

Strata Insurance

Product Disclosure Statement



Contents

Introduction	3
Welcome to Strata Insurance	3
Summary of important claims information	5
About your sum insured	6
About your premium	6
Paying your premium	7
Your responsibilities	7
When you need to contact us	8
About your cover	9
Who we cover – You/Your	9
Where we cover – the insured address	9
What we cover as your building	9
What we do not cover as your building	10
The most we will pay for building claims	11
What we cover as your common contents	11
What we do not cover as your common contents	12
The most we will pay for common contents claims	12
GST	12
What you are covered for	13
Additional features	22
Additional covers	28
Legal Liability	36
General exclusions	39
Claims	45
Making a claim	45
How to establish your loss	47
Your excess	48
How we settle your claim	49
Building claims	51
Common contents claims	56
Other claims information	57
Other important information	58
What happens with cancellations	58
Cancellation fee	58
Words with special meanings	59
How we will deal with a complaint	64
General Insurance Code of Practice	65
Report insurance fraud	65
Financial Claims Scheme	66

Introduction

Welcome to Strata Insurance

Why is this document important?

This Product Disclosure Statement (PDS) is an important legal document that contains details of your GIO Strata Insurance if you purchase this product from us. Before you decide to buy this product from us, please read this PDS carefully. If you purchase this product, your policy comprises of this PDS and your certificate of insurance which shows the details particular to you.

The information in this PDS was current at the date of preparation. We may update some of the information in the PDS that is not materially adverse from time to time without needing to notify you. You can obtain a copy of any updated information by visiting gio.com.au or by contacting us on **13 10 10**. We will give you a free paper copy of any updates if you request them.

In some circumstances the terms and conditions of this PDS may be amended by a Supplementary PDS (SPDS).

PED Guide

Throughout this PDS you will be referred to a guide called: Premiums, Excesses, Discounts and Claim Payments Guide, indicated as 'Refer to the PED Guide for further information'. This guide will provide you with further information and is available at gio.com.au/moredetails. You can obtain a copy on request, at no charge, if you contact us.

Cooling off period

After this insurance begins or you renew your policy for another period of insurance, you have **21** days to consider the information in your PDS. This is called the 'cooling off period'. If you wish, and provided you have not made a claim, you can exercise your cooling off rights within **21** days from the day cover began or was renewed. When you do this, we will refund in full the money you have paid for that period of insurance but you will have no cover from when your policy would have otherwise begun or from your renewal date.

Alternatively, you can cancel your policy at any time during the period of insurance. When you exercise your cooling off rights, and unless we tell you otherwise, you will have cover up until the date of cancellation. For more information see 'Cancellation by you' on page 58.

Who is this product designed for?

This product is designed to provide cover for residential strata titled properties or residential properties associated with a body corporate or owners corporation. The policy will provide cover to buildings and common areas that are the responsibility of the body corporate or owners corporation for insurance purposes according to the relevant legislation in your state. You may also choose to cover any common contents under this policy.

Your duty of disclosure

You have a duty of disclosure to tell us everything you know, or could reasonably be expected to know, is relevant to our decision to insure anyone under the policy, including you, and on what terms.

It includes matters we specifically ask about when you apply for a policy, or renew or alter your policy, and any other matters which might affect whether we insure you and on what terms.

The information you tell us can affect:

- ▶ the amount of your premium;
- ▶ if we will insure you;
- ▶ if special conditions will apply to your policy.

You do not need to tell us of anything which:

- ▶ reduces the chances of you making a claim; **or**
- ▶ we should know about because of the business we are in; **or**
- ▶ we tell you we do not want to know.

If you are unsure it is better to tell us. If you do not tell us something which you know or should know is relevant, we might reduce a claim, refuse to pay a claim, cancel your policy or, if fraud is involved we can treat the policy as if it never existed.

Claims made and notified basis of coverage: Office bearer's liability

The office bearer's liability cover under the office bearer's liability additional cover (see page 30) is issued on a 'claims made and notified' basis. This means that your office bearers are covered for claims first made against them during the period of insurance and notified to us during the period of insurance, provided that you were not aware at any time prior to the policy inception of circumstances which would have put a reasonable person in your position on notice that a claim may be made against you.

Under section 40(3) of the Insurance Contracts Act 1984, any office bearer may decide to notify us of facts that might give rise to a claim against them. This notification must be given as soon as reasonably practicable after the office bearer becomes aware of the facts and prior to the period of insurance expiring. If the office bearer, respectively, gives us such written notification of facts, the policy will respond even though a claim arising from those facts is made against the office bearer after the policy has expired. When the period of insurance expires, no new notification of facts can be made.

Exclusion for new policies

We do not insure you for bushfire, storm, flood or tsunami in the first **72** hours of your policy. Very limited exceptions apply. For full details see 'General exclusions' on pages 39 to 44.

More than one named insured

If there is more than one named insured on your certificate of insurance, we will treat a statement, act, omission, claim, request or direction (including to alter or cancel your policy) made by one as a statement, act, omission, claim, request or direction by all those named as insured on your certificate of insurance.

Some words in your policy have special meanings

Some words when used in this PDS have special meanings. Most of the words with special meanings are defined in the 'Words with special meanings' section on pages 59 to 63.

Summary of important claims information

This summary lists some of the important information to consider when making a claim. This is a summary only and there are other things you should be aware of when making a claim. For more details see pages 45 to 57.

Making a claim

It is important that you contact us as soon as possible after the loss or damage has occurred. You must also take reasonable steps to prevent further loss or damage.

More details page 45

Establishing your loss

You will need to prove that an incident covered by your policy has occurred and also the extent of the loss or damage you have suffered.

More details page 47

Proof of ownership

We may ask for proof of ownership in the event of a claim.

More details page 47

Excess

An excess is the amount you ordinarily have to pay for each incident when you make a claim. The excess(es) that apply depend upon the circumstances of the claim.

More details page 48

How claims are settled

Depending on the circumstances we will decide to repair, replace, rebuild or pay you what it would cost us to repair, replace or rebuild.

More details page 49

About your sum insured

What is a sum insured?

The sum insured is the most you can claim for any one incident unless stated otherwise in this PDS. The amount is shown on the certificate of insurance or in this PDS and includes GST.

Make sure your sum insured is adequate

Underinsurance can expose you to serious financial loss if a claim occurs. It is your responsibility to make sure your building and common contents are insured for their full 'new for old' replacement value.

Review your sum insured regularly

You need to ensure your sums insured are accurate when you first insure your building and common contents and each time you renew your policy. To ensure your sums insured are adequate it is important to review them regularly, being mindful of items purchased recently, and ask us to change the sum insured when required.

If you over-insure

We will not pay more than it costs us to rebuild, repair or replace your building or common contents.

We will not refund any premium paid for over-insuring.

Adjustments on renewal

We automatically adjust the building sum insured and common contents sum insured on your certificate of insurance at the end of each period of insurance to account for various factors including inflationary trends.

About your premium

The premium is the amount you pay us for this insurance and it includes stamp duty, GST, other government charges and any fire services levy (FSL) that applies. The total amount payable will be shown on your certificate of insurance or, if you pay by instalments, the amount due each month will also be shown on your certificate of insurance as 'monthly instalment'.

