fertiliser, pesticide or herbicide has been applied in conformity with any Public or Statutory Authority requirement or, in the absence of any such requirement, in conformity with the manufacturer's recommendations;
- **b.** for Damage to Insured Property, or its improvements including gardens and lawns, to which the fertiliser, pesticide or herbicide was being applied.

4. Hiring out of sporting and recreational facilities

compensation You become legally responsible to pay for Personal Injury or Property Damage arising from the hiring out of sporting or recreational facilities (such as but not limited to tennis courts or swimming pools) owned by You.

5. Recreational activities

compensation You become legally responsible to pay for Personal Injury or Property Damage arising from recreational or social activities arranged for and on behalf of Lot Owners and occupiers of Lots/Units.

6. Services

compensation You become legally responsible to pay for Personal Injury or Property Damage arising out of the service or services You provide for the benefit, general use and enjoyment of Lot Owners and occupiers of Lots/Units at Your Situation.

Services includes local council requirements for contractors (e.g. garbage) to enter Your Insured Property to perform related services.

We will not pay for any act of negligence of any council contractors on their part.

7. Watercraft

compensation You become legally responsible to pay for Personal Injury or Property Damage arising from any Watercraft (not exceeding eight metres in length) owned by You, in Your possession or physical or legal control.

We will not pay if any such item is or should have been insured under legislation of the State or Territory of Australia in which it is being used.

8. Wheelchairs, domestic garden equipment, other Vehicles

compensation You become legally responsible to pay for Personal Injury or Property Damage arising from any wheelchair, domestic garden equipment including lawn mowers, golf cart, golf buggy or other Vehicle owned by You, in Your possession or physical or legal control.

We will not pay if any such item is or should have been registered and/or insured under legislation in the State or Territory of Australia in which it is being used.

9. Court appearance

We will pay compensation of $250 per day if We require a Member or Your Body Corporate Manager/Agent to attend a Court as a witness in connection with a claim under Section 2.

Exclusions

We will not pay for any claim:

1. in connection with any liability for Personal Injury to any employee arising out of or in the course of their employment with You.

2. in respect of liability imposed by the provisions of any workers' compensation, accident compensation or similar legislation applying where Your Insured Property is situated.

3. in respect of:

- **a.** damage to property belonging to, rented by or leased by You or in Your physical or legal control, other than as provided under the operative items of Section 2;
- **b.** damage to property belonging to any person who is deemed a worker or employee within the provisions of any workers' compensation, accident compensation or similar legislation applying where Your Insured Property is situated;
- **c.** injury to or death of animals on Your Common Area;
- **d.** Personal Injury or Property Damage caused by animals on Your Common Area other than guard or watch dogs You employ for security purposes.

4. arising out of the rendering or failure to render professional advice by You or any error or omission connected therewith. This exclusion does not apply to the rendering or failure 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.

5. arising out of the publication or utterance of a defamation, libel or slander:

- **a.** made prior to the commencement of Section 2;
- **b.** made by You or at Your direction when You knew it to be false.

6. arising out of the ownership, possession or use by You of any Vehicle, Watercraft, hovercraft, aircraft or aircraft landing areas other than as provided under the operative items of Section 2.

7. arising out of or in connection with the ownership of marinas, wharves, jetties, docks, pontoons or similar type facilities (whether fixed or floating) if such facilities are used for commercial purposes or provide fuel distribution facilities, unless We otherwise agree in writing.

8. arising out of construction, erection, demolition, alterations or additions to Your Insured Property where the cost of such work exceeds $500,000, unless You advise Us and obtain Our written consent, which We will not unreasonably withhold, to continue cover before commencement of such works.

9. arising from vibration or from the removal or weakening of or interference with the support of land or buildings or any other property.

10. arising under the terms of any agreement 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 ownership of Your Common Area and Insured Property under the terms of any written agreement with the company, person or firm appointed to manage ownership of Your Common Area and Insured Property except where liability arises out of:
  - i. any act of negligence on their part; or
  - ii. by their default in performing their obligations under such agreement.

11. arising out of or caused by the discharge, dispersal, release of or escape of Pollutants into or upon property, land, the atmosphere, or any water course or body of water. This exclusion does not apply if such discharge, dispersal, release or escape is sudden, identifiable, unexpected and unintended and takes place in its entirety at a specific time and place during the Period of Insurance.

12. arising out of or incurred in the prevention, removing, nullifying or clean-up of any contamination or pollution. This exclusion does not apply to clean-up, removal or nullifying expenses only which are incurred after a sudden, identifiable, unexpected and unintended happening which takes place in its entirety at a specific time and place during the Period of Insurance.

13. for fines or penalties or for punitive, aggravated, exemplary or additional damages (including interest and costs) imposed against You.

