



Strata Insurance
Product Disclosure Statement



Hollard
select

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select

This Product Disclosure Statement (PDS) and policy wording was prepared on 15 October 2018 and tells you about Strata Insurance.

Any advice provided is general only and does not take into account your individual circumstances. You should carefully read this document and any other documentation we send you and keep them in a safe place for future reference.

We may need to update this PDS from time to time if certain changes occur, where required and permitted by law. We will issue you with a new PDS or a Supplementary PDS or other compliant document to update the relevant information except in limited cases. Where the information is not something that would be materially adverse from the point of view of a reasonable person considering whether to buy this insurance, we may issue you with notice of this information in other forms or keep an internal record of such changes (you can get a paper copy free of charge by calling us).

Digital Product Disclosure Statement

This Strata Insurance will be issued as a digital only product from 1 May 2019. Until this date you will be able to obtain a hard copy of the Product Disclosure Statement by contacting your broker.

Commencing 1 May 2019, we will only provide the Product Disclosure Statement and all other product documentation in electronic form. You can also obtain an electronic copy of the Product Disclosure Statement and any other important information about the product, by contacting your broker.

After you purchase this product, if you require replacement copies of your documents, we will either send you, or your broker, digital copies, or provide you, or your broker with a link to access digital copies. The digital copies will be in a form that can be downloaded, saved and printed. By purchasing this product, you agree to receive all information, documents and notices in digital form and you acknowledge that you must make every effort to inform us of any changes to your contact details.

Hollard is your insurer

Strata Insurance is underwritten by The Hollard Insurance Company Pty Ltd (Hollard), ABN 78 090 584 473, AFSL 241436. Strata Insurance policies are issued by Hollard Commercial Insurance Pty Ltd (ABN 86 603 039 023, AFSL 474540) (HCl) acting under a binding authority from Hollard. In all aspects of arranging the Policy, HCl acts as an agent for Hollard and not for You. For more information, please refer to the HCl Financial Services Guide (FSG) available at www.hollardcommercial.com.au.

Level 12, 465 Victoria Ave, Chatswood NSW 2067

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Mailing address: Locked Bag 2010, St Leonards NSW 1590

Hollard Select is a trading name of Hollard Commercial Insurance Pty Ltd.

www.hollardcommercial.com.au

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ABOUT HOLLARD

Hollard's unique business model and partnership philosophy have quickly established Hollard as the partner of choice for many of Australia's leading underwriting agencies and independent insurance brokers, financial institutions and retailers.

Hollard is authorised by the Australian Prudential Regulation Authority (APRA) and holds an Australian Financial Services Licence issued by the Australian Securities and Investment Commission.

ABOUT HOLLARD COMMERCIAL INSURANCE

Hollard Commercial Insurance Pty Ltd (ABN 86 603 039 023, AFSL 474540) (HCl) acts under a binding authority given to it by Hollard to administer and issue policies, alterations, renewals and claims. In all aspects of arranging the Policy, HCl acts as an agent for Hollard and not for You. HCl may charge a fee, which will be set out in your Insurance Certificate. For more information please refer to the HCl Financial Services Guide (FSG) available at www.hollardcommercial.com.au.

IMPORTANT INFORMATION

Important documents

This is your policy document and it consists of:

1. this printed policy which sets out details of what is and what is not covered by this policy;
2. the Insurance Certificate we provide with details of:
 - who is insured;
 - the cover(s) selected;
 - the period of insurance;
 - the respective sums insured and/or limits of liability; and
 - excesses and other important information.

You should ensure that you read these documents carefully and keep them in a safe place. If you have any questions regarding the policy or Insurance Certificate, please contact your insurance broker.

Words with special meaning

Some words used in this policy have special meaning. Where the meaning of the word applies to a single section, that meaning will appear at the start of that section. A list of words which have the same meaning throughout the document appears at the beginning of the policy.

Who is insured under this policy

The persons or organisations that are covered by this policy are shown on the Insurance Certificate. In this policy, those persons or organisations are referred to as 'you' or 'your'. We will extend the policy to cover other persons or organisations requiring cover under this policy if you have advised us of them, and we have named them on the Insurance Certificate. All persons or organisations covered by the policy have to comply with the terms of the policy. We may refuse to pay a claim or reduce the amount we pay if you or any person covered by the policy does not comply with the terms of this policy.

Your cooling off rights

You can cancel your policy within 14 days of the commencement or renewal of cover. The commencement or renewal date of your cover is stated on your Insurance Certificate. If we receive your written request to cancel this policy within the 14 day period, we will cancel the policy effective from the commencement date, and give you a full refund (less any taxes, duties or commissions payable that we are unable to refund). You cannot use this right where, before the 14 day period ends, you have exercised any of your rights or powers under the policy (e.g. you have made a claim). After the cooling off period ends, you still have cancellation rights under the policy. These rights are documented under 'General conditions that apply to every section of the policy'.

Your premium

Your premium is calculated when your policy begins and at each policy renewal. Your Insurance Certificate provides details of your premium and when we calculate that premium we consider the type of cover requested by you and the various risks involved in providing that cover. Your premium also includes allowances for government taxes and stamp duty relating to your policy which will be shown on your Insurance Certificate.

Evidence of value

Please retain receipts of purchase or proof of the value of all property insured by this policy so that you can prove the amount of any loss if you have to claim under this policy.

Privacy of your personal information

We recognise that your privacy is very important to you. We are committed to protecting the privacy and security of your personal information in accordance with the Privacy Act, 1988. We generally collect personal information directly from you, or from someone authorised by you, in order to provide and administer the various products and services we offer, including marketing information regarding other products and services (of Ours or a third party). If we are unable to collect your personal information, we may not be able to assess your application or offer to issue the financial product or service to you. We may disclose your personal information to related parties, services providers and other third parties, including disclosure overseas (this can change from time to time and you should contact us for details and to see if this applies to you), in order to manage and administer the financial product or service or for other purposes as explained in Our Privacy Policy. You may reasonably obtain access to and ask us to correct your personal information that we hold. Our Privacy Policies can be viewed on our websites www.hollard.com.au and www.hollardcommercial.com.au or a copy can be requested by phoning **02 9253 6600** and **1300 143 536**.

Financial Claims Scheme

The Financial Claims Scheme (FCS) is an Australian Government scheme that provides protection to policyholders with general insurers in the unlikely event that an insurer fails. The FCS can only come into effect if it is activated by the Australian Government when an insurer fails. Once activated, the FCS will be administered by the Australian Prudential Regulation Authority (APRA).

The objectives of the FCS include the protection of policyholders of general insurers from potential loss due to the failure of an insurer. Hollard is an insurance company authorised under the Insurance Act 1973 (Insurance Act) to carry on general insurance business in Australia by APRA and is subject to the prudential requirements of the Insurance Act.

Information about the Financial Claims Scheme can be obtained from the APRA website at www.fcs.gov.au or the APRA hotline on 1300 558 849. If the Financial Claims Scheme is activated by the Australian Government, most claims made against a general insurer by their policyholders or people with valid claims against the insurer, are covered up to \$5,000. Claims above \$5,000 are also covered under the FCS for eligible policyholders and certain third parties.

Hollard is exempted from the requirement to meet the compensation arrangements Australian financial services licensees must have in place to compensate retail clients for loss or damage suffered because of breaches by the licensee or its representatives of Chapter 7 of the Corporations Act. Hollard has compensation arrangements in place that are in accordance with the Insurance Act.

General Insurance Code of Practice

The Insurance Council of Australia Limited has developed the General Insurance Code of Practice, which is a self-regulatory code for use by all insurers. The Code aims to raise the standards of practice and service in the insurance industry. We are a signatory to the Code.

You can obtain a copy of the Code from the Insurance Council of Australia website www.insurancecouncil.com.au or by phoning **02 9253 5100**.

The Dispute Resolution Process

We welcome every opportunity to resolve any concerns you may have with our products or service. In the first instance contact your insurance broker.

If your concern is still not resolved to your satisfaction please write to our Internal Dispute Resolution Committee at:

The Hollard Insurance Company Pty Ltd
Internal Dispute Resolution Committee
Locked Bag 2010
St Leonards NSW 1590

Or email resolution@hollard.com.au or call **02 9253 6600**.

Your concern will be investigated by an officer with full authority to deal with the issue and you will be informed of the outcome within fifteen working days of receiving your concern.

If your concern still remains unresolved to your satisfaction or has not been resolved within 45 days, you may refer the matter to the Australian Financial Complaints Authority (AFCA) subject to its Rules, which acts as the external dispute resolution scheme for all financial firms. AFCA is an independent body, established by the Federal Government and its service is free to you. AFCA can be contacted via:

post GPO Box 3, Melbourne, Victoria 3001
web www.afca.org.au
email info@afca.org.au
phone 1800 931 678

A decision of AFCA is binding on us (up to specified jurisdiction limits). A decision of AFCA is not binding on you and you have the right to seek further legal assistance.

POLICY CONDITIONS

You must abide by all conditions of this policy and we draw your special attention to those detailed below, and the conditions applicable to the making of a claim. If you do not comply with the policy conditions we may reduce or refuse to pay a claim and cancel your policy to the extent permitted by law.

Your duty of disclosure

Before you enter into an insurance contract, you have a duty of disclosure under the Insurance Contracts Act 1984.

It is your responsibility to tell us anything that you know, or could reasonably be expected to know, may affect our decision to insure you and on what terms.

You have this duty until we agree to insure you.

You have the same duty before you renew, extend, vary or reinstate an insurance contract.

You do not need to tell us anything that:

- reduces the risk we insure you for; or
- is common knowledge; or
- we know or should know as an insurer; or
- we waive your duty to tell us about.

If you do not tell us something

If you do not tell us anything you are required to, we may cancel your contract or reduce the amount we will pay you if you make a claim, or both.

If your failure to tell us is fraudulent, we may refuse to pay a claim and treat the contract as if it never existed.

Precautions

You must take all reasonable precautions for the care, safety, protection and maintenance of your property and comply with all statutory obligations, by-laws and regulations imposed by any public authority. If you do not comply with this condition, and loss or liability is caused, we may reduce the amount we pay you.

Preventing our right of recovery

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

Paying your premium

Your policy will not operate until you have paid your premium. The premium is payable when you take out a new policy and when you renew your policy. If you make changes to your policy you may need to pay an additional premium or you may be entitled to a refund. If your premium payment is dishonoured by your financial institution, this policy will not operate and you will not be covered in the event of a claim.

OUR AGREEMENT

We agree to provide you with the cover set out in each of the policy sections which you have selected and that are listed on your Insurance Certificate. This cover is in force for the period of insurance set out on your Insurance Certificate. We will cover you for loss, damage and/or liability occurring during the period of insurance, subject to the terms and conditions of the policy. We will not pay any more than the sum insured or limit of liability for each section shown on your Insurance Certificate unless otherwise stated. If any loss or damage sustained in an incident leads to a claim under more than one section of this policy, you will only have to pay one excess. However that excess will be the highest of the excesses applicable under the sections involved in the claim.

WORDS WITH SPECIAL MEANING

Where the words listed below are used in this document, they have the following meaning. If a word is defined in a section of the policy the definition contained in that section applies for that section only.

acts(s) of terrorism includes any act which may or may not involve the use of, or threat of, force or violence where the purpose of the act is to further a political, religious, ideological aim or to intimidate or influence a government (whether lawfully constituted or not) or any section of the public.

aircraft means any vessel, craft or thing, including unmanned aerial vehicles (UAV) other than model aircraft, made or intended to fly or move in or through the atmosphere or space.

common area means any area at the location that is not a lot/unit.

excess means the amount shown on your Insurance Certificate that is payable by you on each and every claim arising out of one event or occurrence under that policy section. If more than one excess is payable under this policy for any claim or series of claims arising from the one event, the excesses will not be aggregated and the highest single level of excess only will apply.

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

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

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

indemnity value means the cost to rebuild, repair or replace the property insured to a condition equal to but not better or more extensive than its condition at the time of loss or damage and taking into consideration age, wear, tear, depreciation and remaining useful life.