In addition to your sum insured, we use many factors about you and your building and common contents to work out your premium. These are called premium factors. The premium factors we use reflect the likelihood of you making a claim together with other factors related to our cost of doing business.

Each time you renew your insurance your premium is likely to change, even if your circumstances have not changed. This is because premiums are affected by other things such as our expenses of doing business and changes in our approach to how we calculate your premium.

Your premium includes any discounts we have given you.

Refer to the PED Guide for further information

Paying your premium

We will tell you how much you have to pay and how much time you have for payment on your certificate of insurance. You must pay the premium by the due date to get this insurance cover. You can pay in one annual payment or, if we agree, by instalments. If you pay your premium by instalments it costs you more than if you choose to pay your premium in one annual payment.

Unless we tell you, any payment reminder we send you does not change the expiry or due date. If you do not pay the full amount, we may reduce the period of insurance so it is in line with the amount you paid.

If you make a change to your policy details it may affect your premium you need to pay for the remainder of your period of insurance.

Late annual payments

If you do not pay your premium by the due date in the first year of insurance with us, we will give you a written notice of policy cancellation where we are required by law to do so.

If you do not pay the premium due on renewal by the due date, you will have no cover from the due date.

If we accept your late payment, we might recommence your cover from the date we receive your payment. If so, you will have no cover for the period from the due date until the date of payment.

Overdue monthly instalments

If you pay your premium by instalments and your instalment is overdue, we can do one or both of the following:

- ▶ refuse to pay a claim if an instalment is **14** days (or more) overdue;
- ▶ cancel your policy without notifying you in advance if an instalment is **1** month (or more) overdue.

Your responsibilities

You must:

- ▶ keep your building and any common contents well maintained and in good condition. For what we mean by 'well maintained and in good condition' see 'Words with special meanings' on pages 59 to 63;
- ▶ take all reasonable care to prevent theft, loss, damage or legal liability;
- ▶ follow all the terms and responsibilities set out in your policy;
- ▶ provide honest and complete information for any claim, statement or document supplied to us;
- ▶ ensure that your building complies with local government and other statutory requirements at all times.

Not meeting your responsibilities

If you do not meet your responsibilities, it may lead us to do one or both of the following:

- ▶ reduce or refuse to pay your claim;
- ▶ cancel your insurance policy.

When your building will be unoccupied for more than 60 days

We will apply the unoccupied excess to each incident covered by your policy unless your policy states that no excess applies to your claim if, at the time of the incident, the building has been unoccupied for more than **60** continuous days.

A period of unoccupancy starts when the building becomes unoccupied and comes to an end when you, someone nominated by you, a unit owner or someone nominated by a unit owner has occupied the building for at least **2** consecutive nights. You may be asked to prove the occupancy of the building in the event of a claim. This may be supported by the usage of the utilities that are connected to the building. Sometimes we might ask for other evidence of occupancy. We will decide if the unoccupied excess applies.

If you have to pay an unoccupied excess it is payable in addition to any other excess that applies to your claim. For more details about the unoccupied excess, see page 48.

When you need to contact us

You must contact us when:

- ▶ you or your managing agent become aware that a business activity is being operated at the insured address **but we do not** need to know if this business activity is only:
 - ▶ the residential tenancy of a unit which is part of your building; **or**
 - ▶ using no more than **1 unit** in your building as an administration office.

Note: We do not cover any part of your building used for any business activity. Some limited exceptions apply. See 'What we do not cover as your building' on page 10.

- ▶ any detail on your certificate of insurance is no longer accurate, such as the insured address;
- ▶ you intend to demolish your building, have lodged an application to do this, or a government authority has issued a demolition order;
- ▶ the insured address ceases to be occupied;
- ▶ trespassers (squatters) occupy the insured address;
- ▶ your building has fallen into a state of disrepair;
- ▶ you commence building or renovations at the insured address;
- ▶ anything else happens that increases the chance that loss, damage or injury will occur at the insured address.

What we will do when you contact us

When you contact us and tell us about these changes, we may decide to impose an additional excess, charge an additional premium or apply a special condition to your policy. In some cases, it could mean we can no longer insure you and we will cancel your policy.

About your cover

Who we cover – You/Your

You/Your refers to the:

- ▶ body corporate;
- ▶ owners corporation;
- ▶ strata company; **or**
- ▶ association of the strata, groups, body corporate or community title scheme;

named as the insured on your certificate of insurance, and its ownership or insurable interest according to the relevant strata, group, body corporate or community title laws applying to your building and common property.

Where we cover – the insured address

We cover your building and common contents at the insured address. The insured address is the address/location shown on your certificate of insurance within the perimeter of the scheme land.

What we cover as your building

Your building means the strata, group, body corporate or community titled residential building or buildings including the following at the insured address:

- ▶ garages, carports, outbuildings, outdoor walls, gates, fences and any structural improvements on the land;
- ▶ decks, pergolas, pagodas, verandas and balconies, fixed water tanks, fixed swimming pools and spas and their accessories, sheds and tennis courts;
- ▶ garden borders, pathways and paved or concreted floor areas;
- ▶ driveways or sealed roads;
- ▶ retaining walls which are located within the boundaries of the insured address;
- ▶ services, both above and below ground, that are your property and you are responsible for, including fixed fire prevention and security equipment;
- ▶ any permanently housed, connected or wired electrical appliances including ducted air conditioning and intercoms;
- ▶ any permanently fixed outdoor items, including solar panels, satellite dishes, play equipment, clothes lines, fixed barbecues, fixed aerials and outdoor lights, awnings and blinds;
- ▶ gas appliances permanently plumbed to a gas supply;
- ▶ sewer storage tanks or treatment tanks permanently plumbed to your building;
- ▶ boat jetties, pontoons, mooring poles and their attachments and accessories which are located within the boundaries of the insured address or where part of their structure begins or terminates on the insured address;

- ▶ any uninstalled building fixtures, fittings and materials (limits apply) **but only** when kept in a locked and secured building at the insured address;
- ▶ lifts, elevators, escalators, travelators, inclinators and hoists;
- ▶ these wall, floor or ceiling coverings (**except** when they are inside a unit and the strata laws in your state or territory say they are not part of your building for body corporate insurance purposes):
 - ▶ paint, tiles, wallpaper and permanent wall, floor and ceiling coverings;
 - ▶ fixed floor coverings including lino, whether glued down or not;
 - ▶ timber floor coverings that were fitted when the building was originally built, whether secured to the floor or not.