14. made or actions instituted:

- **a.** outside Australia;
- **b.** which are governed by the laws of a foreign country.

15. to the extent the Damage to the Lot Owners' Fixtures and Fittings within the Lot/Unit is covered under optional extension – Lot Owners' Contents cover in Section 1.

Definitions

The words listed below have been given a specific meaning and apply to Section 2 when they begin with a capital letter.

Occurrence

means an Event, including continuous or repeated exposure to substantially the same general conditions, which results in Personal Injury or Property Damage neither expected nor intended to happen by You.

Personal Injury

means:

- **a.** bodily injury (including death and illness), disability, fright, shock, mental anguish or mental injury;
- **b.** false arrest, wrongful detention, false imprisonment or malicious prosecution;
- **c.** wrongful entry or eviction or other invasion of the right of privacy;
- **d.** a publication or utterance of defamatory or disparaging material;
- **e.** assault and battery not committed by You or any Lot Owner or at Your or their direction unless committed for the purpose of preventing or eliminating danger to person or property;

which happens during the Period of Insurance anywhere in Australia.

Pollutants

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.

Property Damage

means:

- **a.** physical damage to or destruction of tangible property including its loss of use following such physical damage or destruction; or
- **b.** loss of use of tangible property which has not been physically damaged or destroyed provided that the loss of use has been caused by an Occurrence;

which happens during the Period of Insurance anywhere in Australia.

Section 3 – Voluntary Workers

What We insure

If selected and shown in the Schedule, We will pay to a Voluntary Worker, or that person's estate, the corresponding benefit set out in the Table of Benefits below in the event of such Voluntary Worker sustaining bodily injury during the Period of Insurance:

a. whilst voluntarily engaged in work on Your behalf; and

b. caused solely and directly by accidental, external and visible means; and

c. which, independently of any other cause results in the following insured events.

Table of Benefits

Insured event		Benefit
1.	Death	$300,000
2.	Total and irrecoverable loss of all sight in both eyes	$300,000
3.	Total and permanent loss of the use of both hands or of the use of both feet or the use of one hand and one foot	$300,000
4.	Total and permanent loss of the use of one hand or of the use of one foot	$150,000
5.	Total and irrecoverable loss of all sight in one eye	$150,000
6.a.	Total Disablement from engaging in or attending to usual profession, business or occupation in respect of each week of Total Disablement up to a maximum of 104 weeks. The maximum benefit per week is:	$2,000
6.b.	Partial Disablement from engaging in or attending to usual profession, business or occupation in respect of each week of Partial Disablement up to a maximum of 104 weeks. The maximum benefit per week is:	$1,000
7.	The reasonable cost of domestic assistance certified by a qualified medical practitioner that a Voluntary Worker is totally disabled from performing his/her usual profession, business, occupation or usual household activities – in respect of each week of disablement a weekly benefit not exceeding $500, up to a maximum of:	$5,000
8.	The reasonable cost of travel expenses necessarily incurred at the time of, or subsequent to, the sustaining of bodily injury to obtain medical treatment – up to a maximum of:	$2,000
9.	The reasonable cost of home tutorial expenses if the Voluntary Worker is a full-time student – in respect of each week of Total Disablement a weekly benefit not exceeding $250, up to a maximum of:	$2,500
10.	The reasonable cost of burial or cremation of a Voluntary Worker up to a maximum of:	$5,000

Exclusions

We will not pay any benefits with respect to any insured events referred to in the Table of Benefits:

a. arising out of intentional self-injury or suicide, or any attempt;

b. attributable wholly or in part to childbirth or pregnancy, notwithstanding that miscarriage or childbirth may have been accelerated or induced by the bodily injury sustained;

c. arising out of a Voluntary Worker being under the influence of alcohol or any drug, other than a drug prescribed by a qualified medical practitioner;

d. to children under the age of 12 years;

e. for bodily injury that does not manifest itself within 12 months of sustaining such bodily injury;

f. arising out of a Voluntary Worker failing to procure and follow proper medical advice from a legally qualified medical practitioner;

g. which are covered by Medicare, any workers' compensation legislation, any transport accident legislation, any common law entitlement, any government sponsored fund, plan or medical benefit scheme or any other insurance policy required to be effected by or under law;

h. which would result in Us contravening the *Health Insurance Act 1973* (Cth), the *Private Health Insurance Act 2007* (Cth) or the *National Health Act 1953* (Cth);

i. for more than one of insured events 6.a. and 6.b. in respect of the same period of time;

j. under insured events 6.a. and 6.b. in respect of persons not in receipt of wages, salaries or other remuneration from their personal exertion.

