



## Residential Strata

Product Disclosure Statement & Policy Wording



## Contents

<b>Introduction</b> .....	2	<b>Section 3 – Personal Accident</b> .....	33
<b>Product Disclosure Statement (PDS)</b> .....	3	What is covered .....	33
Important Information & Notices .....	3	Extra Benefits .....	33
Who is the insurer? .....	3	What is not covered .....	33
About Axis Underwriting .....	3	Special Conditions .....	34
What You should read .....	3	Special Definitions .....	34
Summary of Cover .....	4	<b>Section 4 – Fidelity Guarantee</b> .....	35
Significant Benefits & Risks .....	5	What is covered .....	35
Cooling Off Period .....	8	Extra Benefit .....	35
Duty of Disclosure .....	8	What is not covered .....	35
Monetary Limits .....	8	Special Condition .....	35
Excesses .....	8	Special Definition .....	35
Costs of this insurance .....	8	<b>Section 5 – Machinery Breakdown</b> .....	36
Applying for Cover .....	9	What is covered .....	36
Privacy .....	9	Extra Benefits .....	36
Complaints & Dispute Resolution .....	9	What is not covered .....	36
LLOYD'S Certificate of Insurance .....	10	How we settle claims .....	37
Insurance Code of Practice .....	10	Special Definitions .....	37
GST .....	10	<b>Section 6 – Office Bearers Legal Liability</b> .....	38
How to make a claim .....	11	What is covered .....	38
Updating the PDS .....	11	Extra Benefits .....	38
<b>Policy Wording</b> .....	12	What is not covered .....	38
Important Information .....	12	Special Conditions .....	39
General Definitions .....	12	Special Definitions .....	40
General Conditions .....	17	<b>Section 7 – Government Audit Costs &amp;</b>	
General Exclusions .....	19	<b>Legal Expenses</b> .....	41
<b>Section 1 – Buildings</b> .....	21	Part A: Government audit costs .....	41
What is covered .....	21	What is covered .....	41
Extra Benefits .....	21	Extra Benefit .....	41
Special Benefits .....	21	What is not covered .....	41
Optional Covers .....	26	Special Conditions .....	41
What is not covered .....	27	Part B: Appeal expenses .....	42
How we settle claims .....	28	What is covered .....	42
Special Provisions .....	29	Part C: Legal defence expenses .....	42
Special Conditions .....	29	What is covered .....	42
Special Definitions .....	29	Excess .....	42
<b>Section 2 – Public or Legal Liability</b> .....	30	What is not covered .....	43
What is covered .....	30	Special Conditions .....	43
Extra Benefits .....	30	Special Definitions that apply to Parts A, B and C .....	44
Special Benefits .....	30		
What is not covered .....	31		
Special Definitions .....	32		

## **Axis Underwriting Residential Strata**

### Product Disclosure Statement & Policy Wording

#### **Introduction**

Welcome to the Axis Residential Strata Insurance Policy. This Product Disclosure Statement (PDS) and Policy wording has been prepared to assist You in understanding the Axis Residential Strata Insurance Policy so that You are able to make an informed decision whether it suits Your specific insurance needs.

**Preparation Date:** 1st January 2017

## Product Disclosure Statement (PDS)

### Important Information & Notices

This document is a Product Disclosure Statement (PDS) and is also our insurance policy wording. Please note that it operates as a PDS under the *Corporations Act 2001 (Cth)*.

Other documents may also form part of our PDS and We will specifically tell You if this is the case in the relevant document.

It is important that You carefully read the contents of the PDS and Policy wording, including any other documents We may have issued that vary the standard terms of this document, before You decide to buy this product. If You purchase this product, You will need to keep this PDS and Your schedule in a safe place.

Any advice in this document is of a general nature only and has not considered Your objectives, financial situation or needs. You should carefully consider the information provided having regard to Your personal circumstances to decide if this insurance is right for You.

### Who is the insurer?

The Insurers of the Policy are certain Underwriters at Lloyd's. You can contact Insurers through their appointed Coverholder Axis Underwriting Services Pty Ltd by:

- telephone on 03 8660 7000
- by facsimile on 03 8660 7020
- by e-mail at [info@axisunderwriting.com.au](mailto:info@axisunderwriting.com.au)
- by writing to Axis at Level 5, 90 Collins St, Melbourne 3000
- or by contacting Lloyd's Australia on the contact numbers shown in the Lloyd's Certificate of Insurance on Page 10.

### About Axis Underwriting

Axis Underwriting Services Pty Ltd is an insurance intermediary and holds an Australian Financial Services License (AFS License No. 236650). ABN 51 090 508 142.

Since 1999, Axis Underwriting has been assisting Australian insurance brokers to access cover for property, strata, business, hospitality and liability risks.

### What You should read

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

- all of the Product Disclosure Statement - this information is designed to help You understand this insurance and Your rights and obligations under it;
- the Policy Wording part which commences on page 12. It tells You about:
  - our Agreement (Your contract with Us which We call a Policy);
  - important definitions that set out what We mean by certain words;
  - the cover We can provide (see **Sections 1 to 7**);
  - what Excesses You may have to pay (see 'Excesses' on page 8 for guidance);
  - when You are not insured (see General Exclusions and other exclusions under **Sections 1 to 7**);
  - what You and We need to do in relation to claims (see **Sections 1 to 7**);
  - Your and our cancellation rights (see 'Cancelling Your Policy' on page 12).
- any Schedule (refer to the definition of Schedule on page 15 when it is issued to You; and
- any other documents We may give You which vary our standard terms of cover set out in this document.

It is important that these documents are read together carefully and that they are kept in a safe place.

# Residential Strata

## Summary of Cover

The information contained in this table below provides You with a summary of the Covers available under this Policy.

In addition to this, under some Sections of the policy there are further optional covers or limits that You can select subject to Axis Underwriting agreeing to provide those covers. You should refer to the relevant Section for full details.

You should also read the relevant Section for a full description of the Section Cover together with any relevant limits, specific exclusions and conditions that apply as well as the general conditions and general exclusions contained in this policy-booklet.

Section	Cover Summary
<b>1. Buildings</b>	This Section covers You against accidental Loss or Damage to Your Building and/or contents which occurs at the site during the Period of Insurance. It also includes optional covers for Floating Floors, Loss of Market Value and Catastrophe Cover.
<b>2. Public or Legal Liability</b>	This Section covers You against any claim for compensation or expenses that You become legally liable to pay for: <ul style="list-style-type: none"> <li>a) Personal Injury; or</li> <li>b) Property Damage,</li> </ul> happening during the Period of Insurance and caused by an Occurrence in connection with Your Business.
<b>3. Personal Accident</b>	This Section covers death or Injury sustained by any person in the Period of Insurance while engaged as a Volunteer.
<b>4. Fidelity Guarantee</b>	This Section covers You against loss of Funds in the Period of Insurance as a result of theft, embezzlement, misappropriation, conversion or fraud.
<b>5. Machinery Breakdown</b>	This Section Covers the cost to repair or replace machinery and electronic equipment damaged as a result of accidental breakdown.
<b>6. Office Bearers Legal Liability</b>	This Section covers the legal liability of Office Bearers and committee members for wrongful acts they commit including where applicable, reimbursement of the Body Corporate for payments made in respect of such Wrongful Acts. This Section is issued on a claims made basis which means it responds to claims first made against You during the Period of Insurance and notified to Us during that same period.
<b>7. Government Audit Costs &amp; Legal Expenses</b>	This Section provides cover for: <b>Part A</b> - the cost of professional fees if You are audited by the Australian Tax Office or another government organisation; <b>Part B</b> - the cost of appealing against common property health and safety breaches; <b>Part C</b> - the cost of defending specific litigation (see page 42) brought against You other than as covered under <b>Section 2</b> and <b>6</b> . A special Excess payment applies to <b>Part C</b> . This Section is issued on a claims made basis which means it responds to claims first made against You during the Period of Insurance and notified to Us during that same period.

## Significant Benefits & Risks

The information contained in this table below provides You with a summary of the Significant Benefits & Risks available under this Policy.

In addition to this, under some sections of the policy there are further optional covers or limits that You can select subject to Axis Underwriting agreeing to provide those covers. You should refer to the relevant Section for full details.

Section	Benefits (☑)	Not Covered (☒)
<b>1. Buildings</b>	<ul style="list-style-type: none"> <li>☑ Architects fees, surveyors fees, other professional fees</li> <li>☑ Removal, storage and/or disposal of debris</li> <li>☑ Clearing, cleaning and repairing gutters, sewers and the like</li> <li>☑ Dismantling, demolishing, shoring up, propping up, underpinning or other temporary repairs</li> <li>☑ Demolition and disposal of undamaged portion of Your Building in accordance with any order issued by a public or statutory authority</li> <li>☑ Fees, contributions or imposts for any public or statutory authority to obtain their authority to rebuild</li> <li>☑ Legal fees incurred in making submissions to any public or statutory authority, building licensing board, or land and environment courts</li> <li>☑ Loss or Damage to fences and gates as a result of Storm</li> <li>☑ Loss or Damage caused by Tsunami</li> <li>☑ Loss or Damage caused by emergency services</li> <li>☑ Loss or damage caused by smoke or smut</li> <li>☑ Emergency repair costs</li> <li>☑ Cost of temporary protection and safety of Insured Property and residents</li> <li>☑ Arson, theft, vandalism, malicious damage reward</li> <li>☑ Fusion of electric motors</li> <li>☑ Electricity, gas, water and similar charges - excess costs</li> <li>☑ Electricity, gas, water and similar charges - unauthorised use</li> <li>☑ Environmental Improvements</li> <li>☑ Exploratory costs, replacement or defective parts</li> <li>☑ Removal or disposal of fallen trees or branches</li> <li>☑ Fire extinguishing</li> <li>☑ Keys and locks replacement</li> <li>☑ Meeting room hire</li> <li>☑ Loss of money</li> <li>☑ Mortgage discharge</li> </ul>	<ul style="list-style-type: none"> <li>☒ Loss or Damage caused by non-rectification of an Insured Property defect, error or omission</li> <li>☒ Loss or Damage caused by lack of maintenance or failure to maintain Your Insured Property in a reasonably good state of repair</li> <li>☒ Cost of clearing blocked pipes or drains unless the blockage causes or is the result of physical damage to the pipe or drain</li> </ul>

# Residential Strata

## Significant Benefits & Risks (continued)

Section	Benefits (☑)	Not Covered (☒)
<b>1. Buildings</b>	<ul style="list-style-type: none"> <li>☑ Modifications to property to cater for physical needs of Lot Owner as a result of personal injury</li> <li>☑ Personal property of others</li> <li>☑ Purchaser's interest</li> <li>☑ Rewriting or reconstructing records</li> <li>☑ Removal, storage costs - Property</li> <li>☑ Removal of illegally deposited rubbish</li> <li>☑ Removal of water from basement</li> <li>☑ Loss of rent</li> <li>☑ Temporary accommodation</li> <li>☑ Emergency accommodation</li> <li>☑ Cost of reletting</li> <li>☑ Landscaping</li> <li>☑ Removal of squatters</li> <li>☑ Title deeds</li> <li>☑ Funeral expenses</li> <li>☑ Travel costs</li> <li>☑ Boarding pets, security dogs (per Lot)</li> <li>☑ Claims preparation costs</li> <li>☑ Optional covers including, Floating Floors, Loss of Market value and Catastrophe Cover</li> </ul>	
<b>2. Public or Legal Liability</b>	<ul style="list-style-type: none"> <li>☑ Personal Injury</li> <li>☑ Property Damage</li> <li>☑ Car park liability</li> <li>☑ Fertiliser, pesticide, herbicide application</li> <li>☑ Services</li> <li>☑ Watercraft</li> <li>☑ Wheelchairs, garden equipment, Other vehicles</li> <li>☑ Cost of defending a claim</li> <li>☑ Court appearance</li> </ul>	<ul style="list-style-type: none"> <li>☒ Liability imposed by the provisions of any workers compensation, accident compensation or similar legislation</li> <li>☒ Personal injury or Property Damage caused by animals on Your Common Area</li> <li>☒ Fines or penalties or for punitive, aggravated, exemplary or additional damages imposed</li> </ul>
<b>3. Personal Accident</b>	<ul style="list-style-type: none"> <li>☑ Death</li> <li>☑ Total loss of sight in both eyes</li> <li>☑ Total loss of use of both hands or both feet or the use of one hand and one foot</li> <li>☑ Total loss of use of one hand or foot</li> <li>☑ Total loss of sight in one eye</li> <li>☑ Total disablement from engaging in weekly profession, business or occupation</li> <li>☑ Partial disablement from engaging in weekly profession, business or occupation</li> <li>☑ Cost of burial or cremation</li> </ul>	<ul style="list-style-type: none"> <li>☒ Compensation for intentional self-injury or suicide</li> <li>☒ Cover for children under the age of 12</li> <li>☒ Compensation where the claim arises out of the Volunteer being under the influence of alcohol or any other drug</li> </ul>



