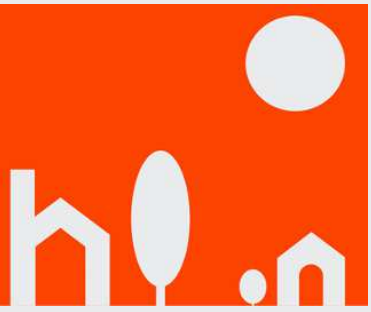
hutch

UNDERWRITING

# Residential Strata PDS and Policy Wording



The clear way to better cover.

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|---|---|
| Document Title | Hutch Residential Strata Plan |
| Date of Preparation | 02.05.23 |
| Date Effective | 25.05.23 |
| Reference | HRS3 |

# SUMMARY OF LIMITS AND EXCESSES

This Policy document contains 8 different types of cover that the Insurer offers, set out in 8 Sections. Sections 1: Buildings & Common Contents and 2: Property Owner's Legal Liability are the core coverage required to meet statutory obligations, and you can then choose other Sections to tailor the Policy to Your needs.

Subject to the payment of Your Premium, We will provide the cover You have selected subject to the exclusions, conditions and limitations stated in the Policy. The following is a summary of the types of cover available and does not form part of the terms of your insurance. You should refer to the Schedule and the relevant Sections of the Policy that You have selected for the full exclusions, conditions and limitations that apply to Your insurance.

**Table of Sub Limits and Extensions**

| **Policy Section** | **#** | **Sub-Limit** | **What We'll Pay** |
|---|---|---|---|
| Section 1: Buildings & Common Contents<br>Extensions within the Sum Insured | 1 | Professional Fees | Up to the Section 1 Sum Insured |
| | 2 | Removal of Debris | Up to the Section 1 Sum Insured |
| | 3 | Protection & Minimisation of Imminent Damage | Up to $5,000 |
| | 4 | Emergency Services & Fire Extinguishment | Up to the Section 1 Sum Insured |
| | 5 | Government Authority Fees | Up to the Section 1 Sum Insured |
| | 6 | Floating Floorboards | Up to the Section 1 Sum Insured |
| | 7 | Unit Internal Wall Coverings or Paint | $5,000 per Unit |
| Section 1: Buildings & Common Contents<br>Extensions In Addition to the Sum Insured | 8 | Temporary Accommodation Costs | Up to 15% of Building Sum Insured |
| | 9 | Loss of Rent | Up to 15% of Building Sum Insured |
| | 10 | Prevention of Access | 30 Days |
| | 11 | Public Utility Failure | 30 Days |
| | 12 | Cost of Reletting | $1,500 per Unit |
| | 13 | Meeting Room Hire | $5,000 |
| | 14 | Maintenance Fees | $2,000 per Unit |
| | 15 | Storage of Unit Owners Contents | $10,000 |
| | 16 | Storage of Common Area Contents | $10,000 |
| | Items 8 – 16 will be further limited to a maximum of 15% of the Building Sum Insured applicable to Section 1 in the aggregate for the Policy Period | | |
| | 17 | Alterations / Additions | $250,000 |
| | 18 | Mortgage Discharge Fees | $10,000 |
| | 19 | Arson Reward | $10,000 |
| | 20 | Damage to Domestic Electric Motors | $5,000 |
| | 21 | Electricity, Gas, Water and Similar Charges – Excess Costs | $2,000 |
| | 22 | Electricity, Gas, Water and Similar Charges – Unauthorised Use | $2,000 |

| | | | |
|---|---|---|---|
| | 23 | Environmental Improvements | $20,000 |
| | 24 | Landscaping | $25,000 |
| | 25 | Removal of Fallen Trees | $5,000 |
| | 26 | Detecting Leaks | $1,000 |
| | 27 | Money | $25,000 |
| | 28 | Personal Property Under Control of Body Corporate | $10,000 |
| | 29 | Replacement of Keys and Locks | $5,000 |
| | 30 | Rewriting of Records | $50,000 |
| | 31 | Removal of Squatters | $1,000 |
| | 32 | Water Removal from Basements | $2,000 |
| | 33 | Emergency Accommodation Costs | $2,500 per unit |
| Section 2: Property Owner's Legal Liability | 1 | Car Park Liability | Up to the Section 2 Limit of Liability |
| | 2 | Recreational Activities | Up to the Section 2 Limit of Liability |
| | 3 | Services | Up to the Section 2 Limit of Liability |
| | 4 | Injury to or death of domestic pets | $1,000 |
| Section 3: Voluntary Workers Personal Accident | 1 | Travel Expenses | $1,000 |
| | 2 | Domestic Assistance | $500/week, up to a maximum of $5,000 |
| Section 6: Machinery breakdown<br><br>Extensions within the Sum Insured | 1 | Overtime Freight Hire and Temporary Repair | 20% of the Sum Insured or $5,000, whichever is the lesser. |

**Table of Excesses – Extensions**

The following Special Excesses apply in addition to any other Excesses shown in the Schedule for each Section.

| **Policy Section** | **Description of Excess** | **Amount to Pay in addition to policy excess:** |
|---|---|---|
| Section 1 | Earthquake Excess. You have to pay or contribute in relation to earthquake or seismological disturbance an additional $500 in total of the cost of loss or Damage which occurs during any one period of 72 consecutive hours. | $500 |
| Section 7 | Part C – Legal Expenses Cover Contribution<br><br>This contribution applies in addition to the excess to each and every claim made under Section 7 Part C – Legal Expenses Cover defending litigation brought against the Body Corporate. See Excess and Contribution on Page 33 | 10% |

# PRODUCT DISCLOSURE STATEMENT

**Product Disclosure Statement**

This document is a Product Disclosure Statement (PDS) for the Hutch Underwriting Residential Strata Plan Insurance Policy. This PDS has been prepared to assist You in understanding Strata insurance and making an informed choice about Your insurance requirements.

This PDS includes information about Policy features, benefits, risks and costs. Please read the document carefully.

This document was prepared by Hutch Underwriting Pty Ltd on 02.05.23 The Insurer has authorised the distribution of this PDS.

**About Hutch Underwriting**

Hutch Underwriting Pty Ltd ABN 84 655 256 134, authorised representative number 001 296 345 (Hutch Underwriting) is an authorised representative of CoverRadar Group Pty Ltd ABN 14 641 225 809, AFS Licence number 523647 of L8, 11 York St, Sydney, NSW 2000.

Hutch Underwriting issues and manages Your insurance Policy and acts on behalf of certain underwriters at Lloyds.

This means that when issuing this Policy, Hutch Underwriting will be acting on behalf of the Insurers, not for You.

Postal Address: L8, 11 York St

Sydney, NSW 2000

Tel: 02 9068 1390

Email: help@hutchunderwriting.com.au

Your insurance broker will arrange this insurance for You on Your behalf. If You have any questions or need any further information concerning Your insurance, You should contact Your insurance broker to assist You with Your inquiry. You should direct all of Your correspondence to Hutch Underwriting through Your insurance broker.

**About the Insurer**

This Policy is insured by certain underwriters at Lloyd's, of whose definitive numbers and the proportions underwritten by them, can be supplied on application. In consideration of the premium specified in the Schedule, the underwriters are bound, severally and not jointly, each for their own part and not one for another, their executors and administrators, to insure in accordance with the terms and conditions contained in the Policy or any endorsement.

**About Lloyd's**

Lloyd's is the world's leading insurance and reinsurance marketplace. Through the collective intelligence and risk-sharing expertise of the market's underwriters and brokers, Lloyd's helps to create a braver world.

The Lloyd's market provides the leadership and insight to anticipate and understand risk, and the knowledge to develop relevant, new and innovative forms of insurance for customers globally.

It offers the efficiencies of shared resources and services in a marketplace that covers and shares risks from more than 200 territories, in any industry, at any scale.

And it promises a trusted, enduring partnership built on the confidence that Lloyd's protects what matters most: helping people, businesses and communities to recover in times of need.

Lloyd's began with a few courageous entrepreneurs in a coffeeshop. Three centuries later, the Lloyd's market continues that proud tradition, sharing risk in order to protect, build resilience and inspire courage everywhere.

Visit www.lloyds.com for more information.

**Duty Not to Misrepresent**

When answering our questions in the Proposal or making changes to your Policy or at renewal, you have a duty to take reasonable care not to make a misrepresentation to us.

You and any other insured person(s) must answer our questions with relevant and complete information and You must not misrepresent any information that You give to us. You have the same duty in relation to anyone else whom You want to be covered by the Policy.

If You fail to comply with this duty and We would not have entered into this Policy for the same Premium and on the same terms and Conditions expressed in this Policy, We may be entitled to reduce Our liability under the Policy in respect of any claim to the extent that We have been prejudiced, or We may cancel the Policy.

If your failure to comply is fraudulent, We may refuse to pay your claim and treat this Policy as never having been in existence.

**Cooling-Off Period**

If this Policy does not meet Your requirements, You can cancel the Policy within twenty-one (21) days from the date the Policy commenced by sending a written notice to us that the Policy is not required.

You will receive a full refund of the Premium provided You have not made a claim under the Policy.

**Adequate Sums Insured**

In the event of a major loss, the Sums Insured and Limits applying to each Section of the Policy should be sufficient to cover such loss. It is Your responsibility to ensure the adequacy of the Sums Insured and You should review these both during the currency of the Policy and prior to renewal each year. Regular building valuations should be sought to ensure that Limits are set at appropriate levels.

Seek professional valuation advice where necessary.

If the Sums Insured and Limits under this Policy are not adequate, You may have to cover the uninsured proportion of any loss.

**Claims made notice**

Sections 5 and 7 of the Policy operate on a 'claims made and notified' basis. This means that, subject to the provisions of Sections 5 and 7, where You give notice in writing to Us of any facts that might give rise to a claim against You as soon as reasonably practicable after You become aware of those facts but before the expiry of the Period of Insurance, You may have rights under Section 40(3) of the Insurance Contracts Act 1984 (Cth) to be indemnified in respect of any claim subsequently made against You arising from those facts notwithstanding that the claim is made after the expiry of the Period of Insurance.

Any such rights arise under the legislation only, in that the terms of the Policy and the effect of the Section, subject to the continuous cover special conditions, is that You are not covered for claims made against You after the expiry of the Period of Insurance.

**Our Agreement with You**

Subject to Your payment of or agreement to pay us the Premium set out in the Schedule, We agree to provide the insurance set out in this Policy Wording.

We will cover You for covered loss or damage under the sections of the Policy selected by You.

If you make a claim, We will not pay more than the Sums Insured or Limits of Liability or Sub-Limits of Liability shown in the Policy Schedule or Section unless We have stated that there is an additional limit extension applying to a particular section.

**Calculating your Premium**

We take a number of factors into account when calculating Your Premium. The annual Premium payable by You will be shown in Your Policy Schedule. Premiums are subject to applicable Commonwealth and State taxes and charges.

There are a number of significant factors which impact generally when calculating Your Premium. These can include:

- The Sums Insured under each chosen Section;
- The location of the subject Property;
- The Property's size (units), age and construction type;
- Your claims history.

The Premium also includes amounts payable in respect of compulsory government charges including Stamp Duty, GST, any Fire Service Levy (where applicable) and any applicable administration fee (as shown in Your Schedule).

**How to make a Claim**

The Insured or any person entitled to claim under this Policy must give us written notice of any event which is likely to give rise to a claim, within thirty (30) days of that event, or as soon as is reasonably practicable after identifying an event.

To report a claim, please contact:

The Claims Manager

Telephone Number: 1300 900 216

Email: strataclaims@hutchunderwriting.com.au

Web: hutchunderwriting.com.au/claims

Please quote the policy number (as shown on the Schedule) on all correspondence.

Our claims service is available twenty four (24) hours a day, seven (7) days a week.

Reporting a claim to Us shall be deemed notice to the Insurers.

We recommend that You also advise Your insurance broker or intermediary of any incident.

**Tax Implications**

If You:

- Are registered for GST; and
- Would be entitled to an input tax credit if You were to incur the cost to which a claim under this Policy relates,

We will reduce any amount We pay under any such claim by an amount equal to Your input tax credit entitlement. This tax information is a general statement only. See Your tax adviser for information about Your specific circumstances.

**Excesses**

The Excess is the amount You must contribute towards the cost of any claim You make. If We agree to pay Your claim, the Excess will be deducted from the amount of the claim that is paid to You, or You may be asked to pay the Excess to a supplier, repairer or to Us.

The amount of each applicable Excess including any Special Excess to each Policy Section is shown on Your Schedule.

**General Insurance Code of Practice**

The Insurance Council of Australia Limited has developed the General Insurance Code of Practice ("the Code"), which is a voluntary self-regulatory code. The Code aims to raise the standards of practice and service in the insurance industry.

Lloyd's has adopted the Code on terms agreed with the Insurance Council of Australia. For further information on the Code please visit www.codeofpractice.com.au.

The Code Governance Committee (CGC) is an independent body that monitors and enforces insurers' compliance with the Code. For more information on the Code Governance Committee (CGC) go to www.insurancecode.org.au

**Complaints and Dispute Resolution**

If You have any concerns or wish to make a complaint in relation to this Policy, Our services or Your insurance claim, please let Us know and We will attempt to resolve Your concerns in accordance with our internal dispute resolution procedure.

Please contact Hutch Underwriting Pty Ltd in the first instance:

Complaints Officer

Hutch Underwriting Pty Ltd

Tel: 1 300 256 056

E: help@hutchunderwriting.com.au

We will acknowledge receipt of Your complaint and do our utmost to resolve the complaint to Your satisfaction within 10 business days. If we cannot resolve your complaint to your satisfaction, we will escalate your matter to Lloyd's Australia who will determine whether it will be reviewed by their office or the Lloyd's UK Complaints team. Lloyd's contact details are:

Lloyd's Australia Limited

Email: idraustralia@lloyds.com

Telephone: (02) 8298 0783

Post: Suite 1603 Level 16, 1 Macquarie Place, Sydney NSW 2000

A final decision will be provided to you within 30 calendar days of the date on which you first made the complaint unless certain exceptions apply.