Conditions

The following conditions apply:

a. if a Voluntary Worker becomes entitled to benefits under more than one of the insured events 1 to 5 in respect of the same bodily injury, the benefits payable will be cumulative up to 100% of the benefit payable for insured event 1.

b. after the occurrence of any one of the insured events 2 to 5 there will be no further liability under Section 3 – Voluntary Workers for these insured events in respect of the same Voluntary Worker.

c. in the event of a claim involving the death of a Voluntary Worker We will be entitled to have a post-mortem examination carried out at Our expense.

Definitions

The words listed below have been given a specific meaning and apply to Section 3 when they begin with a capital letter.

Partial Disablement

means Partial Disablement which entirely prevents a Voluntary Worker from carrying out the normal duties of such person's usual occupation, profession or business or, where such person engages in more than one occupation, profession or business, any of them.

Total Disablement

means Total Disablement which entirely prevents a Voluntary Worker from carrying out all of the normal duties of such person's usual occupation, profession or business or, where such person engages in more than one occupation, profession or business, all of them.

Section 4 – Fidelity Guarantee and Cyber

FIDELITY GUARANTEE

What We insure

If selected and shown in the Schedule, We will pay, up to the Sum Insured shown in the Schedule, in respect of fraudulent misappropriation of Your Funds committed during the Period of Insurance.

Exclusions

We will not pay for:

1. any fraudulent misappropriation unless and until You have exhausted Your rights and entitlements to payment pursuant to any other fidelity bond or fidelity fund of whatsoever nature which might exist whether effected pursuant to statute or otherwise;
2. any fraudulent misappropriation committed after the initial discovery of loss;
3. any losses arising out of fraudulent misappropriation committed prior to the commencement of Section 4;
4. any claims arising out of losses discovered more than 12 months after the expiry of Section 4, or any renewal thereof.

Definitions

The word listed below has been given a specific meaning and applies to Section 4 - Fidelity Guarantee when it begins with a capital letter.

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. Funds do not include the personal money, securities or tangible property of Lot Owners or Members.

CYBER

What We insure

We will pay, up to the Sum Insured shown in the Schedule for loss as a result of Social Engineering Fraud first discovered by You during the Period of Insurance.

Our liability for such coverage will be reduced to the extent that We are prejudiced by Your failure to follow an Established Authentication Procedure.

Exclusions

We will not pay for:

1. loss resulting from the acts, errors, or omissions of Your Body Corporate Manager/Agent unless acting on Your behalf and in accordance with Established Authentication Procedures.
2. fraudulent misappropriation, theft, or any attempt to engage in such acts, by:
   a. any person in Your employment;
   b. a Lot Owner, including any family member permanently residing with them; or
   c. a proxy of a Lot Owner.
3. any consequential loss arising from:
   a. an Event which occurred prior to the Period of Insurance; or
   b. a misdirection of funds to the same third party after initial discovery of the loss.

Conditions

The following conditions apply:

1. You must exhaust Your rights under any other fidelity bond or fund before claiming under this section.
2. Cover is subject to:
   a. the implementation of procedures for verifying wire transfer requests; and
   b. a dual verification process for wire transfers above a specified threshold.

   However, this condition does not apply to Lot/Unit owners when a claim is being made as a result of payment of Body Corporate strata levies.
3. You must notify Us as soon as reasonably practicable of Your intention to make a claim under this Section by providing:
   a. written notice to Us, including a statement detailing the cause of loss, quantum of the claim and the proof of the loss; and
   b. a copy of any written report or notification of the incident to the police and any communications from the police regarding the incident.
4. There is no cover for loss or damage caused by Social Engineering Fraud that is not related to the usual activities of the Body Corporate.

Definitions

The words listed below have been given a specific meaning and apply to Section 4 - Cyber when they begin with a capital letter.

Established Authentication Procedure

means the verification of the validity of an instruction by a third party to transfer Money by:

- **a.** following a pre-arranged callback procedure; or
- **b.** other established procedural method.

The verification must have occurred prior to acting upon the transfer instruction.

Social Engineering Fraud

means the fraudulent misdirection of funds by a third party who, by impersonation, manipulates an Office Bearer, committee member, Body Corporate Manager/ Agent or Lot/Unit owner to issue an instruction to a financial institution to debit, pay, deliver, or transfer Money to that third party or another person or entity.

Money

means Your:

- **a.** currency, coins and bank notes in current use and having a face value; and
- **b.** traveller's cheques and money orders held for sale to the public.

Section 5 – Office Bearers' Legal Liability

This Section 5 – Office Bearers' Legal Liability is issued on a Claims made and notified basis. This means Section 5 responds to Claims first made against You during the Period of Insurance and notified to Us during the same Period of Insurance.