What we do not cover as your building

Your building does not include:

- ▶ anything that is not legally part of your building for body corporate insurance purposes according to the relevant strata laws in your state or territory;
- ▶ fixtures that can be removed without causing damage to the unit;
- ▶ anything defined as common contents;
- ▶ any new building in the course of construction;
- ▶ any temporary or mobile structures, including caravans, houseboats, watercraft or motorised vehicles or craft of any type;
- ▶ inflatable or portable swimming pools and spas and their accessories;
- ▶ any fixed or temporary dead weight moorings, mushroom moorings or screw in moorings;
- ▶ any carpets, rugs, blinds, drapes or curtains;
- ▶ air conditioning units servicing a particular unit;
- ▶ loose or compacted soil, lawn, artificial grass, gravel, pebbles, rocks or granular rubber;
- ▶ used or applied chemicals, fertilisers or pesticides;
- ▶ lawns, garden areas, plants, trees and shrubs or hedges in the ground (unless covered under additional feature 'Lawns, garden areas, plants, trees and shrubs and hedges' see page 27);
- ▶ these wall, floor or ceiling coverings when they are within a unit and the strata laws in your state or territory say they are not part of your building for body corporate insurance purposes:
 - ▶ paint, tiles, wallpaper and permanent wall, floor and ceiling coverings;
 - ▶ fixed floor coverings including lino, whether glued down or not;
 - ▶ timber floor coverings that were fitted when the building was originally built, whether secured to the floor or not.
- ▶ any part of your building used or occupied:

- ▶ as a hotel or motel;
- ▶ as a boarding house or guest house;
- ▶ for any business activity **unless** we agreed to this business activity and this is shown on your certificate of insurance or if this business activity is only:
 - ▶ the residential tenancy of a unit which is part of your building; **or**
 - ▶ using no more than **1 unit** in your building as an administration office.

The most we will pay for building claims

If we accept your claim, the most we will pay for loss or damage to your building for any one insured incident is the sum insured shown on your certificate of insurance, unless a different limit elsewhere in your policy applies. Some items also have fixed limits that cannot be increased and these limits are the most we will pay for these items as shown in the table below.

Fixed limits apply to	Limits for any one insured incident
Uninstalled building fittings, fixtures and materials but only when kept in a locked and secured building at the insured address	Up to \$500 in total

What we cover as your common contents

Your common contents means your unfixed property at the insured address that is contained within the common areas of your building and includes:

- ▶ unfixed wall, floor and ceiling coverings;
- ▶ internal window coverings;
- ▶ portable domestic appliances (e.g. washing machine and clothes dryer);
- ▶ tools and cleaning equipment;
- ▶ domestic tools and gardening equipment (including ride-on mowers);
- ▶ office equipment, electronic equipment and telephones you use in your administration office, examples include:
 - ▶ computers, including laptops, electronic diaries, palm or pocket PCs, printers and scanners (**but not** software, games or stored media information);
 - ▶ filing cabinets;
 - ▶ fax machines and photocopiers;
 - ▶ phones;
 - ▶ chairs, tables, desks and other office furniture;
 - ▶ office stationery.

What we do not cover as your common contents

Common contents does not include:

- ▶ any fixture or item owned by a unit owner or tenant which they would remove if they sold or vacated their unit;
- ▶ personal effects and valuables designed to be worn or carried by a person such as:
 - ▶ clothing, footwear, baggage, handbags, wallets or furs;
 - ▶ jewellery and watches.
- ▶ valuable items such as:
 - ▶ cash, smart cards, phone cards, documents able to be cashed or traded, vouchers, money orders or stamps;
 - ▶ medals, collections or memorabilia;
 - ▶ precious stones;
 - ▶ items made of, or plated with, gold or silver.
- ▶ any item covered as your building;
- ▶ carpets or any contents item owned by a tenant or unit owner;
- ▶ animals, including fish, reptiles, pets and livestock;
- ▶ stock in trade;
- ▶ uninstalled building fittings, fixtures and materials;
- ▶ floating floors fitted by the unit owner;
- ▶ any of these vehicles or craft or any of their accessories or spare parts:
 - ▶ motor vehicles or trailers, motorcycles, mini-motorcycles, motorised scooters or motorised bicycles; watercraft and aircraft;
 - ▶ caravans, mobile homes or any of their contents;
 - ▶ tractors, back hoes, bob-cats, earth dozers or front-end loaders or their accessories or spare parts.

The most we will pay for common contents claims

If we accept your claim the most we will pay for loss or damage to all common contents arising from any one insured incident is the common contents sum insured shown on your certificate of insurance, unless a different limit elsewhere in your policy applies.

GST

Limits and the most we pay amounts stated in this PDS and on your certificate of insurance include GST.

What you are covered for

You can insure your building under your policy. You can also add cover for common contents to your policy. You must insure your building under your policy before you can insure common contents.

You decide on the covers and how much insurance you need. If we agree to insure you and you pay us the premium, the cover you have chosen will be shown on your certificate of insurance.

Building cover

When we insure your building, we will cover it for accidental loss or damage at the insured address in the period of insurance provided that the loss or damage is not excluded and subject to the conditions of your policy.

Common contents cover

When you add common contents to your building policy, we will cover common contents at the insured address for accidental loss or damage in the period of insurance provided that the loss or damage is not excluded and subject to the conditions of your policy.

Accidental loss or damage

Accidental loss or damage is loss or damage that was not intentional and includes loss or damage from the incidents shown on pages 14 to 21. The loss or damage we don't cover under your policy is shown:

- ▶ in the tables shown on pages 14 to 21;
- ▶ in the 'General exclusions' on pages 39 to 44;
- ▶ in the 'We do not cover' sections in additional features on pages 22 to 27; **and**
- ▶ in the 'We do not cover' sections in the additional covers on pages 28 to 35.

Flood

We cover	Loss or damage caused by flood. (See meaning of 'flood' on page 60).
We do not cover	<ul style="list-style-type: none">▶ loss or damage caused by actions or movements of the sea or storm surge;▶ loss or damage to retaining walls, sea walls, garden borders and free standing outdoor walls;▶ resultant cracking to paths, driveways, any outdoor surfaces, but we will cover them if they are washed away by the flood;▶ loss or damage to a sporting surface or court;▶ loss or damage to boat jetties, pontoons, mooring poles and their attachments and accessories, including if they are washed away by the flood;▶ the cost of cleaning mud or debris out of tanks, swimming pools or spas, including replacing or storing the water;▶ damage to external paintwork of your building, if that is the only building damage caused by the flood;▶ loss or damage to swimming pools or underground tanks caused by water leaking down the sides, against the sides or getting underneath them;▶ loss or damage to gates, fences or wall fences that were in a state of disrepair which would have been obvious to a reasonable person before the damage occurred;▶ loss or damage caused by erosion, vibration, subsidence, landslip, landslide, mudslide, collapse, shrinkage or any other earth movement, but we will cover damage caused by a landslide or subsidence proved to have occurred within 72 hours of, and directly because of, flood and not because of erosion over time, structural fault or design fault;▶ the cost of cleaning your building or common contents at the insured address.