You may refer your complaint to the Australian Financial Complaints Authority (AFCA), if your complaint is not

resolved to your satisfaction within 30 calendar days of the date on which you first made the complaint or at any time. AFCA can be contacted as follows:

Telephone: 1800 931 678

Email: info@afca.org.au

Post: GPO Box 3 Melbourne VIC 3001

Website: www.afca.org.au

Your complaint must be referred to AFCA within 2 years of the final decision, unless AFCA considers special circumstances apply. If your complaint is not eligible for consideration by AFCA, you may be referred to the Financial Ombudsman Service (UK) or you can seek independent legal advice. You can also access any other external dispute resolution or other options that may be available to you.

The Underwriters accepting this Insurance agree that:

(i) if a dispute arises under this Insurance, this Insurance will be subject to Australian law and practice and the Underwriters will submit to the jurisdiction of any competent Court in the Commonwealth of Australia;

(ii) any summons notice or process to be served upon the Underwriters may be served upon:

*Lloyd's Underwriters' General Representative in Australia*
*Suite 1603*
*Level 16*
*1 Macquarie Place*
*Sydney NSW 2000*

who has authority to accept service on the Underwriters' behalf;

(iii) if a suit is instituted against any of the Underwriters, all Underwriters participating in this Insurance will abide by the final decision of such Court or any competent Appellate Court.

In the event of a claim arising under this Insurance notice should be given as soon as possible to:

The Claims Manager

Telephone Number: 1300 900 216

Email: strataclaims@hutchunderwriting.com.au

Web: hutchunderwriting.com.au/claims

**Privacy Statement**

We will collect personal information when You deal with us, Our agents, other companies in Our group, certain underwriters at Lloyd's, or suppliers acting on Our behalf.

We use Your personal information so We can do business with You, which includes issuing and administering Our products and services and processing claims.

Sometimes We might send Your personal information overseas. The locations We send it to can vary but include Singapore, the Philippines, India, Ireland, the UK, the US, China and countries within the European Union.

Our privacy policy describes in detail where and from whom We collect personal information, as well as where We store it and the full list of ways We could use it. To get a free copy of it please visit hutchunderwriting.com.au/privacy

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.

Simply contact the Hutch's Privacy Officer on the details below if You would like to:

- Access the personal information Hutch holds about You;
- Update or correct the information Hutch holds about You;
- Discuss Your privacy concerns; or
- Be removed from the mailing list to receive information about Hutch products and services

The Privacy Officer

Hutch

L8, 11 York St, Sydney, NSW, 2000

Telephone: 1 300 256 056

e-mail: help@hutchunderwriting.com.au

Our Privacy Policy can be found online at hutchunderwriting.com.au/privacy

**Confirmation of Transactions**

If you need to clarify any of the information contained in this PDS, wish to confirm a transaction or you have any other queries regarding your Policy, your first point of contact is your intermediary. However, if you would also like to contact us directly, please use the contact details above.

**Changes of Terms and Conditions**

From time to time and where permitted by law, We may change parts of the PDS. We will issue You with a new PDS or a Supplementary PDS or other compliant document to update the relevant information except in limited cases. Any updates which are not materially adverse to You from the view of reasonable person deciding whether to buy this insurance, may be found on hutchunderwriting.com.au/strata-insurance-underwriting You can obtain a paper copy of any updated information without charge by contacting us using the contact details above.

# 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 may apply to make sure it meets Your expectations. The cover in each Section is provided only if specified as applicable in the Schedule.

There are General Exclusions and Specific Exclusions that apply to the benefits described in each Section. Read them carefully to understand the coverage provided by this insurance. All claims made under the Policy are subject to the Limits that apply to each Section as shown in the Schedule.

| **Section** | **Cover Summary** |
|---|---|
| **Section 1 – Buildings & Common Contents** | Reinstatement of Buildings and Common Areas following Damage to the Insured Property.<br>Optional covers for Flood (where available); Additional Catastrophe Cover, and Unit Owners' Fixtures and Improvements |
| **Section 2 – Property Owner's Legal Liability** | Awards, judgments and legal costs for compensation claims relating to Property Damage and Personal Injury that occurs in connection with Your ownership of the Insured Property. |
| **Section 3 – Voluntary Workers Personal Accident** | Compensation for death or bodily injury suffered by Voluntary Workers as a result of an accident that occurs whilst they are working at the Insured Property |
| **Section 4 – Fidelity Guarantee** | Loss of funds allocated to or set aside for the management of Insured Property due to fraudulent misappropriation or theft by a person who is acting without Your knowledge. |
| **Section 5 – Office Bearers Liability** | Awards, judgments and legal costs for compensation claims relating to claims against Officers of the Body Corporate. This is a claims made cover which means it responds to claims first made against You during the Policy Period and notified to Us during that same period. |
| **Section 6 – Machinery Breakdown** | Repair or replacement following Damage as a result of the breakdown of a machine or boiler explosion or collapse of the boiler or pressure vessel insured as part of the building, |
| **Section 7 – Government Audit, Health & Safety, & Legal Expenses** | Part A: Professional fees and expenses to handle government audits and investigations.<br>Part B: Legal expenses appealing against health and safety notices and rulings.<br>Part C: Legal expenses defending litigation brought against the Body Corporate.<br>This is a claims made cover which means it responds to claims first made against You during the Policy Period and notified to Us during that same period. |
| **Section 8 – Cyber** | Loss of funds allocated to or set aside for the management of Insured Property due to Cyber Crime, including social engineering fraud, phishing, phreaking or other cyber fraud.<br>Defence costs incurred as a result of a Data Breach. |

# POLICY WORDING

## POLICY OPERATION

This agreement consists of the Schedule, the PDS and Policy Wording, and any endorsements. Cover is provided during the Policy Period subject to the terms of this agreement once You have paid the Premium.

The Policy comprises:

- General definitions, which apply across the Policy, as well as specific definitions applying to each Section, which only apply to that Section.
- General conditions, which set our Your responsibilities under this Policy, and specific conditions applying to each Section which only apply that that Section.
- General exclusions and claims conditions, which apply to any claim made under this Policy, as well specific exclusions and basis of settlement applying to each Section, which only apply to claims made under that Section.

## GENERAL DEFINITIONS

In this Policy there are words that have a special meaning. These words begin with a capital letter.

For those words that apply to only one Section of the Policy, their special meaning is described in that Section of the Policy.

Those words that have a special meaning that apply to all Sections of the Policy are set out and defined below:

**Act of Terrorism means**

Any act, including but not limited to the use of force or violence and/or threat thereof, of any person or group of persons, whether acting alone or on behalf of or in connection with any organisation or government, which from its nature or context is done for, or in connection with any political, religious, ideological or similar purpose or reason, including the intention to influence any government and/or to put the public, or any section of the public, in fear.

**Aircraft means**

Any vessel, craft or thing made or intended to fly or move in or through the atmosphere or space.

**Body Corporate means**

The owners' corporation, body corporate, strata corporation, strata company, or company named in the Schedule.

**Body Corporate Manager means**

Anyone with whom the Body Corporate has engaged to provide strata or company title management services in relation to the Situation.

**Building(s) means**

The building(s) contained in the registered strata scheme or company title specified in the Schedule, including at the Situation:

- Outbuildings;
- Elevators, escalators and inclinators;
- Walls, gates and fences;
- Ducted air conditioners, intercom systems, stoves, ovens, hotplates, and hot water systems;
- Built-in cupboards and bathroom fittings;
- Awnings and blinds that are external of the Building;
- Satellite dishes and antennas used for receiving radio and/or television signals;
- Swimming pools; tennis courts, marinas, wharves, docks, jetties, pontoons or similar structures which are used for non-commercial purposes and at which fuel is neither stored nor distributed; or
- Services such as electricity and water, owned by the Body Corporate or for which the Body Corporate is responsible.

Building(s) do not include:

- Carpets or carpet underlay however fixed;
- Vinyl and cork or other flooring material which is not fixed with an adhesive;
- Temporary wall, ceiling or floor coverings;
- Internal window coverings including curtains and blinds;
- Unit Owners Contents
- Light fittings which are not built or wired into the electrical wiring;
- Air conditioners that are not permanently mounted, clothes dryers, washing machines, microwave ovens and any other appliances or devices that are not wired into the electrical wiring or permanently mounted;
- Fixtures removable by a lessee at the expiration of a tenancy;
- Anything described in any Act or Regulation governing strata title or company title property where the Building is situated, as not forming part of a Building.

Where this definition of Building is contrary to any Act or Regulation governing strata title or company title property or similar scheme pertaining to the Situation, then the requirements of that Act or Regulation will apply.

**Common Area means**

The area at Your Situation that is not part of any lot or unit. Where the Strata Legislation refers to Common Property, Common Property has the same meaning as Common Area.

**Common Area Contents means**

The domestic appliances, equipment, carpet, furnishings and furniture in any Common Area of the Situation surrounded by walls, gates or fences that are owned by You or for which You are legally responsible.

**Common Area Contents does not include:**

- Vehicles, caravans, trailers, Watercraft, Aircraft, or any accessories in or on any of them;
- Any appliance, equipment, furnishings, or furniture which is in open air and is designed to be neither used nor kept in open air;
- Livestock; or
- The personal property of any Unit Owners.

Where this definition of Common Area Contents is contrary to any Act or Regulation governing strata title or company title property or similar scheme pertaining to the Situation, then the requirements of that Act or Regulation will apply.

**Computer Equipment means**

Computer hardware, operating system, computer network and other equipment containing or comprising any computer technology.

**Damage or Damaged means**

Any direct physical loss, physical destruction, or physical damage to Insured Property from any sudden and accidental cause not otherwise excluded by this Policy that has the result of lessening its value.

**Electronic Data means**

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

**Emergency Services means**

Police, fire brigade, ambulance or others acting under their control.

**Event**

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 / Excesses means**

The amount that You are required to contribute towards each and every Event that causes loss or damage insured by this Policy. The Excesses are specified in the Schedule for each Section.

**Floating Floorboards means**

Laminated, veneered or similar type flooring not fastened to the sub-floor but held in position by its own weight and/or by skirting boards 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 lake (whether or not it has been altered or modified);
- a river (whether or not it has been altered or modified);
- a creek (whether or not it has been altered or modified);
- another natural watercourse (whether or not it has been altered or modified);
- a reservoir;
- a canal;
- 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.

**Insurer means**

Certain underwriters at Lloyd's of London.

**In Transit means**

Common Area Contents in Your personal custody or in the personal custody of any person authorised by You while in carriage to or from the Situation.

**In Transit does not mean**

Common Area Contents being carried by any professional carrier or common carrier that holds valid insurance against the risk of loss or damage to such property while in their custody.

**Insured Property means**

The Building, Common Area and/or Common Area Contents (and solely in respect of Section 6, any Equipment) at the Situation.

**Landscaping means**

Trees, shrubs, plants, lawns or rockwork.

**Land Value means**

The value of the land at the Situation ascertained by reference to the sum certified by the Valuer General as the value of that land and after due allowance has been made for any circumstances that affects the certified value of that land had the damage to the Insured Property not occurred.

**Limit of Liability means**

The limit of Our total liability for any one loss or series of losses arising out of one Event that is applicable to a Section of the Policy as specified in the Schedule.

**Loss of Rent means**

Unit Owner losses on a Tenanted Unit calculated as foregone rent under the lease contract effective immediately before the happening of Damage to the Building, plus any outgoings ordinarily paid by the Tenant.

**Maintenance Fees means**

Any fees payable by a Unit Owner for the costs of maintaining the Building (which are levied by or otherwise payable to the Body Corporate or any other person acting on behalf of the Body Corporate).

**Money means**

Current and valid coins, bank notes, cheques, other negotiable instruments, currency notes, postal orders, money orders and unused postage and revenue stamps.

**Officer means**

A member or former member of the Body Corporate whilst engaged in or serving on the committee or governing body of the Body Corporate.

Officer does not include a Body Corporate Manager or a director or representative of such a manager.

**Owner Occupied Unit means**

A residential Unit occupied by a Unit Owner as their primary residence immediately before the happening of Damage to Insured Property.

**Policy means**

The contract of insurance between You and Us which comprises this Policy Wording, the Proposal, this Policy Wording, the Schedule and any endorsement or similar document issued by Us varying the Policy coverage.

**Policy Period means**

The period shown in the Schedule during which the insurance cover provided by this Policy is in place.

**Policy Territory means**

Australia.

**Pollutants means**

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

**Premium means**

The premium specified in the Schedule or in any endorsement to the Policy.

**Pressure Equipment means**

Boilers, pressure vessels and pressure piping defined in any applicable Australian standard.

**Proposal means**

The written application completed by You or another person on Your behalf (together with all accompanying information) relied upon by Us to enter into this Policy.

**Schedule means**

The schedule issued with this Policy wording.

**Sea means**

Any ocean, sea, bays, harbour or tidal water.

**Section means**

The sections of different cover available under this Policy as described in this document.

**Situation means**

The location shown in the Schedule where the Insured Property is situated.

**Special Excess means**

Any additional Excess specified in this Policy or in Your Schedule which will be payable in addition to the standard Excess with respect to each and every Event insured by this Policy.

**Sum Insured means**

The amount for which We have agreed to provide the insurance under this Policy as described in the Schedule.

**Subsidence means**

Earth movement, landslip, erosion, coastal erosion, settlement of newly made up ground, or settlement caused by the bedding down of new structures.

**Temporary Accommodation Costs means**

A sum equivalent to the annual rentable value of the Owner Occupied Unit (including any outgoings payable by a tenant) that would have applied immediately before the happening of Damage to Insured Property, calculated with reference to comparable rentable value from units in the building or if there is no data, units of a similar size and value in the same area.

**Tenanted Unit means**

A residential Unit leased under signed contract to a tenant immediately before the happening of Damage to Insured Property.

**Unit means**

An area shown on a plan of the Situation as a lot or unit in terms of any applicable Act or Regulation governing strata title property or an area to which a shareholder is entitled to exclusive possession in terms of any applicable Act or Regulation governing company title property.

**Unit Owner means**

An owner, member, or proprietor registered as owner of an estate in a Unit in terms of any applicable Act or Regulation governing strata title property or a shareholder entitling that person to exclusive possession of a Unit in terms of any applicable Act or Regulation governing company title property.