What We insure

If selected and shown in the Schedule, We will, subject to any Excess specified in the Schedule:

- pay on Your behalf all Loss for which You are not indemnified by Your Body Corporate; or
- pay on behalf of Your Body Corporate all Loss for which they grant indemnification to You, as permitted or required by law, or for which Your Body Corporate is vicariously liable at law,

arising from any Claim:

a. first made against:

i. You, individually or otherwise; or

ii. Your Body Corporate Manager/Agent while acting as an Office Bearer;

during the Period of Insurance; and

b. reported to Us during the Period of Insurance or within 30 days thereafter.

Provided that Claims which do not comply with all of Clauses a. and b. of this insuring clause are not, other than as provided under Special Benefit 2 – Continuous cover of Section 5 – Office Bearers' Legal Liability, the subject of this insurance or any indemnity.

The amount payable in respect of all Claims under Section 5 will not in the aggregate exceed the Limit of Liability stated in the Schedule, inclusive of claimant's costs and expenses and Defence Costs incurred by Us, during the currency of any one Period of Insurance.

Special Benefits

1. Payment of Defence Costs

In relation to any Claim under Section 5:

a. where indemnity has been confirmed by Us in writing, We will pay Defence Costs arising from such Claim;

b. where indemnity has not been confirmed by Us in writing, We will:

i. where We conduct the defence or settlement of such Claim, pay Defence Costs arising from such Claim; or

ii. in any other case, reasonably decide to pay the Defence Costs arising from such Claim.

Provided always that in the event the Claim is withdrawn or that indemnity under Section 5 is subsequently withdrawn or denied, We will cease to advance Defence Costs and You will refund any Defence Costs advanced by Us to the extent that You were not entitled to such Defence Costs, unless We agree in writing to waive recovery of such Defence Costs.

2. Continuous cover

Should a Claim, fact or circumstance arise which should have been or could have been notified to Us during a prior Period of Insurance of Section 5 or under an earlier Office Bearers' Legal Liability Insurance Section issued by Us, We will accept the notification of such Claim, fact or circumstance under Section 5, provided always that:

a. We have continuously provided cover for an Office Bearers' Legal Liability between the date when such notification should have been given and the date when such notification was in fact given; and

b. the terms and conditions applicable to this Special Benefit 2 – Continuous cover and to that notification will be the terms and conditions, including the Limit of Liability and Excess, applicable to this Section 5 under which the notification should have or could have been given.

3. Extended period of cover

Should a Claim, fact or circumstance arise within a period of 30 days following the expiry date of Section 5 and Your renewal instructions have not been received, We will, subject to Your renewal instructions being received by Us within that period, accept the notification of such Claim, fact or circumstance under Section 5.

Provided always that the terms and conditions applicable to this Special Benefit 3 – Extended period of cover and to that notification will be the terms and conditions, including the Limit of Liability and Excess, applicable to this Section 5 during the immediate prior Period of Insurance.

Exclusions

We will not pay for:

1. Claims arising from circumstances which You knew of prior to the Section 5 inception, or a reasonable

person in the circumstances could be expected to know, to be circumstances which may give rise to a Claim against You;

2. any dishonest or fraudulent act, criminal act or Malicious Act or omission of Yours or of any person at any time employed by You, but this exclusion will not apply to the costs incurred by You in successfully defending any Claim or suit made against You;

3. Claims for death, bodily injury, sickness, disease (including communicable disease), or damage to property. However, this exclusion will not apply to loss or damage to Documents which are Your property, or entrusted to You, or costs and expenses incurred by You in replacing or restoring such Documents;

4. Claims resulting from Your intentional decision not to effect and maintain insurances as required by the Strata Legislation applying where Your Insured Property is situated;

5. Claims arising out of a publication or utterance of a libel or slander or other defamatory or disparaging material;

6. fines, penalties, punitive or exemplary or aggravated damages or any additional damages resulting from the multiplication of compensatory damages;

7. You gaining or having gained any personal profit or advantage to which You were not legally entitled or for which You may be held accountable to the Body Corporate or any individual Member thereof;

8. monies or gratuity given to You without authorisation by the Body Corporate where such authorisation is necessary pursuant to the Articles of the Body Corporate or prescribed law;

9. a conflict of duty or interest of Yours;

10. any intentional exercise of the powers of You for a purpose other than the purpose for which such powers were conferred by the Articles of the Body Corporate;

11. any Wrongful Act made or threatened or in any way intimated on or before the inception date specified in the Schedule, except as otherwise provided in Special Benefit 2 – Continuous cover of Section 5;

12. Claims first notified to Us after the expiry of Section 5, except as otherwise provided in Insuring Clause b. of Section 5;

13. Claims brought against Your Body Corporate Manager/Agent, other than as covered under a.ii. of the Insuring Clause hereof, or other contracted person(s), firm or company when acting in their professional capacity;

14. Claims brought against You in a Court of Law outside Australia.

Conditions

Defence and settlement

If You refuse to consent to any settlement recommended by Us and elect to continue any legal proceedings in connection therewith, Our liability for the Claim will not exceed the amount for which the Claim could have been settled including the costs and expenses incurred up to the date of such refusal.