Insurance Certificate means the current insurance certificate which has been numbered and issued by or on behalf of us.

location/s means the place(s) listed on your Insurance Certificate.

lot/unit owners contents means personal effects, furniture, appliances, electronic equipment, floating floors, carpets, rugs and any other items owned by a lot/unit owner.

lot/unit owners fixtures and improvements means any item or structure installed by a lot/unit owner for their exclusive use and which is permanently attached or fixed to the building so as to become legally part of the building, including any improvements made to an existing fixture.

lot/unit owner means a person, persons or others registered as a proprietor or owner of an estate in a unit in terms of the Strata Titles Act, Community Titles Act or similar legislation applying at your location.

machinery means all plant and machinery which is;

- a. permanently fixed at the location;
- b. mechanical, electrical and electronic tools and equipment;
- c. accessories, equipment and spare parts used with machinery.

Machinery does not include vehicles or machinery towed by or attached to vehicles other than those used for lifting and carrying materials at the location.

market value means the retail value of items of a similar type, age and condition, with adjustment for its special features, if any. Used price guides and any other information may be used by us to assist in determining market value.

period of insurance means the duration of this policy for the period shown on your current Insurance Certificate, or any renewal period for which the appropriate premiums are paid in each case. Unless otherwise stated the period of insurance commences and ends at 4pm on the days stated as the period of insurance on the Insurance Certificate.

policy means this policy together with the Insurance Certificate and any applicable endorsements.

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

rainwater means rain falling naturally from the sky including rainwater runoff over the surface of the land.

records and documents means written, printed, filmed or taped records (including computer records), deeds, plans or drawings or documents of any other type which are:

- a. used in the business; and
- b. are in a building at the location; and
- c. are owned by you or are in your custody in the ordinary course of the business.

rent means payment for the use of land, buildings, common area or a lot/unit, including any outgoings payable by the tenant or lessee.

sea means oceans, bays, ports or tidal waters.

strata manager means a person or company and its employees with delegated functions, appointed by the body corporate in writing, to manage and administer the affairs of the body corporate.

strata titles legislation means any strata titles act, strata schemes management act, community titles act or similar legislation in the state or territory where the property insured is located.

temporary accommodation means, as regards any lot/unit occupied by the lot owner, an amount of money calculated on the basis of the annual rentable value (including any outgoings that would have been payable by a tenant or lessee) that would have applied immediately prior to the happening of loss or damage.

tsunami means a sea wave caused by a disturbance of the ocean floor or by seismic disturbance.

vehicle means any type of machine on wheels or self laid tracks made or intended to be propelled by other than manual or animal power and any trailer or other attachment made or intended to be drawn by any such machine.

voluntary worker(s) means a person engaged solely in work or duties on your behalf without promise or reward of remuneration, other than an honorarium for duties associated with the position of an office holder. This definition specifically excludes your employees, contractors or any person who receives reward or remuneration for their services, other than provided herein.

watercraft means any vessel, craft or thing made or intended to float on or in or travel on or through or under water, or any vessel, craft or device intended to travel on or through the ground or water on a cushion of air provided by a downward blast of air.

we, us or our means The Hollard Insurance Company Pty Ltd (Hollard) (ABN 78 090 584 473) (AFSL 241436) and/or Hollard Commercial Insurance Pty Ltd (HCl) (ABN 86 603 039 023) (AFSL 474540) as the context requires.

you/your/insured means:

In respect of the 'Building and common contents' section:

- the body corporate, corporation, owners' corporation, plan or company named on the Insurance Certificate including, but limited to, the interest of proprietors, members, owners or shareholders which includes the committee however named.

In respect of the 'Property owners legal liability' section:

- the body corporate, corporation, owners' corporation, plan or company named on the Insurance Certificate including the committee however named, but limited to:
 - a. the interest of proprietors, members, owners or shareholders;
 - b. voluntary workers, including fire wardens, whilst engaged solely in work or duties on behalf of the body corporate, corporation, owners corporation, plan or company named on the Insurance Certificate.

In respect of the 'Office bearer's liability' section:

- the past, present or future office bearer(s) and/or committee members of the body corporate, corporation, owners' corporation, plan or directors of the company, however named, including those person's:
 - a. estate, heirs, legal representative or assigns;
 - b. legal representative or assigns if he/she is incompetent, insolvent or bankrupt; but does not include any strata manager or professionally contracted person(s), firm or company when acting in a professional capacity.

In respect of all other sections:

- the body corporate, corporation, owners' corporation, plan or company named on the Insurance Certificate.

Some other words have special meanings and these are explained where they occur in the policy.

BUILDING AND COMMON CONTENTS

1. Words with special meaning in this section

building(s) means building(s) at the location including:

- outbuildings, fixtures, fittings and structural improvements including fencing, retaining or freestanding walls, saunas, in-ground swimming pools and spas;
- services (whether underground or not) that are your property or which you are liable to repair or replace or to pay the cost of repair or replacement;
- tennis courts with synthetic surfaces;
- satellite dishes and radio and television antennas and their associated wirings, masts, footings, foundations, moorings and towers;
- swimming platforms, wharves, jetties, pontoons, docks or marinas provided that they are not used for commercial purposes or to provide fuel distribution facilities;
- fixed coverings to walls, floors and ceilings. This does not include fixed carpets, curtains or internal blinds;
- any item built in, or fixed to, or on, the building;
- blinds or awnings on the outside of the building;
- anything permanently built, constructed or installed on your property;
- floating floors and any other items, where defined as buildings by the relevant strata titles legislation in the state or territory where the building is located;
- paint, wallpaper and other temporary wall and ceiling coverings within residential lots/units where defined as buildings by the relevant strata titles legislation in the state or territory where the building is located;
- property that you own or have legal responsibility for:
 - at, in or adjacent to your location; or
 - temporarily removed elsewhere in Australia including transit to and from the location.

What are not your building(s):

- fixtures removable by a lessee or tenant at the end of a lease;
- any property that a tenant is liable for under the terms of a rental agreement;
- items that are not defined as buildings by the relevant strata titles legislation in the state or territory where the building is located;
- mobile or fixed air-conditioning units servicing any individual lot/unit in Queensland;

- lot/unit owners contents or any other goods, plant, machinery or equipment owned by a lot/unit owner.

common contents means property in common areas or whilst temporarily removed elsewhere in Australia including transit to and from the location; which you own or for which you are legally responsible and includes:

- furniture and furnishings;
- carpets and floor rugs;
- light fittings, household goods, fire extinguishers, internal blinds and curtains;
- built-in or portable domestic appliances;
- swimming pools and spas that are not in-ground;
- swimming pool and spa covers and accessories;
- wheelchairs;
- domestic garden maintenance equipment including garden appliances not required to be registered;
- vehicles including golf carts, golf buggies or similar, that are not required to be registered;
- any additional items listed in the Insurance Certificate that we agree to cover.

common contents does not mean:

- unfixed building materials and uninstalled fixtures;
- plants, trees and shrubs, ground covering of any sort, soil, bark or mulch in gardens other than as covered by Additional benefit 3.6 'Trees, shrubs, plants, lawns and rockwork';
- money other than as covered by Further Additional benefit 5.2 'Money';
- lot/unit owners contents or any other goods, plant, machinery or equipment owned by a lot/unit owner;
- vehicles, caravans and trailers except for the garden maintenance equipment and vehicles listed above, watercraft, aircraft and aerial devices and their accessories or spare part whether fitted or not;
- livestock, animals, birds or fish;
- property you are not required to insure under the terms of any relevant strata titles legislation in the state or territory where the building is located.

2. What we cover

When you insure your building and/or your common contents under this policy, you will be covered for sudden and unexpected accidental loss or damage that occurs during the period of insurance and at the location up to the amount shown on your Insurance Certificate.

There is no cover under the policy in respect of any of the matters set out in Part 7 of this section 'What we do not cover' or the 'General exclusions that apply to every section of the policy' on page 29.

3. Additional benefits

If we accept and pay a claim for loss or damage to your building and/or common contents the following Additional benefits will be paid in addition to the sum insured.

The most we will pay in total for '3. Additional benefits' 3.1 to 3.5 and '5. Further additional benefits' 5.1 to 5.14 is 15% of the Building and common contents sum insured.

3.1 Temporary accommodation

We will pay to the lot/unit owner, an amount for the reasonable costs incurred if an owner occupied lot/unit is either uninhabitable or unfit for its intended purpose, or access to the building has been prevented. The most we will pay is equal to the amount that the lot/unit could have been rented for.

We will pay this amount until the lot/unit becomes fit for occupation or until access to the building has been re-established.

3.2 Loss of rent receivable

If a lot/unit or common area that is rented or would have been rented (and you can verify this by way of lease or rental agreement), becomes either uninhabitable, unfit for its intended purpose or access to the building is prevented, we will pay:

- to the lot/unit owner, an amount equal to the rent that the lot/unit owner was receiving;
- to you, an amount equal to the rent that you were receiving for habitation of any common area.

The amount payable for this benefit will be based on the actual monthly rent received immediately prior to the loss or the amount that would have been received if unoccupied but a lease or rental agreement has been signed. We will pay this amount until the lot/unit or common area is re-let once it is fit for occupation provided that all reasonable actions to obtain a new tenant have been taken or in the case of prevention of access, until access to the building has been re-established.

3.3 Reletting Costs

We will pay the lot/unit owner reasonable and necessary reletting costs up to \$1,500 per event in situations where a tenant indicates that they will not reoccupy the lot/unit when it becomes fit for occupation following an insured incident.

3.4 Maintenance fees

We will pay to you maintenance fees and levies owed to you by lot/unit owners during any period where a lot/unit is uninhabitable or unfit for its intended use. We only pay this if you have exhausted all practical measures to collect the maintenance fees or levies. We also reserve our right of subrogation to collect the outstanding fees or levies from the lot/unit owner.

3.5 Removal and storage costs of lot/unit owners' contents

We will pay the reasonable and necessary costs incurred in the removal, storage, return and insurance of lot/unit owners' contents from the time of loss, up until when the building(s) is deemed habitable. We only pay this benefit in situations where a lot/unit becomes uninhabitable or unfit for its intended purpose.

3.6 Trees, shrubs, plants, lawns and rockwork

We will pay to you the cost necessarily incurred by you:

- in replacing or repairing any trees, shrubs, plants, lawns and rockwork at your location that have suffered loss or damage up to a limit of \$10,000 per event;
- for the professional removal and disposal of your fallen trees and/or branches including the stumps and or roots of these trees provided they have caused insured damage to the building or common contents up to a limit of \$20,000 per event.

3.7 Removal and storage costs of common contents

We will pay to you the reasonable costs, necessarily incurred in the removal, storage, and return of undamaged common contents, from the time of loss up until when the building(s) is deemed habitable or fit for its intended purpose.

3.8 Arson reward

We will pay a reward for information, which leads to the conviction of any arsonist in connection with any incident, covered by this section of the policy. We only pay this reward if we have received Police consent and we will only pay up to \$10,000 per event, irrespective of the number of people providing information.

3.9 Personal property

We will pay you for loss or damage to personal property owned by others (including your employees) that has sustained loss or damage.

We only pay this benefit if the personal property is in your care, custody or control or you have assumed legal responsibility for the property. We will pay the market value of the lost or damaged property up to a maximum of \$10,000 per event.

3.10 Mortgage discharge

We will pay the reasonable legal costs you incur in discharging a mortgage or mortgages on the property insured where the property insured is a total loss (whether actual or constructive).

3.11 Additional utility charges

We will pay up to \$2,000 for any additional utility charges incurred by you following loss or damage to insured property.

3.12 Exploratory costs

We will pay the reasonable costs associated with identifying and locating the source of damage, where the damage is caused by the escape of liquid from fixed apparatus, fixed appliances, fixed pipes or other systems used to hold or carry liquid of any kind.