**Unit Owners Contents means**

A Unit Owner's personal effects, furniture, furnishings, Computer Equipment, electrical and electronic equipment at the Situation immediately before the happening of Damage to Insured Property.

**Unit Owners' Fixtures and Improvements**

Any item or structure for the exclusive use of a Unit and which is permanently attached to or fixed to the Building so as to become legally part of it including any improvement made to an existing part of the Building by a Unit Owner for their exclusive use.

**Valuer General means**

The state official, or independent statutory officer, who values property in the State or territory in which the Building is located.

**Vehicle means**

Any type of machine on wheels or on caterpillar tracks made or intended to be self-propelled by mechanical power.

**Voluntary Worker means**

Any person between the age of 15 and 65 that is undertaking voluntary unpaid work at the Situation under the direction of the Body Corporate or Body Corporate Manager without promise of reward or remuneration..

Voluntary Worker does not include:

- An Officer; or
- An employee; or

- A Body Corporate Manager or a director or representative of such a manager.

**Water Damage means**

Damage caused by water leaking, bursting or overflowing from appliances, fixtures or plumbing.

**Watercraft means**

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

**We, Our, Us means**

The Insurer.

**You, Your and Yours means**

The person described in each Section of the Policy.

**Interpretation**

In this Policy, unless the context otherwise requires:

1. The singular includes the plural and the plural includes the singular
2. If a word or expression is given a definite meaning, any part of speech or other grammatical form of that word or phrase has a corresponding meaning
3. References to an amount of money are references to that amount in Australian dollars;
4. Headings are included for reference purposes only and do not form part of the Policy for interpretation; and
5. References to:
    a. statutes include statutes amending, consolidating or replacing the statutes referred to and all regulations, orders-in-council, rules, by-laws, ordinances and statutory instruments made under those statutes,
    b. sections of statutes or terms defined in statutes refer to corresponding sections or defined terms in amended, consolidated or replacement statutes.

## GENERAL EXCLUSIONS

These General Exclusions apply to all Sections of this Policy, however each Section may have specific Exclusions to the cover offered under that Section which should be read in addition to the ones below.

The Policy does not cover any claim, loss, damage, destruction, compensation, liability, cost or expense of any nature arising out of or in any way connected with the following, regardless of another cause to such, claim, loss, damage, destruction, compensation, liability, cost or expense:

**Act of Terrorism**

Any Act of Terrorism or any action taken in controlling, preventing, suppressing or in any way relating to any Act of Terrorism.

**Asbestos**

Asbestos or asbestos products or any materials containing asbestos in whatever form or quantity.

**Communicable Disease**

A Communicable Disease or the fear or threat (whether actual or perceived) of a Communicable Disease regardless of any other cause or event contributing concurrently or in any other sequence thereto. In this exclusion, a Communicable Disease means any disease which can be transmitted by means of any substance or agent from any organism to another organism where:

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

**Computer Equipment**

Any Computer Equipment that fails to perform or function in the manner for which it was designed.

**Cyber Incident**

Any Cyber Incident, which for the purpose of this exclusion means

1. Unauthorised or malicious acts and/or the threat of unauthorised or malicious acts, regardless of time or place;
2. Malware or similar mechanism;
3. Programming or operator error, whether by the insured or any other person or persons;
4. Any unintentional or unplanned outage, wholly or partially, of the insured's Computer System not directly caused by physical loss or damage;

affecting access to, processing of, use of or operation of any Computer System or any Electronic Data by any person or group(s) of persons.

**Electronic Data**

Loss, damage, or unplanned alteration of Electronic Data.

**Known Faults and Defects**

Faults and defects in Insured Property which are known to You, or which you ought reasonably to have known.

**Pathogenic Organisms**

Any Pathogenic Organism.

For the purposes of this Exclusion pathogenic organism shall include but not limited to the following:

Mould or Fungi or its spores, bacteria, yeasts, mildew, algae, mycotoxins or any other metabolic products enzymes or protein secreted by the above whether toxic or otherwise.

It is understood and agreed that Insurers shall not be under any duty to defend the insured in any proceedings in connection with any Pathogenic Organism claims or incidents.

This exclusion shall apply irrespective of when the claim arose or was made and irrespective of when the exposure to any Pathogenic Organism occurred.

**Pollution**

The discharge, disposal, release, seepage, migration or escape of Pollutants or the cost of preventing, removing, nullifying, or clean-up of any contamination or pollution.

**Radioactivity**

This clause shall be paramount and shall override anything contained in this insurance inconsistent therewith

In no case shall this insurance cover loss damage liability or expense directly or indirectly caused by or contributed to by or arising from

1. ionising radiations from or contamination by radioactivity from any nuclear fuel or from any nuclear waste or from the combustion of nuclear fuel
2. the radioactive, toxic, explosive or other hazardous or contaminating properties of any nuclear installation, reactor or other nuclear assembly or nuclear component thereof
3. any weapon or device employing atomic or nuclear fission and/or fusion or other like reaction or radioactive force or matter
4. the radioactive, toxic, explosive or other hazardous or contaminating properties of any radioactive matter. The exclusion in this sub-clause does not extend to radioactive isotopes, other than nuclear fuel, when such isotopes are being prepared, carried, stored, or used for commercial, agricultural, medical, scientific or other similar peaceful purposes
5. the actual or threatened malicious use of pathogenic or poisonous biological or chemical materials regardless of any other cause or event contributing concurrently or in any other sequence thereto.

**Unoccupied Insured Property**

Any Insured Property left unoccupied for a period of 60 consecutive days in circumstances where You have not informed Us or Hutch of this fact and have not obtained Our written agreement for the cover of this Policy to continue beyond that period.

**War**

War, invasion, act of foreign enemy, hostilities or warlike operations (whether war be declared or not), civil war, mutiny, civil commotion assuming the proportions of or amounting to a popular rising, military rising, insurrection, rebellion, revolution, military or usurped power, or confiscation or nationalisation, or requisition or destruction of or damage to property by or under the order of any government or public or local authority.

**Dishonest or Intentional Conduct**

Any actual or alleged:-

1. Dishonest, fraudulent, criminal or malicious act;
4. Wilful or reckless breach of any statute, contract or duty;
5. Conduct intended to cause loss, damage, destruction, liability, omission, cost or expense or such conduct engaged in with reckless disregard for the consequences committed by You or any person acting with Your knowledge, express or implied consent, or participation.

## GENERAL CONDITIONS

These General Conditions apply to all Sections of this Policy, however each Section may have specific Conditions to the cover offered under that Section which should be read in addition to the ones below.

**Applicable Law**

Should any dispute arise concerning this Policy, the dispute will be determined in accordance with the law of Australia and its States and Territories. In relation to any such dispute, the parties agree to submit to the jurisdiction of any competent court in a State or Territory of Australia.

**Assignment**

You must not assign this Policy or any of Your rights under this Policy without Our prior written consent which will not be unreasonably withheld.

**Cancellation**

1. You may cancel this Policy by giving notice in writing to Us. If such notice is given, the cancellation will take effect on the day the notice is received by Us.
2. We may cancel this Policy in any of the circumstances set out in the Insurance Contracts Act 1984 (Cth). Such cancellation is to take effect 30 days from the time notification is received by You.
3. After cancellation by You a refund of Premium will be returned to You pro rata for the unused Policy Period.
4. When the Premium is subject to adjustment, cancellation will not affect Your obligation to supply to Us such information as is necessary to permit the Premium adjustment to be calculated and to pay the amount of the adjustment applicable up to the date of cancellation.
5. In the event of a claim or claims having been notified to Us prior to the effective date of cancellation there will be no refund of Premium of the unused part of the Policy Period.

**Changes affecting Sum Insured**

Any changes that may affect the Sum Insured after commencement of the Policy must be notified by You to Us in writing as soon as reasonably practicable after such change comes to the notice of You or Your officer responsible for insurance. Changes that You must notify Us of include:

1. Removal of any Common Area Contents or alteration of any Building;
2. Any Building or Common Area of the Situation being left unoccupied for a period of more than 60 consecutive days;
3. Your interest in any Insured Property ceasing;
4. Any instance where the nature of the occupation of or other circumstances affecting the Insured Property are changed in such a way to increase any risk insured under this Policy; or

5. You being placed into bankruptcy, receivership, administration or liquidation.

If We accept the change, You must pay Us any additional premium we require.

If you fail to notify us of such changes We might not be liable for any loss, damage or liability caused or contributed to by any such change or alteration.

**Changes in Policy**

No changes in this Policy will be valid unless agreed to in writing by Us. The requirements of any Section may not be deemed to be waived unless We agree to waive them in writing.

**Inspection and Audit**

We or a person acting on Our behalf may inspect any Insured Property by giving reasonable written notice to You. Neither Our right to make inspections nor the making of any inspection nor any report thereon will constitute an undertaking by Us on behalf of or for Your benefit or warrant that such Insured Property or operations are safe or healthful, or are in compliance with any applicable law, rule or regulation.

We may examine and audit Your books and records at any time during the Policy Period and extensions thereof and within three (3) years after the final termination of this Policy, as far as they relate to a claim made by you under this Policy.

**Insurance Contracts Act**

Nothing contained in this Policy is to be construed to reduce or waive either Your or Our privileges, rights or remedies available under the Insurance Contracts Act 1984 (Cth).

**Interests of Other Parties**

The insurable interest of only those lessors, financiers, trustees, mortgagees and owners specifically noted in the Schedule are covered by the Policy.

Where the insurance covers the interest of more than one party, any act or neglect of an individual party (other than those described in the Dishonest or Intentional Conduct general exclusion) will not prejudice the rights of any remaining party; provided that the remaining party shall, as soon as reasonably practicable upon becoming aware of any act or neglect whereby the risk of damage has increased, give notice in writing to Us and in such cases, We have the right to charge a reasonable additional premium.

**Reasonable Care**

You must:

1. Take all reasonable measures to maintain all Insured Property in sound condition;
2. Take all reasonable precautions to prevent or minimise loss, damage, destruction, liability, compensation, cost or expense covered by this Policy;
3. Comply with all obligations and regulations imposed by any authority; and
4. Take all reasonable measures to ensure that only competent employees and contractors are employed or contracted to undertake work on Your behalf at the Situation.

**Reinstatement of Sum Insured**

After We have admitted liability for a claim We will automatically reinstate the Sum Insured and/or Extension limits to their preloss amount without any additional Premium having to be paid.

This condition does not apply:

1. when We pay a total loss;
2. when We pay the full Sum Insured;
3. to Section 5: Office Bearers Liability
4. to Section 7: Government Audit, Health & Safety, & Legal Expenses;
5. to Special Benefit 22 of Section 1: Buildings & Common Contents

**Sanction limitation and exclusion clause**

No insurer shall be deemed to provide cover and no insurer shall be liable to pay any claim or provide any benefit hereunder to the extent that the provision of such cover, payment of such claim or provision of such benefit would expose that insurer to any sanction, prohibition or restriction under United Nations resolutions or the trade or economic sanctions, laws or regulations of Australia, New Zealand, the European Union, United Kingdom or United States of America.

**Storage of Hazardous Materials**

Hazardous goods or materials stored at the Situation must be stored in the quantities and manner required by any relevant law or standard.

**Subrogation**

If We make a payment under this Policy, Your rights of contribution, indemnity or recovery are subrogated to Us. You must not surrender any right to or settle any claim for contribution, indemnity or recovery without Our prior written consent. You must do all things and execute all documents to enable Us to sue in Your name for such contribution, indemnity or recovery.

**Your Authorised Representative**

You agree that any person representing You when completing the Proposal is authorised to give and receive information on Your behalf.

## CLAIMS CONDITIONS

If you fail to comply with the following Claims Conditions We will reduce Our liability to the extent of any prejudice caused by Your failure to comply.

On the happening of any Damage, Occurrence or event likely to give rise to a claim under any Section, You must at Your own expense:

1. As soon as reasonably practicable, inform Us by telephone or in writing using the contact details set out in the PDS of any damage, injury or receipt of notice of any claim and/or of the institution of any proceedings against you;
2. As soon as reasonably practicable inform the police of any malicious damage, burglary, housebreaking, fraudulent misappropriation, theft or any attempted theft of Insured Property and/or Money 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

3. Take all reasonable precautions to recover lost or stolen Insured Property and/or Money and minimise the claim;
4. Take all reasonable precautions to reduce the damage and to prevent further damage;
5. When requested by Us to do so, Complete and lodge a claim form within twenty-one (21) days with all necessary supporting documentation that We may reasonably require for the investigation and verification of the claim;
6. Not arrange for the repair or replacement of any Insured Property or Equipment in connection with any claim without Our prior written consent which will not be unreasonably withheld;
7. Not admit guilt or fault (except in court or to the Police)
8. Not admit or deny liability for, or offer to negotiate or agree to settle, any claim brought against you without Our prior written consent which will not be unreasonably withheld, which will not be unreasonably withheld;
9. Not dispose of any Damaged Insured Property without Our prior written consent which will not be unreasonably withheld;
10. Allow Us or Our representative access to inspect on reasonable notice and on their reasonable request.
11. Assist Us in the defence of any claim brought against you.

In accordance with the Subrogation general condition, We reserve the right to negotiate, defend or settle in Your name and on Your behalf any claim brought against You and will have full discretion in the conduct of any proceedings or in the settlement of any claim.

**Approval required for repairs**

Except for essential temporary repairs permitted under benefit 4 – Protection & Minimisation of Imminent Damage of Section 1: Building & Common Contents, You are not authorised to commence repairs without Our approval which We will not be unreasonably withheld.

**Claim Preparation Costs**

We will pay costs necessarily and reasonably incurred by You, with Our written prior consent, in preparation of a claim under this Policy.

The maximum that We will pay in respect of claims preparation costs during any one Policy Period is $30,000., however this condition does not apply to Section 3: Voluntary Workers Personal Accident and Section 7: Government Audit, Health & Safety, & Legal Expenses.

**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.

**Other Insurances**

You shall give written notice as soon as reasonably practicable to Us of any other insurance or insurances effected covering any of the risks that are the subject of this Policy.