Storm

We cover	Loss or damage caused by storm.
We do not cover	<ul style="list-style-type: none">▶ loss or damage caused by actions or movements of the sea or storm surge, but we will cover loss or damage caused by storm surge if it occurs at the same time as other insured damage at the insured address caused by storm;▶ loss or damage caused by erosion, vibration, subsidence, landslip, landslide, mudslide, collapse, shrinkage or any other earth movement, but we will cover loss or damage caused by a landslide or subsidence proved to have occurred within 72 hours of, and directly because of, a storm and not because of erosion over time, structural fault or design fault;▶ loss or damage to retaining walls, sea walls, garden borders and free standing outdoor walls;▶ resultant cracking to paths, driveways, any outdoor surfaces, but we will cover them if they are washed away by the storm;▶ loss or damage to a sporting surface or court;▶ loss or damage to boat jetties, pontoons, mooring poles and their attachments and accessories, including if they are washed away by the storm;▶ the cost of cleaning mud or clearing debris out of tanks, swimming pools or spas, including replacing or storing the water;▶ loss or damage to swimming pools or underground tanks caused by water leaking down the sides, against the sides or getting underneath them;▶ damage to external paintwork of your building, if that is the only building damage caused by the storm;▶ loss or damage to gates, fences or wall fences that were in a state of disrepair which would have been obvious to a reasonable person before the loss or damage occurred;▶ the cost of cleaning your building or common contents at the insured address.

Lightning

We cover	Loss or damage caused by lightning, including power surge caused by lightning.
We do not cover	<ul style="list-style-type: none">▶ any claim where the Australian Government Bureau of Meteorology has no record of lightning in your area at the time of the loss or damage;▶ loss or damage without written confirmation from a qualified repairer saying lightning was the actual cause of the damage;▶ loss or damage caused by power failures or surges by your power provider.

Fire

We cover	Loss or damage caused by fire (burning with flames).
We do not cover	Loss or damage arising from: <ul style="list-style-type: none">▶ heat, ash, soot and smoke when your building or common contents has not caught on fire unless it is caused by a burning building within 10 metres of the insured address;▶ arcing, scorching or cigarette burns unless a fire spreads from the initial burn spot;▶ pollution or vapour from a home heater or a cooking appliance unless a fire spreads from the initial source.

Earthquake and Tsunami

We cover	Loss or damage caused by an earthquake or tsunami.
We do not cover	<ul style="list-style-type: none">▶ loss or damage caused by actions or movements of the sea or storm surge; Note: 'Tsunami' is not an action or movement of the sea, see page 59.▶ loss or damage that occurs more than 72 hours after an earthquake or tsunami;▶ loss or damage caused by erosion, vibration, subsidence, landslip, landslide, mudslide, collapse, shrinkage or any other earth movement, but we will cover damage caused by a landslide or subsidence proved to have occurred within 72 hours of, and directly because of, an earthquake or tsunami and not because of erosion over time, structural fault or design fault.

Theft or burglary by tenants or their guests

We cover	Theft or burglary by tenants or their guests. Note: An additional excess applies. See page 48 for more details.
We do not cover	Loss or damage when we have accepted a previous claim for theft or burglary by tenants or their guests in the same period of insurance in relation to the same tenant. Note: 'Same tenant' means that at least one common person was usually residing at the unit at the time of both incidents.

Theft or burglary by people who are not tenants or their guests

We cover	Theft or burglary by people who are not tenants or their guests.
We do not cover	Loss or damage caused by you, a unit owner, any tenants or their guests.

Accidental breakage of glass

We cover	Accidental breakage of glass.
We do not cover	<p>When you have building cover</p> <ul style="list-style-type: none">▶ ceramic tiles;▶ shower bases (tiled or otherwise);▶ the cost to modify any part of your building to fit the replacement cooking or heating appliance if the dimensions differ;▶ any loss or damage if the breakage does not extend through the entire thickness of the damaged item (e.g. chips or scratches). <p>When you have common contents cover</p> <ul style="list-style-type: none">▶ any accidental breakage which has occurred while the items are outside your building;▶ drinking glasses and any glass or crystal items normally carried by hand;▶ any hand held mirrors;▶ glass that is part of a vase, decanter, jug, fishbowl, ornament or light globe;▶ any loss or damage if the breakage does not extend through the entire thickness of the damaged item (e.g. chips or scratches).

Escape of liquid

We cover	Loss or damage caused by escape of liquid. Note: An additional excess applies. See page 48 for more details.
We do not cover	<ul style="list-style-type: none">▶ wear and tear, or loss or damage by the escape of liquid occurring as a result of a gradual process of leaking, splashing, dripping or overflowing over a period of time when you could reasonably be expected to be aware of this condition;▶ the cost of repairing or replacing the item from which the liquid escaped;▶ fixing leaks that have not caused permanent damage to your building;▶ leaks from agricultural pipes;▶ loss or damage caused by liquid from a watering system or hose;▶ loss or damage to retaining walls;▶ loss or damage to, or caused by, a leaking shower floor or base, shower cubicle walls, shower glass screening or doors;▶ costs if you repair or renovate a damaged area of your building before we can inspect it and find the cause;▶ broken, worn or aged tiles or grouting in walls in bathrooms, kitchens or laundries unless the damage is caused by liquid leaking from pipes in walls or floors (not forming part of a shower cubicle wall, floor or base);▶ loss or damage caused by wear, tear, rust, fading, rising damp, mould, mildew, corrosion, rot;▶ loss or damage caused by storm surge. <p>If we accept a claim under this insured incident, we provide some additional cover for exploratory costs associated with finding the source of the leak (see additional feature 'Exploratory costs to find leaks from pipes and water containers', page 26).</p>

Impact

We cover	Loss or damage caused by impact at the insured address.
We do not cover	<ul style="list-style-type: none">▶ loss or damage to driveways, paths, paving or underground services caused by a road vehicle, crane or earthmoving equipment;▶ any portion of a fence or wall that is not owned by you;▶ the cost of removing or lopping fallen trees or branches that have not damaged your building or common contents;▶ loss or damage caused by trees being lopped, felled or transplanted by you or someone authorised by you;▶ the removal of tree stumps or roots still in the ground.

Damage by an animal

We cover	Loss or damage caused by an animal.
We do not cover	Loss or damage caused by: <ul style="list-style-type: none">▶ any animal owned by or in the custody of you, your tenant, or someone who is at the insured address with your consent or the consent of the tenant;▶ insects, vermin or rodents, but we will cover damage they cause if it is covered under the following insured incidents:<ul style="list-style-type: none">▶ 'Fire';▶ 'Escape of liquid'.▶ animals pecking, biting, clawing, scratching, tearing or chewing your property or contents, or damage caused by their urine or excrement. But we will cover damage caused by an animal (except insects, vermin or rodents) which becomes accidentally trapped inside the insured address and which does not belong to you or anyone living at the insured address.

Explosion

We cover	Loss or damage caused by explosion.
We do not cover	<ul style="list-style-type: none">▶ the cost of repairing or replacing the tank or container that exploded;▶ loss or damage caused by nuclear or biological devices;▶ loss or damage caused by erosion, vibration, subsidence, landslip, landslide, mudslide, collapse, shrinkage or any other earth movement, but we will cover loss or damage caused by a landslide or subsidence proved to have occurred within 72 hours of, and directly because of, an explosion and not because of erosion over time, structural fault or design fault.

Riot, civil commotion or public disturbance

We cover	Loss or damage caused by riot, civil commotion or public disturbance e.g. damage caused by a violent crowd moving down your street.
We do not cover	This box has been left blank intentionally.