We will also pay for the reasonable costs of:

- repairing any damage caused by us in locating the source of the escaping liquid;
- repairing or replacing damaged or defective parts of any fixed apparatus, fixed appliances, fixed pipes or other systems up to a limit of \$1,000;
- clean up of pollution or contamination at the location caused by the escape of liquid from any fixed apparatus, fixed appliances, fixed pipes or other system up to a limit of \$1,000.

This benefit is only paid if the liquid that has escaped has caused actual damage to insured property.

3.13 Alterations and additions

If you make alterations or additions to the property insured during the period of insurance, we will pay for loss or damage to those alterations or additions that occur during the construction period. We will not pay for loss or damage:

- if the total contract value of all work to be carried out in the alterations or additions exceeds \$250,000;
- if you have entered into a contract with a third party in relation to the alterations or additions which requires that third party to effect contract works or similar insurance to cover material damage and liability risks.

Once alterations are completed we will pay up to \$500,000 for loss or damage to the completed works, provided that you notify us within 60 days of the completion of such alterations or additions and pay any additional premium due.

3.14 Catastrophe cover

If your Insurance Certificate indicates that you have Catastrophe cover and your building is lost or damaged as a result of an event for which the Insurance Council of Australia has issued a catastrophe code, we will increase the sum insured for your building by the percentage amount shown on your Insurance Certificate.

Provided the additional amount for Catastrophe cover is not totally used for a claim; if payable, we will also increase the total amount we will pay under the Additional benefits for Temporary accommodation, Loss of rent receivable, Removal and storage costs of common contents and of lot/unit owners' contents by the percentage amount shown on your Insurance Certificate for Catastrophe cover.

No amount will be paid under this benefit until such time as the sum insured on your Building and common contents section has been totally exhausted.

If you do not reinstate your Buildings and common contents section, no amount will be paid under this benefit.

3.15 Emergency accommodation

We will pay to lot/unit owners the reasonable and necessary costs incurred for emergency accommodation if a lot/unit occupied solely for residential purposes by the lot/unit owner is unable to be occupied because of loss or damage to property insured or access to the building being prevented. The most we will pay under this benefit is \$2,000 per lot/unit per event.

3.16 Increase sum insured by CPI

If you have a claim under this section we will increase the sum insured by the amount that the consumer price index (all groups) has increased since you took out the policy or last renewed it.

3.17 Temporary accommodation for pets and security dogs

We will pay to lot/unit owners the reasonable costs incurred for temporary accommodation of a lot/unit owner's domestic pets in a residential property or security dogs in a commercial property if the lot/unit cannot be occupied and any temporary accommodation utilised by the lot/unit owner does not allow pets.

The most we will pay is \$1,000 per lot/unit per event and this is only paid if the lot/unit is owner occupied.

3.18 Modification expenses

We will pay to residential lot/unit owners who occupy their lot/unit, the reasonable and necessary costs to modify their lot/unit to assist with mobility if the lot/unit owner or their family who reside with them becomes paraplegic or quadriplegic as a result of an insured incident involving loss or damage to insured property. The most we will pay is \$50,000 per lot/unit per event and this benefit only applies if a medical practitioner certifies that the lot/unit owner is a paraplegic or quadriplegic.

3.19 Meeting facilities

We will pay the reasonable costs of hiring a meeting room for committee and annual general meetings following insured loss or damage to your meeting facilities at your location.

We will pay this until the meeting facilities at your location can be occupied again. The most we will pay under this additional benefit is \$5,000 in any one period of insurance.

3.20 Travel costs

We will pay to a lot/unit owner who has leased out their lot/unit the reasonable travel costs incurred by them, in the course of consulting with our representatives, limited to \$250 per lot/unit.

We will only pay these costs if we have agreed to do so in writing.

3.21 Environmental benefit

If your buildings incur damage from an insured event for which the repairs would be more than 25% of the sum insured and we have agreed to indemnify you, we will pay up to a maximum of \$25,000 of the cost to you, after deduction of any rebate you are eligible for under any government or council rebate scheme, to install (including all components) any combination of:

- a rainwater tank facility;
- a solar power system;
- a hot water heat exchange system;
- a grey water recycling system.

3.22 Funeral benefit

If a lot/unit owner or a family member who permanently resides with the lot/unit owner dies as a result of an insured event at the location, we will pay up to \$5,000 to the lot/unit owner for funeral expenses.

3.23 Settlement cover

If a purchaser has signed a legal agreement to purchase your property, we will cover their legal interest in the insured property.

3.24 Communication Costs

We will pay the reasonable costs incurred by you in developing and/or managing communications to occupants relating to the reinstatement of your buildings following damage to your insured property covered by this section.

We will only pay these costs where:

- a. the cost of reinstatement of your buildings is more than \$500,000;
- b. damage occurs to more than one lot/unit or common area;
- c. the communication is intended for the exclusive benefit of lot owners and tenants of your buildings; and
- d. we have agreed to these costs in writing before they are incurred.

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

3.25 Lot/unit owners' fixtures and improvements

When the Building and common contents sum insured is exhausted, we will pay up to a maximum of \$1,000,000 or 25% of the combined Building and common contents sum insured, whichever is the lesser, in total to reinstate, repair or replace lot/unit owners' fixtures and improvements that are lost or damaged.

The most we will pay is \$300,000 per lot/unit per event. At our option, we will settle claims under this benefit directly with you or any lot/unit owner.

This benefit does not include loss or damage to floating floors, and where the building is located in Queensland mobile or fixed air-conditioning units servicing an individual lot/unit.

3.26 Prevention of imminent damage

We will pay up to \$100,000 for necessary costs you incur to extinguish a fire on or in the vicinity of your building location that threatens your property. We will also pay for necessary costs to prevent or diminish imminent damage to your insured property by any other insured event.

4. Special Benefits

If we accept and pay a claim for loss or damage to your building and/or common contents the following Special benefits will be paid provided that the sum insured has not already been exhausted.

4.1 Removal of debris

The costs and expenses you reasonably and necessarily incur following loss or damage to insured property for:

- the removal, storage and/or disposal of the debris of property insured or the demolition, dismantling, shoring up, propping, underpinning or other temporary repairs to property insured;
- your legal liability for the costs of removal, storage and/or disposal of debris in relation to premises, roadway, services, railways or waterways of others together with the cost of cleaning provided that liability was not assumed under any agreement entered into by you unless that liability would have attached irrespective of that agreement;
- the demolition and removal of any property insured belonging to you which is no longer useful for the purpose it was intended, provided that the demolition and removal is necessary for the purpose of the reinstatement or replacement of the property insured.

This benefit does not extend to cover any other liability that you may incur as a consequence of pollution of any kind.

4.2 Architect and professionals fees

The reasonable cost of architects, engineers and surveyors including all incidental costs, legal and other fees necessarily incurred in the reinstatement of damage to insured property. There is no cover for costs, fees and salaries for preparing any claims hereunder.

4.3 Temporary protection

Costs reasonably and necessarily incurred by you for temporary protection or safety of property insured pending its repair following loss or damage.

The most we will pay is \$10,000 per event.

4.4 Legal fees

Legal fees necessarily incurred with our written consent in making applications and/or submissions to any government authority or land and environment court following loss or damage to insured property.

4.5 Government fees, contributions or imposts

Any fee, contribution or other impost payable to any government or other statutory authority, where payment of such fee, contribution or impost is required to obtain consent to reinstate any property insured, provided that we will not be liable for payment of any fines and/or penalties imposed upon you by any such authorities.

4.6 Extra costs of reinstatement

We will also pay the extra cost for the reinstatement of the damaged insured property necessarily incurred by you, to comply with the requirements of any statute or regulation or of any municipal or statutory authority, provided that:

1. we will not pay for any additional cost incurred in complying with any requirement which you were required to comply with prior to the damage being sustained;
2. if the cost of reinstatement of the damaged property is less than 50% of the cost of reinstatement that would have been incurred if the property had been totally destroyed, the indemnity under this clause will be limited to the extra cost necessarily incurred in reinstating only the portion damaged or sub limit shown on your Insurance Certificate, whichever is the greater. If a sub limit is not shown on your Insurance Certificate, our liability will be limited to the extra cost necessarily incurred in reinstating the damaged portion only.

4.7 Floor space ratio index (plot ratio)

If buildings are damaged and reinstatement of the damage is limited or restricted by:

- any act of parliament or regulation thereunder;
- any by-law or regulation of any municipal or other statutory authority;

which leads to a reduction of the floor space ratio index (plot ratio) of the location, we will pay in addition to any amount payable on reinstatement of the building the difference between:

- the actual costs incurred in reinstatement of the damage subject to the reduced floor space ratio index (plot ratio);
- the estimated cost of reinstatement at the time of damage had the reduced floor space ratio index (plot ratio) not applied.

Our liability under this benefit combined with the benefits payable under 4.6 'Extra Costs of reinstatement' will not exceed the building sum insured stated on your Insurance Certificate.

4.8 Loss of land value

In the event of the absolute refusal by a government authority to allow the reconstruction of any building following loss or damage, we will pay the difference between the land value before and after the loss or damage. If the government authority allows only partial reconstruction of any building after loss or damage, we will pay the difference between the land value after such reconstruction and the land value before the loss or damage less any sum paid to you by way of compensation by any authority arising out of the action referred to above.

4.9 Floating floors

If your Insurance Certificate indicates that you have selected cover for floating floors, we will cover loss or damage to floating floors in:

- lot/units where the floating floors have been installed by lot/unit owners;
- lot/units and common areas where floating floors are not included in the definition of building by the relevant strata titles legislation.

5. Further additional benefits

The following further additional benefits will be paid in addition to the sum insured.

The most we will pay in total for '3. Additional benefits' 3.1 to 3.5 and '5. Further additional benefits' 5.1 to 5.14 is 15% of the Building and common contents sum insured.

5.1 Unauthorised utility charges

We will pay up to \$2,000 for any additional utility charges incurred by you following unauthorised use.

5.2 Money

We will pay you for loss of money while it is in the personal custody of a committee member or office bearer of the body corporate, or a strata manager while acting on your behalf. This cover only applies to money used in connection with the property insured. The most we will pay is \$25,000 per event however there is no cover for fraudulent misappropriation, larceny or theft or any attempt by:

- any person in your employment; or
- any lot/unit owner or member of their family or any person who usually resides with the lot/unit owner.

5.3 Fire extinguishment costs

We will pay to you the costs and expenses you necessarily and reasonably incur for the purpose of:

- extinguishing a fire at or in the vicinity of property insured or threatening to involve such property; or
- preventing or diminishing imminent damage to property insured, including damage to gain access to firefighting appliances, the cost of replenishment of firefighting appliances and charges incurred for the purpose of shutting off the supply of water or other substance following accidental discharge from any fire protective equipment or otherwise escaping from intended confines.

5.4 Removal of water from basement

We will pay the reasonable costs you incur for the removal of rainwater from your basement following a storm. The most we will pay is \$2,000 per period of insurance however we will not pay this benefit if the water has entered the basement as a result of flood or has been caused by an incident that is excluded.

5.5 Motor burnout

We will pay you the necessary and reasonable costs you incur to repair, reinstate or replace electric motors forming part of the property insured that have burnt out.

We will not pay for loss or damage to:

- motors that exceed 5kw or 6.7hp capacity;
- electrical contacts where arcing or sparking occurs in ordinary working;
- motors that are under warranty or guarantee;
- software or any other parts of electrical appliances;
- lighting or heating elements, fuses or protective devices.

5.6 Illegal occupants

If a lot/unit or is occupied illegally we will pay up to \$1,000 to the lot/unit owner in any one period of insurance for the reasonable legal costs incurred to evict the occupants.

If your location is occupied illegally we will pay up to \$1,000 for the reasonable legal costs incurred to evict the occupants

We will only pay these costs if we have agreed to do so in writing.

5.7 Title deeds

We will pay to you or lot/unit owners, the cost up to a limit of \$5,000 per event, for the preparing and/or rewriting of title deeds pertaining to the property insured, which are lost or damaged in any event which would be claimable under the Building and common contents section of this policy, while the records are anywhere in Australia.