If at the time of any loss, damage or liability there is 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) subject to the Insurance Contracts Act 1984 (Cth).

**Possession of Damaged Property**

On the happening of any loss, destruction or damage in respect of which a claim is or may be made under this Policy, We and every person authorised by Us may, without incurring any liability, and without diminishing Our right to rely upon any terms or conditions of the Policy, enter, take or keep possession of any building or premises where the loss, damage or destruction has happened and may take possession of or require to be delivered to Us any of the Insured Property and may keep possession of and deal with such Insured Property for all reasonable purposes and in any reasonable manner.

You shall not in any case be entitled to abandon any Insured Property to Us whether taken possession of by Us or not.

**Preventing Our right of recovery**

If You've 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've been prejudiced by this act, We won't cover You for that loss, damage or liability.

**Repairs or Replacement**

We have the right to nominate the repairer of supplier to be used, and where reasonable We will seek Your cooperation in selecting the repairer or supplier.

**Salvage value**

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

# SECTION 1: BUILDINGS & COMMON CONTENTS

## COVER

We will cover You, up to the Sum Insured shown in the Schedule for Section 1, against Damage to:

1. any Building; and
2. Common Area Contents whilst they are at the Situation or whilst temporarily removed and In Transit within the Policy Territory,

occurring during the Policy Period in accordance with the Basis of Settlement applicable to Section 1.

## OPTIONAL COVER

The following covers only take effect if shown as "Selected" in the Schedule, or where a sum insured is shown for that item in the Schedule.

### Optional Cover 1 – Flood

When the Sum Insured applicable to Section 1 is not otherwise exhausted, we will pay for Damage to Insured Property caused by Flood during the Policy Period subject always to the conditions and exclusions of this Policy.

### Optional Cover 2 – Additional Catastrophe Cover

Where Your Building(s) and Common Area Contents suffer a loss during the Policy Period not excluded under Section 1 which is caused

1. by a Catastrophe,
2. due to another Event that occurs not later than sixty (60) days after a Catastrophe, provided Your Insured Property has been continuously insured with Us for that period;

We will pay up to the additional percentage, shown in the Schedule for this optional cover, of Your Building(s) Sum Insured, for any unforeseen increase in rebuilding costs where a claim has been admitted under this Section 1.

No amount will be paid under this additional cover until such time as the Sum Insured on Your Building(s) has been totally exhausted.

For the purposes of this optional cover "Catastrophe" means an event that 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.

### Optional Cover 3 – Unit Owners' Fixtures and Improvements

When the Sum Insured applicable to Section 1 is exhausted, We will pay costs necessarily and reasonably incurred by You to reinstate, repair or replace a Unit Owners' Fixtures and Improvements in a Unit made by a Unit Owner, that are Damaged during the Policy Period caused by an Event not excluded under Section 1.

The maximum that We will pay in respect of this extension during any one Policy Period is

1. 10% of the Building Sum Insured applicable to Section 1 in total for all Units; or
2. $300,000 per Unit,

whichever is the lesser.

We will not pay for the cost to replace undamaged Unit Owners' Fixtures and Improvements or to replace illegal installations.

## SECTION 1 EXTENSIONS

We will pay these extensions when the Sum Insured applicable to Section 1 is not otherwise exhausted and where the following costs or losses covered by their benefits were incurred a result of Damage to the Insured Property occurring during the Policy Period caused by an Event that is not excluded under Section 1.

**1 - Professional Fees**

We will pay the fees of architects, surveyors, consulting engineers, lawyers and other professionals, including all incidental costs and fees for:

1. Estimates;
2. Plans and specifications;
3. Applications for building or construction consents;
4. Quantities;
5. Tenders; and
6. Supervision,

necessarily and reasonably incurred by You, with Our prior written consent, which will not be unreasonably withheld, in the process of repairing, replacing or rebuilding any Damaged Insured Property.

**2 - Removal of Debris**

We will pay costs necessarily and reasonably incurred by You in the:

1. Removal, storage and disposal of debris, being the remains of any Damaged Insured Property;
2. Demolition, dismantling, shoring up, propping, underpinning or other temporary repairs to any Damaged Insured Property;
3. Demolition and removal of any Insured Property that can no longer be used for its intended purpose, as long as such demolition and removal is necessary to repair, replace or rebuild any Damaged Insured Property provided that Your liability to pay such costs does not arise directly or indirectly as a consequence of:
   a. The discharge, dispersal, release or escape of Pollutants; or
   b. Any contract, except where the liability would have existed in the absence of such contract.
4. 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;

**3 – Protection & Minimisation of Imminent Damage**

We will pay costs necessarily and reasonably incurred by You in order to:

1. ensure the safety of Insured Property pending its repair, replacement or rebuilding; or

2. minimise imminent Damage to Insured Property occurring during the Policy Period.

We will not pay more than $5,000 unless you first obtain Our written consent, which will not be unreasonably withheld, prior to You incurring costs in excess of this amount.

**4 – Emergency Services & Fire Extinguishment**

1. We will pay for Damage to the Insured Property caused by the Emergency Services gaining access; and
2. We will pay costs necessarily and reasonably incurred by You in order to extinguish any fire that threatens Insured Property, including the cost of replenishing firefighting equipment and charges for shutting off the supply of water or any other substance following accidental discharge or escape of such substances from firefighting equipment.

**5 – Government Authority Fees**

We will pay fees, contributions or imposts payable by You to any government or local authority to obtain a building or construction consent to repair, replace or rebuild any Damaged Insured Property, provided that We will not be liable for any fines or penalties imposed by any such authority.

**6 – Floating Floorboards**

We will pay costs necessarily and reasonably incurred by You to repair Unit Owners' Floating Floorboards if they are Damaged by an Event that is not excluded under Section 1 of this Policy.

**7 – Unit Internal Wall Coverings or Paint**

We will pay costs necessarily and reasonably incurred by You to repaint or re-wallpaper internal walls or ceilings of a Unit if they are Damaged by an Event not excluded under Section 1 of this Policy but not otherwise covered as a result of legislation excluding paint and wallpaper within Units from the definition of Building.

We will only pay for repainting or re-wallpapering of the room, hallway or passageway that where the Damage occurred up to a maximum of $5,000 per Unit.

## SECTION 1 ADDITIONAL LIMIT EXTENSIONS

We will pay the following benefits in addition to the Sum Insured applicable to Section 1 up to the maximum shown in the Policy, or as otherwise detailed in the Schedule. Items 8 – 16 will be further limited up to a maximum aggregate limit per Policy Period of 15% of the Building Sum Insured applicable to Section 1, or as otherwise detailed in the Schedule.

**8 - Temporary Accommodation Costs**

We will pay Temporary Accommodation Costs incurred as a result of Damage to Insured Property occurring during the Policy Period caused by an Event not excluded under Section 1 that renders the Unit unfit for habitation or inaccessible

Where the temporary accommodation selected does not allow pets, We will pay for the reasonable and necessary costs of housing domestic pets ordinarily resident with the affected Unit Owner in kennels up to a maximum of $1,000 per Unit.

We will only pay costs incurred under this extension during the period that the Unit is either uninhabitable or inaccessible.

**9 - Loss of Rent**

We will pay Loss of Rent incurred as a result of Damage to Insured Property occurring during the Policy Period caused by an Event not excluded under Section 1 that renders the Unit unfit for habitation or inaccessible.

We will only pay Loss of Rent under this extension during the period that the Tenanted Unit is either uninhabitable or inaccessible.

**10 – Prevention of Access**

We will pay Loss of Rent and/or Temporary Accommodation Costs incurred as a result of the Unit not being able to be inhabited by reason of an order of a government authority made in respect of the Situation during the Policy Period directly and solely due to:

1. the discovery of vermin or pests at Your Situation;
2. an accident at Your Situation causing a defect in the drains or other sanitary arrangements at Your Situation; or
3. murder or suicide occurring at Your Situation,

We will only pay Loss of Rent and/or Temporary Accommodation costs under this extension for the period commencing with the government order becoming effective, until such time as the order is revoked, or until 30 days have elapsed, whichever is the sooner.

**11 - Public Utility Failure**

We will pay Loss of Rent and/or Temporary Accommodation Costs incurred by reason of the Unit becoming uninhabitable as a result of the failure of supply to the Unit of electricity, gas, water or sewerage services by a public utility resulting from Damage to property belonging to or under the control of the public utility occurring during the Policy Period by an Event not excluded under Section 1.

We will pay Loss of Rent and/or Temporary Accommodation Costs under this extension for the period commencing 48 hours after the failure of supply occurs until such time as the failed service is reinstated or until 30 days have elapsed, whichever is the sooner.

**12 – Cost of Reletting**

When You have leased out Your Unit or Common Area We will pay reasonable reletting costs if it is made unfit to be occupied for its intended purpose by:

1. Damage to Your Insured Property that is admitted as a claim under Section 1; and
2. Your Tenant at the time of the Event subsequently advises they will not be reoccupying the Unit or Common Area they previously leased.

The maximum We will pay per Unit or Common Area in any one Policy Period under this extension is $1,500.

**13 – Meeting Room Hire**

We will pay 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 by Damage to Your Insured Property covered under Section 1.

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

The maximum We will pay under this extension in any one Policy Period is $5,000.

**14 – Maintenance Fees**

We will pay Outstanding Maintenance Fees required to be paid to You by a Unit Owner whose Unit has become uninhabitable as a result of Damage occurring during the Policy Period and covered under Section 1, provided that You have taken all practicable measures to collect those outstanding Maintenance Fees.

The maximum We will pay in any one Policy Period under this extension is $2,000 per Unit.

We reserve Our right of subrogation to recover the outstanding Maintenance Fees from the relevant Unit Owner or Owners.

**15 - Storage of Unit Owners Contents**

We will pay the costs of removing, storing and returning undamaged Unit Owners Contents, and costs of insuring the same during such removal, storage and return, necessarily and reasonably incurred as a result of Damage to Insured Property occurring during the Policy Period caused by an Event not excluded under Section 1 that renders a Unit uninhabitable.

We will pay this extension while the Unit is incapable of housing the undamaged Unit Owners Contents provided that the maximum amount We will pay under this extension is $10,000 for any one loss or series of losses arising out of one Event during the Policy Period.

This extension does not apply to Unit Owners' Livestock, Vehicles, caravans, trailers, Watercraft, Aircraft or accessories in or on any of them.

**16 - Storage of Common Area Contents**

We will pay costs of removing, storing and returning undamaged Common Area Contents necessarily and reasonably incurred as a result of Damage to Insured Property occurring during the Policy Period caused by an Event not excluded under Section 1 that renders the subject Common Area incapable of housing the undamaged Common Area Contents.

We will pay these costs while the subject Common Area is incapable of housing the undamaged Common Area Contents, provided that the maximum amount We will pay under this extension is $10,000 for any one loss or series of losses arising out of one Event during the Policy Period.

**17 – Alterations / additions**

When You make alterations, additions or renovations to Your Insured Property during the Policy Period We will pay up to $250,000 for Damage to such alterations, additions or renovations by an Event not excluded under Section 1 provided:

1. the value of such work does not exceed that amount; or
2. You notify Us and We otherwise agree in writing before the commencement of such work;
3. if requested, You pay any extra premium We may charge.

We will not pay if You have entered into a contract with a builder, contractor or similar entity and they are required by law to effect, and they have effected, insurance that insures material damage and liability.

**18 – Mortgage Discharge Fees**

We will pay legal fees necessarily and reasonably incurred by You to discharge any registered mortgage over the Insured Property in the event that the Building is totally destroyed, or in such a condition to make it uneconomic to repair, replace or rebuild and We have paid the amount due under Section 1.

The maximum that We will pay in respect of this extension during any one Policy period is $10,000.

**19 – Arson Reward**

We will pay a reward for information that leads to a conviction for arson in connection with Damage covered under Section 1.

The maximum that We will pay under this extension is $10,000 per Policy Period (irrespective of the number of people supplying information).

**20 - Damage to Domestic Electric Motors**

We will pay costs necessarily and reasonably incurred by You in repairing or replacing an electric motor within an electrical machine used for domestic purposes comprising part of Insured Property Damaged by Fusion during the Policy Period.

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

1. Motors covered by any form of warranty;
2. Motors with an output greater than five (5) kilowatts;
3. Motors more than twenty (20) years old;
4. Other parts of any electrical machine nor for software;
5. Non-electrical components such as bearings, seals and solenoids;
6. Lighting filaments or heating elements;
7. Fuses or protective devices;
8. Electrical contacts or switches at which sparking, or arcing occurs by ordinary working;
9. Costs of flushing or recharging with refrigerant; or
10. Any additional costs arising from loss of use of the machine.

The maximum We will pay in any one Policy Period under this extension is $5,000.

**21 – Electricity, gas, water and similar charges – excess costs**

Following Damage insured under Section 1 We will pay for the cost of:

1. increased usage of metered electricity, gas, sewerage, oil and water;
3. accidental discharge of metered electricity, gas, sewerage, oil and water;
4. additional management charges;

that You are required to pay following Damage to Your Insured Property The maximum that We will pay in respect of this extension is $2,000 per Event.

**22 – Electricity, gas, water and similar charges – unauthorised use**

We will pay 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 practical steps are taken to terminate such unauthorised use immediately You become aware of it. The maximum that we will pay in respect of this extension is $2,000 any one Policy Period.

**23 – Environmental improvements**

If Your Insured Property is:

1. Damaged by an Event claimable under Section 1; and
2. the cost to rebuild, replace or repair the Damaged portion is more than twenty five percent (25%) of the Building Sum Insured;

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.

**24 – Landscaping**

We will pay costs necessarily and reasonably incurred by You in replacing Damaged Landscaping occurring during the Policy Period caused by an Event not excluded under Section 1.

The maximum We will pay in any one Policy Period under this extension is $25,000.

**25 - Removal of Fallen Trees**

We will pay costs necessarily and reasonably incurred by You in removing and disposing of fallen trees and branches (excluding stumps and roots) that have caused Damage to Insured Property during the Policy Period.

The maximum amount that We will pay under this extension is $5,000 for any one loss or series of losses arising out of one Event during the Policy Period.