## Significant Benefits & Risks (continued)

Section	Benefits (☑)	Not Covered (☒)
	<ul style="list-style-type: none"> <li>☑ The costs of hiring or employing domestic assistance in the Event a Volunteer is totally disabled from performing profession, business or occupation or usual household duties</li> <li>☑ Travel expenses incurred at the time of or subsequent to bodily injury</li> <li>☑ The cost of home tutorial expenses if the Volunteer is a student and is totally disabled</li> </ul>	
<b>4. Fidelity Guarantee</b>	<ul style="list-style-type: none"> <li>☑ Fraudulent misappropriation of Your funds</li> <li>☑ External audit costs in supporting a valid claim</li> <li>☑ Continuous cover</li> </ul>	<ul style="list-style-type: none"> <li>☒ No cover is provided unless We are notified within 90 days of You discovering the fraudulent misappropriation of Your funds</li> </ul>
<b>5. Machinery Breakdown</b>	<ul style="list-style-type: none"> <li>☑ Breakdown of electrical, electronic and mechanical plant and machinery</li> <li>☑ Hiring of temporary replacement item</li> </ul>	<ul style="list-style-type: none"> <li>☒ Damage caused by wear and tear</li> <li>☒ Cost of any alterations, additions, improvements, modifications or overhauls</li> </ul>
<b>6. Office Bearers Legal Liability</b>	<ul style="list-style-type: none"> <li>☑ Legal liability of office bearers for any wrongful act they commit</li> <li>☑ Defence Costs</li> <li>☑ Continuous cover</li> </ul>	<ul style="list-style-type: none"> <li>☒ Claims resulting from any dishonest, fraudulent, criminal act or omission</li> </ul>
<b>7. Government Audit Costs &amp; Legal Expenses</b>	<ul style="list-style-type: none"> <li>☑ Government audit costs</li> <li>☑ Record keeping audit</li> <li>☑ Appeal expenses-common property, health and safety breaches</li> <li>☑ Legal defence expenses</li> </ul>	<ul style="list-style-type: none"> <li>☒ No cover when audit notification occurred prior to commencement of cover</li> <li>☒ No cover when there is a failure to lodge returns or documents on time or properly</li> <li>☒ Fines, penalties, interest or adjustment of tax, additional tax, duty, government impost or similar</li> </ul>

## Cooling Off Period

We will refund the entire premium paid for cover under this insurance policy if You cancel the policy within 21 days of its commencement. To do this, You must advise Us in writing and return the Schedule to Axis Underwriting Services Pty Ltd. You will not receive a refund if You have made a claim under the insurance policy.

Even after this cooling off period ends You still have cancellation rights. Further details about these rights can be obtained in the 'Cancelling Your Policy' section.

## Duty of Disclosure

Before You enter into a contract of general insurance with Us, You have a duty, under the Insurance Contracts Act 1984, to disclose to Us every matter that You know, or could reasonably be expected to know, is relevant to Our decision whether to accept the risk of the insurance and, if so, on what terms.

You have the same duty to disclose those matters to Us before You renew, extend, vary or reinstate a contract of general insurance.

This duty of disclosure applies until the contract is entered into (or renewed, extended, varied or reinstated as applicable).

Your duty however does not require disclosure of any matter:

- that diminishes the risk to be undertaken by Us; or
- that is of common knowledge; or
- that We know or, in the ordinary course of Our business as an insurer, ought to know; or
- as to which compliance with Your duty is waived by Us.

### Non-disclosure

If You fail to comply with Your duty of disclosure, We may be entitled to reduce Our liability under the contract in respect of a claim, refuse to pay a claim, or cancel the contract.

If Your non-disclosure is fraudulent, We may also have the option of avoiding the contract from its beginning.

## Monetary Limits

We insure You up to the amount of the sum insured or other specified limits for Your Insured Property. These amounts are specified in the relevant clauses in the Policy Wording part or on the Schedule.

Covers for Liability to others, Fidelity Guarantee, Office Bearers Legal Liability, Machinery Breakdown, Government Audit Costs and Legal Expenses insure You up to a set limit of liability which is shown on the Schedule.

You need to make sure You are happy with all of the relevant sum(s) insured and limits. If You do not adequately insure Yourself You may have to bear the uninsured proportion of any loss Yourself.

For example, if You don't have a sufficient sum insured to replace Your Insured Property at new cost You will bear the shortfall.

You should factor in the possibility of all possible expenses such as the cost of demolition and removal of debris from the site, the cost of employing an architect or surveyor, the replacement of other structures such as driveways, roadways, kerbing, above and below ground services should all be included in the sum insured. If You are unsure whether Your Insured Property is insured for the correct amount, You should seek professional advice.

You should also advise Axis Underwriting of any changes in the details of the information You have given us, otherwise Your insurance may not be sufficient. Changes might include alterations to Your Insured Property.

Excesses may apply. See Excesses section below.

## Excesses

Excesses may apply to any claim under this insurance.

An Excess is an amount You may have to pay each time You make a claim under this insurance policy. The Excesses that are applicable are shown on the Schedule, and/or within the relevant Sections.

An Excess will be applied for each incident where a claim is made.

We will tell You the amount of any Excess when You apply for cover. They may vary according to a number of factors, such as Your risk location and Your insurance history.

## Costs of this insurance

In order to calculate Your Premium, We take various factors into consideration, including:

- the cover options selected;
- the sum(s) insured selected;
- the address of Your Insured Property;
- Your claims insurance history.

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

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

## Applying for Cover

When You apply for cover under this Policy We may, based on the information You provide, be able to offer cover and terms specific to You. Once We have agreed to cover You We will issue You with a Schedule confirming this, including the following information:

- the Sums Insured applicable and Situation of Your Insured Property;
- Excess(es) applicable;
- Premium including taxes and charges and any administration fee charged by Axis Underwriting.

## Privacy

We are committed to complying with privacy laws and protecting Your personal information. By purchasing this product, You agree to:

- the collection, use and disclosure of Your personal information to evaluate, effect, manage and administer Your insurance Cover, financial service or product provided to You by Us, any related company, or in conjunction with Us. This applies to personal information provided previously, currently and in the future;
- the collection, use and disclosure of Your personal information to inform You of other products and services offered by Us, Our related entities or Your representative;
- the use and disclosure of Your personal information to test and improve upon the systems used to manage Your Policy;
- the collection from, and/or disclosure of, Your personal information to a third party which may include Your employer and Our service providers (including but not limited to other insurers, medical practitioners, lawyers, claims consultants, loss assessors and investigators), where this is relevant for the administration of Your policy or a claim under this Policy;
- the disclosure of Your personal information to overseas recipients, where relevant, such as some of Our reinsurers; and
- the disclosure of Your personal information to a person, regulatory bodies or other entities if We are required or permitted to do so by law. If You do not provide the requested personal information We may not be able to evaluate, effect, manage or administer Your Policy and You may also be in breach of Your duty of disclosure.

We will ensure that Your personal information is accurate, up to-date and complete. You may access personal information We hold about You by contacting Us.

## Complaints & Dispute Resolution

We work hard at building strong relationships with Our clients. However, complaints and disputes may still arise and when that happens Our objective is to resolve any disagreement as amicably and quickly as possible.

If You have a complaint about an insurance product We have issued or service You have received from Us, please contact Your intermediary in the first instance to initiate the complaint with Us. If You are unable to contact Your intermediary, You can contact Us directly on (03) 8660 7000.

We will respond to Your complaint within 15 working days. If You are not satisfied with our response, You may have the matter reviewed through our internal dispute resolution process, which is free of charge.

If You are not satisfied with the outcome of the dispute resolution process and would like to take the complaint further, You may refer the matter to:

### **Lloyd's Underwriters' General Representative in Australia**

Level 9,  
1 O'Connell Street, Sydney NSW 2000  
Telephone Number: (02) 8298 0700  
Fax: (02) 8298 0788

If Your dispute remains unresolved You may be referred to the Financial Ombudsman Service Limited under the terms of the General Insurance Code of Practice. For other disputes You will be referred to other proceedings for resolution.

Details are available from Lloyd's Underwriters' General Representative in Australia at the address above.

## LLOYD'S Certificate of Insurance

**Lloyd's Certificate of Insurance** - effected through Axis Underwriting Services Pty Ltd (the Coverholder)

**This Certificate of Insurance** confirms that in return for payment of the Premium shown in the Schedule, certain Underwriters at Lloyd's have agreed to insure You, in accordance with the wording attached to this Certificate.

You or Your representative can obtain further details of the syndicate numbers and the proportions of this insurance for which each of the Underwriters at Lloyd's is liable by requesting them from the Coverholder. In the event of loss, each Underwriter (and their executors and administrators) is only liable for their own share of the loss.

In accepting this insurance, the Underwriters have relied on the information and statements that You have provided. You should read this Certificate, Schedule and Policy wording carefully and if it is not correct contact Your Broker or Axis Underwriting Services Pty Ltd. It is an important document and You should keep it in a safe place with all other papers relating to this insurance.

This Certificate is Insurance Council of Australia's General Insurance Code of Practice compliant, apart from any claims adjusted outside Australia. Underwriters at Lloyd's proudly support the General Insurance Code of Practice. The purpose of the Code is to raise standards and service in the general insurance industry. Any enquiry or complaint relating to this insurance should be referred to the Coverholder shown above in the first instance. If this does not resolve the matter or You are not satisfied with the way a complaint has been dealt with, You should write to:

### **Lloyd's Underwriters General Representative in Australia**

Level 9, 1 O'Connell Street,  
Sydney, NSW 2000

Telephone: (02) 8298 0700

Facsimile: (02) 8298 0788

If Your dispute remains unresolved You may be referred to the **Financial Ombudsman Service Limited** under the terms of the General Insurance Code of Practice. For other disputes You will be referred to other proceedings for resolution. Details are available from Lloyd's Underwriters' General Representative in Australia at the address above.

The Underwriters accepting this insurance agree that;

- i) if a dispute arises under this insurance it will be subject to Australian law and practice and the Underwriters will submit to the jurisdiction of any competent court in the Commonwealth of Australia;
- ii) any summons notice or process to be served upon the

Underwriters may be served upon:

### **Lloyd's Underwriters General Representative in Australia**

Level 9, 1 O'Connell Street, Sydney, NSW 2000

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

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

In the event of a claim arising under this insurance IMMEDIATE NOTICE should be given to Axis Underwriting Services Pty Ltd.

The Certificate is issued by the Coverholder in accordance with the authority granted to them by certain Underwriters at Lloyd's under the Agreement referred to in the Certificate.

## Insurance Code of Practice

Axis Underwriting is a signatory of the General Insurance Code of Practice and both Axis and Lloyd's fully support its purpose of raising the standards of practice and service in the general insurance industry.

Please contact Your broker if You would like further information about the Code of Practice. Alternatively, You can view the Code of Practice at [www.codeofpractice.com.au](http://www.codeofpractice.com.au).

## GST

This Policy has a GST provision in relation to Premiums and to payments We may make in respect of claims under this Policy.

It may have an impact on how You determine the amount of insurance You need.

It is Your responsibility to ensure that Your Cover is adequate in light of the impact of GST on You. Please contact Your intermediary or seek professional advice if You have any queries about GST and Your insurance.

### **GST and Your Sums Insured**

- If You are not registered for GST the Sum Insured You choose should be GST inclusive.
- If You are registered for GST the Sum Insured that You choose should exclude Goods and Services Tax (GST).

### **GST and Claim Payments to You**

In the event of a claim under this Policy:

- if You are not registered for GST We will reimburse You the GST component in addition to any other amount We pay You; or
- if You are registered for GST You will need to claim the GST component from the Australian Taxation Office. Where You cannot claim the GST component in full We will reimburse You the unclaimed GST component in addition to the amount We pay You.

Your Policy contains claims conditions in respect of:

- GST and claim payments for acquisition of goods and services and other supply;
- GST and claim payments for compensation;
- GST and claim payments for legal and other costs; and
- Our limitation for GST payment.

You should read the claims conditions contained in this policy booklet to make sure You understand both Our and Your obligations in respect of how GST will be treated in respect of the payment of claims under this Policy.

## How to make a claim

You should contact Your broker as soon as possible to advise of any incident that could lead to a claim.

When You make a claim You must:

- provide details of the incident and when requested complete the claim form We send You;
- allow Us to inspect Your Insured Property and take possession of any damaged item;
- take all reasonable steps to reduce the Loss or Damage and prevent further Loss or Damage;
- inform the police immediately following theft, vandalism, malicious damage or misappropriation of money or property;
- not dispose of any damaged items without first obtaining approval from Us; and
- not get repairs done, except for essential temporary repairs, until We give You authority and subject to Our right to choose the repairer or supplier.

These are only some of the things that You must do if making a claim. Please refer to "Claims procedures" in the Policy Wording part which sets out claims information and what You must do if making a claim.

## Updating the PDS

The information in this PDS was current at the date of preparation. We may from time to time update some of the information in the PDS. If, due to any material changes it becomes necessary, We will issue a Supplementary PDS (SPDS) or replacement PDS.