5.8 Removal of illegally deposited rubbish

We will pay up to \$5,000 any one period of Insurance for the reasonable costs and expenses incurred by you with our consent in the clearing and removal of any property illegally deposited at the location.

We will not pay if such a happening is not reported to the appropriate authority such as police or local council within a reasonable time.

You must pay an excess of \$1,000 for each and every claim.

5.9 Removal of wasp nests and bee hives

We will pay up to \$1,000 any one period of insurance for the cost of removing wasp nests or bee hives from the location that present as a danger to residents or the public, provided that you obtain our prior consent.

We will not pay for the cost of removing any nests that existed prior to the inception of the policy.

5.10 Acts of authorities

Reasonable costs for any loss or damage caused by authorities such as police, fire brigade, emergency medical services or other emergency services acting in the lawful course of their duty.

5.11 Rewriting of records

We will pay to you, the cost up to a limit of \$50,000 per event, of preparing and/or rewriting your records, books or accounts and electronic data pertaining to the property insured, which are lost or damaged in an event for which your location is insured. These records are covered whilst anywhere in Australia.

5.12 Replacement locks and keys

We will pay to you up to \$10,000 per event if keys used for common entrance points only are stolen as a consequence of forcible entry to any building or if there are reasonable grounds to believe keys or codes have been duplicated. Our payment is limited to the cost incurred by you in re-keying or re-coding locks or the cost of replacing locks of a similar type and quality if they cannot be re-keyed or re-coded. We will not pay to re-key or re-code locks or for replacement locks if there are reasonable grounds to suggest that the keys or codes have been duplicated by an occupant or former occupant of the building or their family or friends.

5.13 Failure of supply services

If an occupied lot/unit or common area that is rented becomes uninhabitable or unfit for its intended purpose as a result of the failure of electricity, water, gas or sewerage services we will pay to:

- the lot/unit owner, if the lot/unit is rented, an amount equal to the rent that the lot/unit owner was receiving;
- the lot/unit owner, if the lot/unit is owner occupied, an amount equal to the amount that the lot/unit could have been rented for;
- you, an amount equal to the rent that you were receiving for habitation of any common area.

To calculate the amount payable for losses involving a rented unit or common area the rent will be averaged out by using the total rent received in the last 12 months prior to the date of loss, divided by 12 and this will then be applied per month.

We will only pay this amount after the service(s) has failed for more than 24 hours and for a maximum period of 30 days.

There is no benefit payable if the failure involves telephone or television services.

5.14 Infectious or contagious diseases, murder or suicide

Where an occupied lot/unit or common area that is rented becomes uninhabitable or unfit for its intended purpose as a result of murder, suicide or infectious or contagious disease and a government or local authority prohibits occupation of the building or common areas, we will pay to:

- the lot/unit owner, if the lot/unit is rented, an amount equal to the rent that the lot/unit owner was receiving;
- the lot/unit owner, if the lot/unit is owner occupied, an amount equal to the amount that the lot/unit could have been rented for;
- you, an amount equal to the rent that you were receiving for habitation of any common area.

To calculate the amount payable for losses involving a rented unit or common area the rent will be averaged out by using the total rent received in the last 12 months prior to the date of loss, divided by 12 and this will then be applied per month.

We will pay this amount from the time that any government or local authority first prohibits access to the building or common areas, for a maximum period of 30 days.

There is no cover under this additional benefit for losses arising from infectious or contagious disease involving 'Highly Pathogenic Avian Influenza in Humans' or other diseases declared to be quarantinable diseases under the Australian Quarantine Act 1908 and subsequent amendments.

6. Basis of settlement

6.1 Reinstatement or replacement

The basis upon which the amount payable to you is calculated will be the cost of reinstatement of damage to insured property at the time of its reinstatement, subject to the following provisions and subject also to the terms, conditions and limit(s) or sub-limit(s) of liability of the policy.

The work of rebuilding, replacing, repairing, restoring or reinstating must be commenced and carried out within a reasonable time but not more than 6 months after the loss or damage occurred, failing which we will not be liable to make any payment beyond the indemnity value of the property insured at the time it was lost or damaged. You may carry out this work at another site and in any manner suitable to your requirements provided that our liability is not increased. When property insured is damaged in part only, our liability will not exceed the sum representing the cost which we could have been called upon to pay for reinstatement if that property had been totally damaged. We will not pay for the repair or replacement of undamaged property to create a uniform appearance.

We will not make a payment beyond the indemnity value until a sum equal to the cost of reinstatement has actually been incurred. We will not be liable for the cost of reinstatement of any illegal installations.

6.2 Replacement by similar

In those cases where the architectural features and structural materials of the building(s) insured, possess a particularly ornamental, antiquarian or historical character, or the materials are not readily available we will use the nearest equivalent available to the original materials.

6.3 Reinstatement of cover

If we settle a claim for loss or damage to insured property as a result of an incident covered by this section of the policy, the amount by which the sum insured or limits of liability is reduced as a consequence of the loss or damage will be automatically re-instated as from the date of loss provided that:

- there is no written request from you or written notice by us to the contrary; and/or
- the loss or damage is not a total loss, whether actual or constructive.

7. What we do not cover

7.1 We will not be liable for any physical loss or damage caused directly or indirectly to:

- a. money, jewellery, furs, bullion, precious metals or stones, other than the specific cover provided under Additional benefit 5.2 'Money';
- b. property insured resulting from construction, erection, demolition, alteration or addition where the value of such work exceeds \$500,000;
- c. vacant premises undergoing demolition;
- d. carpets resulting from staining, fading or fraying;
- e. the accidental breakage, chipping or lifting of tiles of swimming pools/spas and/or their surrounds;
- f. the building(s) by rainwater or storm water seeping or percolating through walls, roofs or floors or entering as a result of structural defects, faulty design or faulty workmanship in the building(s);
- g. fencing, retaining or freestanding walls or part thereof, that are greater than 15 years old and are not made of metal, stone or brick that are damaged by storm or wind;
- h. swimming pools, spas, septic tanks, water tanks (and other in ground structures or their surrounds) caused by hydrostatic pressure or hydrodynamic pressure.

7.2 We will not be liable in respect of any physical loss, destruction or damage directly or indirectly caused by or arising out of or in consequence of or contributed to by:

- a. any legal liability of any kind other than the cover provided in Special benefit 4.1 'Removal of debris';
- b. consequential financial loss of any kind associated with any commercial or private activity carried out on or reliant on the premises specified on the Insurance Certificate, other than loss of rent as detailed under Additional benefit 3.2, 5.13 and 5.14;
- c. incorrect siting of buildings;
- d. water from, or action by, the sea, tidal wave, and high water, provided that this exclusion will not apply if loss, destruction or damage is directly or indirectly caused by or arising out of a tsunami or earthquake;
- e. erosion, subsidence, earth movement or collapse unless resulting from earthquake or tsunami;
- f. normal settling, seepage, shrinkage or expansion in buildings or foundations, walls, pavements, roads and other structural improvements, creeping, heaving and vibration;
- g. birds, moths, termites or other insects, vermin, mildew, mould, contamination or pollution, change of colour, dampness of atmosphere or other variations in temperature, evaporation, disease, inherent vice or latent defect, loss of weight, change in colour, texture or finish;
- h. wear, tear, fading, gradual corrosion or gradual deterioration, concrete or brick 'cancer', wet or dry rot, rust, oxidation, chipping, scratching or marring, normal upkeep, making good or any developing flaws;
- i. error or omission in design, plan or specification or failure of design;
- j. faulty materials or faulty workmanship;
- k. mechanical, hydraulic, electrical or electronic breakdown, failure malfunction or derangement of any machine or electrical and/or electronic device other than the cover provided by Additional benefit 5.5 'Motor burnout';
- l. kidnapping, bomb threat, threat of contamination, hoax, extortion or any attempt thereat;
- m. any boiler (other than a boiler used for domestic purposes) economiser or other pressure vessel, including pipes, valves and other apparatus thereof in respect of which a certificate is required to be issued under the term of any statute or regulation, occasioned by or arising from explosion, rupture, collapse, bursting, cracking or overheating thereof. This exclusion does not apply to any other property that is damaged as a result of loss, destruction or damage to the aforementioned items;
- n. smut or smoke stains (other than as a result of a fire that is sudden and unforeseen);
- o. demolition ordered by any federal, state or local government or their authorities, or statutory authority as a result of your failure, or the failure of anyone acting on your behalf, to comply with any lawful requirement;

- p. loss or damage to property as a result of it undergoing any process involving the application of heat;
- q. flood;
- r. vibration from, the removal or weakening of, or interference with, the support of land or buildings or any other property, erosion, subsidence, landslide, mudslide, shrinkage or any other earth movement or collapse resulting there from, but this exclusion will not apply if the loss or damage is caused by or arises out of earthquake or seismological disturbance, explosion or physical impact by aircraft;
- s. the invasion of tree or plant roots, but if such invasion blocks your drainage system this exclusion will not apply to any subsequent damage to your building or common contents caused by the escape of water or liquids there from.

8. Special Conditions

8.1 Earthquake and tsunami excess

If we accept a claim for earthquake or tsunami damage the following excesses will apply to any claim:

- Commercial properties will be subject to the lesser of \$20,000 excess or 1% of the sum insured of the property insured at the location.
- Residential properties will be subject to the excess shown on the Insurance Certificate.

8.2 Sprinkler systems

Where any building insured by this policy has an automatic sprinkler system installed which you own or where you are responsible for the operation or maintenance of the automatic sprinkler system, you must:

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

PROPERTY OWNERS LEGAL LIABILITY

1. Words with special meaning in this section

occurrence means an event including continuous or repeated exposure to substantially the same general conditions which results in personal injury or property damage neither expected nor intended to happen by you.

personal injury means:

- bodily injury, sickness or disease sustained by any person including resultant death;
- false arrest, false detention or wrongful imprisonment, malicious prosecution;
- libel, slander;
- wrongful entry or wrongful eviction or other invasion of privacy;
- assault not committed by you or at your direction unless the assault occurred while preventing personal injury or property damage.

property damage means physical damage to, loss or destruction of tangible property including any resultant loss of use of that property, or loss of use of tangible property that has not been physically damaged, lost or destroyed, provided such loss of use is caused by an occurrence.

you or **your** means the body corporate or corporation named on the Insurance Certificate, or if there is no strata title, the person or company named in the current Insurance Certificate and lot/unit owners voluntarily engaged in duties on your behalf.

2. What we cover

We will pay on your behalf all amounts which you become legally liable to pay for compensation for personal injury or property damage, happening during the period of insurance, as the result of an occurrence in connection with:

- your ownership of the property insured, the location, and the services that you provide to and for the lot/unit owners and occupiers of any lot/unit;
- your ownership of any underground or overhead services, roads, footpaths or bridges that form part of the property at the location;
- the hire by any person of sporting or recreational facilities owned by you;
- any social or recreational activities arranged for or on behalf of the lot/unit owners or occupiers of any lot/unit;
- the application of pesticides, herbicides or fertilisers to insured property or common areas at the location;

- your ownership, use, control or possession of garden appliances, wheel chairs and golf buggies or vehicles that do not require registration by any legislation or competent authority;
- your ownership, use, control or possession of any watercraft that is less than 8 metres in length, provided that the watercraft is not and does not require compulsory insurance under the legislation of the state or territory of Australia in which it is being used;
- lot/unit owners fixtures and improvements, but only lot/unit owners fixtures and improvements of a lot/ unit that is occupied solely for residential purposes.

Our liability under the policy for all compensation payable as a result of any occurrence will not exceed the limit of liability shown on the Insurance Certificate. There is no cover under this section of the policy in respect of any of the matters set out in Part 4. ‘What we do not cover’ or the ‘General exclusions that apply to every section of the policy’ on page 29.

3. Legal costs

We will also pay costs and expenses incurred by us or by you with our prior written consent, in the investigation, settlement or defence of any claim for compensation, including a coronial inquest or inquiry into a death, for which you are entitled to indemnity under the policy. We will not be obligated to pay any claim or judgement or to defend any suit after our limit of liability has been exhausted by payment of judgements or settlements.