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

**26 – Detecting Leaks**

We will pay costs necessarily and reasonably incurred by You in:

1. Locating the source of leaking, bursting, discharging, or overflowing of tanks, apparatus or pipes used to carry liquid of any kind (including Damage to other property necessary to effect the repair or replacement); and
2. Repairing or replacing the defective part or parts of such tanks, apparatus or pipes up to a limit of $1,000 per Event for such defective part or parts,
3. Rectifying contamination damage or pollution damage to land at Your Situation caused by the escape of liquid, to a limit of $1,000.

provided that the leaking, bursting, discharging or overflow occurs during the Policy Period and is caused by an Event not excluded under Section 1.

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.

**27 – Money**

We will pay for theft of or Damage to Your Money while in the custody, care or control of an Officer, committee member of Yours or duly appointed Body Corporate Manager/ Agent acting on Your behalf.

The maximum that We will pay for this extension during any one Policy Period is $25,000.

We will not pay for any theft of or Damage to Your Money arising from any dishonest, fraudulent, criminal or malicious act or omission by:

1. any person employed by You;
2. any Unit Owner or any family member normally residing with that Unit Owner; or
3. any person acting as a proxy of an Unit Owner.

**28 – Personal Property Under Control of Body Corporate**

We will pay for the personal property, that is Damaged by an Event not excluded under Section 1 while in Your care, custody or control if owned by third parties not insured under this Policy, including third parties employed by You.

The maximum that We will pay under this extension is $10,000 for any one loss or series of losses arising out of one Event during the Policy Period.

**29 – Replacement of Keys and Locks**

Where a key to an external door or window of a Building (excluding any individual Unit) is stolen or where You have reasonable grounds to believe keys have been duplicated as a consequence of forcible entry into that Building during the Policy Period, We will pay, at our own option, the reasonable costs of either:

1. Re-keying or re-coding those locks together with replacement keys; or
2. Replacing those locks with locks of a similar type or quality.

We will not make any payment under this extension where keys or codes have been retained, stolen or duplicated by any occupant or previous occupant of the Insured Property, or by their family or friends. The maximum amount that We will pay under this extension is $5,000 for

any one loss or series of losses arising out of one Event during the Policy Period.

**30 – Rewriting of Records**

We will pay costs necessarily and reasonably incurred by You in preparing and/or rewriting the records of the Body Corporate which have been Damaged during the Policy Period from an Event not excluded under Section 1:

1. At the Situation;
2. While in the safe keeping of a duly appointed Body Corporate Manager; or
3. At a bank for safekeeping.

The maximum that We will pay under this extension is $50,000 in any one Policy Period.

**31 – Removal of squatters**

We will pay for legal fees You necessarily incur to repossess Your Insured Property or a 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.

The maximum that We will pay under this extension is $1,000 in any one Policy Period.

**32 – Water removal from basements**

We will pay 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 an Event excluded under Section 1.

The maximum that We will pay under this extension is $2,000 in any one Policy Period.

**33 – Emergency Accommodation Costs**

We will pay emergency accommodation costs reasonably incurred as a result of Damage to Insured Property occurring during the Policy Period caused by an Event not excluded under Section 1 that renders the Unit unfit for habitation or inaccessible

We will only pay costs incurred under this extension during the period that the Unit is either uninhabitable or inaccessible and up to a maximum amount of $2,500 per unit.

## SPECIFIC DEFINITIONS APPLICABLE TO SECTION 1

The meaning of some of the important words and terms used in Section 1 only are shown below.

**You, Your and Yours means**

The Body Corporate.

## BASIS OF SETTLEMENT

**Claims for Damage to a Building**

1. In respect of a claim for Damage to a Building, We will after consultation with You, either:
   a. Repair, replace or rebuild the Damaged portion of the Building to a condition which is substantially the same as when new, but not better or more extensive than when new; or
   b. Pay the reasonable cost of repairing, replacing or rebuilding the Damaged portion of the Building to a condition which is substantially the same as when new, but not better or more extensive than when new; or
   c. Pay up to the Sum Insured applicable to Section 1.
2. Where a Building is destroyed, or in such a condition to make it uneconomical to repair, replace or rebuild the Building, We may allow You to purchase an alternative existing building to replace that destroyed Building. In such an event, We shall not be liable to make payment to You for an amount more than:
   a. The reasonable cost of repairing, replacing or rebuilding the Building to a condition which is substantially the same as when new, but not better or more extensive than when new; or
   b. The Sum Insured applicable to Section 1.

**Extra Cost of Reinstatement of Buildings**

Where a Building is destroyed or Damaged, Section 1 extends to cover the additional costs necessarily and reasonably incurred by You in complying with the requirements of any lawful authority that are imposed after the Damage (including demolition or dismantling) subject to the terms, conditions and Sum Insured applicable to Section 1 and provided that:

1. The work of reinstatement, including a rebuild or repair must be commenced and completed within a reasonable period, and without unreasonable delays caused by You, failing which We will not be liable to make any payment in respect of the extra cost of reinstatement as a consequence of having to comply with new building rules or regulations;
2. The work of reinstatement may be carried out wholly or partially at another site, if the requirements of any lawful authority makes that necessary, subject to Our liability not being increased;
3. We will not pay for any extra costs of reinstatement that would have been incurred when complying with any Act, Regulation, By-Law or Statutory Requirement that applied to the Building prior to the Damage;
4. Where the Building is not destroyed, We will only pay for the extra costs incurred in reinstating the Damaged portion of the Building;
5. We will not pay for the cost of reinstating illegal installations in any part of the Building.

**Floor Space Ratio**

Where a Building is destroyed or Damaged and the relevant statutory authority permits reinstatement only to a reduced floor space ratio index, We will pay You the difference between:

1. The actual cost of reinstatement to comply with the reduced floor space ratio index; and
2. The approximate cost of reinstatement at the time of destruction or the Damage had the reduced floor space ratio index not applied.

We will only pay for the floor space ratio benefit described above when the Sum Insured applicable to Section 1 is not otherwise exhausted.

**Loss of Land Value**

Subject to the Sum Insured applicable to Section 1 not being otherwise exhausted, We will pay You for the costs associated with loss of Land Value that are caused by a statutory authority:

1. refusing permission to reinstate the Building at the Situation. In this instance, We will pay the difference between the Land Value before and after the Damage; or
2. allowing only a partial reinstatement of the Building at the Situation. In this instance, We will pay the difference between the Land Value before the Damage and the Land Value after such reinstatement, provided that Our payment for loss of Land Value:
    a. will be reduced by any amount already paid to You as compensation by such statutory authority; and
    b. will be made to You after the ruling of the statutory authority, which results in the loss of Land Value. If the statutory authority changes its ruling or if such ruling is overturned by a court or tribunal resulting in a material and unforeseeable change in Land Value after We have made payment to You, We may request that you refund a reasonable and proportion amount from that amount paid to You which exceeds the revised loss of Land Value.

All differences relating to Land Value arising out of Section 1 may, by agreement, be referred to the National President of the Australian Property Institute who will appoint a registered and qualified valuer whose decision will, if all parties so agree, be final and binding and who will at the same time decide as to payment of any costs of such referral.

**Undamaged Foundations**

Subject to the Sum Insured applicable to Section 1 not being otherwise exhausted, if a Building is destroyed and reinstatement of the Building must be carried out at another site as a requirement by any lawful authority, then any undamaged foundations will be deemed destroyed and We will pay for the value of any undamaged foundation.

If the presence of the abandoned foundations at the Situation increases the Land Value of that site, then We may deduct from the settlement of a destroyed Building claim a reasonable and proportionate amount equal to the difference between:

1. The unimproved value of the land at the Situation; and
2. The value of that land with the foundations.

All differences relating to the value of that amount may, by agreement, be referred to the National President of the Australian Property Institute who will appoint a registered and qualified valuer whose decision will, if all parties so agree, be final and binding and who will at the same time decide as to payment of any costs of such referral.

**Claims For Damaged Common Area Contents**

1. In respect of a claim for Damaged Common Area Contents, We will at Our option:
    a. Repair or replace the item of Common Area Contents to a condition which is substantially the same as when new, but not better or more extensive than when new; or
    b. Pay the reasonable cost of repairing or replacing the item of Common Area Contents to a condition, which is substantially the same as when new, but not better or more extensive than when new.
2. The maximum amount that We will pay to You in respect of any one loss or series of losses arising out of one Event relating to:
    a. Common Area Contents that are not in open air - is 1% of the Sum Insured applicable to Section 1, unless otherwise specified in the Schedule; and
    b. Common Area Contents that are in open air or are In Transit - is $5,000 for any one loss or series of losses arising out of one Event during the Policy Period.
3. When Damage occurs to an item of Common Area Contents which:
    a. Is part of a set, We will only pay for the reasonable cost of:
        i. Repairing or replacing the item itself as a proportion of the reasonable cost of repairing; or
        ii. Replacing the whole set, notwithstanding that the set is less valuable by reason of it being incomplete;
    **b.** Is a wall, floor or ceiling covering (including carpets, blinds and curtains), We will only pay for the cost of repairing or replacing such item in the room, hall or passage in which the Damage occurred.

**Excess**

The amount that We pay in relation to Your claim will be reduced by the amount of any applicable Excess.

Otherwise, You must pay the amount shown in the Schedule as the Excess payable in respect of Buildings & Common Area Contents Cover for each loss or series of losses arising from one Event when a claim is accepted by Us under Section 1.

## SPECIFIC EXCLUSIONS APPLICABLE TO SECTION 1

In addition to the general exclusions applying to all Sections, under Section 1 We will not pay for:

1. Damage arising directly or indirectly out of or in any way connected with:
    a. Flood, unless Optional Cover 1 is shown in the Schedule as selected.
    b. Change in colour, texture or finish;
    c. Creeping, heaving or vibration;
    d. Demolition ordered by any lawful authority due to You or Your agents' failure to obtain necessary building, construction or development consents or permits;
    e. Subsidence or collapse unless the Damage arises out of an earthquake or seismological disturbance, explosion or physical impact by Aircraft;
    f. Error or omission in design, plan, specification or failure of design, or the use of any materials which are prohibited by, or do not comply with any applicable legislation, regulations, industry code and/or standards at the time of installation;

g. Faulty materials or faulty workmanship;

h. Hydrostatic pressure or changes in the water table,; however we will pay if the damage is caused by bursting, leaking or overflowing of water tanks, drains or pipes.

i. Accidental breakage, chipping or lifting of swimming pools, spas and their surrounds including tiles and pavers;

j. Incorrect siting of any Building;

k. Inherent vice or latent defect;

l. Kidnapping, bomb threat, threat of contamination, hoax, extortion or any attempt thereat;

m. Lack of maintenance or any other failure to keep any Insured Property in good repair;

n. Overwinding, mechanical, hydraulic, electrical or electronic breakdown except to the extent covered by extension 20 (Damage to Domestic Electric Motors);

o. Mildew, mould, contamination, disease, wet or dry rot, change of colour, oxidation, evaporation, dampness of atmosphere or variations in temperature;

p. Normal settling seepage, shrinkage or expansion in Buildings or foundations, walls, pavements, roads and other structural improvements;

q. Removal or weakening of supports or foundations;

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

s. Spontaneous combustion, fermentation or heating or any process involving the direct application of heat except that this exclusion will be limited to the item or items immediately affected and will not extend to other Damaged Insured Property as a result of such combustion, fermentation or heating process;

t. Actions of the sea, tidal wave, storm surge, high-water, or high tide, unless caused by a tsunami.

u. Smoke or smut from industrial operations.

v. The actions of birds, vermin, moths, termites or other pests; however if such actions directly cause an Event otherwise covered in this Section 1 (for instance fire or broken glass), we will pay for the Damage resulting from that Event;

w. Wear and tear, corrosion, rust or oxidation, fading, chipping, scratching or marring, gradual corrosion or gradual deterioration or developing flaws, concrete or brick 'cancer', normal upkeep or making good. This includes when damage to the Insured Property is caused by light, air, sand, the climate (which includes wind or rain) or the passage of time;

2. consequential loss of any kind other than as specifically covered in Section 1;

3. any legal liability of any kind, except Your legal liability described in additional extensions 2 (Removal of Debris) and 28 (Personal Property Under Control of Body Corporate);

4. Damage to any:

a. Animals;

b. Awnings made of textile or fabric more than ten (10) years old where that Damage is caused by wind, rainwater or hail

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

d. Building(s) or other Insured Property which are vacated and undergoing demolition;

e. Building or other Insured Property which is in the course of construction, erection, alteration or addition where the total contract value of such work exceeds $250,000;

f. Carpets and other floor coverings resulting from staining, fading or fraying. However We will pay if the Damage directly results from any other Event not excluded under Section 1;

g. Docks, wharves and piers not forming part of any Building;

h. 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;

i. Pathways, driveways and tennis court surfaces where that Damage is caused by wind, rainwater or hail;

j. Personal property in open air unless it is part of the Common Area Contents designed to function without the protection of walls or a roof;

k. Pool and spa covers where that Damage is caused by wind, rainwater or hail;

l. Water in swimming pools, spas or water tanks;

m. Pressure Equipment arising out of a failure to comply with any Australian Standard relating to such equipment;

n. Retaining walls where that Damage is caused by wind, rainwater or hail;

o. Swimming pools, spas or surrounds where that Damage is caused by movement of their foundations or structure unless the Damage arises out of an earthquake or seismological disturbance;

# SECTION 2: PROPERTY OWNER'S LEGAL LIABILITY

## COVER

We will cover You up to the Limit of Liability shown in the Schedule for Section 2 for Compensation resulting from an Occurrence in connection with Your legal ownership of Insured Property that happens during the Policy Period.

## DEFENCE COSTS IN ADDITION

In addition to the Limit of Liability for Section 2, we will pay:

1. Defence Costs
2. Your legal representation costs reasonably and necessarily incurred with Our prior written consent which will not be unreasonably withheld, at a coronial inquest or inquiry into any death which may be the subject of a claim for Compensation under Section 2
3. Your other reasonable expenses necessarily incurred in connection with an Occurrence, with Our prior written consent which will not be unreasonably withheld
4. Interest accruing on amounts payable after judgement has been entered against You until We have paid, tendered or deposited in the court the amount that We are liable to pay following judgement
5. A daily stipend of $250 if We require You to attend Court as a witness.