You can obtain a copy of any updated information by contacting Your insurance broker.

## Policy Wording

### Important Information

#### Our Agreement

Subject to all of the terms and conditions contained in Your policy document and payment of the Premium, We will provide You with the cover shown in the relevant cover sections of Your policy document up to the appropriate Sum Insured or Limit of Liability shown in Your Schedule or other limits shown in Your policy.

#### You must disclose all previous claims

You are asked at the time You take out this insurance to give Us full and correct details concerning any:

- renewal or insurance policy declined, cancelled or refused, or where any Excess was imposed;
- claim refused by an insurer;
- claims made by You relating to this class of property and insurance because any of these may affect the premium and extent of insurance.

For example We may be entitled to:

- charge You an additional premium;
- impose (back dated) restrictions declining Your insurance back to when this information should have been advised to Us;
- decline to insure You;
- refuse a claim.

When renewing Your Policy with Us You must also advise Us of any changes to Your claims or insurance history. We will notify You in writing of the effect a change may have on Your renewal.

#### Adjustments on renewal

We will send You a renewal Schedule At least fourteen (14) days before Your Policy expires detailing any changes to Your Sums Insured, Premium and charges, and if any, changes to the terms, conditions and Excesses that previously applied.

You should carefully check all these details and, where necessary, seek the advice of a building professional to ensure that the Building Sum Insured is adequate to cover the costs of reinstating Your building should damage occur at any time during the next Period of Insurance. You should promptly advise Your insurance broker if You wish to vary any of the limits.

#### Cancelling Your Policy

- a) You may cancel all or part of this Policy at any time by giving Us notice in writing.
- b) We may cancel this Policy on any of the grounds set out in the *Insurance Contracts Act 1984* and We will always tell You of this in writing.

- c) On cancellation, a refund of Premium will be calculated equal to the unexpired period of this Policy less any administration fee and any non-refundable Government charges and any component of the Premium relating to levies where applicable.
- d) Where We have paid the total Sum Insured on a claim under any Section, that Section of Your Policy with Us is deemed to have been fulfilled and there is no refund of any Premium.

### General Definitions

The following Definitions shall apply to these words when used in Your Policy, unless otherwise defined in the individual cover sections.

#### Act of Terrorism

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

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

#### Body Corporate

means the owner(s) of Your Insured Property and Common Area incorporated under the *Owners Corporation Act, Strata Schemes Management Act, Body Corporate and Community Management Act, Strata Titles Act, Community Titles Act* or similar legislation applying where Your Insured Property and Common Area is situated.

#### Body Corporate Manager/Agent

means a person or other entity appointed in writing by Your Body Corporate with delegated functions including the authority to act as an Office Bearer in terms of the *Owners Corporation Act, Strata Schemes Management Act, Body Corporate and Community Management Act, Strata Titles Act, Community Titles Act* or similar legislation applying where Your Insured Property is situated.



**Common Area**

means the area at Your Situation that is not part of any Lot/Unit.

**Depreciation**

means the reduction in the value of the item due to Wear and Tear.

**Earth Movement**

means heavage, landslide, land-slippage, mudslide, settling, shrinkage, subsidence or collapse.

**Electronic Data**

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

**Endorsement**

means a written alteration to the terms, conditions and limitations of this Policy whether issued by Us as a separate document or shown on the Schedule.

**Erosion**

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

**Event, Events**

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

**Excess**

means the amount You must pay towards a claim. You will find the amount of any Excess shown on the Schedule or within the Policy.

**Floating Floors**

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

**Flood**

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

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

- b) a river (whether or not it has been altered or modified);
- c) a creek (whether or not it has been altered or modified);
- d) another natural watercourse (whether or not it has been altered or modified);
- e) a reservoir;
- f) a canal;
- g) a dam.

**Fusion**

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

**Indemnity Value**

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

**Insured Property**

**a) Building**

Building means:

building or buildings as defined by the *Owners Corporation Act, Strata Schemes Management Act, Body Corporate and Community Management Act, Strata Titles Act, Community Titles Act* or similar legislation applying where Your Building is situated, including:

- i) outbuildings;
- ii) fixtures and structural improvements other than Floating Floors and carpets;
- iii) tennis courts, in-ground swimming pools and spas;
- iv) marinas, wharves, jetties, docks, pontoons, swimming platforms, or similar type facilities (whether fixed or floating) which are used for non-commercial purposes and which do not provide fuel distribution facilities, unless We are advised and otherwise agree in writing;
- v) satellite dishes, radio, television and other antennas including their associated wiring, masts, footings, foundations, moorings and towers;
- vi) underground and overhead services;
- vii) Fixed or built in plant, equipment and appliances.

**b) Common Area Contents**

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

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

# Residential Strata

- ii) built-in or freestanding appliances such as dishwashers, washing machines and dryers, other electrical items;
- iii) carpets (whether fixed or unfixed), floor rugs;
- iv) swimming pools or spas that are not in-ground;
- v) swimming pool or spa covers and accessories;
- vi) wheelchairs, garden equipment including lawn mowers, golf carts, golf buggies or other similar type items but only if such item is not required to be registered;

that You own or have legal responsibility for:

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

Building and Common Area Contents do not include:

- aircraft, caravans, trailers, Vehicles (other than garden appliances not required to be registered), hovercraft and
- Watercraft including their accessories or spare parts whether fitted or not;
- livestock, birds, animals or fish unless contained in a fish tank for decorative purposes;
- Lot Owners' Contents and any other personal property of theirs;
- money, other than as covered under **Special Benefit 24 of Section 1**;
- plants, hedges, trees, shrubs, gravel, shale, stones, clay or soil on paths or driveways or tennis courts, soil or bark or mulch in gardens other than as covered under **Special Benefit 22 of Section 1**; and
- Temporary wall, floor and ceiling coverings within a Lot/Unit;
- Mobile or fixed air-conditioning units servicing an individual Lot/Unit.

Where anything in this definition of 'Insured Property' is contrary to the *Owners Corporation Act, Strata Schemes Management Act, Body Corporate and Community Management Act, Strata Titles Act, Community Titles Act* or similar legislation applying where Your Building is situated the requirements of Your Act will apply.

## Land Value

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

## Loss or Damage

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

## Lot/Unit

means an area shown on a plan as a lot or unit in terms of the *Owners Corporation Act, Strata Schemes Management Act, Body Corporate and Community Management Act, Strata Titles Act, Community Titles Act* or similar legislation applying where Your Insured Property is situated.

## Lot Owners, Lot Owners'

means a person, persons or other entity registered as a proprietor or owner of an estate in fee simple in a Lot/Unit in Your Building in terms of the *Owners Corporation Act, Strata Schemes Management Act, Body Corporate and Community Management Act, Strata Titles Act, Community Titles Act* or similar legislation applying where Your Insured Property is situated.

## Lot Owners' Contents

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

- a) built-in or freestanding appliances such as dishwashers, washing machines and dryers;
- b) computers, electronic and electrical equipment, garden equipment;
- c) Lot Owners' business and personal effects, furniture, furnishings, carpets, and floor rugs.

## Lot Owners' Fixtures and Improvements

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

## Members

means and is limited to the interest of Proprietors, Members, Lot Owners or Shareholders in respect of the ownership of Your Insured Property in terms of the *Owners Corporation Act, Strata Schemes Management Act, Body Corporate and Community Management Act, Strata Titles Act, Community Titles Act* or similar legislation applying where Your Insured Property is situated. Their interest or liability as an owner and/or occupier of a Lot/Unit is not included unless otherwise specifically provided by this Policy.



**Period of Insurance**

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

**Policy**

means Your insurance contract which consists of this policy wording, the information You supplied in Your application, the Schedule and any issued Endorsements We issue to You attaching to or contained within those documents.

**Premium**

means any amount We require You to pay under the Policy and includes Government charges.

**Rainwater**

means the rain which falls naturally from the sky. It includes Rainwater run-off over the surface of the land but not Flood.

**Rent**

means, an amount of money calculated on the basis of the annual rentable value (including any 'outgoings' payable by a tenant or lessee) that applied immediately prior to Loss or Damage, to any Lot/Unit or part of Your Common Area leased to a tenant.

**Replacement**

means:

- a) the reasonable cost of rebuilding, replacing or repairing to a condition which is equivalent to or substantially the same as but not better nor more extensive than when it was new; and
- b) the extra costs necessarily incurred to alter or upgrade Your Insured Property to comply with Public, Statutory or Environmental Protection Authority requirements, but does not include:
  - i) any costs that would have been incurred in complying with orders issued prior to the happening of the loss;
  - ii) any extra costs to alter or upgrade any portion of Your undamaged Insured Property if the cost to rebuild, replace or repair the damaged portion is less than twenty five percent (25%) of what the cost would have been had Your Insured Property been totally destroyed.

**Schedule**

means Your most recent schedule of insurance. We give You this schedule when You first buy this insurance and each time You request an addition, alteration or renewal. The schedule of insurance forms part of Your policy.

**Situation**

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

**Storm**

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

**Storm Surge**

means an abnormal rise or fall in the level of the sea caused by the winds of an intense Storm or cyclone.

**Sum Insured, Limit of Liability**

means the amount shown on the Schedule for the Policies We have agreed to cover and is the maximum amount We will pay, inclusive of claimant's costs and expenses recoverable from You, for all claims under each of the Policies during the Period of Insurance, unless otherwise stated in a Policy.

**Temporary Accommodation**

means, an amount of money for temporary accommodation 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, to any Lot/Unit occupied by the Lot Owner.

**Tenant**

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

**Tsunami**

means a sea or ocean wave caused by an earthquake, earth tremor or seismological disturbance under the sea.

**Vehicle, Vehicles**

means:

- a) any type of machine on wheels or self-laid tracks made or intended to be propelled by other than manual or animal power and any trailers or other attachments made or intended to be drawn by any of those machines; and
- b) which is or should be registered and/or insured under legislation in the State or Territory of Australia in which it is being used.

**Volunteer**

means a person who does voluntary unpaid work organised by and at the direction of the Body Corporate or Body Corporate Manager without promise of reward or remuneration.

# Residential Strata

Volunteer does not mean employees, contractors or any person who receives a payment, reward or any form of remuneration for voluntary work.

## **Watercraft**

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

## **Wear, Tear**

means damage or a reduction in value through age, ordinary use or lack of maintenance.

## **We, Our, Us**

means the Underwriters shown on the **Schedule**.

## **You, Your, Yours**

means:

a) in respect of **Sections 1**:

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

- i) the interest therein of Members;
- ii) Lot Owners in respect of **Special Benefits 1, 2, 3, 4, 5, 7, 8, 9, 10, 14, 20, 22, 23, 25, 27, 28, 33 and 34 of Section 1**;

b) in respect of **Section 2**:

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

- i) the interest therein of Members;
- ii) the organisers of recreational activities in respect of **Extra Benefit 5 of Section 2**;
- iii) a Volunteer whilst engaged solely in work or duties on behalf of the Body Corporate, Corporation, Owners Corporation, Plan or Company named on the Schedule.

c) in respect of **Section 3**:

a Volunteer whilst engaged solely in work or duties on behalf of the Body Corporate, Corporation, Owners Corporation, Plan or Company named on the Schedule.

d) in respect of **Section 4, 5, and 7**:

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

e) in respect of **Section 6**:

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

- i) estate, heirs, legal representative or assigns;
- ii) legal representative or assigns if he/she is incompetent, insolvent or bankrupt;

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

## General Conditions

### 1) Acts or omissions of Your Body Corporate Manager/ Agent

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

### 2) Alteration of risk

You must promptly advise Us of any changes in the details of the information You have given Us, or if the nature of the occupation or other circumstances affecting Your Insured Property is changed in such a way as to increase the risk of Loss or Damage or the likelihood of liability losses.

If You do not do so We may not be liable for any loss, damage or liability caused or contributed to by any such change or alteration.

### 3) Excess

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

With the exception of the Earthquake Excess of **Section 1**, should more than one Excess be payable for any claim arising from the one Event, such Excesses will not be aggregated and the highest single level of Excess only will apply.

The amount payable by You as an Excess shall not apply in reduction of any Sum Insured, Limit of Liability or any other Policy Limit.

### 4) Joint insured's

When more than one party is named on the Schedule as an insured We will treat each as a separate and distinct party.

The words You, Your, Yours will apply to each party in the same manner as if a separate Policy had been issued to each party, provided Our liability for any Sum Insured or other Policy limit for any one Event or Occurrence is not thereby increased.

Any act, breach or non-compliance with the terms and conditions of this Policy committed by any one such party:

- a) shall not be prejudicial to the rights and entitlements of the other insured party(ies); provided that
- b) the other insured party(ies) upon becoming aware of any such act, breach or non-compliance

which increases the risk of loss, damage or liability give Us written notice within a reasonable time.