Malicious acts or vandalism by tenants or their guests

We cover	Loss or damage caused by malicious acts or vandalism by tenants or their guests. Note: An additional excess applies. See page 48 for more details.
We do not cover	<ul style="list-style-type: none">▶ the cost of cleaning, repairing or restoring your building or common contents caused by neglect, or untidy, unclean or unhygienic habits of a tenant or their guests, such as the cost of cleaning, repairing or removing:<ul style="list-style-type: none">▶ liquid (including urine) or food stains;▶ odours;▶ abandoned items or rubbish;▶ drawing or painting on walls;▶ water damage and stains from over-watering plants;▶ water damaged carpets, flooring, cupboards or vanity units caused by water splashing from showers, sinks or baths.▶ loss or damage when we have accepted a previous claim for malicious acts or vandalism by tenants or their guests in the same period of insurance in respect of the same tenant. Note: 'Same tenant' means that at least one common person was usually residing at the unit at the time of both incidents.

Malicious acts or vandalism by people who are not tenants or their guests

We cover	Loss or damage caused by malicious acts or vandalism by people who are not tenants or their guests.
We do not cover	Loss or damage caused by you, a unit owner, any tenants or their guests.

Refer to the PED Guide for further information

Additional features

If we accept your claim for loss or damage due to an insured incident, we will also provide the following additional features. The additional features and their limits are paid in addition to the sum insured for your building and common contents, **unless** stated otherwise. There are some things we do not cover under these additional features and these are shown in the 'We do not cover' section of the following tables on pages 22 to 27 and in the 'General exclusions' on pages 39 to 44. All of the conditions of your policy apply to these additional features unless the cover says otherwise.

Removal of debris

We cover	<p>When you have building cover</p> <p>The reasonable and necessary costs of:</p> <ul style="list-style-type: none">▶ demolishing and removing the damaged parts of your building from the insured address;▶ removing debris when required in order to repair your building. <p>The most we will pay for any one incident is 10% of the building sum insured.</p> <p>When you have common contents cover</p> <p>The reasonable and necessary costs to dispose of the damaged common contents.</p> <p>The most we will pay under this feature for any one insured incident is 10% of the common contents sum insured.</p>
We do not cover	<p>When you have building cover</p> <p>The cost of:</p> <ul style="list-style-type: none">▶ removing tree stumps and roots still in the ground;▶ removing any debris, including fallen trees or fallen branches that have not damaged your building. <p>When you have common contents cover</p> <p>Disposal, storage or removal of anything that is not defined as common contents.</p>

Other repair/rebuilding costs

We cover

When we are rebuilding or repairing damaged parts of your building, we will pay the reasonable and necessary costs:

- ▶ of any temporary work required to make the damaged or destroyed building and insured address safe;
- ▶ for the services of professionals, such as architects or surveyors, to repair or rebuild at the insured address;
- ▶ to make the damaged parts of your building comply with the current building regulations and laws.

The most we will pay under this feature for any one insured incident, is your building sum insured, **less** any amount we agree to pay for accidental loss or damage under any other part of your policy for the same insured incident.

We do not cover

- ▶ if your sum insured has been used up by any other part of your policy;
- ▶ the cost of:
 - ▶ removing tree stumps and roots still in the ground;
 - ▶ removing or lopping fallen trees or fallen branches that have not damaged your building;
 - ▶ upgrading undamaged parts of your building to comply with the current building regulations and laws;
 - ▶ making your building comply with building regulations and laws that existed but were not complied with when your building was originally built or altered.

Temporary accommodation for unit owners

We cover

When an insured incident damages a unit in your building to the extent that the unit owner cannot live there, and we agree, we will pay the unit owner's reasonable temporary accommodation costs for the time it will take to repair or rebuild the unit to a liveable condition. We will also pay for temporary accommodation for the unit owner's domestic pets in a commercial boarding establishment for the same period that we pay for the unit owner's temporary accommodation.

The most we will pay for is:

- ▶ up to **4** weeks in short term accommodation agreed to by us (e.g. standard rates for a hotel, motel or serviced apartment), then if necessary up to another:
 - ▶ **48** weeks in residential accommodation of a similar standard to the unit that has been damaged in the incident.

We will also pay the reasonable and necessary costs for:

- ▶ redirection of the unit owner's mail from the insured address for up to **52** weeks;
- ▶ utility connection costs at the temporary accommodation residence;
- ▶ assistance with bond payment if required, **however** any amount we pay in bond is recoverable from the unit owner by us. We may deduct this amount from any amount payable to the unit owner.

The most we will pay for all claims under this feature in relation to the same insured incident is **10%** of the building sum insured and the longest period that can be claimed for is **52** weeks.

We do not cover

Temporary accommodation costs:

- ▶ if damage to the unit owner's contents is the reason the unit cannot be lived in;
- ▶ if you do not intend to repair or rebuild the building;
- ▶ if the unit owner does not intend to repair or rebuild the unit;
- ▶ if before the loss or damage occurred, the unit owner had planned to demolish the unit;
- ▶ if the unit owner does not need to pay for temporary accommodation;
- ▶ if the unit was not the unit owner's principal place of residence at the time of the loss or damage;
- ▶ if the unit owner had not intended to be living in the unit during the repair or rebuild period (had the unit not been damaged);
- ▶ beyond the period it should reasonably take to replace or repair the unit so the unit owner can live there again;
- ▶ or any other costs related to any business activity operated at the unit.

Loss of rent following an insured incident

We cover	<p>If we accept your claim for loss or damage to a tenanted unit in your building due to an insured incident and we agree the unit cannot be lived in, we will pay the unit owner the weekly rental amount for the reasonable amount of time we decide it should take to repair or rebuild your building or unit so it can be lived in again.</p> <p>The longest period we will provide cover for is 52 weeks and the most we will pay under this feature in relation to the same insured incident is 10% of the building sum insured.</p>
We do not cover	<ul style="list-style-type: none">▶ loss of rent:<ul style="list-style-type: none">▶ if you or the unit owner does not intend to repair or rebuild your building or the unit;▶ if the tenant still has an obligation to pay the rent to the unit owner;▶ beyond the period it should reasonably take to replace or repair your building or the unit so that it can be lived in again;▶ if the unit was not occupied by a paying tenant at the time the loss or damage occurred. But we will provide cover if we decide it would have been rented, and the unit owner gives us evidence of this, during the time taken to repair, replace or rebuild the unit;▶ if the tenant has not paid rent or vacated the unit with rent owing;▶ if the unit owner is able to recover loss of rent under another insurance policy.

Costs to re-establish important documents

We cover	<p>If we accept a claim under your building or common contents cover, we will pay the costs to restore or replace important written or printed records that belong to you if they are lost or damaged in an insured incident while either at the insured address or while being kept in a bank safe.</p> <p>The most we will pay for all claims made in any one period of insurance is \$5,000.</p>
We do not cover	<ul style="list-style-type: none">▶ documents that are the personal property of unit owners, shareholders, members, proprietors or any other person or party;▶ electronic files;▶ bearer bonds or coupons, bank or currency notes, book debts or any negotiable instruments;▶ replacement of your documents as blank stationery.