We will also pay compensation of up to \$300 per day if we require an office bearer, committee member or your body corporate manager/ agent to attend a court as a witness in connection with a claim that we accept.

Our payment of costs and expenses is included in, and is not in addition to, the limit of liability.

4. What we do not cover

4.1 We do not cover liability in respect of personal injury or property damage arising out of:

- a. or in connection with any product, business, profession, trade or manufacturing operations conducted by you or any other person(s) insured other than as the owner of the property insured at the location shown on the Insurance Certificate;
- b. the occupation by tenant(s) of the building(s) or common area(s) including the maintenance, upkeep or housekeeping of the tenant(s) at the location;

- c. the construction, erection, or demolition of building(s) or alteration and/or addition to building(s) insured by the policy, by you or on your behalf other than alterations and/or additions when the value of such work does not exceed \$500,000;
- d. directly or indirectly from vibration, subsidence or from the removal or weakening of or interference with support to land, buildings or any other property;
- e. the terms of any agreement unless such liability would have attached in the absence of such agreement.

This exclusion will not apply to liability assumed:

- under any contract for lease of property;
- by you under any contract or agreement with your strata manager pertaining to your ownership of the property insured, provided that the liability does not arise out of the negligence of your strata manager or the failure of your strata manager to fulfil their duties or obligations under the contract or agreement;
- f. directly or indirectly from explosion of boilers or other vessels under pressure in respect of which a certificate is required to be issued under the terms of any statute or regulation there under;
- g. your ownership, occupation or control of any property or structure used as a landing area for aircraft. The term “landing area” will include any area on which aircraft land, take off, are housed, maintained or operated;
- h. your ownership, custody or use of any vehicle which is registered, or required to be registered by law, or wholly or partly insured by any compensation scheme, or which would have been, but for your failure to register the vehicle or to apply for cover under the scheme or to comply with a term or condition of the scheme.

This exclusion will not apply to personal injury or property damage occurring at the insured location caused by or arising out of the movement of any vehicle which is required to be conditionally registered in accordance with the law of any State or Territory in Australia in the event of your inadvertent and unintentional failure to effect conditional registration;

- i. or in connection with your ownership, possession, maintenance, use or control of any watercraft (exceeding 8 metres in length), aircraft and aerial devices or vehicles;
- j. or in connection with marinas, wharves, jetties, docks, pontoons or similar type facilities (whether fixed or floating) if they are used for either commercial purposes or fuel distribution;
- k. asbestos or any asbestos product;

- I. a breach of the duty you owe in a professional capacity;
- m. an incident occurring outside Australia or claims brought against you in any country outside of Australia;
- n. the publication or utterance of a libel or slander made prior to the commencement of this period of insurance or made by or your direction with the knowledge that such statements are false;
- o. any deliberate or intentional act committed by you or by any person acting with your express or implied consent.

4.2 You are not covered for:

- a. fines or penalties, punitive, exemplary or aggravated damages regardless of any other provisions of this insurance;
- b. any actual or alleged liability caused by or arising directly or indirectly out of or in connection with the molestation of, or physical or psychological interference with, any person;
- c. any actual or alleged liability caused by or arising directly or indirectly out of or in connection with lot/unit owner's fixtures and improvements in any lot/unit that is occupied solely or partly for commercial purposes;
- d. damage to property owned or leased by you or property in your physical and legal control other than damage to:
 - vehicles (not belonging to or used by or on your behalf) in your physical or legal control where the property damage occurs while the vehicles are in a car park owned or operated by you, unless you own or operate the car park for reward where it's annual gross income exceeds \$100,000 or it is operated as the principal part of your business;
 - employee's property;
- e. any claim involving:
 - personal injury or property damage caused by or arising out of the discharge, dispersal, release or escape of pollutants into or upon land, the atmosphere or any watercourse or body of water;
 - costs and expenses incurred in preventing, removing, nullifying or cleaning up pollutants;

This exclusion does not apply to any claim arising from pollution which is consequent upon a sudden, identifiable, unexpected and unintended happening taking place in its entirety at a specific time and place which results in personal injury and/or property damage. Our liability in respect of any one discharge, dispersal, release, escape and for all discharges, dispersals, releases and escape of pollutants during any one period of insurance will not exceed the limit of liability;

- f. claims in respect of any liability imposed by:
 - any worker's compensation law;
 - the provisions of any industrial award, agreement or determination or any contract of employment or workplace agreement where such liability would not have been imposed in the absence of such industrial award, agreement or determination or contract of employment or workplace agreement.

For the purpose of this exclusion 'employee' will mean any person engaged under a contract of service or apprenticeship with you but does not include any person employed under such a contract who is excluded from the definition of worker under any worker's compensation legislation.

5. Special conditions applicable to this section

- a. You must as soon as possible give to us notice in writing of every occurrence, claim, writ, summons, proceeding, impending prosecution and inquest together with all relevant information which may result in a claim under this policy, whether or not you believe any claim amount might fall below the applicable excess.
- b. You must not without our written consent make any admission, offer, promise or payment in connection with any occurrence or claim and we will be entitled to take over and conduct in your name the defence or settlement of any claim.
- c. You must ensure that all property, appliances, plant or items which might provide necessary or useful evidence in connection with any claim are preserved and so far as may be reasonably practicable no alteration or repair should be made to any premises, fencing, machinery, furnishings, fittings, appliances or plant without our consent or until we have had an opportunity of inspection.
- d. We will have full discretion in the conduct of any proceedings in connection with any claim and you must give all information and assistance as we may require in the prosecution, defence or settlement of any claim. We will investigate, negotiate and settle any claim or legal action as we see fit.
- e. You must take all reasonable precautions to comply with all statutory obligations and regulations imposed by any authority.

FIDELITY GUARANTEE

1. What we cover

We will pay up to the sum insured shown on the Insurance Certificate for the fraudulent misappropriation of funds that have been set aside for the purpose of management of the affairs of the body corporate/company.

We will also pay up to \$2,500 for reasonable costs payable to external auditors which are incurred by you in support of your claim and agreed to by us in writing.

2. What we do not cover

We will not pay for any:

- a. fraudulent misappropriation of funds if you have not otherwise exhausted your rights and entitlements to reimbursement under any other fidelity bond or fidelity fund of whatsoever nature which might exist whether effected pursuant to statute or otherwise;
- b. fraudulent misappropriation committed after the initial discovery of loss;
- c. claim arising out of losses discovered more than 12 months after the expiry of the policy or termination of the employment of any person who caused the loss, whichever occurs first;
- d. loss arising out of any misappropriation committed prior to the inception of the policy;
- e. loss attributable to any member or committee of the governing body of the building who is an authorised strata manager, director, partner, representative or employee of a strata managing company with whom you or any lot/unit owner has entered into any management agreement.

VOLUNTARY WORKERS PERSONAL ACCIDENT

1. Words with special meaning in this section

voluntary worker means a person working on your behalf without fee or reward or any expectation of fee or reward.

partial disablement means disablement from an injury that prevents a voluntary worker from carrying out a substantial part of all the normal duties of their usual occupation, business or profession.

total disablement means disablement as a result of an injury that entirely prevents a voluntary worker from carrying out all of the duties of their usual occupation, business or profession or where that person engages in more than one occupation, business or profession, carrying out the normal duties of all of them.

2. What we cover

If a voluntary worker suffers an injury in an accident that results in death, permanent or partial disablement within one year of that accident we will pay the compensation detailed in Part 3. 'Compensation events'.

The cover provided only applies to death or disability caused solely and directly by violent, accidental, external and visible means as a result of an accident that occurs during the period of insurance.

3. Compensation events

We will pay the compensation detailed below based on the sum insured shown on your Insurance Certificate for Capital or Weekly benefits.

COMPENSATION EVENT	AMOUNT PAYABLE
Death	100% of Capital Benefit
Total and irrecoverable loss of sight in both eyes	100% of Capital Benefit
Total and permanent loss of use of both hands or the use of both feet or of the use of one hand and one foot	100% of Capital Benefit
Total and permanent loss of use of one hand or the use of one foot	50% of Capital Benefit
Total and irrecoverable loss of sight in one eye	50% of Capital Benefit
Total disablement - in respect of each week of disablement	100% of Weekly Benefit
Partial disablement – in respect of each week of disablement	50% of Weekly Benefit
Travel expenses incurred by a voluntary worker in obtaining medical treatment following total or partial disablement	Up to 1% of Capital Benefit
Reasonable cost of domestic assistance incurred by a voluntary worker following total or partial disablement	Up to \$500 per week for a maximum of 10 weeks
Any other reasonable and necessary expenses that we agree to pay that the injured voluntary worker incurs as a direct result of total or partial disablement other than any expense that may be claimed wholly or partly through Medicare	Up to \$2,000 per injury

4. Restrictions on cover

- a. The cover provided by this section of the policy will only apply to work organised by and at the direction of the body corporate, its committee or the duly appointed delegate of the body corporate or its committee.
- b. The benefit payable in the case of death will be reduced by any Capital benefit previously paid by us for any other injury or disablement sustained in the same accident. If the voluntary worker suffers more than one injury or dies as a result of the same accident we will not pay more in the aggregate than the highest Capital benefit that the voluntary worker qualifies to receive.
- c. Once we have paid a Capital benefit to a voluntary worker for either the loss of sight, a hand or a foot there will be no further liability under this section for these events for the same voluntary worker.
- d. Compensation will not be payable:
 - for death or disability that occurs more than twelve months after the accident that caused injury;
 - for weekly benefits during the first seven days of any total or partial disablement or for more than 104 weeks in total in respect of any one injury or series of injuries arising from any one accident;

- for weekly benefits if the voluntary worker was not in receipt of wages, salary or any form of remuneration gained from their personal exertion at the time the disability occurred;
- if the injured voluntary worker does not as soon as possible after the occurrence of any disability, obtain and follow medical advice from a qualified medical practitioner;
- for weekly benefits arising from total or partial disablement in respect of the same period of time;
- for voluntary workers who are children under the age of 12 years.

5. What we do not cover

We will not pay for any claim:

- a. where death or disability occurs because of, or is contributed to by:
 - a deliberately self-inflicted injury or suicide;
 - intoxication or the use of drugs by the voluntary worker;
 - mental illness;
 - pregnancy of the voluntary worker;
 - the voluntary worker acting with a reckless disregard for their own safety;

- b. where the voluntary worker has a right to claim compensation from his/her employer or any person liable to pay compensation under or by virtue of any workers' compensation or other statutory legislation that provides for payment in the nature of compensation whether such right is exercised or not;
- c. involving an injury that was in existence prior to the commencement of this insurance.

OFFICE BEARER'S LIABILITY

1. Words with special meanings in this section

claim means any:

- a. written or verbal complaint containing a demand for compensation or damages alleging a wrongful act which a reasonable person may believe might result in a claim for compensation, damages or other relief;
- b. civil proceedings brought by a third party for recovery of compensation or damages in relation to a wrongful act; or
- c. criminal proceedings brought against you alleging a wrongful act.

company title means where the building is subject to a company title this cover extends to the directors of the company title board and all references to any office bearer or the body corporate in the policy will be deemed to refer to any director or to the company as the case may be.

loss means:

- a. money payable according to a judgment or a settlement made with our prior written consent;
- b. legal costs awarded against you;
- c. legal costs incurred by us, or by you with our prior written consent, in the investigation, defence or settlement of any claim.

Loss does not include fines, penalties, punitive, exemplary, liquidated or aggravated damages.

office bearer means:

- a. a person appointed by the body corporate to act as an office bearer or committee member in terms of the strata titles legislation applying where the property insured is situated;
- b. a strata manager appointed as an agent of an office bearer and/or committee member;
- c. a person invited by an office bearer and/or committee member to assist in the management of the body corporate affairs;

- d. a person who was a member of the committee of the governing body, or a duly appointed member of the sub-committee of your buildings, during the period of insurance immediately prior to the current period of insurance.

retroactive date means the date from which officers of the insured have been continuously insured under one policy, or successive policies, of claims made insurance which provided the same or similar cover to this policy.

wrongful act means any actual or alleged error or misstatement, misleading statement, act or omission or neglect or breach of duty committed or alleged to have been committed by you or any matter claimed against you solely by reason of you acting as an office bearer of the body corporate.