### 5) Reinstatement of sum insured

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

This condition does not apply:

- a) when We pay a total loss;
- b) when We pay the full Sum Insured;
- c) to **Sections 6 and 7**;
- d) to **Special Benefits 15 and 32 of Section 1**;
- e) to **Optional Cover 3 'Catastrophe Cover' of Section 1**.

### 6) Unoccupied Property

If the property is totally unoccupied for a period of more than 90 consecutive days, You must tell Us in writing and obtain our written agreement for cover to continue beyond that period. If You do not do so, the cover under Your policy is limited to damage caused by lightning, thunderbolt, impact and earthquake for the period in excess of 90 consecutive days during which You have left the property totally unoccupied. The period of 90 consecutive days is calculated from the date when the property was last occupied, regardless of the commencement or renewal of Your policy.

### 7) Claims Procedures

- a) If there is any incident, loss, damage, occurrence, Event, accident or injury, which may give rise to a claim under this policy, You must:
  - i) take all reasonable precautions to prevent further loss, damage or liability;
  - ii) notify the police immediately if any of Your property is lost, stolen, or maliciously or intentionally damaged;
  - iii) notify Us in writing as soon as possible. Specific notification requirements apply to the Fidelity Guarantee cover section. Please refer to page 35 as appropriate;
  - iv) supply Us with all information We require to investigate, settle or defend the claim;
  - v) allow Us access to any and all documents that We reasonably require to ascertain the maintenance history of the Building.
  - vi) not arrange replacement of any property in connection with any claim without our consent; and

- vii) not admit liability if an incident occurs which is likely to result in someone claiming against You and for which We insure You, without our prior written consent;
  - viii) not offer or negotiate to pay a claim;
  - ix) not dispose of any damaged items without first seeking Our approval.
- b) We have the right to negotiate, defend or settle in Your name and on Your behalf any claim and will have full discretion in the conduct of any proceedings or in the settlement of any claim.
  - c) We may deny part or all of Your claim if You are not truthful and frank in any statement You make in connection with a claim or if a claim is fraudulent or false in any respect. We may also report any suspected fraudulent act to the Police for further investigation.
  - d) We are entitled to any salvage value on recovered items and damaged items that have been replaced. Where a claim covered under this Policy is also insured elsewhere,
  - e) We may exercise Our right to seek contribution from the other insurer or insurers.

## 8) Several Liability Notice

The subscribing insurers' obligations under contracts of insurance to which they subscribe are several and not joint and are limited solely to the extent of their individual subscriptions. The subscribing insurers are not responsible for the subscription of any co-subscribing insurer who for any reason does not satisfy all or part of its obligations.

## 9) Cancelling Your Policy

- a) You may cancel all or part of this Policy at any time by giving Us notice in writing.
- b) We may cancel this Policy on any of the grounds set out in the *Insurance Contracts Act 1984* and We will always tell You of this in writing.
- c) On cancellation, a refund of Premium will be calculated equal to the unexpired period of this Policy less any administration fee and any non-refundable Government charges and any component of the Premium relating to levies where applicable.
- d) Where We have paid the total Sum Insured on a claim under any Section, that Section of Your Policy with Us is deemed to have been fulfilled and there is no refund of any Premium.

## General Exclusions

These General Exclusions apply to all cover sections within the policy. However, each cover section also has specific Exclusions to the cover offered under that cover section and those Exclusions should be read in addition to the ones below.

None of the cover sections provide cover for loss, damage, destruction, injury or liability directly or indirectly caused by, arising from or as a result of:

### 1) Act of Terrorism

Any act of Terrorism regardless of any other cause or event contributing concurrently or in any other sequence to the loss.

This exclusion also applies to loss, damage, destruction, injury, liability, cost or expense of whatsoever nature directly or indirectly caused by, resulting from or in connection with any action taken in controlling, preventing, suppressing or in any way relating to any act of Terrorism.

If We allege that by reason of this exclusion, any loss, injury, damage, cost or expense is not covered by this Policy the burden of proving the contrary shall be upon You.

In the event any portion of this exclusion is found to be invalid or unenforceable, the remainder shall remain in full force and effect.

This exclusion shall take precedence over any other term of the Policy, including any endorsement added at any time, which does not expressly override it.

### 2) Cyber Attack

- a) Subject only to clause b) below, in no case shall this insurance cover loss damage liability or expense directly or indirectly caused by or contributed to by or arising from the use or operation, as a means for inflicting harm, of any computer, computer system, computer software programme, malicious code, computer virus or process or any other electronic system.
- b) Where this clause is endorsed on policies covering risks of war, civil war, revolution, rebellion, insurrection, or civil strife arising therefrom, or any hostile act by or against a belligerent power, or terrorism or any person acting from a political motive, Clause a) shall not operate to exclude losses (which would otherwise be covered) arising from the use of any computer, computer system or computer software programme or any other electronic system in the launch and/or guidance system and/or firing mechanism of any weapon or missile.

### 3) Electronic Data

- a) total or partial destruction, distortion, erasure, corruption, alteration, misinterpretation or the misappropriation of Electronic Data,
- b) error in creating, amending, entering, deleting or using Electronic Data, or
- c) total or partial inability or failure to receive, send, access or use Electronic Data for any time or at all.

However cover is otherwise provided by this Policy for losses to Electronic Data arising out of accidental damage (other than non-physical damage), fire, lightning, thunderbolt, explosion, implosion, earthquake, subterranean fire, volcanic eruption, collapse, impact, aircraft and/or other aerial device and/or articles dropped therefrom, sonic boom, theft which is a consequence of theft of any computer and/or computer hardware and/or firmware and/or microchip and/or integrated circuit and/or similar device containing such Electronic Data, breakage of glass, the acts of persons taking part in riots or civil commotions or of strikers or of locked out workers or of persons taking part in labour disturbances which do not assume the proportions of or amount to an uprising, Storm, Rainwater, water and/or other liquids and/or substances discharged and/or overflowing and/or leaking from any apparatus and/or appliance and/or pipes.

### 4) Intentional damage

any deliberate or intentional damage or liability or omission caused or incurred by You or by any person acting with Your express or implied consent unless for the purpose of preventing or eliminating danger to Insured Property or persons.

### 5) Lawful seizure

the lawful seizure, detention, confiscation, nationalisation or requisition of the Insured Property.

### 6) Nuclear

ionising radiation from, or contamination by radio-activity from,

- a) any nuclear fuel or nuclear waste or
- b) the combustion of nuclear fuel (including any self-sustaining process of nuclear fission), or
- c) nuclear weapons material.

### 7) Sanctions

No (re)insurer shall be deemed to provide cover and no (re)insurer shall be liable to pay any claim or provide any benefit hereunder to the extent that the provision of such cover, payment of such claim or provision of such benefit would expose that (re)insurer to any sanction, prohibition or restriction under United Nations resolutions or the trade or economic sanctions, laws or regulations of the

European Union, United Kingdom or United States of America.

## **8) War**

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

## **9) Micro-Organism Exclusion (Lloyd's Endorsement MAP Mould)**

Any loss, damage, claim, cost, expense or other sum directly or indirectly arising out of or relating to mould, mildew, fungus, spores or other micro-organism of any type, nature, or description, including but not limited to any substance whose presence poses an actual or potential threat to human health.

This exclusion applies regardless whether there is (i) any physical loss or damage to insured property; (ii) any insured peril or cause, whether or not contributing concurrently or in any sequence; (iii) any loss of use, occupancy, or functionality; or (iv) any action required, including but not limited to repair, replacement, removal, cleanup, abatement, disposal, relocation, or steps taken to address medical or legal concerns.

This exclusion replaces and supersedes any provision in the policy that provides insurance, in whole or in part, for these matters.

## Section 1 – Buildings

### What is covered

We insure You up to the Sum Insured shown on the Schedule for **Section 1**, against accidental Loss or Damage to Your Insured Property which occurs during the Period of Insurance.

### Extra Benefits

When Your Sum Insured under **Section 1** is not otherwise expended in respect of any one Event We will pay for:

#### 1) Architects and professional fees, removal of debris and temporary protection

- a) the cost of architects fees, surveyors fees and other professional fees;
- b) the cost of removal, storage and/or disposal of debris, being the residue of Your damaged Insured Property (including debris required to be removed from adjoining or adjacent public or private land), damaged Lot Owners and occupiers contents and of anything which caused the damage;
- c) the cost of dismantling, demolishing, shoring up, propping, underpinning, make safe works, and other temporary repairs;
- d) the cost of demolition and disposal of any undamaged portion of Your Insured Property including undamaged foundations and footings in accordance with a demolition order issued by a Public or Statutory Authority;

You necessarily incur in the Replacement of Your Insured Property as a result of Loss or Damage that is admitted as a claim under **Section 1**.

#### 2) Emergency cost of minimising losses

Reasonable emergency repair costs You necessarily incur in pursuance of Your duty to minimise insured loss and avoid further losses.

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

#### 3) Government fees, contributions or imposts

Fees, contributions or imposts required to be paid to any Public or Statutory Authority to obtain their authority to rebuild, repair or replace Your Insured Property as a result of Loss or Damage that is admitted as a claim under **Section 1**, but We will not pay for any fine or penalty imposed by any such Authority.

#### 4) Legal and professional fees

Legal and other professional fees You necessarily incur in making submissions and/or applications to any Public or Statutory Authority, Builders Licensing Board, or Land and Environment Courts as a result of Loss or Damage to Your Insured Property that is admitted as a claim under **Section 1**.

#### 5) Storm damage to gates and fences

Loss or Damage to gates and fences as a result of Storm, but We will not pay:

- a) if gradually operating causes (such as but not limited to Wear, Tear, gradual corrosion, gradual deterioration, wet or dry rot, rust, vermin or insects) primarily contribute towards the Loss or Damage;
- b) unless We are notified and given a reasonable time to inspect the Loss or Damage before any repair or Replacement is commenced.

#### 6) Temporary protection

Reasonable cost of temporary protection and safety of Your Insured Property and resident persons You necessarily incur as a result of Loss or Damage to Your Insured Property that is admitted as a claim under **Section 1**.

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

#### 7) Tsunami damage

Loss or Damage to Your Insured Property caused by a Tsunami.

#### 8) Welfare concern

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

### Special Benefits

Special Benefits are included in addition to Your Sum Insured for **Section 1**.

#### 1) Temporary accommodation

When a Lot Owner occupies their Lot/Unit We will pay the reasonable cost of Temporary Accommodation they necessarily incur if their Lot/Unit is made unfit to be occupied for its intended purpose by:

- a) Loss or Damage that is admitted as a claim under **Section 1**; or



# Residential Strata

- b) reasonable access to or occupancy of their Lot/Unit is prevented by damage from an Event claimable under **Section 1** happening to other property in the immediate vicinity.

We will pay:

- under 1) a) from the time of the Event until the time they reoccupy their Lot/Unit following completion of rebuilding, repairs or replacement; or
- if Your Insured Property is not rebuilt or replaced, for the time it would have reasonably taken to rebuild or replace their Lot/Unit up to a maximum of thirty six (36) months; and
- under 1) b) from the time of the Event until the time when access to their Lot/Unit is re-established.

## 2) Rent

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

- a) Loss or Damage that is admitted as a claim under **Section 1**; or
- b) reasonable access to or occupancy of the Common Area or Lot/Unit is prevented by damage from an Event claimable under **Section 1** happening to other property in the immediate vicinity.

We will pay:

- under 2) a) from the time of the Event until completion of rebuilding, repairs or replacement to Your Lot/Unit or Common Area. We will also pay until Your Lot/Unit is re-let provided You have taken all reasonable actions to obtain a new Tenant. The maximum period We will pay for under this benefit 2) a) is 2 months from the date that replacement, rebuilding or repairs are completed ; or
- if Your Insured Property is not rebuilt or replaced, for the time it would have reasonably taken to rebuild or replace Your Common Area or Lot/Unit up to a maximum of thirty six (36) months; and
- under 2) b) from the time of the Event until the time when access to Your Lot/Unit or Common Area is re-established.

## 3) Disease, murder and suicide

We will pay for:

- a) the cost of Temporary Accommodation You necessarily incur;
- b) the Rent You lose;

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

- the discharge, release or escape of legionella or other airborne pathogens from water tanks, water systems, air conditioning plant, cooling towers and the like;
  - a human infectious or contagious disease;
  - murder or suicide;
- occurring at Your Situation.

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

## 4) Failure of supply services

We will pay for:

- a) the cost of Temporary Accommodation You necessarily incur;
- b) the actual Rent You lose;

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

## 5) Cost of reletting

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

- a) Loss or Damage that is admitted as a claim under **Section 1**; and
- b) Your tenant at the time of the Event subsequently advises they will not be reoccupying the Lot/Unit or Common Area they previously leased.



**6) Meeting room hire**

We will pay up to \$5,000 for the cost of hiring temporary meeting room facilities for the purpose of holding Your annual general meeting or committee meetings if You are unable to occupy the meeting room facilities forming part of Your Insured Property by:

- a) Loss or Damage that is admitted as a claim under **Section 1**.