## SECTION 2 EXTENSIONS

Except where specified otherwise, We will pay up to the Limit of Liability for Section 2 for:

**1 – 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 Personal Injury or 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.

**2 – 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 Unit Owners and occupiers of Units.

**3 – 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 Unit Owners and occupiers of Units at Your Situation.

**4 – Injury to or death of domestic pets**

Compensation You become legally responsible to pay for accidental injury to, or death of a domestic pet ordinarily resident with a Unit Owner (or occupier of a Unit) arising out of the negligent use of any poisons, pesticides, traps or baits by You or on Your behalf at the Common Area.

Our maximum liability under this Extension is $1,000 any one Policy Period.

No Excess will apply to claims under this Extension.

## SPECIFIC DEFINITIONS APPLICABLE TO SECTION 2

The meaning of some of the important words and terms used in Section 2 only are shown below.

**Compensation means**

Any amount paid or payable by You for Personal Injury or Property Damage pursuant to any:

1. Court judgment; or
2. Settlement with Our consent

Compensation does not include:

1. Aggravated, punitive or exemplary damages;
2. Fines or penalties imposed by law (including civil penalties); or
3. Any matters which are deemed uninsurable under the law.

**Defence Costs means**

Legal costs and disbursements and related expenses connected to the defence of a claim covered under this Section and incurred by:

1. You with Our prior written consent which will not be unreasonably withheld; or
2. Us after We have assumed conduct of any proceedings in:
    a. Defending any proceedings;
    a. Conducting any claim for contribution or recovery; or
    b. Investigating, avoiding or reducing or settling any claim for Compensation.

Defence Costs does not include any of Your internal or overhead expenses or the cost of Your time.

**Employment Practices means**

Any claim of wrongful or unfair dismissal, termination, suspension, denial of natural justice, defamation, misleading representation or false advertising, defamation, libel, slander, harassment, bullying or discrimination.

**Occurrence means**

An event or series of continuous events which result in Personal Injury or Property Damage that is neither anticipated nor intended by You. All events of a series consequent on or attributable to one source or original cause are deemed to be a single Occurrence.

**Personal Injury means**

1. Bodily injury, death, illness, disability, shock, fright, mental anguish or mental injury
2. False arrest, wrongful detention, false imprisonment or malicious prosecution
3. Wrongful entry or eviction or other invasion of the right of privacy
4. A publication or utterance of defamatory or disparaging material
5. Assault and battery not committed by You or any Unit Owner at Your or their direction unless committed for

the purpose of preventing or eliminating danger to person or property.

occurring within during the Policy Period within the Policy Territory

**Property Damage means**

1. Damage to or destruction of physical property, or
2. loss of use of physical property, resulting from an Occurrence

occurring during the Policy Period within the Policy Territory.

**You, Your and Yours means**

The Body Corporate;

## SPECIFIC EXCLUSIONS APPLICABLE TO SECTION 2

In addition to the general exclusions applying to all Sections, under Section 2 We will not pay for any claim or claims for or arising out of:

1. damage to Your property or property under your physical or legal control
2. liability for Personal Injury to Your current or former employees and/or Officers, whilst engaged solely in work or duties on Your behalf.
3. Employment Practices
4. liability imposed by any workers' compensation, accident compensation or similar legislation;
5. rendering of or failure to render professional advice or services by You or by anyone on Your behalf.
6. The publication or utterance of a defamation, libel or slander;
   a. made prior to the commencement of this Policy
   b. made by You or at Your direction when You knew it to be false
7. construction, erection, alteration, addition, renovation or demolition of any Building or Common Area by You or on Your Behalf where the contract value of the work exceeds $250,000.
8. vibration, removal or the weakening or interference with support to land, Buildings, Common Area or other property.
9. liability assumed under a contract except where that liability would otherwise exist at law in the absence of the contract.
10. actions brought outside of Australia or governed by the laws of a foreign country
11. fines, penalties, punitive, exemplary, liquidated, aggravated, or additional damages (including interests and costs) imposed against You.
12. damage to property owned, leased, hired by, under hire purchase, on loan or rented to You or otherwise in Your care, custody or control other than visitors' clothing and personal effects.
13. 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;
14. injury to or death of animals on Your Common Area, except where cover is provided under Extension 4 – Injury to or death of domestic pets.
15. Personal Injury or Property Damage caused by animals on Your Common Area other than guard or watch dogs You employ for security purposes.
16. ownership, use or possession by You of any Vehicle, watercraft, hovercraft, Aircraft, or Aircraft landing areas.
17. 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.

# SECTION 3: VOLUNTARY WORKERS PERSONAL ACCIDENT

## COVER

If selected and shown in the Schedule We will pay to a Voluntary Worker or their estate the corresponding benefit detailed in the following table for an Event first occurring during the Policy Period.

| | Event | Benefit |
|---|---|---|
| 1 | Death | 100% of the Compensation described in the Schedule |
| 2 | Loss of both Hands, or both Feet, or one Hand and one Foot | 100% of the benefit Compensation in the Schedule |
| 3 | Total Loss of sight in both eyes | 100% of the Compensation described in the Schedule |
| 4 | Loss of one Hand or one Foot or sight in one eye | 50% of the Compensation described in the Schedule |
| 5 | Total Disablement | 100% of the weekly Compensation described in the Schedule |
| 6 | Partial Disablement | 50% of the weekly Compensation described in the Schedule |

## SECTION 3 EXTENSIONS

If We accept a claim under Section 3, We will also pay the Voluntary Worker the following expenses:

**1 – Travel expenses**

Travel expenses necessarily and reasonably incurred in obtaining medical treatment at the time of, or subsequent to, the sustaining of Bodily Injury up to a maximum of $1,000 for any one person per Event per Policy Period.

**2 – Domestic Assistance**

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 We will pay a weekly benefit not exceeding $500 up to a maximum of $5,000, provided that this Extension (2) Domestic Assistance will be reduced by any amounts payable under Events 5 and 6 for domestic assistance per Event per Policy Period.

## SPECIFIC DEFINITIONS APPLICABLE TO SECTION 3

The meaning of some of the important words and terms used in Section 3 only are shown below.

**Bodily Injury means**

The injuries described in items 2-6 of the Section 3 table of Events and benefits

**Doctor means**

A legally registered medical practitioner who is not an insured person under this Policy or their relative.

**Event means**

Death of, or Bodily Injury sustained by, a Voluntary worker:

1. occurring in the course of the voluntary work for You at the Situation; and
2. resulting solely and directly from accidental, external and visible means; and
3. independent of any other cause or causes, including pre-existing physical or congenital conditions

**Foot means**

The entire foot below the ankle.

**Hand means**

The entire hand above the wrist.

**Loss means in connection with:**

1. A Hand – total and Permanent physical severance or Permanent total loss of use of the Hand;
2. A Foot – total and Permanent physical severance or Permanent total loss of use of the foot;
3. An eye, total and Permanent loss of all sight in an eye;

Which in each case is caused by Bodily Injury.

**Permanent means**

Having lasted twelve (12) consecutive months and at the expiry of that period, beyond hope of improvement.

**Partial Disablement means**

The complete inability of a Voluntary Worker to engage in a substantial part of their usual occupation or business duties, while they are under the regular care of and acting in accordance with the instructions or advice of a doctor.

**Total Disablement means**

The complete inability of a Voluntary Worker to engage in all of their usual occupation or business duties, while they are under the regular care of and acting in accordance with the instructions or advice of a doctor.

**You, Your and Yours means**

Any Voluntary Worker but only whilst engaged solely in work or duties on behalf of the Body Corporate.

## BASIS OF SETTLEMENT APPLICABLE TO SECTION 3

We will pay the corresponding benefit to a Voluntary Worker for an Event subject to the following:

1. We will only pay the Voluntary Worker such benefit if that Voluntary Worker is not entitled to compensation under any workers' compensation insurance, motor

accident legislation, any common law entitlement, any other statutory scheme, plan, or fund, or any other policy required to be effected by or under law;

2. If the Voluntary Worker dies as a result of a Bodily Injury We will reduce the amount We pay for Event 1 (Death) by any benefit We have paid for the Bodily Injury;
3. If a Voluntary Worker becomes entitled to payments under more than one of the Events in Table A, the benefit paid will be cumulative up to 100% of the benefit payable for Event 1 (Death);
4. For Events 5 and 6, We will pay for the period of disability:
    a. Commencing one week after the Voluntary Worker becomes disabled; and
    b. Ending when the disablement ceases or 104 weeks from the commencement of the disablement, whichever is earlier;

    provided that We will not pay for more than one of these Events at the same time.

    We will pay up to the maximum limit shown or 100% of salary, whichever is the lesser, but only where the Voluntary Worker is in paid employment at the time of the injury.

## SPECIFIC CONDITIONS APPLICABLE TO SECTION 3

In addition to the General Conditions applying to all Sections, the following conditions apply to Section 3:

1. The Voluntary Worker must obtain appropriate medical advice as soon as practicable after sustaining the Injury. Failure to follow proper medical treatment or advice in accordance with the above may result in Us reducing Our liability under the Policy to the extent to which We have suffered any prejudice due to such failure.
2. You must advise Us in writing as soon as reasonably practicable after the occurrence of an Event covered by this Section 3.
3. You must pay the cost, if any, of any medical certificates, reports or other evidence that We may require to assess Your claim under this Section 3.
4. We may request You to have a medical examination by a Doctor nominated by Us for the purposes of assessing a claim made by You under this Section 3 and We will be responsible for the payment of such examination.

## SPECIFIC EXCLUSIONS APPLICABLE TO SECTION 3

In addition to the general exclusions applying to all Sections, under Section 3 We shall not be liable for any claim arising directly or indirectly from or having any connection with:

1. The Voluntary Worker's intentional self-injury, or suicide, including injuries suffered as a result of attempted suicide;
2. The Voluntary Worker being rendered less capable of taking care of himself or herself as a consequence of mental illness diagnosed by a Doctor, including any psychological, psychiatric or stress disorder;
3. The Voluntary Worker being rendered less capable of taking care of himself or herself as a consequence of being under the influence of alcohol or any drug, other than a drug prescribed by a Doctor;
4. The Voluntary Worker's childbirth or pregnancy, notwithstanding that miscarriage or childbirth may have been accelerated or induced by the bodily injury sustained;
5. Any pre-existing medical condition known to the Voluntary Worker;
6. Any Bodily Injury that does not manifest itself within 12 months of sustaining such Bodily Injury;
7. Arising out of a Voluntary Worker failing to procure and follow proper medical advice from a legally qualified medical practitioner;
8. Which results from the Voluntary Worker recklessly disregarding his or her own safety;
9. For Injury suffered which occurred before this cover commenced.
10. Any Event suffered by a Voluntary Worker that results from the use of power tools, garden maintenance tools and the like where appropriate safety equipment was not worn, carried or adopted by the Voluntary Worker.

# SECTION 4: FIDELITY GUARANTEE

## COVER

We will cover You, up to the Limit of Liability shown in the Schedule for Section 4 against loss of Funds as a result of a Fraud occurring during the Policy Period which is discovered within twelve (12) months of the expiry of the Policy Period.

## SPECIFIC DEFINITIONS APPLICABLE TO SECTION 4

The meaning of some of the important words and terms used in Section 4 only are shown below.

**Fraud means**

Fraudulent misappropriation of Funds.

**Funds means**

Money, securities, negotiable instruments or other tangible property received by You to be allocated to or set aside for the management of Insured Property.

Funds do not include personal Money, securities, negotiable instruments or other tangible property of Unit Owners.

**You, Your and Yours means**

The Body Corporate.

## SPECIFIC CONDITIONS APPLICABLE TO SECTION 4

In addition to the General Conditions applying to all Sections, the following conditions apply to Section 4:

1. On discovering a loss or circumstances likely to give rise to a loss covered by Section 4 (including, but not limited to any actual or alleged fraudulent or dishonest conduct by any person), You must, at Your own expense:
    a. As soon as reasonably practicable give written notice to Us;
    b. As soon as reasonably practicable give written notice to the police and obtain an event or reference number;
    c. Within 28 days of discovering a loss or circumstances likely to give rise to a loss covered by Section 4, provide to Us a written statement containing details of the cause, description and amount of the loss and any other information that We may reasonably require;
    d. Complete any claim form or sworn proof of loss that We may require;
    e. Provide assistance and cooperation to Us in investigating the loss; and
    f. Take all reasonable steps to obtain recovery of the loss and prevent any further loss.
2. If We have agreed to pay a claim (other than a claim where We pay the full Sum Insured) under this Section 4, We will reinstate the Sum Insured to the amount shown in Your Policy Schedule at the time of the loss. We will automatically reinstate the Sum Insured once only during each Policy Period for no additional premium. For any other reinstatement, You must apply for a reinstatement and if We agree to it, pay or agree to pay Us any additional premium that applies.

## SPECIFIC EXCLUSIONS APPLICABLE TO SECTION 4

In addition to the general exclusions applying to all Sections, under Section 4 We will not be liable for any loss:

1. Unless You have previously exhausted Your rights and entitlements under any other fidelity bond or fund, whether of a statutory nature or not;
2. Connected with any further Fraud committed after the initial discovery of loss;
3. Arising out of a Fraud committed prior to the Policy Period;
4. Of a consequential kind or nature;
5. Arising out of the conduct of any person if You have any prior knowledge of any prior conduct that is fraudulent or dishonest by that person;
6. Where proof of its existence or amount depends on any comparison of inventory records with a physical count or a profit and loss computation, except that this exclusion will not apply to the extent that You are able to prove the amount of the loss through other evidence unrelated to comparison or computation;
7. Arising out of a failure to make payment or of default under a loan or other credit transaction;
8. Arising out of, resulting from or in any way connected with any Cyber Crime (as defined in 'Section 8: Cyber' of this Policy).