2. What we cover

This section of the policy provides cover on a claims made basis. This means that we pay for claims, that occurred after the retroactive date, that are first made against an office bearer during the period of insurance and notified to us during the period of insurance.

Cover for office bearers

We will indemnify you against any loss in connection with any claim that is made against you during the period of insurance, for which you have not been indemnified, and for which you are not entitled to be indemnified, by the body corporate.

Cover for the body corporate

We will indemnify the body corporate against any loss in connection with any claim made against an office bearer during the period of insurance for which the body corporate has indemnified the office bearer, as permitted or required by law and for which the body corporate is vicariously liable at law.

The indemnity provided only applies to claims that have been immediately notified to us in writing during the period of insurance.

The amount payable in respect of all claims inclusive of claimant's costs and expenses and the costs and expenses incurred by us or you with our written consent in the investigation, defence or settlement of any claim during the period of insurance, will not exceed the limit of liability shown on the Insurance Certificate, regardless of the number of claims made or reported during one period of insurance.

There is no cover in respect of any of the matters set out in Part 4. 'What we do not cover' or the 'General exclusions that apply to every section of the policy' on page 29.

3. Additional benefits

3.1 Continuous cover

We will provide cover under this Additional benefit for any claim first made against you during the period of insurance arising from circumstances of which you were aware prior to the period of insurance provided that we were the issuer of the office bearer's liability insurance policy at the time that you first became aware of the circumstance and we have continued to be the issuer of your office bearer's liability insurance policy. The limit of liability under this Additional benefit will be the lesser available under the terms of the policy in force at the time that you first became aware of the circumstance and the policy in force at the time you report the claim to us. The terms of the current policy will otherwise apply.

3.2 Extended reporting period

If a claim, fact or circumstance arises within 30 days of the expiry of the period of insurance, we will accept notification of the claim, fact or circumstance provided that you renew the policy with us within 30 days of the expiry of the period of insurance. The limit of liability, applicable excess and policy terms and conditions that will apply under this Additional benefit will be those available under the policy in force at the expiry of the period of insurance.

4. What we do not cover

4.1 We will not be liable under the policy for any loss in connection with any claim in respect of, or by reason of:

- a. you gaining or having gained any personal profit or advantage to which you were not legally entitled or for which you may be held accountable to the body corporate or any individual member thereof;
- b. moneys or gratuity given to you without authorisation by the body corporate where such authorisation is necessary or prescribed by law;
- c. any circumstances of which notice has been given under any other policy that has expired prior to the inception of this policy;
- d. personal injury or property damage except as arising from any negligent failure by you to effect valid public liability insurance on behalf of the body corporate as required by law;
- e. fines or penalties imposed by law;
- f. a conflict of duty or interest of any office bearer;
- g. any intentional exercise of the powers of an office bearer for a purpose other than the purpose or which such powers were conferred by the articles of the body corporate.

4.2 We will not be liable under the policy to make payment for any loss in connection with any claim:

- a. made or threatened or in any way intimated on or before the inception date of this policy as specified on the Insurance Certificate.
This exclusion will not apply to the circumstances outlined in the Additional benefit 3.1 'Continuous cover';
- b. arising from any circumstances you had become aware of prior to the inception date of the policy specified on the Insurance Certificate and which a reasonable person in the position would, at any time prior to the inception date, have considered may give rise to a claim under this policy.
This exclusion will not apply to the circumstances outlined in the Additional benefit 3.1 'Continuous cover';
- c. first notified to us after the expiry of this policy. This exclusion will not apply to the circumstances outlined in Additional benefit 3.2 'Extended reporting period';
- d. brought against you in a court of law outside of Australia;
- e. for libel or slander;
- f. brought about or contributed to by any dishonest, fraudulent, criminal or malicious act or omission of yours, providing that this exclusion will not apply to the costs of a successful defence;
- g. arising from, attributable to or in any way connected with any;
- h. breach or alleged breach of duty, or error or omission, relating to the rendering of, or failure to render, services and/or advice; or
- i. breach or alleged breach of any contract for the provision of professional services and/or professional advice;
- j. for exemplary, aggravated, punitive or liquidated damages;
- k. brought against the strata manager or any other contracted person(s), firm or company when acting in their professional capacity.

5. Special conditions applicable to this section

- a. It is a condition that immediate notice in writing is given to us of:
 - any claim made against you;
 - the receipt of notice from any person of an intention to make a claim against you; or
 - any circumstances of which you become aware and which may give rise to a claim against you and/or a claim under this policy, and you will in any case upon request give us such information and assistance as we may reasonably require;

- b. If we elect to settle a claim and you refuse to consent to any settlement recommended by us, we will not pay any more than the amount for which we would have settled plus costs and expenses incurred up to the time of your refusal;
- c. The inclusion in the policy of more than one insured party will not extend or increase our limit of liability;
- d. Any sum paid by us in the discharge or settlement of any threat or intimidation of a claim in relation to any circumstances which might give rise to a claim, will be deemed to be a payment made in the discharge or settlement of a claim under this policy. The maximum amount we will pay for one claim will be the limit of liability shown on the Insurance Certificate less the sum of the liabilities that we have already paid in respect of all other claims during the period of insurance;
- e. You or any person acting on behalf of the body corporate must not admit liability for or settle any claim, or incur any costs or expenses without our consent. We will be entitled at any time to take over and conduct in your name any proceeding arising out of or relating to any claim, but we will not exercise any rights of subrogation against any employee of the insured unless the employee was guilty of dishonest, fraudulent, criminal or malicious conduct or serious wilful misconduct;
- f. Where this policy insures more than one party, if one or more of the party or parties:
 - fails to comply with their duty of disclosure as set out in the Insurance Contracts Act 1984;
 - misrepresents information supplied to us before the policy was entered into or when it was renewed; or
 - fails to comply with any terms or conditions of this section of the policy;

the conduct of one or more party or parties will not prejudice the rights of the remaining party or parties provided that the remaining party or parties, immediately on becoming aware of any conduct that increases the risk insured by the policy, gives notice to us in writing and pays any additional premium that we may require.

MACHINERY COVER

1. Words with special meanings in this section

boilers and pressure plant means those parts of the permanent structure of boilers and pressure plant separately specified on the Insurance Certificate which are subject to internal steam, gas or fluid pressure (other than atmospheric pressure) or vacuum including:

- fittings, pipes and direct attachments which are connected to the permanent structure without any intervening valve or cock;
- supports for the structure (other than foundations, masonry or brickwork) such as furnace doors, access doors, external combustion chambers, smoke boxes and casings; and
- metal parts of pressure and water gauges and their connections to the permanent structure.

Provided that these items:

- have successfully completed initial commissioning; and
- are owned by you or you are legally responsible for them.

breakdown means sudden and unforeseen physical loss or damage to machines and boilers and pressure plant from any cause not excluded, which requires repair or replacement to enable normal working to continue.

collapse means the sudden distortion of the furnace of a boiler or any part of a pressure vessel caused by the bending or crushing of the permanent structure by the force of steam, gas, fluid pressure or vacuum including sudden and unforeseen physical loss or damage caused by overheating resulting from a deficiency of water.

explosion means the sudden, unforeseen and violent rending of any boilers and pressure plant by force of internal steam, gas or fluid pressure or the pressure of ignited flue gases.

machine(s) means mechanical and electrical plant and machinery owned by the body corporate and listed on the Insurance Certificate. Machine(s) does not include vehicles or mobile plant or any of the following items unless specifically noted on the Insurance Certificate:

- boilers and pressure plant;
- central air-conditioning plant;
- lifts, escalators or elevators;
- submersible pumps.

2. What we cover

We will provide cover for:

- the breakdown of machines;
- collapse or explosion of boilers and pressure plant;

that occurs at the location during the period of insurance.

We will not pay for loss or damage caused by an event which is insured, or able to be insured, under the 'Building and common contents' section of this policy. There is no cover in respect of any of the matters set out in Part 6. 'What we do not cover' or the 'General exclusions that apply to every section of the policy' on page 29.

3. Limit of liability

The most we will pay is the sum insured shown for this section on the Insurance Certificate for all claims in respect of any one incident.

4. Basis of settlement

4.1 Breakdown

If we accept a claim for breakdown of machines, boilers or pressure plant we will at our option pay the cost of repairs or replacement. We will also pay the cost of:

- dismantling, re-erection of machinery, boilers and pressure plant and/or their parts together with removal of debris;
- replacement of refrigerant gases, liquids or insulating oil necessary to complete the repairs;
- charges for overtime and work on public holidays where necessarily and reasonably incurred;
- express freight including overseas freight services limited to a maximum of 15% of the sum insured; and
- hire of a temporary replacement item during the time taken to repair damage to any item limited to a maximum of 15% of the sum insured.

If necessary parts are unavailable, obsolete or unobtainable our liability will be limited to the:

- estimated cost of similar parts that are currently available for equipment that is similar to that which suffered loss or damage;
- manufacturer's or supplier's last list price for the part(s) involved.

4.2 Collapse or explosion

In the event of a claim for collapse or explosion of boilers and pressure plant, we will at our option repair or replace the damaged or destroyed item or pay the cash equivalent of such repair or replacement.

If the damage is repairable we will pay the necessary costs to restore the item to its condition immediately before the collapse or explosion. If restoration costs exceed the value of a new and equivalent replacement item then we will replace the damaged or destroyed item with an item of similar quality and size. If the item is replaced with one that is of a better quality or size, we will pay the cost that would have been incurred if an exact replacement had been installed. If the damaged item is not repaired or replaced within 12 months from the date of collapse or explosion, we will not pay more than the indemnity value of the item immediately before the collapse or explosion.

We will also pay the cost of:

- charges for overtime and work on public holidays where necessarily and reasonably incurred;
- express freight including overseas freight services limited to a maximum of 15% of the sum insured;
- hire of a temporary replacement item during the time taken to repair damage to any item limited to a maximum of 15% of the sum insured; and
- temporary repairs limited to a maximum of 15% of the sum insured.

5. Automatic temporary cover

We will automatically extend cover for a period of 90 days on any additional machine installed or brought into use at the location provided that:

- the additional machine is of a similar type and class to those listed on the Insurance Certificate;
- you notify us within 90 days and pay to us on demand the premium for the additional machine from the date of installation or bringing into use;
- the machine is free from known defects and complies with any statutory requirements;
- this temporary cover will not be provided until the machine has worked satisfactorily for 8 hours and has become your responsibility;
- the limit of liability and excess in respect of the additional machine will be that currently specified on the Insurance Certificate.

6. What we do not cover

We will not pay for any costs associated with:

- a. cleaning or maintenance services;
- b. alterations, additions, improvements, overhauls, maintenance, adjustments or the replacement of undamaged components whether carried out in the course of repairs or as a separate operation;
- c. replacement or restoration following gradual deterioration (including rust, corrosion, erosion, oxidation or scale formation);
- d. repair of scratches to, or discolouration, of painted or polished surfaces;
- e. adjustment, cleaning or recharging of refrigeration or air-conditioning equipment unless necessary as part of the repair of any machine insured under this section;
- f. provisional repairs or remedial action unless such repairs or action constitute part of the final repairs and do not increase the total repair costs;
- g. loss of refrigerant, oil or lubricant due solely to worn or deteriorated seals or valves;
- h. the cost of converting refrigeration/air-conditioning units from the use of CFC (chlorofluorocarbon) refrigerant gas to any other type of refrigerant gas.

We will not pay for the cost of repair or replacement of:

- a. belts, filters, refrigerant dryers, fuses, electric heating elements, electrical contacts, thermostats, thermostatic expansion valves, lamps, gland packing, seals, cutting blades, commutators, slip rings, brushes, chains, ropes, switches, bearings, glass or ceramic components, joints or non-metallic parts and all operating media;
- b. component parts necessitated by wear and tear caused by or resulting from ordinary use or working or gradual deterioration;
- c. storage tanks and vats.