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

**7) Lot Owners' contributions and fees**

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

**8) Lot Owners' removal and storage costs**

We will pay the reasonable costs You necessarily incur in:

- a) removing undamaged Lot Owners' Contents to the nearest place of safe keeping;
- b) storing undamaged Lot Owners' Contents at that place or an equivalent alternate place;
- c) returning undamaged Lot Owners' Contents to Your Situation when occupancy of their Lot/Unit is permitted;
- d) insuring undamaged Lot Owners' Contents during such removal, storage and return; following Loss or Damage to Your Insured Property that is admitted as a claim under **Section 1** that makes the Lot/Unit unfit to be occupied for its intended purpose.

**9) Lot Owners travel costs**

When You have leased out Your Lot/Unit We will, if Your Lot/Unit is made unfit to be occupied for its intended purpose by:

- a) Loss or Damage that is admitted as a claim under **Section 1**, pay up to \$250 a Lot/Unit for reasonable travel costs You incur in visiting Your Lot/Unit for the purpose of consulting with claim adjusters and/or Building repairers.

We will not pay unless You first obtain Our consent to incur such travel costs.

The combined total amount We will pay under **Special Benefits 1 to 9** arising out of any one Event that is admitted as a claim under **Section 1** is limited to fifteen percent (15%) of the Sum Insured for **Section 1** or such other percentage as We may agree in writing.

**10) Emergency accommodation**

When You occupy Your Lot/Unit for residential purposes We will pay up to \$1,500 a Lot/Unit for the reasonable cost of emergency accommodation You necessarily incur if Your Lot/Unit is made unfit to be occupied for its intended purpose by:

- a) Loss or Damage to Your Insured Property that is admitted as a claim under **Section 1**; or
- b) reasonable access to or occupancy of Your Lot/Unit being prevented by damage from an Event claimable under **Section 1** happening to other property in the immediate vicinity.

**11) Alterations / additions**

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

- a) the value of such work does not exceed that amount; or
- b) You notify Us and We otherwise agree in writing before the commencement of such work;
- c) if requested pay any extra premium We may charge.

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

**12) Arson reward**

We will pay a reward of up to \$10,000 for information (irrespective of the number of people supplying information) which leads to a conviction for arson, theft, vandalism or malicious damage provided such Loss or Damage is claimable under **Section 1**.

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

**13) Electric motors**

We will pay for the cost of repairing or replacing an electric motor forming part of Your Insured Property which has been burnt out by electric current.

# Residential Strata

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

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

We will not pay for:

- a) motors under a guarantee or warranty or maintenance agreement;
- b) motors with an output in excess of five (5) kilowatts;
- c) other parts of any electrical appliance nor for any software;
- d) lighting or heating elements, fuses, protective devices or switches;
- e) contact at which sparking or arcing occurs in ordinary working.

## 14) Electricity, gas, water and similar charges – excess costs

We will pay up to \$2,000 for the cost of:

- a) increased usage of metered electricity, gas, sewerage, oil and water;
- b) accidental discharge of metered electricity, gas, sewerage, oil and water;
- c) additional management charges;

You are required to pay following Loss or Damage to Your Insured Property by an Event that is admitted as a claim under **Section 1**.

## 15) Electricity, gas, water and similar charges – unauthorised use

We will pay up to \$2,000 any one Period of Insurance for the cost of metered electricity, gas, sewerage, oil and water You are legally required to pay following its unauthorised use by any person taking possession or occupying Your Insured Property without Your consent.

We will not pay unless all practical steps are taken to terminate such unauthorised use immediately You become aware of it.

## 16) Environmental improvements

If Your Insured Property is:

- a) damaged by an Event claimable under **Section 1**; and
- b) the cost to rebuild, replace or repair the damaged portion is more than twenty five

percent (25%) of what the cost would have been had Your Insured Property been totally destroyed;

We will, in addition to the cost of environmental improvements claimable under **Section 1**, also pay up to \$20,000 for the cost of additional environmental improvements not previously installed such as rainwater tanks, solar energy and grey water recycling systems.

## 17) Exploratory costs

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

We will also pay for reasonable costs incurred in:

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

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

## 18) Fallen trees

We will pay up to \$5,000 for the reasonable professional costs You necessarily incur for the removal and disposal of trees or branches that have fallen and caused damage to Your Insured Property or landscaped gardens.

We will not pay for removal or disposal of:

- a) trees or branches that have fallen and not damaged Your Insured Property or landscaped gardens;
- b) tree stumps or roots or treatment thereof unless the tree has caused damage to Your Insured Property.

## 19) Fire extinguishing and Fire Authority Charges

We will pay for the reasonable costs and expenses necessarily incurred by You:

- a) in extinguishing a fire at Your Situation, or in the vicinity of Your Situation and threatening to involve Your Insured Property or for the purpose of preventing or diminishing damage

- including the costs to gain access to any property;
- b) in replenishing fire fighting appliances, replacing used sprinkler heads, and resetting fire, smoke and security alarm systems;
- c) in shutting off the supply of water or any other substance following the accidental discharge or escape of such substances from fire protective equipment; or
- d) for the attendance of a fire brigade or other relevant authority to deal with a chemical or environmental emergency affecting the Property Insured.

#### 20) Funeral expenses

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

#### 21) Keys, lock replacement

We will pay up to \$5,000 for the reasonable costs You necessarily incur in:

- a) re-keying or re-coding locks together with replacement keys; or
- b) replacing locks with locks of a similar type and quality if they cannot be re-keyed or re-coded;

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

- i) any Building forming part of such property;
- ii) the premises of a key holder; or
- iii) during the hold-up of a person who normally has the keys in their possession.

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

#### 22) Landscaping

We will pay up to \$10,000 for the reasonable costs You or a Lot Owner necessarily incur in replacing or repairing damaged trees, shrubs, plants, lawns or rockwork at Your Situation lost or damaged by an Event claimable under **Section 1**.

#### 23) Modifications

When a Lot/Unit is occupied by the Lot Owner We will pay up to \$25,000 a Lot/Unit for modifications to that Lot/Unit if the Lot Owner is physically injured and becomes a paraplegic or quadriplegic as the direct

consequence of Loss or Damage to Your Insured Property that is admitted as a claim under **Section 1**.

This Benefit only applies if the paraplegia or quadriplegia has continued for a period of not less than six (6) months from the date of the Event and is substantiated by a legally qualified medical practitioner.

#### 24) Money

We will pay up to \$10,000 for loss of Your money while in the personal custody of an Office Bearer or committee member of Yours, or of Your Body Corporate Manager/Agent while acting on Your behalf.

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

- a) any person in Your employment;
- b) a Lot Owner, including any family member permanently residing with them; or
- c) a proxy of a Lot Owner.

#### 25) Mortgage discharge

We will pay up to \$5,000 to discharge any mortgage over Your Insured Property if it becomes a total loss, is not replaced and We have paid the amount due under **Section 1**.

#### 26) Personal property of others

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

#### 27) Pets, security dogs

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

#### 28) Purchaser's interest

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

#### 29) Records

We will pay up to \$50,000 for the reasonable expenditure You necessarily incur in collating information, preparing, rewriting or reproducing

records, books of account, Electronic Data and valuable papers directly related to Your Insured Property which are lost or damaged by an Event claimable under **Section 1**, while anywhere in Australia.

### 30) Removal of illegally deposited rubbish

We will pay up to \$5,000 in any one Period of Insurance for the reasonable costs and expenses incurred by You for the clearing and removal of any property illegally deposited at Your premises. To be eligible to claim for this benefit You must first inform Us and obtain our approval and have reported the matter to the appropriate authorities such as police or local council within a reasonable time.

### 31) Removal, storage costs

We will pay up to \$10,000 for the reasonable costs You necessarily incur in:

- a) removing any undamaged portion of Your Insured Property to the nearest place of safe keeping;
- b) storing such undamaged portion at that place or an equivalent alternate place;
- c) returning such undamaged portion to the Situation when restoration work is completed;
- d) insuring Your undamaged Insured Property during such removal, storage and return;

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

### 32) Removal of squatters

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

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

### 33) Title deeds

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

### 34) Unit/Lot Owners Fixtures and Improvements

We will pay up to \$300,000 per Lot/Unit per incident to reinstate, repair or replace Lot/Unit Owners Fixtures and Improvements that are lost or damaged as a result of an Event claimable under **Section 1**.

We will not pay for the cost to:

- a) replace undamaged Lot Owners' Fixtures and Improvements;
- b) replace or repair illegal installations.

### 35) Water removal from basement

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

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

## Optional Covers

The following Optional Covers are operative when they have been paid for and included on Your Schedule.

### 1) Floating Floors

Provided Your Sum Insured under **Section 1** is not otherwise exhausted We will pay for the cost of repairing or replacing Lot Owner's Floating Floors if damaged by an Event claimable under **Section 1**.

### 2) Loss of Lot/Unit Market Value

If during the Period of Insurance Your Property Insured suffers Loss or Damage by an Event claimable under **Section 1**, and permission to rebuild is limited and or restricted under an Ordinance or Regulation issued by a Public or Statutory Authority, We will if the Loss or Damage results in:

- a) a total loss or constructive total loss of Your Property Insured and Your Body Corporate Title and all Lot/Unit Titles are terminated; or
- b) a partial loss resulting in some but not all Lot/Unit Titles being terminated;

pay You the difference between:

- i) the Market Value of the Lot(s)/Unit(s) immediately prior to the Loss or Damage occurring; and
- ii) the amount calculated on the percentage that the Lot(s)/Units(s) entitlement bears to the total Body Corporate entitlement in respect of:
  - the Sum Insured for **Section 1** on the basis of Agreed Value; and
  - the Market Value of the Body Corporate land following Loss.

The total amount We will pay for all Lot(s)/Unit(s) shall not exceed the Sum Insured shown on the Schedule for Optional Cover - Loss of Lot/Unit Market Value.

### 3) Catastrophe Cover

We will increase the Sum insured for your Building by the amount shown on the Schedule for cover against the unforeseen increase in the cost of Replacement of Your Insured Property if it is destroyed, or We declare it a constructive total loss, following a loss that occurs during the Period of Insurance:

- a) due to a Catastrophe; or
- b) other Event that occurs not later than sixty (60) days after a Catastrophe, provided Your Insured Property has been continuously insured with Us for that period; and
- c) the Event giving rise to the loss is admitted as a claim under **Section 1**.

## What is not covered

### 1) We will not pay for Loss or Damage:

- a) caused by Flood;
- b) to retaining walls resulting from Storm or Rainwater;
- c) caused by moths, termites or other insects, vermin, mice, rats, rust or oxidisation, mildew mould, contamination or pollution, wet or dry rot, corrosion, gradual corrosion or deterioration, change in colour, dampness of atmosphere or other variations in temperature, evaporation, disease, inherent vice or latent defect, loss of weight, change in texture or finish or pecking, biting, chewing or scratching by birds or animals;
- d) caused by Wear, Tear, fading, concrete or brick cancer, gradual deterioration or developing flaws;
- e) caused by lack of maintenance or failure to maintain Your Insured Property in a reasonably good state of repair.

However We will pay if any of these causes directly results in Loss or Damage from any other Event claimable under **Section 1** such as fire or glass breakage.

- f) caused by non-rectification of an Insured Property defect, error or omission that You were aware of, or should reasonably have been aware of.
- g) caused by overwinding, mechanical breakdown or derangement, electrical breakdown or derangement, or failure caused by electric current.

However We will pay if the Loss or Damage is due to:

- i) Fusion of electric motors as covered under **Special Benefit 13**;
- ii) lightning;
- iii) power surge when such Event is confirmed by the supply authority; or
- iv) resulting damage by fire.

- h) caused by any action of the sea, high water or high tide, Storm Surge or tidal wave.

However We will pay if the Loss or Damage occurs in consequence of a named Cyclone or Tsunami.

- i) caused by vibration or from the removal or weakening of or interference with the support of land or Buildings or any other property, Erosion or Earth Movement.

However We will pay if the Loss or Damage is due to:

- i) earthquake or seismological disturbance, Tsunami, explosion, physical impact by aircraft;
- ii) bursting, leaking or overflowing of water tanks, pipes, drains, gutters or other water or liquid carrying apparatus;
- iii) rainwater where the Damage occurs within 72 hours of a Storm.

- j) caused by underground (hydrostatic) water.

However We will pay if the Loss or Damage is due to bursting, leaking or overflowing of water tanks, pipes, or drains.

- k) caused by the invasion of tree or plant roots nor for the cost of clearing pipes or drains blocked by any such invasion.

However We will pay for water or liquid damage resulting from blocked pipes or drains.

- l) caused by the movement of swimming pools or spas or the accidental breakage, chipping or lifting of tiles of swimming pools or spas or their surrounds.
- m) caused by smut or smoke from industrial operations.

However We will pay if such damage is sudden or unforeseen.

- n) due to normal settling, creeping, heaving, seepage, shrinkage, or expansion in Buildings, foundations / footings, walls,

bridges, roadways, kerbing, driveways, paths, garden borders and other structural improvements.