The amount for which the Claim could have been settled (including the costs and expenses incurred up to the date of such refusal) is either:

a. the amount for which the claimants offer to settle the Claim; or

b. the amount assessed by a Senior Counsel, taking into account:

i. the economics of the matter;

ii. the damages and costs which are likely to be recovered from the claimants;

iii. the likely Defence Costs; and

iv. Your prospects of successfully defending the Claim.

If You and We cannot agree on the Senior Counsel, We will ask the President of the Bar Association in the relevant State or Territory to nominate one.

We will include the cost of the Senior Counsel's opinion in Your Defence Costs.

Reporting and notice

A specific Wrongful Act will be considered to have been first reported to Us:

a. at the time You first give written notice to Us that a Claim has been made against You for such Wrongful Act; or

b. at the time You first give written notice to Us:

i. having the potential of giving rise to a Claim being made against You;

ii. of the receipt of written or oral notice from any party that it is the intention of such party to hold You responsible for such Wrongful Act;

whichever first occurs.

Definitions

The words listed below have been given a specific meaning and apply to Section 5 when they begin with a capital letter.

Claim, Claims

means:

- **a.** a written or verbal allegation of any Wrongful Act; or
- **b.** a civil proceeding commenced by the service of a complaint, summons, statement of Claim or similar pleading alleging any Wrongful Act; or
- **c.** a criminal proceeding commenced by a summons or charge alleging any Wrongful Act.

Defence Costs

means costs, charges and expenses (other than Your fees, salaries or salaries of Your employees) incurred by Us or with Our written consent (such consent not to be unreasonably withheld) in the investigation, defence, monitoring or settlement of any Claim or proceedings and appeals therefrom together with the costs of appeal.

Documents

means deeds, wills, agreements, maps, plans, records, books, letters, certificates, forms and documents of any nature whether written, printed or reproduced by any other method but does not include currency notes or negotiable instruments of any kind.

Loss

means the amount payable in respect of a Claim made against You for a Wrongful Act and will include damages, judgments, settlements, orders for costs and Defence Costs.

Office Bearer

means:

- **a.** a person appointed by the Body Corporate to act as an Office Bearer or committee member in terms of the Strata Legislation applying where Your Insured Property and Common Area is situated;
- **b.** a Body Corporate 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 the Body Corporate affairs.

Wrongful Act

means any error, misstatement, act or omission, or neglect or breach of duty made, committed, attempted or allegedly made, committed or attempted by You or any matter claimed against You solely by reason:

- **a.** of You serving as an Office Bearer or committee member or director of the Body Corporate; or
- **b.** as an Office Bearer on a related building management committee provided at the time of serving as an Office Bearer on that committee You are also an Office Bearer or committee member or nominee or director of Your Body Corporate.

Where any such Wrongful Act results in more than one Claim 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.

Section 6 – Government Audit Costs, Appeal Expenses and Legal Defence Expenses

This Section 6 is issued on a Claims made and notified basis. This means Parts A, B and C of Section 6 respond to Claims first made against You during the Period of Insurance and notified to Us during the same Period of Insurance.

Part A: Government Audit Costs

What We insure

If selected and shown in the Schedule, We insure You, up to the Sum Insured shown for Part A: Government Audit Costs of Section 6 in the Schedule, for Professional Fees You reasonably incur with Our written consent, which We will not unreasonably withhold, in connection with an Audit first notified to You verbally or in writing during the Period of Insurance or within 30 days thereafter.

We will not pay more than the Sum Insured for Part A: Government Audit Costs for:

a. any Claim reported during the Period of Insurance including any such Claim reported but not finalised until a subsequent Period of Insurance;

b. all Claims reported in any one Period of Insurance.

Additional Benefit

1. Record Keeping Audit

We will pay up to $1,000 in any one Period of Insurance for Professional Fees You reasonably incur with Our written consent, which We will not unreasonably withhold, in connection with a Record Keeping Audit.