Emergency repairs

We cover	The reasonable cost of emergency repairs to your building and common contents following loss or damage caused by an insured incident. The most we will pay up to is \$1,000 for any one incident.
We do not cover	▶ unnecessary repairs.

Exploratory costs to find leaks from pipes and water containers

We cover	The reasonable cost of: <ul style="list-style-type: none">▶ searching for the source of leaks in pipes and water containers at the insured address; and▶ restoring the damage to your building or common contents caused by our exploratory work under this additional feature; but only if the escape of liquid is covered under the 'Escape of liquid' insured incident, see page 19. If we pay for damage or exploratory costs under this additional feature, we will also pay: <ul style="list-style-type: none">▶ up to \$500 in any one period of insurance to repair or replace leaking pipes and water containers; and▶ up to \$750 to replace undamaged tiles or other floor materials in the same room, hallway or passageway where the damage occurred, so they match or complement new materials used for repairs.
We do not cover	<ul style="list-style-type: none">▶ any costs if the leaking did not first happen in the period of insurance;▶ fixing or finding leaks that have not caused permanent damage to your building or common contents;▶ searching for leaks in shower bases, walls or floors or fixing them so they do not leak unless the damage is caused by:<ul style="list-style-type: none">▶ liquid leaking from pipes in shower walls or from water containers.▶ fixing broken, worn or aged tiles or grouting in walls in showers, bathrooms, kitchens or laundries unless the damage is caused by:<ul style="list-style-type: none">▶ liquid leaking from pipes in walls, floors or from water containers.

Lawns, garden areas, plants, trees and shrubs or hedges

We cover

The cost of restoring or replacing lawns, garden areas, plants, trees, and shrubs or hedges located in the ground on common areas at the insured address if they are lost or damaged in an insured incident.

The most we will pay for all claims made in any one period of insurance is **\$5,000**.

We do not cover

- ▶ the cost to remove the damaged lawns, garden areas, plants, trees, shrubs or hedges.
-

Refer to the PED Guide for further information

Additional covers

We also provide the cover set out under the following additional covers. A claim under an additional cover can be made independently of a claim for loss or damage to your building or common contents.

The cover provided is shown in the 'We cover' section of the following tables on pages 28 to 35. In all cases the incident that causes the loss or damage must happen in the period of insurance.

There are some things we do not cover and this is shown in the 'We do not cover' section of the following tables on pages 28 to 35 and in the 'General exclusions' on pages 39 to 44. All of the conditions of your policy apply to these additional covers unless the cover says otherwise.

Motor burnout

We cover	<p>The burning out or fusing of an electric motor, that happens in the period of insurance, which is part of your building or common contents when they are insured under your policy (e.g. garbage disposal units, swimming pool motors in common areas) and which are less than 11 years old.</p> <p>Cover includes the reasonable cost to repair or replace:</p> <ul style="list-style-type: none">▶ the electric motor or compressor containing the motor;▶ an entire sealed unit, filter, dryer and re-gassing if the electric motor is inside a sealed refrigeration or air conditioning unit;▶ a swimming pool water pump, combined with its electric motor, if the replacement pump motor cannot be bought on its own. <p>If an electric motor or motor in an appliance cannot be repaired or replaced, we will pay the replacement cost of an equivalent motor or motor in a sealed unit of the same specification and standard available today. We will not pay for the replacement of the whole appliance unless it costs us less than it would to repair or replace the motor.</p>
We do not cover	<ul style="list-style-type: none">▶ the cost of extracting or reinstalling a submersible pump;▶ any amount you can recover under a manufacturer's guarantee or warranty;▶ loss or damage to motors forming part of equipment used for any business activity;▶ loss or damage to a refrigerator or freezer caused by spoiled food.

Embezzlement of funds

We cover

Fraudulent embezzlement or theft, misappropriation or conversion of your funds by office bearers or your employees committed in the period of insurance.

The most we will pay under this additional cover for all claims, in the aggregate, for fraud, embezzlement or theft committed in the period of insurance is **\$50,000**.

We do not cover

Any loss of funds:

- ▶ arising out of theft, embezzlement, misappropriation or conversion committed prior to the start of your policy;
 - ▶ unless you have exhausted any rights or entitlements to payments from any fidelity bond or fund or under other statutory legislation;
 - ▶ arising from conduct of the same person after you discover how this happened or identify the person responsible;
 - ▶ held by managing agents of your building;
 - ▶ discovered more than **12** months after the end of the period of insurance during which the incident occurred;
 - ▶ not reported to us within **6** months of you discovering it;
 - ▶ when your accounting records cannot prove to our satisfaction how much you have lost.
-

Office bearer's liability

We cover

We will cover any office bearer for loss arising from any claim first made against the office bearer for a wrongful act in the period of insurance and notified to us in the period of insurance.

The most we will pay under this cover for all claims, in the aggregate, made (including legal expenses) in the period of insurance is **\$1,000,000**.

In addition, we cover:

Defence costs

For any claim that is covered by this cover, we will pay the legal costs to defend that claim. We will, at our discretion, do this even if indemnity has not been confirmed by us until the claim is withdrawn or indemnity under the claim is denied.

If a claim is withdrawn or indemnity is denied, you must refund any defence costs advanced by us.

Continuous cover

If a claim, fact or circumstance arises and that claim, fact or circumstance should have been or could have been notified to us prior to the end of the relevant period of insurance, we will accept the notification of such claim, fact or circumstance under this cover, subject to the terms of this cover.

But we will only do this if we have continuously been your insurer for the purposes of Office Bearers Legal Liability cover between the date when such notification should have been given and the date when such notification was in fact given.

Cover for any such claim, fact or circumstance notified to us will be subject to the terms and conditions, including the limit of liability and excess, applicable to the Office Bearers Legal Liability cover under which the notification should have or could have been given.

We do not cover

Any claims for, arising from or connected with:

- ▶ injury, sickness or death of anyone;
- ▶ damage to or loss of use of property, other than the documents entrusted which are your property, entrusted to you;
- ▶ facts or circumstances covered under any other part of your policy;
- ▶ any fact or circumstances of which you were aware prior to the inception of your policy that the office bearer (or a reasonable person in the office bearer's position) would reasonably expect might lead to a claim being made against you;
- ▶ your decisions not to effect and maintain insurance as required by any strata, body corporate, community title or similar law;
- ▶ publication or utterance of a libel or slander or other disparaging material;
- ▶ deliberate, reckless or malicious wrongful acts or omissions;
- ▶ a conflict of interest of an office bearer;
- ▶ any dishonest, fraudulent, criminal or malicious act or omission of any office bearer;
- ▶ receipt of an illegal benefit by an office bearer;
- ▶ any financial guarantee or warranty;
- ▶ any intentional exercise of power by any office bearer where the exercise of power is for a purpose other than that for which the power was conferred;
- ▶ relating to the destruction or damage of documents such as bearer bonds, coupons, bank notes, currency notes and negotiable instruments;
- ▶ wrongful acts or omissions by an office bearer when not performing in their role as your office bearer;
- ▶ any legal action or legal claims brought against you outside of Australia;
- ▶ any fines or awards for aggravated, exemplary or punitive damages;
- ▶ any claim by an office bearer claiming compensation from another office bearer or you or an office bearer claiming against each other.