- o) to water in swimming pools, spas or water tanks.
- p) to glass caused by artificial heat, during installation or removal, that has a crack or imperfection, or is required to be insured by any other party in terms of an occupancy agreement.
- q) to carpets and other floor coverings resulting from staining, fading or fraying.

However We will pay if the Loss or Damage directly results from any other Event claimable under **Section 1**.

- r) to boilers (other than boilers used for domestic purposes), economisers or pressure vessels and their contents resulting from the explosion thereof.
- s) to Your Insured Property if it is vacant and undergoing demolition unless Our written consent to continue cover has been obtained before the commencement of demolition.
- t) to Your Insured Property directly resulting from construction, erection, alteration or addition where the value of such work exceeds \$250,000 unless Our written consent to continue cover has been obtained before the commencement of such work.

However We will pay for Loss or Damage that results from any other Event claimable under **Section 1**.

## 2) We will not pay for:

- a) demolition ordered by any Public or Statutory Authority as a result of Your failure, or the failure of anyone acting on Your behalf, to comply with any lawful requirement or due to the incorrect siting of Your Insured Property;
- b) the cost of rectifying faulty or defective materials or faulty or defective workmanship;
- c) consequential loss, loss of use or Depreciation other than as specifically provided under **Extra Benefits, Special Benefits or Optional Covers**.
- d) the cost of clearing blocked pipes or drains unless the blockage causes or is the result of physical damage to the pipe or drain.

However We will pay for water or liquid damage to Your Insured Property resulting from the overflow of such blocked pipes or drains.

## How we settle claims

### 1) Replacement

If Your Insured Property is damaged, We may choose to either rebuild, replace, repair or pay the amount it would cost to rebuild, replace or repair.

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

- a) the necessary work of rebuilding, replacing or repairing (which may be carried out upon another site or in any manner suitable to Your requirements provided Our liability is not increased), must be commenced and carried out without unreasonable delay;
- b) where Your Insured Property contains any architectural or structural feature of an ornamental, heritage or historical character or where materials used in the original construction are not readily available We will use the nearest equivalent available to the original materials;
- c) if it is lawful, and with Our prior written consent, You will not be required to actually rebuild any Building destroyed but may purchase an alternative existing Building or part thereof to replace all or part of the one destroyed.

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

- d) if You cause unreasonable delays in commencing or carrying out Replacement, We will not pay any additional building costs that result from that delay;
- e) when We wish to rebuild, replace or repair and You do not want this to occur We will only pay Indemnity Value.

We will not pay for the cost to:

- i) rebuild or replace Your undamaged Insured Property;
- ii) rebuild, replace or repair illegal installations.

For each and every claim You have to pay the amount of Excess shown on the Schedule or in **Section 1**.

### 2) Undamaged part of Insured Property, foundations and footings

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



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

### 3) Floor space ratio

If Your Insured Property is damaged and Replacement is limited or restricted under an Ordinance or Regulation issued by a Public or Statutory Authority requirement that results in the reduction of the floor space ratio index, We will pay the difference between:

- a) the actual costs incurred in Replacement in accordance with the reduced floor space ratio index; and
- b) the estimated cost of Replacement at the time of Loss or Damage had the reduced floor space ratio index not applied.

### 4) Land value

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

## Special Provisions

- 1) Under Clauses 2), 3) and 4) of “How we settle claims” Our liability is limited to the extent to which the Sum Insured for **Section 1** is not otherwise exhausted.

Any differences relating to values may by agreement between Us be referred to the President of the Australian Property Institute Inc. who will appoint a specialist valuer who is registered and qualified to carry out such valuations in accordance with accepted valuation practices. The valuer’s decision will, if We so agree, be final and binding and who will at the same time decide as to payment of the costs of such referral.

## Special Conditions

### 1) Removal of illegally deposited rubbish

Under **Special Benefit 30** You must by way of Excess pay or contribute the first \$1,000 for each and every claim.

### 2) Professional fees

We will pay up to \$50,000 for the reasonable cost of professional fees and other expenses You necessarily incur with Our written consent in the preparation of a claim under **Section 1** and when applicable **Section 7**.

### 3) Earthquake Excess

Your Excess will be increased by \$250 for any claim for Damage arising from an earthquake. This Damage must occur within 72 hours of the earthquake.

### 4) Alterations / Additions

Under **Special Benefit 11** We will not pay if You have entered into a contract with a builder, contractor or similar entity and they are required by law to effect, and they have not effected, insurance that insures material damage and liability risks.

## Special Definitions

The words listed below have been given a specific meaning and apply to **Section 1** when they begin with a capital letter.

### Agreed Value

means the Sum Insured shown on Your Schedule for **Section 1** at the time of Loss or Damage that results in all or some Lot/Unit titles being terminated.

### Catastrophe

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

## Section 2 – Public or Legal Liability

### What is covered

We insure You up to the Limit of Liability shown on the Schedule for **Section 2** if You become legally responsible to pay compensation for:

- Personal Injury; or
- Property Damage;

resulting from an Occurrence in connection with:

- Your Business; or
- an operative **Extra Benefit**;

that happens during the Period of Insurance.

### Extra Benefits

We will pay up to the Limit of Liability for:

#### 1) Bridges, roadways, kerbing, footpaths, services

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

#### 2) Car park liability

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

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

#### 3) Fertiliser, pesticide, herbicide application

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

We will not pay:

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

#### 4) Hiring out of sporting and recreational facilities

Compensation You become legally responsible to pay for Personal Injury or Property Damage arising from the hiring out of sporting or recreational facilities (such as but not

limited to tennis courts or swimming pools) owned by You.

#### 5) Recreational activities

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

#### 6) Services

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

#### 7) Watercraft

Compensation You become legally responsible to pay for Personal Injury or Property Damage arising from any Watercraft (not exceeding 8 metres in length) owned by You, in Your possession or physical or legal control.

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

#### 8) Wheelchairs, garden equipment, other vehicles

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

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

## Special Benefits

#### 1) Cost of defending a claim

We will pay:

- a) all legal costs and expenses incurred by Us;
- b) reasonable cost of legal representation You necessarily incur with Our written consent at a coronial inquest or inquiry into any death which may be the subject of a claim for compensation under **Section 2**;
- c) other reasonable expenses You necessarily incur that We have agreed to reimburse; and
- d) all interest accruing after judgment has been entered against You until We have paid, tendered or deposited in court the amount that We are liable to pay following judgment;



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

## 2) Court appearance

We will pay compensation of \$250 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 under **Section 2**.

## What is not covered

We will not pay for any claim or claims:

- 1) In connection with any liability for Personal Injury to any employee arising out of or in the course of their employment with You.
- 2) In respect of liability imposed by the provisions of any workers' compensation, accident compensation or similar legislation applying where Your Insured Property is situated.
- 3) In respect of:
  - a) damage to property belonging to, rented by or leased by You or in Your physical or legal control, other than as provided under an operative **Extra Benefit of Section 2**;
  - b) damage to property belonging to any person who is deemed a worker or employee within the provisions of any workers' compensation, accident compensation or similar legislation applying where Your Insured Property is situated;
  - c) injury to or death of animals on Your Common Area;
  - d) Personal Injury or Property Damage caused by animals on Your Common Area other than guard or watch dogs You employ for security purposes
- 4) Arising out of the rendering or failure to render professional advice by You or any error or omission connected therewith. This exclusion does not apply to the rendering or failure to render professional medical advice by a legally qualified medical practitioner, legally qualified registered nurse, dentist or first-aid attendant You use to provide first-aid services at Your Situation.
- 5) Arising out of the publication or utterance of a defamation, libel or slander:
  - a) made prior to the commencement of **Section 2**;
  - b) made by You or at Your direction when You knew it to be false.
- 6) Arising out of the ownership, possession or use by

You of any Vehicle, Watercraft, hovercraft, aircraft or aircraft landing areas other than as provided under an operative **Extra Benefit of Section 2**.

- 7) Arising out of or in connection with the ownership of marinas, wharves, jetties, docks, pontoons or similar type facilities (whether fixed or floating) if such facilities are used for commercial purposes or provide fuel distribution facilities, unless We otherwise agree in writing.
- 8) Arising out of construction, erection, demolition, alterations or additions to Your Insured Property where the cost of such work exceeds \$500,000, unless You advise Us and obtain Our written consent to continue cover before commencement of such works.
- 9) Arising from vibration or from the removal or weakening of or interference with the support of land or Buildings or any other property.
- 10) Arising under the terms of any agreement unless liability would have attached to You in the absence of such agreement.

This exclusion does not apply to:

- a) liability assumed by You under any contract or lease of real or personal property.
- b) liability assumed by You in the course of Your Business under the terms of any written agreement with the company, person or firm appointed to manage Your Business except where liability arises out of:
  - i) any act of negligence on their part; or
  - ii) by their default in performing their obligations under such agreement.
- 11) Arising out of or caused by the discharge, dispersal, release of or escape of pollutants into or upon property, land, the atmosphere, or any water course or body of water. This exclusion does not apply if such discharge, dispersal, release or escape is sudden, identifiable, unexpected and unintended and takes place in its entirety at a specific time and place during the Period of Insurance.
- 12) Arising out of or incurred in the prevention, removing, nullifying or clean-up of any contamination or pollution. This exclusion does not apply to clean-up, removal or nullifying expenses only which are incurred after a sudden, identifiable, unexpected and unintended

happening which takes place in its entirety at a specific time and place during the Period of Insurance.

- 13)** For fines or penalties or for punitive, aggravated, exemplary or additional damages (including interest and costs) imposed against You.
- 14)** Made or actions instituted:
- a) outside Australia;
  - b) which are governed by the laws of a foreign country.
- 15)** For Personal Injury or Property Damage (including loss of use of property) directly or indirectly caused by or arising from exposure to asbestos or materials containing asbestos.

## Special Definitions

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

### Business

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

### Occurrence

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

### Personal Injury

means:

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

which happens during the Period of Insurance anywhere in Australia.

### Pollutants

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

### Property Damage

means:

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

which happens during the Period of Insurance anywhere in Australia.

## Section 3 – Personal Accident

### What is covered

We will pay to a Volunteer, or that person's estate, the compensation detailed in **Section 3** in the event of that Volunteer sustaining bodily injury:

- a) whilst voluntarily engaged in work on Your behalf; and
- b) caused solely and directly by violent, accidental, external and visible means; and
- c) which, independently of any other cause results in the following insured Events.

### Events

- 1) Death **\$200,000**
- 2) Total and irrecoverable loss of all sight in both eyes **\$200,000**
- 3) Total and permanent loss of the use of both hands or of the use of both feet or the use of one hand and one foot **\$200,000**
- 4) Total and permanent loss of the use of one hand or of the use of one foot **\$100,000**
- 5) Total and irrecoverable loss of all sight in one eye **\$100,000**
- 6)
  - a) Total Disablement from engaging in or attending to usual profession, business or Occupation - in respect of each week of Total Disablement:
    - i) a weekly benefit of **\$1,000**  
or
    - ii) if You substantiate that the amount of Your average weekly wage, salary or other remuneration earned from Your personal exertion is greater than \$1,000 per week - the amount of such remuneration up to a maximum per week of **\$2,000**
  - b) Partial Disablement from engaging in or attending to usual profession, business or occupation - in respect of each week of Partial Disablement:
    - i) a weekly benefit of **\$500**  
or
    - ii) if You substantiate that the amount of Your average weekly wage, salary or other remuneration earned from Your personal exertion is reduced by more than \$500 per week - the amount of such reduction up to a maximum per week of **\$1,000**

### Extra Benefits

If We agree to pay a claim under **Section 3** and We have agreed in writing, We will also pay for:

- 1) The reasonable and necessary cost of hiring or employing domestic assistance following certification by a qualified medical practitioner that a Volunteer is totally disabled from performing his/her usual profession, business, occupation or usual household activities - in respect of each week of total disablement a weekly benefit not exceeding **\$500**
- 2) The reasonable cost of travel expenses necessarily incurred at the time of, or subsequent to, the sustaining of bodily injury and not otherwise recoverable from any other source – a benefit not exceeding **\$2,000**
- 3) The reasonable cost of home tutorial expenses if the Volunteer is a full time student – in respect of each week of Total Disablement a weekly benefit not exceeding **\$250**
- 4) The reasonable cost of burial or cremation of a Volunteer following a claim payable under **Event 1** – a benefit not exceeding **\$5,000**

### What is not covered

- 1) We will not pay:
  - a) for more than one of Events 6a and 6b in respect of the same period of time;
  - b) under Event 6a and Event 6b in respect of persons not in receipt of wages, salaries or other remuneration from their personal exertion;
  - c) under Event 6a and Event 6b in excess of an aggregate of one hundred and four (104) weeks in all, in respect of any one disablement;
  - d) under Extra Benefit 1 and 3 in excess of an aggregate of ten (10) weeks in all, in respect of any one disablement;
  - e) in respect of children under the age of 12 years;
  - f) unless the results of bodily injury manifests itself within twelve months of sustaining such bodily injury;
  - g) unless an injured Volunteer will, as soon as possible after the occurrence of any bodily injury, procure and follow proper medical advice from a legally qualified medical practitioner;
  - h) for any amounts recoverable under a Medicare benefit or payable by any registered health benefits insurer;
  - i) for any fees or charges in relation to the provision in Australia of medical expenses, hospital treatment or ancillary benefits as defined by the *Health Insurance Act, 1973*.
- 2) We will not pay compensation in respect of claims arising out of:
  - a) intentional self-injury or suicide, or any attempt threat;

- b) attributable wholly or in part to childbirth or pregnancy, notwithstanding that miscarriage or childbirth may have been accelerated or induced by the bodily injury sustained;
- c) a Volunteer being under the influence of alcohol or any drug, other than a drug prescribed by a qualified medical practitioner.