Exclusions

1. We will not pay for Professional Fees:

a. if prior to the commencement of the Period of Insurance, You, or any person acting on Your behalf:

i. received any notice of a proposed Audit;

ii. had information that an Audit was likely to take place;

iii. had information that would indicate to a reasonable person that an Audit was likely to take place.

b. if a return, or a document required to be lodged in relation to an Audit, has not been lodged:

i. at all;

ii. properly;

iii. by the due date.

c. for any Audit that is conducted specifically for the purposes of determining if a fine, penalty or prosecution should be imposed in connection with:

i. any act or omission by You; or

ii. any failure, act or omission arising from or in connection with Your statutory obligations.

d. if charged by someone other than a Professional Adviser unless We have given Our prior written consent, which We will not unreasonably withhold.

e. relating to the Audit of Your taxation and financial affairs unless the return is first lodged:

i. during the Period of Insurance; or

ii. not more than 12 months prior to the original inception date of Section 6; or

iii. relates to a return for a financial year not more than three years prior to the date You receive notification of an Audit.

f. relating to an Audit if You fail to comply with any requirement or obligation imposed upon You by any relevant legislation if a return in relation to the Audit was not prepared or reviewed by Your Professional Adviser prior to dispatch.

g. if You breach any conditions in this Section, including failing to comply with any requirement imposed by any relevant legislation or failing to do what We require You to do if You intend to make a Claim or You make a Claim.

2. We will not under any circumstances pay for the cost of:

a. any fines, penalties, interest or adjustment of tax, additional tax, duty, government impost or similar charges;

b. any review pertaining to You maintaining any industry status, licence, membership or compliance with any employee-related legislation or regulations;

c. the gathering of data or information by any Government, Statutory Body, Authority or Agency that is not directly part of an Audit.

Conditions

1. We require You to:
   - **a.** make all efforts to comply with the relevant legislation, procedures and guidelines issued by the Australian Taxation Office, or Commonwealth, State or Territory Department, Statutory Body or Agency in relation to the maintenance of records, books and documents;
   - **b.** lodge taxation and other statutory returns within the prescribed time limits or if an extension is granted within the further period granted;
   - **c.** upon becoming notified of an Audit or impending Audit promptly inform Us by telephone, in writing or in person;
   - **d.** obtain Our written approval, which We will not unreasonably withhold, before engaging a Professional Adviser, other than Your accountant, and notify them of all Professional Fees Your accountant proposes to charge.
2. An Audit commences:
   - **a.** at the time You first receive notice that an Auditor proposes to conduct an Audit; and
   - **b.** is completed when:
     - i. the Auditor has given written notice to that effect; or
     - ii. the Auditor notifies You that it has made a Final Decision of a Designated Liability; or
     - iii. when the Auditor has issued an assessment or amended assessment of a Designated Liability.

Part B: Appeal Expenses – common property, health and safety breaches

What We insure

If selected and shown in the Schedule, We insure You, up to the Sum Insured shown for Part B: Appeal Expenses of Section 6 in the Schedule for Appeal Expenses You necessarily incur with Our consent, which We will not unreasonably withhold, in appealing against:

- **a.** the imposition of an improvement or prohibition notice under any workplace, occupational health, safety or similar legislation applying where Your Insured Property is situated; or
- **b.** the determination under any workplace occupational health, safety or similar legislation applying where Your Insured Property is situated of a review committee, arbitrator, tribunal or Court.

We will not pay:

- **a.** unless any such notice or determination is first made or first brought against You during the Period of Insurance and You report it to Us during that Period of Insurance or within 30 days thereafter;
- **b.** more than the Sum Insured for Part B: Appeal Expenses for:
  - i. any Claim reported during the Period of Insurance including any such Claim reported but not finalised until a subsequent Period of Insurance;
  - ii. all Claims reported in any one Period of Insurance.

The imposition of an improvement or prohibition notice must arise out of Your failure to provide and maintain so far as is reasonably practicable:

- a safe working environment;
- a safe system of work;
- plant and substances in a safe condition;
- adequate facilities of a prescribed kind for the welfare of Your employees.

Part C: Legal Defence Expenses

What We insure

If selected and shown in the Schedule, We insure You, up to the Sum Insured shown for Part C: Legal Defence Expenses of Section 6 for Legal Defence Expenses You necessarily incur with Our written consent, which We will not unreasonably withhold, in connection with litigation arising out of a Claim made or brought against You less any Excess shown in the Schedule:

- **a.** in connection with the ownership of Your Common Area and Insured Property;
- **b.** under the *Competition and Consumer Act 2010* (Cth) or under any other consumer protection legislation;
- **c.** arising out of any dispute with an employee, former employee or prospective employee:
  - i. concerning the terms and conditions of their contract of employment or alleged contract of employment with You;
  - ii. leading to civil or criminal proceedings under any racial or sexual discrimination legislation.

We will not pay:

- **a.** unless:

i. any such Claim is first made or first brought against You during the Period of Insurance;

ii. You report it to Us during that Period of Insurance or within 30 days thereafter;

iii. there are reasonable grounds for the defence of any such Claim.

b. more than the Sum Insured for Part C: Legal Defence Expenses for:

i. any Claim reported during the Period of Insurance including any such Claim reported but not finalised until a subsequent Period of Insurance;

ii. all Claims reported in any one Period of Insurance.

Excess

For each and every Claim You must pay or contribute a minimum amount of $1,000 unless otherwise shown in the Schedule.