We will not pay for loss, destruction or damage caused by:

- a. any crack, fracture, blister, lamination, flaw or grooving, even when accompanied by leakage, which has not penetrated completely through the entire thickness of the material of the machine or boilers and pressure plant;
- b. any slowly developing deformation or distortion to any machine or boilers and pressure plant;

- c. fire, spontaneous combustion, smoke or soot, extinguishment of a fire or subsequent demolition;
- d. lightning, earthquake, hail, wind, rain, flood, storm and/or tempest, action of the sea, tidal wave, erosion, collapse, subsidence, landslide, mudslide, settling or movement of earth;
- e. impact by aircraft and aerial devices, falling trees, vehicles, watercraft, external antennas, communication towers, masts, satellite dishes or any animal;
- f. theft or attempted theft or malicious damage;
- g. leakage of water or liquid from any pipe, tank, guttering or fixed apparatus including automatic fire sprinkler systems;
- h. any process of heat treatment, welding, grinding, cutting, drilling, shaping or the application of tools to the machine or boilers and pressure plant;
- i. unloading or delivery to, or loading prior to dispatch from the location;
- j. testing and commissioning, intentional overloading or experiments, and any usage beyond or outside the manufacturers specifications.

We will not pay for any breakdown, loss or damage:

- a. that is covered under any warranty or service agreement or would have been covered under a warranty or service agreement if you had not breached the terms of the warranty or service agreement.

We will not pay for any loss, damage or destruction to:

- a. reticulated electrical wiring or piping that carries liquid or gas; or
- b. a safety or protective device caused by its own operation.

We will not pay for penalties or consequential loss of:

- a. any kind or description whatsoever unless specifically included in this section.

LEGAL EXPENSES COVER

1. Words with special meanings in this section

legal expenses means reasonable legal costs and disbursements incurred by you with our consent.

your solicitor means the solicitor appointed to act for you after our approval has been obtained in accordance with the terms and conditions of the policy.

2. What we cover

2.1 Health and safety breaches

We will indemnify you, for legal expenses incurred in the pursuit of an appeal against any:

- improvement or prohibition notice issued to you pursuant to any workplace occupational health or safety legislation;
- determination made against you under any workplace occupational health or safety legislation;

by any authority, body or person legally entitled to issue such a notice or make such a determination. We only provide this indemnity if the notice or determination is issued or made during the period of insurance and any claim for legal expenses in pursuit of an appeal are notified to us during the period of insurance or within 30 days thereafter.

2.2 Legal defence expenses

We will indemnify you for legal expenses incurred in defending a dispute that occurs during the period of insurance and arises from:

- the operation of the Trade Practices Act 1974;
- the operation of any Australian consumer protection legislation;
- a contract or alleged contract of employment with any employee, ex-employee or a prospective employee;
- any alleged act or omission of you or an employee arising out of, or in the course of, their normal employment in your business that leads to civil or criminal proceedings being taken against you or them under any Australian anti-discrimination legislation.

We only pay these legal defence expenses if:

- the dispute arises in connection with your ownership of the property insured;
- there are reasonable prospects of a successful defence of an action or proceedings;
- the dispute occurs in Australia and;

- any legal proceedings take place in Australia and is subject to Australian law;
- you are first notified of the dispute during the period of insurance;
- you notify us of any claim for legal expenses during the period of insurance or within 30 days thereafter.

There is no cover in respect of any of the matters set out in Part 5 'What we do not cover' or the 'General exclusions that apply to every section of the policy' on page 29.

3. Limit of liability

The most we will pay for all claims during the period of insurance under this section of the policy is the amount shown on the Insurance Certificate.

4. Excess

You must pay the first 10% of all legal expenses or \$1,000, whichever is the greater.

5. What we do not cover

5.1 The cover provided by Part 2.2 'Legal defence expenses' does not cover any claim in respect of or arising from:

- a. civil proceedings where less than \$5,000 is in dispute;
- b. any dispute with us or our agents arising from the policy;
- c. libel, slander or defamation;
- d. an act, omission or dispute between any person or entity insured by this policy;
- e. mental or physical abuse, molestation of or interference with any persons;
- f. patents, copyrights, trademarks, merchandise, secrecy, restraint of trade and confidentiality agreements;
- g. payment of fines or other penalties which you or an employee may be ordered to pay;
- h. any legal liability or any legal expenses which would be covered under any other section of the policy, irrespective of whether you have selected cover under that section or not.

5.2 The cover provided by Part 2.1 'Health and Safety Breaches' and Part 2.2 'Legal defence expenses' does not cover any claim in respect of or arising from:

- a. any act, omission or dispute which occurred prior to the period of insurance and which you knew or ought reasonably to have known was likely to give rise to a claim or legal proceedings against you;
- b. legal expenses incurred without our consent or incurred prior to our written acceptance of a claim;
- c. the breach or alleged breach of any professional duty, including the provision of advice or treatment advice by you or an employee;
- d. death, bodily injury, disease or illness of or to any person;
- e. a criminal act committed deliberately by you or an employee;
- f. any matter where you or an employee:
 - defend a claim or legal proceedings or commence an appeal without our consent or against the advice of or in a different manner from that advised by your solicitor;
 - fail to give proper instructions in a reasonable or required time to your solicitor;
 - cause a delay which results in a costs order against you, additional costs being incurred or prejudices the successful outcome of the proceedings or appeal.
- g. the salary or wages or other financial loss of you or any employee for time away from work arising from the claim, proceedings or appeal including but not limited to, attending upon solicitors, providing statements, attending any informal conference, settlement conference or court proceedings.

5.3 We will not indemnify you for any costs or legal expenses:

- a. relating to a claim that is notified after the expiry of the period of insurance;
- b. connected in any way with any claim, dispute or legal proceedings that have been commenced by you;
- c. if we do not consider that there are reasonable prospects of successfully:
 - appealing against any notice or determination issued pursuant to any occupational health, safety or workplace legislation;
 - defending any claim or legal proceedings brought against you.

6. Special conditions applicable to this section

6.1 Making a claim

You must obtain and send to us at your expense a written advice from your solicitor which addresses the following:

- a. the facts of the claim;
- b. the law applicable to the dispute;
- c. the prospects of successfully defending the claim or legal proceedings or appealing against any notice or determination;
- d. the estimated legal expenses for defending the proceedings or pursuing the appeal;
- e. the fee structure and any costs agreement (actual or proposed) in relation to legal services directly connected to the dispute.

If we agree to pay legal expenses under this section we will pay the reasonable cost of obtaining this advice.

6.2 Refusal of claim

If we refuse to accept or discontinue a claim we will give you our reasons in writing. If following our refusal or discontinuance you decide to commence or continue the claim or legal proceedings and are successful, we will pay reasonable legal expenses as if we had given our consent in the first place. Your claim is considered as being first notified to us at the time you provide us with written notice that you have received oral or written notice from any person, entity or authority of:

- a. their intention to commence legal proceedings against you;
- b. their assertion of an entitlement to, or a demand for compensation;
- c. an unfavourable determination in regards to any occupational health, safety or workplace breach;
- d. any improvement or prohibition notice issued pursuant to any occupational health, safety or workplace legislation.

6.3 Legal representation

When you make a claim you can nominate a solicitor of your choice. Before we accept your nomination we may make any enquiries we consider relevant with respect to that solicitor. We reserve the right to:

- a. refuse your nomination without giving any reason;
- b. direct you to terminate the services of your solicitor if it is in your interests. In these circumstances you must terminate the services of the solicitor and appoint another solicitor who has either been nominated by you or appointed by us to act for you;
- c. take over and conduct the claim or legal proceedings in your name and we are entitled to instruct a solicitor on your behalf if we consider this necessary to protect your interests.

6.4 Claim administration and control

You must co-operate fully with us in all respects and keep us fully and continuously informed of all material developments in the legal representation or proceedings. If requested by us, you must instruct your solicitor to produce to us any documents, information or advice in their possession that we may require and you must give them any instructions that we issue in relation to the conduct of the claim.

We will only pay counsel or expert witness costs if we have given our prior consent to the appointment of that person and agreed to the proposed fee for service. Any agreement, undertaking or promise made or given by you to your solicitor or to any counsel, expert witness or agent will not have a bearing on the amount of any legal expenses that we may agree to pay. If requested by us, you must require your solicitor to have the legal expenses taxed, assessed or audited by a costs assessor or any relevant authority. Where you are awarded costs as part of the successful resolution of legal proceedings you must attempt to recover those legal expenses. When calculating our liability under the policy we will take into account recoverable legal expenses, whether recovered or not.

6.5 Subrogation

If we make a payment for legal defence expenses we will be subrogated to your rights of recovery against any person or organisation and we may institute any claim for recovery of those expenses in your name for our own benefit. You must fully co-operate with us in any proceedings which we may commence and we will have full discretion in the conduct of these proceedings and in the settlement of any claim.

AUDIT EXPENSES

1. Words with special meanings in this section

audit means any official enquiry, investigation, review or examination in respect of a return submitted by you or on your behalf by:

- the Australian Taxation Office; or
- any Australian (federal, state or territory) government agency or authority that is duly authorised to conduct an audit of a return;
- any body that is authorised to conduct an audit of a superannuation return.

This definition does not include any activity involving:

- a review relevant to you maintaining industry status, membership, licence compliance, or any form of occupational health and safety type compliance;
- a practice or procedural audit of your files;
- a statutory authority gathering information or data that is not part of an audit of a specific return.

your business means your ownership of the property insured.

professional adviser means:

- an accountant who is a member of a nationally recognised accounting body, including registered tax agents or consultants;
- a professional person or consultant recommended by your accountant and retained by you with our consent, but excluding you or any person employed or contracted by you.

professional fees means fees, charges, expenses and disbursements reasonably and properly incurred in relation to any audit which are rendered by an accountant, assessor, consultant, investigator or by a mediator appointed by an alternative dispute resolution centre.

2. What we cover

We will cover the reasonable fees that you incur in engaging a professional adviser in connection with an audit of your business. We only pay these fees if the audit arose out of the normal course of your business and you were first notified of the audit during the period of insurance and you in turn advised us of that audit in the same period of insurance or within 30 days thereafter. The most we will pay for all claims during the period of insurance is the sum insured shown for this section on the Insurance Certificate. We do not cover any of the matters set out in Part 3. ‘What we do not cover’ or the ‘General exclusions that apply to every section of the policy’ on page 29.

3. What we do not cover

3.1 We will not be liable for any claim in respect of an audit:

- a. that was initiated, threatened or started prior to the commencement of the period of insurance;
- b. arising from your improper, unwarranted or unjustified refusal or failure to comply with any lawful request made by a federal or state Commissioner of Taxation or other statutory body for the production of documents or the supply of information. We will not deem refusal or failure to comply to be improper, unwarranted or unjustified if you refuse or fail to comply upon the advice of your accountant or tax agent;
- c. arising out of fraud or any criminal or fraudulent act or omission committed by you or on your behalf;
- d. arising from an audit which results from you, or any person acting on your behalf, becoming aware of any error or deficiency in any return of income or other documentation supplied to the Commissioner of Taxation and failing to notify the Commissioner of Taxation without delay of that error or deficiency;
- e. when you are bankrupt within the meaning of the Bankruptcy Act 1966, or insolvent, at the start of the audit;
- f. arising out of any delay in the submission of a tax return;
- g. arising out of the failure of a third party to submit an income tax return;
- h. conducted specifically to determine if any fine, penalty or prosecution should be imposed in relation to any act by you in relation to statutory or legal obligations;

- i. where the returns for the period in question were not prepared by or approved by an independent accountant or registered tax agent prior to lodgment with the Australian Tax Office;
- j. of your taxation or financial affairs unless the return is first lodged:
 - during the period of insurance;
 - not more than 12 months before the original inception date of this policy;
- k. of your taxation or financial affairs which relates to a return lodged more than 3 years before you receive notification of the audit;
- l. under customs legislation;
- m. where you have not properly kept records which you are required to keep or where you are notified by an auditor that you have failed to keep required records or that the records kept are not satisfactory.