Special conditions

Non-imputation

Where this additional cover insures more than one party, any conduct on the part of any one party or parties where the party or parties:

- ▶ failed to comply with the duty of disclosure in terms of the Insurance Contracts Act 1984 (Cth);
- ▶ made a misrepresentation to us before this contract was entered into; **or**
- ▶ failed to comply with any terms or conditions of this cover;

will not prejudice the right of the other party or parties to indemnity as may be provided by this option, subject to the following:

- ▶ the party or parties so indemnified be entirely innocent of and have no prior knowledge of any of the conduct; **and**
- ▶ as soon as reasonably practicable on becoming aware of any of the conduct set out above, you must advise us in writing of all known facts in relation to the conduct.

Special definitions

The following special definition applies to this additional cover:

Loss

means the amount payable to compensate another unit owner in respect of a claim for a wrongful act, including damages, judgments, settlements, orders for costs and defence costs.

You

has the meaning set out on page 9 and includes any office bearer.

Lock replacement

We cover

The necessary costs of replacing your building's locks or changing the key codes if:

- ▶ key or key codes to the common areas of your building are stolen at the insured address; **and**
- ▶ the keys or key codes have the address of your building on them; **and**
- ▶ the theft is reported to the police.

If you make a claim under this additional cover no excess applies.

The most we will pay is for any one incident in the period of insurance is **\$1,000**.

We do not cover

- ▶ replacement of locks or key codes if you do not report the theft to the police;
 - ▶ replacement of motor vehicle or motorcycle keys or their locks;
 - ▶ replacement of keys or key codes to units;
 - ▶ replacement of keys or key codes that were in the possession of a tenant in a unit.
-

Voluntary workers cover

We cover	<p>If a voluntary worker is injured or dies in an accident we will pay the voluntary worker benefits shown in the table on page 35 if the accident happens:</p> <ul style="list-style-type: none">▶ at the insured address; and▶ in the period of insurance; and▶ while the voluntary worker is doing work you agreed to.
We do not cover	<ul style="list-style-type: none">▶ the weekly benefit for voluntary workers shown on page 35, if the voluntary worker's average weekly income is not reduced or lost because of the disability;▶ injury to any employee or contractor of yours;▶ worsening of any injury because the voluntary worker did not seek medical treatment as soon as possible after the accident;▶ death of a voluntary worker if death occurs more than 12 months after the accident that caused it;▶ treatment for any condition or injury that existed before you insured your building under your policy (a pre-existing condition);▶ intentional self-injury or suicide;▶ mental illness;▶ hernia;▶ illness;▶ coronary failure or coronary thrombosis (e.g. heart attack);▶ stroke or cerebral haemorrhage;▶ injury, death or disability caused by:<ul style="list-style-type: none">▶ use of alcohol or illegal drugs;▶ childbirth or pregnancy;▶ something eaten or any other digestive ailment.

The benefits for Voluntary workers cover

Injury or Death	The benefits
Death	\$40,000
Total or permanent loss of sight in: <ul style="list-style-type: none"> ▶ both eyes; ▶ one eye. 	\$40,000 \$20,000
Total loss or complete inability to use: <ul style="list-style-type: none"> ▶ both hands or both feet; ▶ one hand and one foot; ▶ one hand or one foot. 	\$40,000 \$40,000 \$20,000
Total and permanent loss of sight in one eye and total loss of effective use of one hand or one foot.	\$40,000
<p>Loss of average weekly earnings caused by the voluntary worker not being able to carry out their occupation.</p> <p>Total disability means being unable to carry out any of the usual duties of their occupation.</p> <p>Partial disability means being unable to carry out some, but not all, of the usual duties of their occupation.</p> <p>For weekly earning claims, we will require: <ul style="list-style-type: none"> ▶ medical evidence confirming disablement; and ▶ evidence that weekly earnings have reduced e.g. certificate from an employer or accountant. </p> <p>We might also require: <ul style="list-style-type: none"> ▶ written authority from the injured person to get their medical or other records; ▶ an examination of the person by a doctor we choose to give us a report. </p>	<p>Total disability – we pay the smallest of: <ul style="list-style-type: none"> ▶ 100% of average weekly earnings¹; or ▶ \$400 a week. </p> <p>Partial disability – we pay the smallest of: <ul style="list-style-type: none"> ▶ 25% of average weekly earnings¹; or ▶ \$100 a week; or ▶ the amount of earnings lost. </p> <p>We will only pay weekly benefits for up to a total of 104 weeks for all disability caused by each accident.</p>
The most we pay for all payments made under this additional feature is: <ul style="list-style-type: none"> ▶ for each incident causing a claim; ▶ all incidents causing a claim in any one period of insurance. 	\$40,000 \$250,000

Refer to the PED Guide for further information

Legal Liability

The most we will pay for all claims from any one incident for legal liability covered by your policy is **\$20 million** and this will be shown as the sum insured for legal liability on your certificate of insurance.

In addition to the sum insured, we will also pay all associated legal costs we have agreed to pay following your claim.

Legal liability – what we cover

When you insure your building we cover your legal liability to pay compensation for death, illness or bodily injury to other people or loss or damage to their property resulting from an incident which happens:

- ▶ at the insured address;
- ▶ in the period of insurance; **and**
- ▶ in connection with your building, common contents, common areas or the scheme land or your land at the insured address.

Legal liability – what we do not cover

We do not cover legal liability caused by or resulting from:

Agreements you enter into

any agreement or contract you enter into, **but we will cover** your legal liability if it would have existed had you not entered into the agreement or contract.

Aircraft

you using or owning any aircraft or the facilities to land or store aircraft.

Animals

any animal.

Asbestos

exposure to or potential exposure to asbestos in any form.

Building, altering or renovating

building work being carried out at the insured address where the total cost of building, altering, extending or renovating is more than **\$50,000**.

Buildings, property or land not at the insured address

you owning, occupying or leasing any building, property or land not at the insured address.

Business activity

any business activity **unless** the income earned from this business is from:

- ▶ the residential tenancy of a unit which is part of your building; **or**
- ▶ collection of fees from unit owners.

Caravans and trailers

using or towing a caravan, mobile home or trailer.

Erection or demolition

erection or demolition of your building.

Fines, penalties and other damages

civil or criminal penalties or fines or aggravated, exemplary, punitive or multiple damages.

Illness or disease

illness, disease or sickness you knowingly spread or failed to take due care to prevent spreading after you knew about it.

Legal actions outside Australia

legal actions or legal claims brought against you, decided or heard in countries outside Australia.

Libel or slander

libel or slander.

Lifts, elevators, escalators, travelators, inclinator or hoists

any alterations, servicing, repairing or additions to lifts, elevators, escalators, travelators, inclinator or hoists that you do. This includes anything that is part of a lift, elevator, escalator, travelator, inclinator or hoist. This does not apply to any alterations, servicing, repairing or additions to lifts, elevators, escalators, travelators, inclinator or hoists carried out by a person or company that you employ or contract and that person or company is qualified to make any alterations, servicing, repairing or additions to lifts, elevators, escalators, travelators, inclinator or hoists.