# SECTION 5: OFFICE BEARERS LIABILITY

## COVER

We will cover:

1. You against all Loss for which You are not indemnified by the Body Corporate; or
2. The Body Corporate against all Loss for which it grants indemnification to You, as permitted or required by law,

arising from any Claim, up to the Limit of Liability applicable to Section 5, provided that:

1. The Claim is made against You during the Policy Period and reported to Us during the Policy Period; and
2. The Claim arises out of a Wrongful Act, which wholly occurred after the Retroactive Date.

## SECTION 5 EXTENSIONS

**Continuity of Cover Extension**

Notwithstanding anything to the contrary in this Policy, if You failed to correctly notify Us of a Claim or Circumstance arising in a previous policy period, We will extend cover to such a Claim or Circumstance subject to the terms and conditions of this Policy, provided that:

1. The Claim or Circumstance occurred after the Continuity Date; and
2. Your failure to correctly notify such Claim or Circumstance during a previous policy period is in no way connected with any fraudulent or deliberate non-disclosure or misrepresentation by You.

## SPECIFIC DEFINITIONS APPLICABLE TO SECTION 5

The meaning of some of the important words and terms used in Section 5 only are shown below.

**Claim means any:**

A written or verbal allegation of a Wrongful Act, including a civil or criminal proceeding commenced by the service of a complaint, summons, charge or similar pleading alleging a Wrongful Act.

**Circumstances means**

Any facts, matters or circumstances which give rise to a Claim or has the potential to give rise to a Claim.

**Continuity Date means**

The date that this Policy was first incepted with Us and has subsequently been continuously renewed with Us with no break in cover with Us for the Policy or this Section; or as otherwise specified in the Schedule.

**Defence Costs means**

Legal costs and disbursements and related expenses incurred by You or the Body Corporate with Our prior written consent (which will not be unreasonably withheld) in the investigation, defence, monitoring, or settlement of any claim.

However defence costs does not include:

1. Any internal or overhead expenses incurred by You or the Body Corporate;
2. Any cost of Your time or that of any Officer in investigating, defending or settling any Claim; or
3. Any salaries or remuneration of any Officer (including Yourself) or of any employee or agent of the Body Corporate.

**Loss means**

the amount payable in respect of a Claim made against You for a Wrongful Act and will include:

1. Amounts payable under a judgment; or
2. A settlement with Our prior written consent; and
3. Legal costs awarded against You; and
4. Defence Costs.

**Loss does not include**

Fines, penalties, punitive, special, exemplary, liquidated or aggravated damages.

**Senior Counsel means**

A practising barrister who is entitled to practice as a Queen's/ King's Counsel or Senior Counsel in any State or Territory of Australia.

**Retroactive Date means**

The date specified in the Schedule, or if not specified, the date the Body Corporate was first formed.

**Wrongful Act means**

Any actual or alleged act, error or omission, negligence, breach of duty, misrepresentation or misconduct on your part in your capacity as an Officer.

**You, Your and Yours means**

Any past, present or future Officer of the Body Corporate.

## LIMIT OF LIABILITY AND EXCESS

**Limit of Liability**

Our total liability to cover You under Section 5 in respect of all Loss including costs, expenses and Defence Costs arising from all Claims during the Policy Period is the Limit of Liability applicable to Section 5.

**Excess**

You must pay the amount shown in the Schedule as the Excess payable in respect of Office Bearers Liability Cover.

The Excess applies to each and every Loss including Defence Costs arising from any one Claim and Our liability to cover You under Section 5 is over and above the Excess.

For the purposes of determining the Excess applying to Section 5, all Claims arising from one act, error or omission or from a series of related acts, errors or omissions, will be regarded as one Claim.

## SPECIFIC CONDITIONS APPLICABLE TO SECTION 5

In addition to the general conditions applying to all Sections, the following conditions apply to Section 5:

1. You must give written notice to Us of any Claim made against You within 21 days of receipt of the Claim.
2. You and the Body Corporate must give all reasonable assistance to and cooperate with Us in the defence of any Claim at Your and the Body Corporate's cost.

3. Neither You nor the Body Corporate should admit liability, settle any Claim nor incur any Defence Costs without Our prior written consent which will not be unreasonably withheld.
4. In accordance with the Subrogation general condition, We have the right to negotiate, defend or settle any Claim against You in Your name and will have full discretion in the conduct of any proceedings or in the settlement of any Claim.
5. 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.
6. 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.
7. Where You and Us are unable to agree upon a fair allocation of Loss within 30 days of identifying that We are liable under Section 5 to identifying You for only part of a Loss, We will be entitled to brief Senior Counsel (to be mutually agreed within 10 days or, in default of agreement, to be selected by the then President of the local Bar Association or Council, or equivalent organisation in the relevant State or Territory) to provide an opinion that is binding on You and Us as to the fair allocation of Loss. The costs of obtaining this opinion will be paid by Us as part of the Defence Costs subject to any Limit of Liability under this Section 5.

## SPECIFIC EXCLUSIONS APPLICABLE TO SECTION 5

In addition to the General Exclusions applying to all Sections, under Section 5 We shall not be liable for any Claim arising directly or indirectly from or having any connection with any:

1. Claim made prior to the Policy Period, including:
    a. A Claim or Circumstances notified, in whole or part, to Us or any other insurer prior to the Policy Period; or
    b. A Claim or Circumstances of which the Body Corporate or You were aware or ought reasonably to have been aware, prior to the Policy Period.
2. Claim brought against a third party professional body corporate manager acting on Your behalf under contract.
3. profit or advantage gained by You where You were not legally entitled or for which You may be held accountable to the Body Corporate, Unit Owner or any other person or entity.
4. Money or gratuity given to You without authorisation by the Body Corporate where such authorisation is necessary pursuant to the rules, by-laws or articles of the Body Corporate or as required by law.
5. warranty or guarantee.
6. trading or personal debt of Yours or the Body Corporate.
7. death, bodily injury, sickness or disease of any person (including Communicable Disease), or damage to, or loss of use of, any tangible property.
8. breach of any obligation owed to any employee of Yours or the Body Corporate.
9. defamation, including but not limited to, the publication or utterance of a libel or slander or other defamatory or disparaging material.
10. fines, penalties, punitive, special, exemplary, liquidated or aggravated damages.
11. duty, tax, levy or other impost.
12. conflict of duty or interest.
13. liability assumed in contract except where that liability would otherwise exist at law in the absence of the contract.
14. The effecting or maintenance of insurance, or any failure to effect or maintain insurance.
15. intentional exercise of a power where the exercise of the power is for a purpose other than the purpose for which the power was conferred.
16. alleged or actual dishonest, fraudulent, malicious or criminal act or omission but this exclusion will not apply to Defence Costs incurred in successfully defending such a Claim.
17. Wrongful Act which occurred or was committed prior to the Retroactive Date.
18. Claim brought or maintained by any person who is:
    a. An insured under this Policy; or
    b. An entity operated or controlled by any insured under this Policy.
19. Claim brought in a court of law or tribunal outside Australia or in respect of any action or conduct located outside of Australia.

# SECTION 6: MACHINERY BREAKDOWN

## COVER

We will cover You up to the Sum Insured shown in the Schedule for Section 6 for:

1. Breakdown of a Machine; or
2. Explosion or Collapse of a Boiler or Pressure Vessel,

occurring at the Building(s) during the Policy Period, during the ordinary course of working, and on the basis set out in this Section 6.

## SECTION 6 EXTENSIONS

The following Extensions are included only when the Sum Insured under Section 6 is not otherwise exhausted:

### 1 - OVERTIME, FREIGHT, HIRE AND TEMPORARY REPAIR EXTENSION

We will pay up to 20% of the Sum Insured or $25,000 in the aggregate per Policy Period for:

1. extra charges for overtime, night work or work on public holidays for repair and replacement of the insured Machine;
2. express freight within Australia other than specifically chartered air freight for replacements and parts for the insured Machine;
3. the cost of hiring of temporary machines provided this cost is necessary to maintain a vital service provided by You; and
4. the cost of effecting temporary repair to the insured Machine.

as the result of loss insured under this Section.

### 2 – ADDITIONAL EQUIPMENT

Cover is extended to include additional Equipment installed during the Policy Period not previously disclosed to Us provided always that:

1. You must notify Us as soon as reasonably possible, in writing, of the installation of such additional Equipment and pay any additional premium We may require;
2. cover will not commence until after the Equipment has been installed, tested and successfully commissioned, and has been operating normally for no less than eight (8) hours in total;
3. the Sum Insured, limits and excesses of this section shall remain unchanged.

## SPECIFIC DEFINITIONS APPLICABLE TO SECTION 6

The meaning of some of the important words and terms used in Section 6 only are shown below.

**Boiler Explosion means**

The sudden and violent tearing, shredding, or shattering of the Boiler or Pressure Vessel by force of internal steam, gas or fluid pressure (including the pressure of ignited flue gases) causing physical displacement of its structure together with forcible escape of its contents.

**Boiler or Pressure Vessel means**

Those parts of the permanent structure of a boiler, pressure vessel, economiser or superheater and attaching pipe systems which are subject to internal steam, gas or fluid pressure and declared to Us.

**Breakdown means**

Sudden and unforeseen physical damage to the Machine which requires the repair or replacement of any part to restore normal operation.

**Collapse means**

The sudden and dangerous distortion of a boiler or pressure vessel caused by bending or crushing of the permanent structure by force of steam, gas or fluid pressure (other than the pressure of ignited flue gases) including damage caused by overheating resulting from deficiency of water.

**Equipment means**

Machines, Boilers or Pressure Vessels.

**Machine or Machinery means**

Electrical or mechanical machinery and its components owned by You, located at the Situation and disclosed to us in the Proposal, but does not include:

1. Computers, telephone and closed-circuit television installations, audio visual and amplification equipment and other office electronic equipment;
2. Gambling, amusement, vending machinery, audio or visual entertaining equipment;
3. Any Vehicle, caravan, trailer, motorcycle, watercraft or Aircraft.
4. Reticulating electrical wiring or lighting equipment;
5. Water or gas piping, storage tanks and vats;

**Salvage means**

The damaged Equipment which is salvaged or left over following a claim under this Section.

**You, Your and Yours means**

The Body Corporate.

## BASIS OF SETTLEMENT

If You have a valid claim under Section 6, We will pay for or reinstate the Equipment on the basis set out below.

1. Where the Equipment is:
    a. lost or destroyed – We will pay for its replacement by similar property, to a condition equal to but not better or more extensive than its condition when new; or
    b. damaged – We will pay for its repair or restoration to a condition substantially the same as but not better or more extensive than its condition when new.

We are not bound to replace, restore or repair the Equipment exactly or completely but only as circumstances permit and in a reasonably sufficient manner.

If the Equipment can be repaired, then We will repair it unless the cost of repair exceeds the replacement cost, in

which case we will replace it without deduction for depreciation.

2. The agreed value of any Salvage will be deducted from any claim and the Salvage will remain your Property.

3. Our liability is limited under Section 6 to the Sum Insured in respect of each item shown in the Schedule in addition to the Excess shown.

## SPECIFIC EXCLUSIONS APPLICABLE TO SECTION 6

In addition to the general exclusions applying to all Sections, under Section 6, we will not cover claims for:

1. any loss that is covered under Section 1 of this Policy or would have been covered were it not for the operation of any Excess.
2. consequential loss of any kind other than that which is specifically stated.
3. faults or defects known to You, or an Officer, or which You ought to have reasonably known, at the time You submitted the Proposal.
4. replacement parts, labour cost or travelling cost recoverable under any supplier, manufacturer or repairer's warranty or guarantee, or which would have been covered but for a breach of Your obligations under the terms of the guarantee or warranty.
5. the cost of replacement of:
    a. heating or defrosting elements, brushes, batteries, screens, sieves, belts, ropes, wires, chains, felts, fabrics, packings, exchangeable tools, dryers, cutting blades, seals, fuses, filters, glass or ceramic components, electric contacts, filaments, tyres, rails, plates, dies, engraved cylinders, mould, patterns, or other parts which are expendable or which by their use and nature typically suffer a high rate of or depreciation;
    b. refrigerant or transformer oils due to defective glands, shafts, seals, valves, gauges or loose connections;
    c. fuels, chemicals, filter substances, heat transfer media, cleaning agents, lubricants, oil, catalysts or other operating material;
    d. concrete, brickwork, foundations, or refractories; or
    e. materials in the course of or undergoing processing.
6. if at the time of loss:
    a. the setting of any safety device on or for the Equipment was in excess of the limit imposed by any applicable regulation or the limit recommended by the manufacturer;
    b. any safety device on or for the Equipment was removed or rendered inoperative;
    c. the Equipment was not the subject of a current certificate of inspection as required by any regulation.
7. where the Equipment:
    a. is or was operated in an unsafe condition; or
    b. does not conform with applicable Australian standards or codes; or
    c. has not been inspected in accordance with Australian Standard AS/NZS 3788 1996 as amended and any other applicable Australian standards, codes or laws.

    and that caused or contributed to the loss, destruction or damage

We will not cover claims arising directly or indirectly from:

8. testing, commissioning, maintenance, cleaning or improvement including:
    a. modifications, alterations, additions, improvements, or overhauls of the Equipment,
    b. exchange of parts, equipment, apparatus, liquids or gases due to Australian legislative requirement or standard.
    c. the Equipment being subjected to tests involving abnormal stresses; or intentionally overloaded.
9. 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.
10. the wear, tear, or gradual deterioration of Equipment as a result of its normal operation;
11. scratching, chipping, discolouration or other marking of painted, finished, or polished surfaces;
12. the wearing away or wasting of the material of the Machine, Boiler or Pressure Vessel by atmospheric conditions, rust, erosion, oxidation, leakage, corrosion or ordinary use;
13. the tightening of loose parts, recalibration or adjustments;

In respect of Boilers and Pressure Vessels, we will not cover claims arising out of, directly or indirectly:

14. slowly developing deformation or distortion;
15. cracks, fractures, blisters, laminations, flaws or grooving even if accompanied by leakage or damage to tubes, heaters or other parts of the Boiler or Pressure Vessel caused by overheating or leakage at seams, tubes or other parts of the Boiler or Pressure Vessel;
16. failure of joints or seams.
17. any hydraulic or hydrostatic test of the Boiler or Pressure Vessel.