3.2 We will not pay for:

- a. any tax, fines, penalties, court costs, penalty tax or interest;
- b. costs incurred after completion of the audit;
- c. professional fees incurred more than 12 months after the commencement of the audit unless you can prove that any delay was due to the conduct of the auditor;
- d. any professional fees incurred without our consent;
- e. any professional fees or other costs associated with an objection, appeal or review of an audit or assessment or final determination of an auditor;
- f. costs or expenses charged by any person who is not a professional adviser, unless we have agreed to the cost or expense before it was incurred;
- g. any costs associated with the gathering of data or preparation of documents that does not relate directly to the audit;
- h. any costs associated with any review relating to you maintaining industry status, licence, membership or compliance with any employee related legislation or regulations.

4. Special conditions applicable to this section

4.1 Duration of audit

For the purpose of this section, the audit commences at the time you first receive notice that the auditor proposes to conduct an audit, and is completed when the auditor:

- has given written notice to that effect; or
- notifies you that concluded decision has been made about a designated liability; or
- has issued an assessment or amended assessment of a designated liability.

4.2 Consent

We have no liability to pay any professional fees unless they are incurred with our prior consent. We have the right to have any professional fees evaluated for their reasonableness by an external party or expert.

4.3 Precautions

You must at all times exercise due care and take all necessary precautions to avoid incurring any liability which might give rise to a claim under the policy and you must not pursue any course of action which is likely to result in a claim under this section. You must lodge taxation and other statutory returns within the time limits applicable to those returns as prescribed by statute or through extension of time granted by the Commissioner of Taxation. You must make full and complete disclosure of all assessable income (including capital gains), as required by any relevant legislation.

5. Making a claim

If you want to make a claim under this section of the policy you must:

- advise us of the claim immediately and provide us with copies of all correspondence in relation to your claim within 10 days of receiving them;
- respond to letters, requests and enquiries from the auditor within a reasonable time;
- advise your professional adviser to provide us with all relevant documents in relation to your claim;
- permit us when necessary to instruct your professional adviser in matters relating to your claim and for the costs of these instructions to form part of your claim. This does not mean that we will take over or represent you in the audit.

We will also require you to:

- keep us fully informed of all material developments in relation to the audit;
- assist us with any matter we reasonably request including without limitation providing further information or documentation that we may request;
- take all reasonable steps to minimise cost and delay;
- provide us with final written confirmation from the government authority or agency that the audit has been finalised.

GENERAL EXCLUSIONS THAT APPLY TO EVERY SECTION OF THE POLICY

You are not covered for any loss, damage or liability caused by or resulting from, or the costs incurred from or of:

Electronic data

Electronic data, or the cost of rewriting records as a result of loss of electronic data unless directly caused by an event insured under this policy (other than accidental damage).

Computer virus

An executable program or computer code segment that is self-replicating, requires a host program or executable disc segment in which it can be contained and which destroys or alters the host program or other computer code or data causing undesired program or computer system operation.

Intentional damage

Damage or liability intentionally caused or incurred by you, a member of your family or a person acting with your express or implied consent or that of a member of your family.

Unoccupancy

Loss, damage or liability during any period in excess of 90 consecutive days during which the location are left unoccupied, unless our written agreement to continue cover has been obtained.

War, terrorism, nuclear radioactivity

1. war, invasion, acts of foreign enemies, hostilities (whether war is declared or not), civil war, rebellion, revolution, insurrection or military or usurped power;
2. any act(s) of terrorism; where cover is for Residential Strata only contamination or pollution by chemical, biological or nuclear agents which results from an act of terrorism are excluded;
3. ionising radiation, contamination by radioactivity from any nuclear weapons material, nuclear fuel or waste, or the combustion of nuclear fuel or waste where the combustion is a self-sustaining nuclear process;

This policy also excludes any loss, destruction, damage, death, injury, illness, liability, cost or expense of any nature directly or indirectly caused by, contributed to, by, resulting from or arising out of or in connection with any action taken in controlling, preventing, suppressing, retaliating against, or responding to or in any way relating to 1, 2 or 3 above.

GENERAL CONDITIONS THAT APPLY TO EVERY SECTION OF THE POLICY

Your obligations

You are required to:

- a. take all reasonable precautions to avoid or minimise loss, damage or liability;
- b. maintain all premises, fittings, appliances and equipment in sound condition;
- c. maintain and look after the property or buildings belonging to other people and organisations that are used by you in accordance with your agreement with them;
- d. obtain certificates of inspection for all equipment required by any statute or regulation to be so certified;
- e. use and store all hazardous, flammable, gaseous or toxic materials as required by law;

If you do not comply with your obligations, we may refuse to pay part or all of your claim.

Alarm Systems

If you have advised us that surveillance or protective equipment, burglar or fire alarm systems are used or installed at your location you must:

- a. ensure it is regularly tested and maintained in accordance with the manufacturers recommendations;
- b. take all reasonable precautions to ensure that it is operational outside normal business hours.

We may refuse to pay or may reduce the amount of a claim if you do not comply with this condition.

Automatic reinstatement of sum insured

If we pay a claim under any section of this policy other than the Building and common contents and Property owners legal liability sections and the sum insured has been reduced due to payment of that claim by us, we will automatically reinstate your full sum insured provided:

- a. you have not (in writing) requested otherwise;
- b. we have not (in writing) advised otherwise;
- c. you agree to pay any additional premium we may require to reinstate the sum insured.

Business ceases to trade or is in liquidation

If your business is deregistered, placed into liquidation or administration, a receiver is appointed or the business is wound up or is permanently discontinued, then unless otherwise agreed by us in writing, all cover under this policy ceases from the time your interest is transferred or your business ceases to trade.

Claim preparation expenses

We will pay for costs necessarily and reasonably incurred by you up to \$50,000 for the preparation of a claim for which we agree to indemnify you under this policy.

You must obtain our written approval before you incur these claims preparation costs. This benefit is in addition to any other limit of indemnity.

Cancellation by you

You may cancel the policy at any time by notification in writing. Where the insured involves more than one party, we will only cancel the policy when a written agreement to cancel the policy has been received from all persons named as the insured.

Cancellation by us

We may cancel the policy in certain circumstances provided by the Insurance Contracts Act 1984 or any subsequent legislation by giving you 3 business days' notice in writing. Some examples are:

1. If you do not pay the premium;
2. If you do not comply with your duty of disclosure;
3. If you make a misrepresentation to us before the issue of the policy;
4. If you do not comply with a provision of the policy;
5. If you make a fraudulent claim under the policy or another policy (whether with us or some other insurer);
6. If you do not comply with your duty of utmost good faith.

Notice of cancellation can be delivered personally or posted to your address shown on the current Insurance Certificate. It will be effective at the time shown on the notice of cancellation or when you have taken out cover with another insurer, whichever occurs first.

Premium Refunds

In the event of an adjustment or cancellation we will allow to you or refund the unused portion of your paid premium less any fee and any commissions, taxes and charges that we are unable to recover.

Changes that may affect your policy

If there is any change or alteration to the information you have advised us of, you are to notify us in writing as soon as practicable. Any change

or alteration you propose to make only becomes effective when we agree to the changes and you agree to pay any additional premium. You must advise us of any changes before you renew your policy. For example, we require information about:

1. change of tenancy;
2. criminal convictions of you or persons who normally work with you;
3. any deterioration in the condition of property;
4. alteration to the building which affects its safety or structural integrity.

This is a requirement of 'Your Duty of Disclosure'. If you do not fulfil your duty of disclosure we may refuse to pay part or all of a claim.

Discharge of liabilities

At any time we can pay to you or on your behalf, for all claims made against you for any one occurrence:

1. the limit of liability of the section under which the claim is made, after deducting any amounts already paid;
2. any lower sum for which the claim may be settled.

If we do so:

- the conduct of any outstanding claim(s) will become your responsibility;
- we will not be liable to pay any further amounts other than costs, charges, or expenses that we agreed to pay before we made the payment referred to above.

Fraudulent claims

If you make a claim under this policy which you know is fraudulent in part or in its entirety, we will both deny that claim and may have rights to void the policy in its entirety.

Goods and Services Tax (GST)

Any claim payments made under the policy will be based on GST inclusive costs (up to the relevant sum insured, market value, agreed value or maximum amount we pay). However, if you are or would be entitled to claim any input tax credits for the repair or replacement of insured property or for other things covered, we will reduce any claim under the policy by the amount of such input tax credits. Any sum insured, market value, agreed value or maximum amount in the policy is inclusive of GST. The policy does not cover any amount of GST, or any fine, penalty or charge that you are liable for because of a failure to disclose or a misstatement made by you, in relation to your entitlement to an input tax credit for the premium. You must tell us if you become aware that the extent of your entitlement to an input tax credit for your premium disclosed to us is incorrect.

Jurisdiction

All disputes arising out of or under this policy will be subject to determination by any court of competent jurisdiction within Australia according to the law applicable to the jurisdiction.

Limits and excess

We will not pay more than the sum insured in respect of any claim other than those benefits that are identified as payable in addition to the sum insured. You must pay the amount of any excess shown on your Insurance Certificate for each claim you make.

If more than one excess can be applied to one occurrence, then you will only need to pay the highest excess.

Other insurances

At the time you make a claim, you must give us written notice of any other insurance covering the property or legal liability which may also apply to your claim. When a loss paid under this policy is also recoverable under another policy and we have paid more than our rateable share, we reserve the right to seek contribution from the other insurer or insurers.

Premium funding

Any refund due for the pro rata portion of the premium applicable to the unexpired period of insurance will be paid to any premium funding company who holds a legal right over your policy by virtue of a notice of assignment and/or an irrevocable power of attorney.

Progress payments

We will not unreasonably withhold progress payments. We will pay progress payments on claims at intervals to be agreed by us following receipt of an interim report by our loss adjuster or representative.

Single occurrence

We will not pay for loss or damage to property covered by the policy under more than one section of the policy in respect of the same item and occurrence unless the sum insured has been paid out in full under one section and you have not been fully covered for the loss or damage.

Subrogation rights

We have the right to take over and conduct in your name the defence or settlement of any claim or to prosecute in your name any claim for damages, indemnity, contribution or otherwise. We have full discretion in the conduct of any proceedings and in the settlement of any claim. You must give us all such information and assistance as we may reasonably require in defending you or prosecuting in your name.

IMPORTANT MATTERS

State legislation governing strata plan, company title or any similar scheme

Where any part of this policy contravenes any act or regulation governing company title, strata plan or any similar scheme, the requirements of that act or regulation will apply.

What you must do after loss, damage or an accident

1. Take all reasonable steps to prevent further loss, damage or liability;
2. Notify the Police immediately if any of your property is lost, stolen, maliciously or intentionally damaged;
3. Advise us of the claim immediately and submit a claim form as soon as possible. If you or someone acting on your behalf does not complete and submit a claim form within 30 days of an accident we may reduce the amount we have to pay if the delay causes increased costs or prevents us investigating the claim;
4. Provide us with the proof that we require regarding stolen or damaged property;
5. Help us manage the claim, which may include us inspecting your property or location or asking you questions, or you providing written statements to us under oath;
6. Keep items that have been damaged and allow us to inspect them or assess repair costs;
7. Allow us to take possession of damaged property that is the subject of a claim;
8. Forward any invoices, bills, demand letters, summons or notices you receive from other persons or organisations involved in the incident to us immediately. If you do not, we may reduce the amount we will pay if the delay causes increased costs or prevents us investigating the circumstances of the claim.

What you must not do after a loss, damage or an accident:

1. Admit guilt, fault or liability (except where required by law);
2. Offer or negotiate to pay a claim;
3. Approve any repairs or arrange replacements (other than emergency repairs necessary to minimise or prevent further loss or damage);
4. Dispose of any damaged property.



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