## Special Conditions

- 1) If a Volunteer becomes entitled to compensation under more than one of the Events 1 to 5 in respect of the same bodily injury, the compensation payable will be cumulative up to one hundred percent (100%) of the compensation payable for Event 1.
- 2) After the occurrence of any one of the Events 2 to 5 there will be no further liability under **Section 3** for these Events in respect of the same Volunteer.
- 3) In the event of a claim involving the death of a Volunteer We will, at Our discretion, be entitled to have a post-mortem examination carried out at Our expense.

## Special Definitions

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

### **Partial Disablement**

means partial disablement which entirely prevents a Volunteer from carrying out the normal duties of their usual occupation, profession or business or, where they are engaged in more than one occupation, profession or business, ANY of them.

### **Total Disablement**

means total disablement which entirely prevents a Volunteer from carrying out all of the normal duties of their usual occupation, profession or business or, where they are engaged in more than one occupation, profession or business, ALL of them.

## Section 4 – Fidelity Guarantee

### What is covered

We will, up to the Sum Insured stated on the Schedule, indemnify You in respect of fraudulent misappropriation of Your funds committed during the Period of Insurance.

### Extra Benefit

We will pay up to:

- 1) \$5,000 for the cost of fees payable to external auditors that are reasonably and necessarily incurred to support a valid claim.

### What is not covered

We will not pay for:

- 1) any fraudulent misappropriation unless and until You have exhausted Your rights and entitlements to payment pursuant to any other fidelity bond or fidelity fund of whatsoever nature which might exist whether effected pursuant to statute or otherwise;
- 2) any fraudulent misappropriation committed after the initial discovery of loss;
- 3) any losses arising out of fraudulent misappropriation committed prior to the commencement of **Section 4**;
- 4) any claims arising out of losses discovered more than twelve (12) months after the expiry of **Section 4**, or any renewal thereof.
- 5) any claims arising out of losses payable under this section unless We are notified in writing by You within 90 days of You discovering the fraudulent misappropriation of Your funds.

### Special Condition

#### Continuity of cover

If this cover under **Section 4** has been taken up in substitution for any prior fidelity coverage held by You with any other insurer and cover under this Policy commences immediately after the prior policy ends, then **Section 4** extends to cover any fraudulent misappropriation of Your Funds discovered during the Period of Insurance where such loss is not covered by the previous policy solely because it was not discovered during the currency of the prior policy or any applicable extended reporting period.

Provided that:

- a) the amount of the loss shall form part of and will not be in addition to the Sum Insured;
- b) the property lost would have been covered under this **Section 4** had this been in force when the fraudulent misappropriation causing the loss was committed;

and

- c) after allowing for any variation in the levels of Excess, We will pay the lesser of:
  - i) the amount which would have been payable under the prior policy if that policy had continued in force or had applied at the date of discovery of the fraudulent misappropriation; or
  - ii) the Sum Insured at the date of substitution.

### Special Definition

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

#### Funds

means money, securities or tangible property received by You, or collected on Your behalf, which has been or was to be set aside for the financial management of Your affairs. Funds do not include the personal money, securities or tangible property of Lot Owners or Members.

## Section 5 – Machinery Breakdown

### What is covered

We insure You against Insured Damage provided that the Insured Item is within Your Situation and is in the ordinary course of working at the time damage occurs.

The amount We pay will:

- a) be calculated in accordance with the clause herein titled '**How we settle claims**';
- b) be subject to the application of any Excess shown on the Schedule; and
- c) not exceed the Sum Insured stated on the Schedule.

### Extra Benefits

Extra Benefits are included when Your Sum Insured under **Section 5** is not otherwise expended in respect of any one Event.

We will pay for the reasonable cost of:

- 1) expediting repair including overtime working;
- 2) express or air freight;
- 3) replacing oil and refrigerant gas from air-conditioning units or refrigeration units;
- 4) hiring a temporary replacement item provided such cost is necessary to maintain a vital service provided by You.

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

### What is not covered

We will not pay for:

- 1) Damage caused by:
  - a) Wear and Tear of plant or property as a result of its normal operation;
  - b) chipping, scratching or discolouration of painted, polished or finished surfaces;
  - c) the deterioration of any pre-existing crack, fracture, blister, lamination, flaw or grooving which had not previously penetrated completely through the entire thickness of the material of the Insured Item, notwithstanding that repair or renewal of the part affected may be necessary either immediately or at some future time, except where caused by Insured Damage and You did not know or should not reasonably have known of the pre-existing condition;
  - d) the wearing away or wasting of material caused by or naturally resulting from atmospheric conditions, rust, Erosion, corrosion, oxidation or ordinary use;

- e) the tightening of loose parts, recalibration or adjustments;
- f) the carrying out of tests involving abnormal stresses or the intentional overloading of any Insured Item.

#### 2) Damage to:

- a) glass or ceramic components;
  - b) defective tube joints or other defective joints or seams;
  - c) any valve fitting, shaft seal, gland packing joint or connection except where caused directly by Insured Damage;
  - d) foundations, brickwork, and refractory materials forming part of an Insured Item;
  - e) television, video or audio equipment other than security system equipment;
  - f) expendable items, including electrical and electronic glass bulbs, tubes, lamps, x-ray tubes, electrical contacts, fuses, heating elements, commutators, slip rings, conducting brushes, thermal expansion (TX) valves, thermostats, protective and controlling devices, over-loads, chains, belts, ropes, tyres, pressure switches, bearings, valves, valve plates, filters and dryers;
  - g) computers, telecommunication transmitting and receiving equipment, Electronic Data processing equipment, electrical office machines, coin operated machines, gaming machines, storage tanks and vats, stationery and mobile pressure vessels containing explosive gases, mobile machinery, ducting, reticulating electrical wiring, water and gas piping and all other plant and equipment not owned by You;
  - h) plant which has been hired or is on loan unless We specifically agree in writing.
- 3) Consequential loss of any kind other than that which is specifically stated.
  - 4) Damage caused by the application of any tool or process in the course of maintenance, inspection, repair, alteration, modification or overhaul.
  - 5) Damage occurring during installation or erection other than the dismantling, movement and re-erection for the purpose of cleaning, inspection, repair or installation in another position within the Situation.
  - 6) Damage which is claimable from any manufacturer, supplier, engineer or other person under the provisions of any maintenance or warranty agreement.

- 7) Loss of oil, liquid or gas resulting from leakage from glands, seals, gaskets, joints or from corroded, pitted or deteriorated parts.
- 8) the cost of converting refrigeration/air-conditioning units from the use of CFC (chlorofluorocarbon) refrigerant gas to any other type of refrigerant gas.

## How we settle claims

We will at Our option repair or replace the Insured Item or pay for the cost of same to a condition equal to but not better or more extensive than its condition immediately before the Insured Damage.

We will not make any deduction for Depreciation in respect of parts replaced.

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

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

## Special Definitions

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

### Insured Damage

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

- a) which is covered under **Section 1**; or
- b) which is not claimable under **Section 6**.

### Insured Item

means:

- a) lifts, elevators, escalators and inclinators provided they are subject to a current comprehensive maintenance agreement;
- b) all other electrical, electronic and mechanical machinery, boilers and pressure vessels and similar plant; that forms part of Your Insured Property or its services.



## Section 6 – Office Bearers Legal Liability

This Office Bearers Legal Liability cover is issued on a Claims made basis. This means **Section 6** only responds to Claims first made against You during the policy year and notified to Us during that policy year.

### What is covered

We will, subject to any Excess specified on the Schedule:

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

arising from any Claim:

- a) first made against:
  - i) You, individually or otherwise; or
  - ii) against Your Body Corporate Manager/Agent while acting as an Office Bearer; during the policy year; and
- b) reported to Us during the policy year.

Provided that Claims which do not comply with all of a) and b) of this insuring clause are not, other than as provided under **Extra Benefit 2** of **Section 6**, the subject of this insurance or any indemnity.

The amount payable in respect of all Claims under **Section 6** will not in the aggregate exceed the Limit of Liability stated on the Schedule, inclusive of claimant's costs and expenses and Defence Costs incurred by Us, during the currency of any one annual policy year.

### Extra Benefits

#### 1) Payment of defence costs

We agree that in relation to any Claim under **Section 6**:

- a) where indemnity has been confirmed by Us in writing, We will pay Defence Costs arising from such Claim;
- b) where indemnity has not been confirmed by Us in writing, We will:
  - i) where We elect to conduct the defence or settlement of such Claim, pay Defence Costs arising from such Claim; or
  - ii) in any other case, We may at Our discretion pay the Defence Costs arising from such Claim.

Provided always that in the event the Claim is withdrawn or that indemnity under **Section 6** is subsequently withdrawn or denied, We will cease to advance Defence

Costs and You will refund any Defence Costs advanced by Us to the extent that We are satisfied that You were not entitled to such Defence Costs, unless We agree in writing to waive recovery of such Defence Costs.

#### 2) Continuous cover

We agree that should a Claim, fact or circumstance arise which should have been or could have been notified to Us during a prior policy year of **Section 6** or under an earlier Office Bearers Legal Liability Insurance Policy issued by Us or by another Insurer when this Policy has been issued in substitution of prior Office Bearers Legal Liability insurance provided by another Insurer, We will accept the notification of such Claim, fact or circumstance under **Section 6**.

Provided always that:

- a) You have been continuously insured under an Office Bearers Legal Liability Insurance Policy between the date when such notification should have been given and the date when such notification was in fact given; and
- b) the terms and conditions applicable to this **Extra Benefit 2** and to that notification will be the terms and conditions, including the Limit of Liability and Excess, applicable to the Office Bearers Legal Liability Insurance Policy under which the notification should have or could have been given; and
- c) Our liability for payment under this Policy will be subject to the terms, conditions including the Limit of Liability and Excess applicable to this Policy and will not exceed the amount which would have been recoverable under the terms and conditions of the other Insurer's prior Policy; and
- d) the amount of the Claim We pay shall form part of and will not be in addition to the Sum Insured.

### What is not covered

We will not pay for:

- a) Claims arising from circumstances which You knew of prior to the **Section 6** inception, or a reasonable person in the circumstances could be expected to know, to be circumstances which may give rise to a Claim against You excepting where Extra Benefit 2. 'Continuous Cover' applies.
- b) Any dishonest or fraudulent act, criminal act or malicious act or omission of Yours or of any person at any time employed by You, but this exclusion will not apply to the costs incurred by You in successfully defending any Claim or suit made against You.



- c) Claims for death, bodily injury, sickness, disease, or damage to property. However this exclusion will not apply to Loss or Damage to documents which are Your property, or entrusted to You, or costs and expenses incurred by You in replacing or restoring such documents.
- d) Claims resulting from Your intentional decision not to effect and maintain insurances as required by the *Owners Corporation Act, Strata Schemes Management Act, Body Corporate and Community Management Act, Strata Titles Act, Community Titles Act* or similar legislation applying where Your Insured Property is situated.
- e) Claims arising out of a publication or utterance of a libel or slander or other defamatory or disparaging material.
- f) Fines, penalties, punitive or exemplary or aggravated damages or any additional damages resulting from the multiplication of compensatory damages.
- g) 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.
- h) Monies or gratuity given to You without authorisation by the Body Corporate where such authorisation is necessary pursuant to the Articles of the Body Corporate or prescribed law.
- i) A conflict of duty or interest of Yours.
- j) Any intentional exercise of the powers of You for a purpose other than the purpose for which such powers were conferred by the Articles of the Body Corporate.
- k) Any Wrongful Act made or threatened or in any way intimated on or before the inception date specified on the Schedule, except as otherwise provided in **Extra Benefit 2 of Section 6**.
- l) Claims first notified to Us after the expiry of **Section 6**, except as otherwise provided in **Insuring Clause b of Section 6**.
- m) Claims brought against Your Body Corporate Manager/ Agent, other than as covered under a **ii)** of the insuring clause hereof, or other contracted person(s), firm or company when acting in their professional capacity.
- n) Claims brought against You in a Court of Law outside Australia

## Special Conditions

### Defence and settlement

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

### Jurisdiction

Any dispute arising out of or under **Section 6** will be subject to determination by any Court of Competent Jurisdiction within Australia according to the law applicable to that Jurisdiction.