Exclusions

1. We do not insure Legal Defence Expenses for any Claim:

a. which You have pursued or defended without Our written consent, which We will not unreasonably withhold;

b. which You have pursued or defended contrary to or in a different manner from that advised by the Appointed Representative;

c. arising from an act, omission, liability or Event for which indemnity is otherwise provided under Section 2 – Liability to Others and Section 5 – Office Bearers' Legal Liability or would have been provided if Section 2 – Liability to Others and Section 5 – Office Bearers' Legal Liability were operative;

d. arising from circumstances that You knew of prior to the inception of this Section, or a reasonable person in the circumstances could be expected to know, to be circumstances that may give rise to a Claim against You;

e. arising from a deliberate act, including a deliberate act of fraud or dishonesty, on Your part if a judgment or other final adjudication adverse to You establishes that such act was committed or attempted by You with actual dishonest purpose or intent and was material to the cause of action so adjudicated;

f. between You and Us including Our directors, employees or servants;

g. which involves a conflict of duty or interest of Yours;

h. made or threatened or in any way intimated on or before the inception date shown in the Schedule, except as otherwise provided by Condition 4 – Continuous cover;

i. first notified to Us more than 30 days after the expiry of this Section, except as otherwise provided by Condition 4 – Continuous cover.

2. We will not be liable for:

a. the cost of litigation or proceedings initiated by You;

b. the payment of any compensation or damages of any kind other than Your liability to pay fees, expenses and disbursements of other persons or entities by reason of an order of any Court, Arbitrator or Tribunal.

Conditions

1. Appeal procedure

If You are dissatisfied with any decision made by a Court or Tribunal and wish to appeal against that decision, You must:

a. make a further written application to Us for Our written consent, which We will not unreasonably withhold, at least five business days prior to the expiry of the time for instituting an appeal; or

b. if the time allowed by law to appeal is less than five business days, You must advise Us as soon as reasonably practicable.

Your application or advice must state the reasons, as fully as possible, for making an appeal.

If We are dissatisfied with any decision made by a Court or Tribunal and wish to appeal that decision, You must reasonably cooperate with Us in the bringing of such an appeal. In this event We will pay all costs involved.

2. Bill of costs

You must forward Us all bills of costs or other communications relating to fees and expenses as soon as reasonably practicable after receipt by You. If requested by Us, You will instruct the Appointed Representative to submit the bill of costs for taxation or adjudication by any relevant professional body, Court or Tribunal.

You must not without Our written approval, which We will not unreasonably withhold, enter into any agreement with the Appointed Representative as to the level of fees and expenses to be charged.

Further, You must not represent to the Appointed Representative that all fees and expenses charged to Your

account are insured by this Section.

3. Consent

We will not be liable to indemnify You unless You have first obtained Our specific written consent, which We will not unreasonably withhold, to incur Legal Defence Expenses in the defence of any Claim instituted against You. The granting of any such consent will not be unreasonably withheld after You have given notice to Us of any occurrence or circumstance that might result in a Claim being made or proceedings instituted against You.

4. Continuous cover

Should a Claim arise which should have been or could have been notified to Us during a prior Period of Insurance when this Section was operative, We will accept the notification of such Claim.

Provided always that:

a. We have continuously provided cover between the date when such notification should have been given and the date when such notification was in fact given; and

b. the terms and conditions applicable to Condition 4 – Continuous cover and to that notification will be the terms and conditions, including the Limit of Liability and Excess, applicable to this Section under which the notification should have or could have been given.

5. Information to be given to the Appointed Representative

You will at all times and at Your own expense give to the Appointed Representative all such relevant information and assistance as reasonably required. You will give a complete and truthful account of the facts of the case, shall supply all relevant documentary and other evidence in Your possession relating to the Claim, will obtain and sign all relevant documents required to be obtained and signed and will attend any meetings or conferences when reasonably requested.

6. Nomination of Appointed Representative

You may request Us to nominate a solicitor to act as Your Appointed Representative or if You elect to nominate Your own solicitor to act as the Appointed Representative, You must submit the name and address of that solicitor to Us. We may reasonably accept or refuse such nomination and provide You with Our reason for reaching this decision.

If agreement cannot be reached on the appointment, the President of the Law Society within Your State will be requested to nominate an Appointed Representative. During this period We will be entitled but not bound to instruct an Appointed Representative on Your behalf if We consider it necessary to do so to safeguard Your immediate interests. In all cases the Appointed Representative will be appointed in Your name and will act on Your behalf.

7. Offer of settlement

You must inform Us as soon as reasonably practicable if You receive an offer to settle a Claim.

If such offer of settlement is considered to be fair and reasonable and You withhold Your agreement to such a settlement and elect to continue legal proceedings, Our liability will not exceed the amount of Legal Defence Expenses incurred up to the date of such settlement offer.