In respect of Machinery Breakdown, we will not cover:

18. an unattended combustion engine as a result of the combustion engine not being fitted with an effective operational engine monitoring device which would have stopped the combustion engine in the event of a lubricating or cooling fault or failure.
19. for a submersible or borehole pump as a result of the submersible or borehole pump not being fitted with an effective operational water flow or pressure switch capable of stopping the submersible or borehole pump in the event of water pressure drop or insufficient water flow.

# SECTION 7: GOVERNMENT AUDIT, HEALTH & SAFETY, & LEGAL EXPENSES

Section 7 operates on a claims made basis and as such:

1. Part A responds to Audits first notified to You, and
2. Part B responds to Health & Safety Claims first made against You, and
3. Part C respond to Claims first made against You

during the Policy Period and notified to Us during the same Policy Period.

## PART A: GOVERNMENT AUDIT EXPENSES COVER

We will pay, up to the Limit of Liability shown in the Schedule for Part A of Section 7, for Audit Costs and Professional Fees that You reasonably incur with Our written consent (which will not be unreasonably withheld).

You must advise Us as soon as reasonably practicable in writing of any Audit and We shall not pay unless it was notified to you during the Policy Period and you reported it to Us during that Policy Period or within 30 days thereafter.

## PART B: HEALTH & SAFETY LEGAL EXPENSES

We will pay, up to the Limit of Liability shown in the Schedule for Part B of Section 7, for Legal Expenses that You necessarily incur with Our consent (which will not be unreasonably withheld) to appeal against any Health and Safety Claim which arises out of Your failure to provide and maintain so far as is reasonably practicable:

1. A safe working environment;
2. A safe system of work;
3. Plant and substances in a safe condition;
4. Adequate facilities of a prescribed kind for the welfare of Your Employees.

You must advise Us as soon as reasonably practicable in writing of any Health and Safety Claim and We shall not pay unless it was brought against you during the Policy Period and you reported it to Us during that Policy Period or within 30 days thereafter.

## PART C: LEGAL EXPENSES COVER

We will pay, up to the Limit of Liability shown in the Schedule for Part C of Section 7, for Legal Expenses that You are liable to pay following a Claim brought against You in Australia,:

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

You must advise Us as soon as reasonably practicable in writing of any Claim and We shall not pay unless it was brought against you during the Policy Period and you reported it to Us during that Policy Period or within 30 days thereafter.

We shall not be obliged to pay any Legal Expenses unless We are satisfied that You have good prospects of successfully defending the proceedings and that the Legal Expenses are both reasonable and necessary.

If You are not successful in defending legal proceedings brought against You, We will only pay for one appeal in respect of those proceedings.

You must advise Us in writing of Your intention to appeal at least seven (7) days before expiry of your appeal rights. This information will be contained in the decision provided to You under the original legal proceedings.

We shall not be obliged to approve the Legal Expenses in relation to the appeal unless We are satisfied that You have good prospects of successfully appealing the decision.

## SPECIFIC DEFINITIONS APPLICABLE TO SECTION 7

The meaning of some of the important words and terms used in Section 7 only are shown below.

**Audit means**

An investigation of Your financial affairs or an investigation or enquiry of Your compliance with record-keeping requirements by a State, Territory or Commonwealth Department, Statutory Body, Agency or the Australian Taxation Office.

**Audit Costs means**

Fees, charges and disbursements of an external professional person or consultant engaged by You, and approved by Us, for work undertaken in connection with an Audit.

**Auditor means**

A person authorised under State, Territory or Commonwealth Legislation to carry out an investigation or Audit of Your financial affairs.

**Claim means**

In relation to the ownership or management of the Insured Property, the:

1. commencement of civil or criminal proceedings against You in Australia by the service of a complaint, summons, charge or similar pleading; or
2. a written or verbal advice of intent to initiate legal proceedings 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 Auditors' 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.

**Health & Safety Claim means**

1. An improvement or prohibition notice issued to You under any workplace, occupational health, safety or similar legislation applying where the Insured Property is situated; or
2. A determination made against You by a review committee, arbitrator, tribunal or court under any workplace occupational health, safety or similar legislation applying where the Insured Property is situated.

**Legal Expenses Means**

The legal fees, costs, expenses and disbursements incurred in connection with a Claim.

**Professional Adviser means**

1. an accountant who is a member of a nationally recognised accounting body, registered tax agent or tax consultant;
2. 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:

1. form part of an annual or fixed fee or cost arrangement; or
2. 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
3. were rendered by a third party in relation to which Our written consent was not obtained before those fees were incurred; or
4. 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.

**You, Your and Yours means**

The Body Corporate.

## LIMIT OF LIABILITY AND EXCESS

**Limit of Liability**

Our liability to cover You under each part of Section 7 will not exceed the Limit of Liability stated in the Schedule for each part of Section 7 for each Claim reported during the Policy Period including any such Claim reported but not finalised until a subsequent Policy Period..

Our total liability to You under each part of Section 7 for all Claims in the Policy Period shall also not exceed the Limit of Liability shown in the Schedule for each part of Section 7.

**Excess and Contribution**

The Excess shown in the Schedule in relation to this Section applies to each Event and Our liability to cover You under each part of Section 7 is over and above the Excess.

Part C is subject to further contribution by the Insured in addition to the Excess shown in the Schedule, up to 10% or as otherwise shown in the Schedule.

Part C Excess and Contribution Examples based on $50,000 Sum Insured:

| Example | (1) | (2) | (3) |
|---|---|---|---|
| Cost of Legal Defence Expenses | $25,000 | $50,000 | $75,000 |
| Excess | $1,000 | $1,000 | $1,000 |
| Legal Defence Expenses Net of Excess | $24,000 | $49,000 | $74,000 |
| Contribution (10% of Net Expenses) | $2,400 | $4,900 | $7,400 |
| Claimable Amount | $21,600 | $44,100 | $50,000 |

## SPECIFIC CONDITIONS APPLICABLE TO SECTION 7 PART A

In addition to the General Conditions applying to all Sections, the following conditions apply to Section 7 Part A:

1. All taxation and other returns must be submitted within the time limits prescribed by all relevant statutes and legislation or if an extension is granted within the further period granted.
2. All taxes must be paid by the due date or within any extension granted.
3. You must make full and complete disclosure of all assessable income (including capital gains) as required by any relevant legislation.
4. Upon becoming notified of an Audit or impending Audit, you must promptly inform Us in writing.
5. Obtain written approval from Us (which will not be unreasonably withheld) before engaging a professional adviser, other than your accountant, and notify Us of all Professional Fees Your accountant proposes to charge.
6. 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.

## SPECIFIC EXCLUSIONS APPLICABLE TO SECTION 7 PARTS B AND C:

In addition to the general exclusions applying to all Sections, under Section 7 Parts B and C We will not pay claims relating to:

1. A conflict of Your duty or a conflict of Your interest;
2. Any matter arising out of any insurance cover required by legislation;
3. Any matter where insurance cover is separately available to You within this Policy;
4. Circumstances that You knew of prior to the inception of this Policy, or a reasonable person in the circumstances could be expected to know, to be circumstances that may give rise to a Claim against You;
5. Any proceedings brought by Us;
6. Anything which arises from a deliberate act including a deliberate act of fraud or dishonesty that You or anyone acting for You did;
7. Costs and expenses that You have not sought Our consent (which will not be unreasonable withheld) prior to them being incurred;
8. Legal proceedings relation to defamation, slander or libel;
9. Defending legal proceedings without obtaining Our prior written consent or in a different way from that advised to Your authorised legal representative;
10. Penalties, fines, compensation or awards of aggravated, exemplary or punitive damages made against You, other than legal costs and expenses;
11. Proceedings brought by You or on Your behalf;
12. Improvement or prohibition notices or proceedings or any other circumstances which may lead to a proceeding of which You were aware before the Policy Period or ought reasonably to have been aware of;
13. Improvement or prohibition notices or proceedings that You have not advised Us of as soon as reasonably practicable during the Policy Period.

## SPECIFIC EXCLUSIONS APPLICABLE TO SECTION 7 PART A:

In addition to the general exclusions applying to all Sections, under Section 7 Part A We will not pay for Professional Fees:

1. If prior to the commencement of the Policy Period You, or any person acting on Your behalf:
   a. received any notice of a proposed Audit; or
   b. Had information that an Audit was likely to take place; or
   c. Had information that would indicate to a reasonable person that an Audit was likely to take place.
2. If a return, or a document required to be lodged in relation to an Audit, has not been lodged with the relevant authority:
   a. At all;
   b. Properly; or
   c. By the due date.
3. For any Audit that is conducted specifically for the purposes of determining if a fine, penalty or prosecution should be imposed in connection with:
   a. Any act or omission by You; or
   b. Any failure, act or omission arising from or in connection with Your statutory obligations.
4. Charged by someone other than a Professional Adviser unless We have given prior written consent which will not be unreasonably withheld.
5. Relating to the Audit of Your taxation and financial affairs unless the return is first lodged:
   a. during the Policy Period; or
   b. not more than twelve (12) months prior to Policy Period; or
   c. relates to a return for a financial year not more than three (3) years prior to the date You receive notification of an Audit and that is received during the Policy Period.
6. 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.
7. If You breach any conditions in this Policy, including a failure to comply with any requirement imposed by any relevant legislation or a failure to comply with the conditions set out in Section 9 and throughout this Policy.

## SPECIFIC EXCLUSIONS APPLICABLE TO ALL PARTS OF SECTION 7:

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

1. Any fines, penalties, interest or adjustment of tax, additional tax, duty, government impost or similar charges;
2. Any review pertaining to You maintaining any industry status, licence, membership or compliance with any employee related legislation or regulations;
3. The gathering of data or information by any government, statutory body, authority or agency that is not directly part of an Audit.

# SECTION 8: CYBER

## COVER

We will cover You, up to the Limit of Liability shown in the Schedule for Section 8 against:

1. loss of Funds as a result of Cyber Crime; and
2. Defence Costs incurred as a result of a Data Breach

where such Cyber Crime or Data Breach first occurs during the Policy Period and which is discovered no more than twelve (12) months of the expiry of the Policy Period.

The Cyber Incident exclusion shall not apply to this section.

## SPECIFIC DEFINITIONS APPLICABLE TO SECTION 8

The meaning of some of the important words and terms used in Section 8 only are shown below.

**Cyber Crime means**

Fraudulent misappropriation of Funds by any person acting without any participation or knowledge on Your part from Social Engineering Fraud, phishing, phreaking or other forms of cyber fraud.

**Data Breach means**

The unauthorised access to, deletion, modification or disclosure of Personal Information in Your care, custody or control and for which You are legally responsible.

**Defence Costs means**

Legal costs and disbursements and related expenses incurred by You with Our prior written consent (which will not be unreasonably withheld) in the investigation, defence, monitoring, or settlement of any claim relating to a Data Breach.

However defence costs does not include:

1. Any internal or overhead expenses incurred by You or the Body Corporate;
2. Any cost of Your time or that of any Officer in investigating, defending or settling any Claim; or
3. Any salaries or remuneration of any Officer or of any employee or agent of the Body Corporate.

**Funds means**

Money, securities, negotiable instruments or other tangible property received by You to be allocated to or set aside for the management of Insured Property. Funds do not include personal Money, securities, negotiable instruments or other tangible property of Unit Owners.

**Personal Information means**

The personal information of past and present Unit Owners or their tenants held digitally.

**Social Engineering Fraud means**

Impersonation by digital media (including but not limited to email and social media) of:

1. an Officer, employee or agent of the Body Corporate
2. an occupier of a Unit or Unit Owner
3. a party with which the Body Corporate has a written contract for the sale or purchase of goods or services

by a Third Party to manipulate an Officer to issue an instruction to a financial institution to debit, pay, deliver or transfer Funds to that Third Party or another person or entity.

**Third Party means**

A person or persons who are not an Officer, agent or strata manager of the Body Corporate.

**You, Your and Yours means**

The Body Corporate.

## SPECIFIC CONDITIONS APPLICABLE TO SECTION 8

In addition to the General Conditions applying to all Sections, the following conditions apply to Section 8:

1. It is a condition of cover that prior to transferring funds You validate any new or amended bank details by telephone with a known contact at the transferee;
2. You must give Us written notice as soon as reasonably practicable of the discovery of any conduct that is fraudulent or dishonest by any person with access to or control of Your Funds or any lack of integrity by such person whether giving rise to a claim or not;
3. On discovering a loss or circumstances likely to give rise to a loss covered by Section 8, You must, at Your own expense:
    a. As soon as reasonably practicable give written notice to Us;
    b. As soon as reasonably practicable give written notice to the police;
    c. Within 28 days of discovering a loss or circumstances likely to give rise to a loss covered by Section 8, provide to Us a written statement containing details of the cause, description and amount of the loss and any other information that We may reasonably require;
    d. Complete any claim form or sworn proof of loss that We may require;
    e. Provide full assistance and cooperation to Us in investigating the loss; and
    f. Take all reasonable steps to obtain recovery of the loss and prevent any further loss.

## SPECIFIC EXCLUSIONS APPLICABLE TO SECTION 8

In addition to the general exclusions applying to all Sections, under Section 8 We will not be liable for any claim:

1. Resulting directly or indirectly from a failure to follow Specific Condition 1 to Section 8;
2. Covered under any other section of this policy;
3. Resulting from an act, error or omission of Your strata manager or similar agent;
4. Resulting from the loss or unauthorised access to, modification or disclosure of Personal Information in the care, custody or control of Your strata manager or similar agent;
5. Unless You have previously exhausted Your rights and entitlements under any other fidelity bond or fund, whether of a statutory nature or not;

6. Connected with any further Cyber Crime or Data Breach committed after the initial discovery of loss;
7. arising out of a Cyber Crime or Data Breach committed prior to the Policy Period;
8. for consequential loss;
9. arising out of the conduct of any person if You have any prior knowledge of any prior act of fraud or dishonesty by that person;
10. where proof of the existence or amount of loss depends on any comparison of inventory records with a physical count or a profit and loss computation, except that this exclusion will not apply to the extent that You are able to prove the amount of the loss through other evidence unrelated to comparison or computation;
11. arising from a failure to make payment or of default under a loan or other credit transaction.