### Reporting and notice

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

- a) at the time You first give written notice to Us that a Claim has been made against You for such Wrongful Act; or
- b) at the time You first give written notice to Us:
  - i) having the potential of giving rise to a Claim being made against You;
  - ii) of the receipt of written or oral notice from any party that it is the intention of such party to hold You responsible for such Wrongful Act;

whichever first occurs.

### Severability and non-imputation

We agree that where **Section 6** insures more than one party, any conduct on the part of any party or parties whereby such party or parties:

- a) failed to comply with the duty of disclosure in terms of the *Insurance Contracts Act 1984*; or
- b) made a misrepresentation to Us before this contract of insurance was entered into; or
- c) failed to comply with any terms or conditions of **Section 6**;

will not prejudice the right of the remaining party or parties to indemnity as may be provided by **Section 6**.

Provided always that:

- i) such remaining party or parties be entirely innocent of and have no prior knowledge of any such conduct; and

- ii) as soon as is reasonably practicable upon becoming aware of any such conduct advise Us in writing of all known facts in relation to such conduct.

## Subrogation

In the event of a payment under **Section 6** to or on Your behalf We will, subject to the *Insurance Contracts Act 1984*, be subrogated to all Your rights of recovery against all persons or organisations and You will execute and deliver instruments and papers and do all that is necessary to assist Us in the exercise of such rights.

## Special Definitions

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

### Claim, Claims

means

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

### Defence Costs

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

### Documents

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

### Loss

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

### Office Bearer

means:

- a) a person appointed by the Body Corporate to act as an Office Bearer or committee member in terms of the *Owners Corporation Act, Strata Schemes Management Act, Body Corporate and Community Management Act, Strata Titles Act, Community Titles Act* or similar legislation applying where Your Insured Property and Common Area is situated;
- b) a Body Corporate Manager appointed as an agent of an Office Bearer and/or committee member;
- c) a person invited by an Office Bearer and/or committee member to assist in the management of the Body Corporate affairs.

### Wrongful Act

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

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

Where any such Wrongful Act results in more than one Claim all such Claims will jointly constitute one Loss and be deemed to have originated in the earliest policy year in which any of such Wrongful Acts is first reported to Us.

## Section 7 – Government Audit Costs & Legal Expenses

This Government Audits Costs & Legal Expenses cover is issued on a Claims made basis. This means Parts A, B and C of **Section 7** respond to Claims first made against You during the policy year and notified to Us during that policy year.

### Part A: Government audit costs

#### What is covered

We insure You, up to the Sum Insured shown for Part A of **Section 7** on the Schedule, for Professional Fees You reasonably incur with Our written consent in connection with an Audit first notified to You verbally or in writing during the Period of Insurance.

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

- a) any Claim reported during the Period of Insurance including any such Claim reported but not finalised until a subsequent Period of Insurance;
- b) all Claims reported in any one Period of Insurance.

#### Extra Benefit

##### 1) Record keeping audit

We will pay up to \$1,000 in any one Period of Insurance for Professional Fees You reasonably incur with Our written consent in connection with a Record Keeping Audit.

#### What is not covered

##### 1) We will not pay for Professional Fees:

- a) if prior to the commencement of the Period of Insurance You, or any person acting on Your behalf:
  - i) received any notice of a proposed Audit;
  - ii) had information that an Audit was likely to take place;
  - iii) had information that would indicate to a reasonable person that an Audit was likely to take place.
- b) if a return, or a document required to be lodged in relation to an Audit, has not been lodged:
  - i) at all;
  - ii) properly;
  - iii) by the due date.
- c) for any Audit that is conducted specifically for the purposes of determining if a fine, penalty or prosecution should be imposed in connection

with:

- i) any act or omission by You; or
- ii) any failure, act or omission arising from or in connection with Your statutory obligations.
- d) charged by someone other than a Professional Adviser unless We have given Our prior written consent.
- e) relating to the Audit of Your taxation and financial affairs unless the return is first lodged:
  - i) during the Period of Insurance; or
  - ii) not more than twelve (12) months prior to the original inception date of **Section 7**;

or relates to a return for a financial year not more than three (3) years prior to the date You receive notification of an Audit.

- f) relating to an Audit if You fail to comply with any requirement or obligation imposed upon You by any relevant legislation if a return in relation to the Audit was not prepared or reviewed by Your Professional Adviser prior to dispatch.
  - g) if You breach any conditions in this Policy, including failing to comply with any requirement imposed by any relevant legislation or failing to do what You must do if You intend to make a claim or You make a claim.
- 2) We will not under any circumstances pay for the cost of:
- a) any fines, penalties, interest or adjustment of tax, additional tax, duty, government impost or similar charges.
  - b) any review pertaining to You maintaining any industry status, licence, membership or compliance with any employee related legislation or regulations.
  - c) the gathering of data or information by any government, statutory body, authority or agency that is not directly part of an Audit.

#### Special Conditions

##### 1) You must:

- a) make all efforts to comply with the relevant legislation, procedures and guidelines issued by the Australian Taxation Office, or Commonwealth, State or Territory Department, Statutory Body or Agency in relation to the maintenance of records, books and documents;

- b) lodge taxation and other statutory returns within the prescribed time limits or if an extension is granted within the further period granted;
- c) upon becoming notified of an Audit or impending Audit promptly inform Axis Underwriting by telephone, in writing or in person.
- d) obtain written approval from Axis Underwriting before engaging a Professional Adviser, other than Your accountant, and notify them of all Professional Fees Your accountant proposes to charge.

## 2) An Audit commences:

- a) at the time You first receive notice that an Auditor proposes to conduct an Audit; and
- b) is completed when:
  - i) the Auditor has given written notice to that effect; or
  - ii) the Auditor notifies You that it has made a Final Decision of a Designated Liability; or
  - iii) when the Auditor has issued an assessment or amended assessment of a Designated Liability

## Part B: Appeal expenses - common property, health and safety breaches

### What is covered

We insure You, up to the Sum Insured shown for **Part B** of **Section 7** on the Schedule for Appeal Expenses You necessarily incur with Our consent in appealing against:

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

We will not pay:

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

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

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

## Part C: Legal defence expenses

### What is covered

We insure You, up to the Sum Insured shown for **Part C** of **Section 7** on the Schedule for Legal Defence Expenses You necessarily incur with Our written consent in connection with litigation arising out of a Claim made or brought against You:

- a) in connection with the conduct of Your ordinary Business and affairs;
- b) under the *Competition and Consumer Act 2010* or under any other consumer protection legislation;
- c) arising out of any dispute with an employee, former employee or prospective employee:
  - i) concerning the terms and conditions of their contract of employment or alleged contract of employment with You;
  - ii) leading to civil or criminal proceedings under any Race Relations or Sexual Discrimination Legislation.

We will not pay:

- a) unless:
  - i) any such Claim is first made or first brought against You during the Period of Insurance;
  - ii) You report it to Us during that Period of Insurance;
  - iii) We agree there are reasonable grounds for the defence of any such Claim.
- b) more than the Sum Insured for **Part C** for:
  - i) any Claim reported during the Period of Insurance including any such Claim reported but not finalised until a subsequent Period of Insurance;
  - ii) all Claims reported in any one Period of Insurance.

### Excess

For each and every Claim You must, by way of Excess, pay or contribute the amount of \$1,000.

## What is not covered

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

- a) which You have pursued or defended without Our written consent;
- b) which You have pursued or defended contrary to or in a different manner from that advised by the Appointed Representative;
- c) arising from an act, omission, liability or Event for which indemnity is otherwise provided under the terms and conditions of **Section 2** (Liability to others) and **Section 6** (Office Bearers Legal Liability Policy) or would have been provided if **Section 2** and **Section 6** were operative;
- d) arising from circumstances that You knew of prior to the inception of this Policy, or a reasonable person in the circumstances could be expected to know, to be circumstances that may give rise to a Claim against You;
- e) arising from a deliberate act, including a deliberate act of fraud or dishonesty, on Your part if a judgment or other final adjudication adverse to You establishes that such act was committed or attempted by You with actual dishonest purpose or intent and was material to the cause of action so adjudicated;
- f) between You and Us including Our Directors, employees or servants;
- g) which involves a conflict of duty or interest of Yours;
- h) made or threatened or in any way intimated on or before the inception date shown on the Schedule, except as otherwise provided by **Special Condition 4**;
- i) first notified to Us after the expiry of this Policy, except as otherwise provided by **Special Condition 4**.

2) We will not be liable for:

- a) the cost of litigation or proceedings initiated by You;
- b) the payment of any compensation or damages of any kind other than Your liability to pay fees, expenses and disbursements of other persons or entities by reason of an order of any Court, Arbitrator or Tribunal.

## Special Conditions

### 1) Appeal procedure

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

- a) make a further written application to Us for Our written consent at least five (5) clear business days prior to the expiry of the time for instituting an appeal; or
- b) if the time allowed by law to appeal is less than five (5) clear business days, You must advise Us as soon as practicable.

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

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

### 2) Bill of costs

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

You must not without Our written approval enter into any agreement with the Appointed Representative as to the level of fees and expenses to be charged. Further You must not represent to the Appointed Representative that all fees and expenses charged to Your account are insured by this Policy.

### 3) Consent

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

### 4) Continuous cover

We agree that should a Claim arise which should have been or could have been notified to Us during a prior Period of Insurance when this Policy was operative, or by another Insurer when this Policy has been issued in substitution of a prior Legal Defence Expenses policy provided by another Insurer, We will accept the notification of such Claim.

Provided always that:

- a) We have continuously been the insurer between the date when such notification should have been given and the date when such notification was in fact given; and
- b) the terms and conditions applicable to **Special Condition 4** and to that notification will be the terms and conditions, including the Limit of Liability and Excess, applicable to the Policy under

which the notification should have or could have been given.

## 5) Information to be given to the appointed representative

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

## 6) Jurisdiction

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

## 7) Nomination of appointed representative

You may request Us to nominate a solicitor to act as Your Appointed Representative or if You elect to nominate Your own solicitor to act as the Appointed Representative, You must submit the name and address of that solicitor to Us. We may accept or refuse such nomination without giving a reason.

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

In all cases the Appointed Representative will be appointed in Your name and will act on Your behalf.

## 8) Offer of settlement

You must inform Us immediately if You receive an offer to settle a Claim.

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

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

## 9) Our access to the appointed representative

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

## 10) Recovery of legal defence expenses

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

## 11) Reporting and notice

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

## 12) Subrogation

In the event of a payment under this Policy to or on Your behalf We will, subject to the *Insurance Contracts Act 1984*, be subrogated to all Your rights of recovery of Legal Defence Expenses against all persons or organisations and You will execute and deliver instruments and papers and do all that is necessary to assist Us in the exercise of such rights.

## Special Definitions that apply to Parts A, B and C

The words listed below have been given a specific meaning and apply to **Section 7** when they begin with a capital letter.

### Appeal Expenses

means legal costs, professional costs and other disbursements necessarily and reasonably incurred with Our consent in connection with a Claim brought against You.

### Appointed Representative

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



**Audit**

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

**Auditor**

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

**Business**

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

**Claim, Claims**

means:

- a) a written or verbal advice of intent to initiate legal proceedings or a civil or criminal action against You; or
- b) a civil proceeding commenced by the service of a complaint, summons, statement of claim or similar pleading against You; or
- c) a criminal proceeding commenced by a summons or charge against You.

**Designated Liability**

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

**Final Decision**

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

**Legal Defence Expenses**

means:

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

- b) fees, expenses and disbursements incurred by persons or entities other than You in so far as You are liable to pay such fees, expenses and disbursements by reason of an order of any Court, Arbitrator or Tribunal;
- c) legal fees, expenses and other disbursements reasonably and necessarily incurred in appealing or resisting an appeal from the judgment or determination of a Court, Arbitrator or Tribunal.

**Professional Adviser**

means:

- a) an accountant who is a member of a nationally recognised accounting body, registered tax agent or tax consultant;
- b) any other professional person or consultant engaged by or at the recommendation of the accountant with Our prior written approval, but does not mean You or any person working for You under a contract of employment.

**Professional Fees**

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

- a) form part of an annual or fixed fee or cost arrangement; or
- b) relate to any subsequent objection or appeal or request for review in respect of the Audit, or any assessment, amended assessment or Final Decision of the Auditor; or
- c) were rendered by a third party in relation to which Our written consent was not obtained before those fees were incurred; or
- d) relate to or are associated with the preparation of any accounts, financial statements or documents or to any attendance or service which would have been or would or should ordinarily or prudently have been prepared prior to or at the time that the lodgement of any return or document was required to be lodged in connection with a Designated Liability.

**Record Keeping Audit**

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













Axis Underwriting Services Pty Ltd

ABN 51 090 508 142

ACN 090 508 142

AFSL 236650

Level 5, 90 Collins Street,

Melbourne VIC 3000

Phone: (03) 8660 7000

[www.axisunderwriting.com.au](http://www.axisunderwriting.com.au)