If You refuse a recommendation by the Appointed Representative to settle a Claim and elect to continue legal proceedings, Our liability will not exceed the amount of Legal Defence Expenses incurred up to the date of such refusal.

8. Our access to the Appointed Representative

You will do all things reasonably necessary to allow Us to obtain from the Appointed Representative any relevant information, report documents or advice relating to the Claim. However, You will not be prejudiced if the Appointed Representative refuses to make such information, report documentation or advice available to Us on the grounds that to do so might prejudice Your interests in any litigation that is involved or may be commenced.

9. Recovery of Legal Defence Expenses

If You are awarded costs, You must take all reasonable steps to recover such fees and expenses for which You are indemnified by this Section. All such fees and expenses actually recovered will be taken into account when calculating Our liability.

10. Reporting and notice

A specific Claim will be considered to have been first reported to Us at the time You first give written notice to Us of the receipt of written or oral notice from any party or entity that it is the intention of such party or entity to hold You responsible for a civil or criminal act.

Definitions

The following words have been given a specific meaning and apply to Section 6 when they begin with a capital letter.

Appeal Expenses

means legal costs, professional costs and other disbursements necessarily and reasonably incurred with Our consent, which We will not unreasonably withhold, in connection with a Claim brought against You.

Appointed Representative

means a solicitor, barrister, assessor, consultant, investigator or other appropriately qualified person instructed to act on Your behalf in connection with any Claim with respect to which Legal Defence Expenses are payable under this Section.

Audit

means an audit or investigation of Your taxation and financial affairs by the Australian Taxation Office, or by a Commonwealth, State or Territory Department, Statutory Body or Agency in relation to and following the lodgement of Your return(s), including but not limited to Business Activity Statement (BAS), Capital Gains Tax, Fringe Benefits Tax, Income Tax, Prescribed Payment and Group Tax Returns, Payroll Tax, Stamp Duty, Compliance with *Superannuation Industry Supervision Act 1993* (Cth) and Workers Compensation Returns.

Auditor

means an officer who is authorised under Commonwealth, State or Territory legislation to carry out an Audit of Your taxation or financial affairs.

Claim, Claims

means:

a. a written or verbal advice of intent to initiate legal proceedings or a civil or criminal action against You; or

b. a civil proceeding commenced by the service of a complaint, summons, statement of claim or similar pleading against You; or

c. a criminal proceeding commenced by a summons or charge against You.

Designated Liability

means Your obligation to pay an amount under Commonwealth, State or Territory Legislation.

Final Decision

means a written notification of the Auditor's completed views in connection with a Designated Liability and includes any written statement which is intended by the Auditor to be its findings or the basis upon which it proposes to act in connection with a Designated Liability.

Legal Defence Expenses

means:

a. fees, expenses and other disbursements necessarily and reasonably incurred by an Appointed Representative in connection with any Claim brought against You including costs and expenses of expert witnesses as well as those incurred by Us in connection with any such Claim;

b. fees, expenses and disbursements incurred by persons or entities other than You in so far as You are liable to pay such fees, expenses and disbursements by reason of an order of any Court, Arbitrator or Tribunal;

c. legal fees, expenses and other disbursements reasonably and necessarily incurred in appealing or resisting an appeal from the judgment or determination of a Court, Arbitrator or Tribunal.

Professional Adviser

means:

a. an accountant who is a member of a nationally recognised accounting body, registered tax agent or tax consultant;

b. any other professional person or consultant engaged by or at the recommendation of the accountant with Our prior written approval, but does not mean You or any person working for You under a contract of employment.

Professional Fees

means the reasonable and necessary fees, costs and disbursements incurred in connection with an Audit that would be payable by You to Your Professional Adviser for work undertaken in connection with an Audit, but does not mean or include fees, costs and disbursements that:

a. form part of an annual or fixed fee or cost arrangement; or

b. relate to any subsequent objection or appeal or request for review in respect of the Audit, or any assessment, amended assessment or Final Decision of the Auditor; or

c. were rendered by a third party in relation to which Our written consent was not obtained before those fees were incurred; or

d. relate to or are associated with the preparation of any accounts, financial statements or documents or to any attendance or service which would have been or would or should ordinarily or prudently have been prepared prior to or at the time that the lodgement of any return or document was required to be lodged in connection with a Designated Liability.

Record Keeping Audit

means any inquiry or investigation to determine the extent of Your compliance with the record keeping requirements of relevant legislation that You have to comply with.

©CHU Underwriting Agencies Pty Ltd 2017

This work is copyright. Apart from any use permitted under the Copyright Act 1968 (Cth), no part may be reproduced by any process, nor may any other exclusive right be exercised without permission of the publisher.

chu.com.au • info@chu.com.au