Medical equipment and aids

any medical equipment, item or aid.

Motor vehicles

using or owning a motorised vehicle which includes any motor vehicle, motorcycle (including a trail motor bike and mini motor bike), motorised go-cart, motorised scooter, motorised bicycle **but we will cover** legal liability as a result of using domestic gardening equipment (e.g. a ride-on mower) which did not have to be insured under any compulsory third party insurance laws and was being used legally at the time of any incident.

Property owned by you or property in your physical or legal custody

loss or damage to property which:

- ▶ is owned by you;
- ▶ is owned by any person who works for you where that loss or damage arises from their employment with you; **or**
- ▶ belongs to someone else and is in your physical or legal custody or control.

Swimming pools or spa baths

the use of a swimming pool or spa baths **but we will cover** your legal liability for these if you have told us about them and 'including pools and spas cover' is noted on your certificate of insurance.

Watercraft

using or owning any watercraft.

Wrongful acts or omissions of your office bearers

wrongful acts or omissions by any of your office bearers **but we will cover** legal liability for death or bodily injury to other people or loss or damage to their property resulting from an incident in connection with your building, common contents, common areas or insured address.

Vibrations or interference

vibration or interference with the support of the scheme land, your building or other property.

Your employees

death or injury of your employees or damage to their property while they are working for you.

Refer to the PED Guide for further information

General exclusions

You are not covered under any section of this policy for damage, loss, cost or legal liability that is caused by, arises from or involves:

Actions or movements of the sea

any actions or movements of the sea.

Aircraft shockwaves

the gradual affects of vibrations or shock waves caused by aircraft travelling at high speeds **unless** you can clearly show us that the damage was caused by a single destructive incident (e.g. sonic boom).

Anything you don't own

any part of the building or common contents that you do not own **but we will cover** your legal liability for loss or damage to property to the extent it is covered under 'Legal liability' see pages 36 to 38.

Biological, chemical, other pollutant or contaminant

- ▶ any actual or threatened biological, bacterial, viral, germ, chemical or poisonous substance, pollutant or contaminant; **or**
- ▶ any looting or rioting following the actual or threatened release of any biological, bacterial, viral, germ, chemical or poisonous substance, pollutant or contaminant; **or**
- ▶ any action taken by a public authority to prevent, limit or remedy the actual or threatened release of any biological, bacterial, viral, germ, chemical or poisonous substance, pollutant or contaminant.

But we will cover:

- ▶ fire damage that is covered by insured incident 'fire';
- ▶ your legal liability under 'Legal liability' cover (see pages 36 to 38), to the extent your legal liability arises from your use of pesticides or herbicides at the insured address;
- ▶ the cost to remove asbestos or its derivatives from the insured address during repairs or rebuilding if we have accepted a claim for loss or damage to your building or common contents.

General exclusions (Cont'd)

You are not covered under any section of this policy for damage, loss, cost or legal liability that is caused by, arises from or involves:

Breaking the law

- ▶ you, or someone with your knowledge or permission, committing or trying to commit an unlawful or criminal offence, such as assault or malicious damage;
- ▶ your possession, supply or consumption of any illegal substances or illegal drugs;
- ▶ you not obeying any commonwealth, state, territory or local government law, including laws relating to:
 - ▶ installing smoke alarms;
 - ▶ pool fencing;
 - ▶ failing to install a balcony railing or balustrade when required;
 - ▶ dangerous goods and liquids;
 - ▶ firearms;
 - ▶ control and safekeeping of dangerous or restricted breeds of dogs, including not obeying any legal requirement to restrain a dog in public or keep it fenced in.

Broken tiles around pools and spas

chipped, broken or lifted tiles or surrounds of swimming pools and spas.

Building extensions, alterations or renovations

building extensions, alterations or renovations to your building. Specifically we do not cover:

- ▶ damage caused by cracking, collapse, subsidence or damage to your building or common contents caused fully or partially by the building work;
- ▶ damage caused by storm, flood or water entering your building through openings in the walls or roof or other unfinished parts of your building whether or not they are temporarily covered at the time of the damage;
- ▶ damage caused by storm or flood to any part that is not fully built;
- ▶ theft or damage by someone who enters or leaves through an unlockable part of your building;
- ▶ malicious damage or vandalism to unfinished parts of your building.

Bushfires, storms, floods, tsunamis in the first 72 hours of cover

a bushfire, storm, flood or tsunami in the first **72** hours of cover. **But we will cover** these incidents if your policy began on the same day:

- ▶ you registered as the body corporate or owner's corporation of your building; **or**
- ▶ that another policy covering your building and common contents policy expired, but not when you cancelled the policy prior to its expiry date, and only up to the sums insured covered under the expired policy (any increase in sums insured will not be covered for these incidents for the first **72** hours specified).

Chemical damage when cleaning

chemicals, such as detergents and solvents, when you or someone authorised by you is using them for cleaning.

Computer virus or computer hacking

a computer virus or hacking.

Confiscation or damage by a legal authority

confiscation, nationalisation, requisition, loss or damage caused by the police, a government authority or someone with the legal authority to do this.

Consequential losses or extra costs following an incident covered by your policy

consequential loss (financial and non-financial loss) or extra costs following an incident covered by your policy, such as:

- ▶ loss of rent **except** as expressly covered by your policy;
- ▶ loss of income or wages;
- ▶ medical expenses;
- ▶ loss or costs, including the loss of or cost of your time (e.g. inconvenience), to prove your loss or to help us with your claim (e.g. telephone calls, postage);
- ▶ cost of hiring appliances after your suffer loss or damage;
- ▶ professional, expert, legal, consulting or valuation costs **unless** you obtained our prior written authority to incur these costs;
- ▶ cost of replacing or reapplying pest control chemicals and baits in or around the insured address;
- ▶ travel costs;
- ▶ cleaning costs;
- ▶ loss or costs related to stress or anxiety;
- ▶ any loss or costs not covered by your policy.

Defect, structural fault or design fault

a defect, structural fault or design fault that you knew about (or should reasonably have known about) and did not fix before the loss or damage occurred (e.g. if there are signs that a defect previously caused damage, we will not pay a later claim for further damage from this defect).

Deliberate actions by you

any act, by you or by someone acting with your given or implied consent that:

- ▶ is deliberate;
- ▶ is a deliberate lack of action;
- ▶ demonstrates a reckless disregard for the consequences of that action or omission.

Deliberate damage to a reservoir or dam

deliberate or malicious damage to, or destruction of, a reservoir or dam, or any looting or rioting following such an incident.

General exclusions (Cont'd)

You are not covered under any section of this policy for damage, loss, cost or legal liability that is caused by, arises from or involves:

Failing to take care of your building or common contents

your failure to:

- ▶ take reasonable care of your building and common contents;
- ▶ keep your building and common contents well maintained and in good condition. For the meaning of 'well maintained and in good condition' see the 'Words with special meanings' section on pages 59 to 63;
- ▶ fix faults and defects as soon as you or your agent become aware of them.

Ground movement

erosion, vibration, subsidence, landslip, landslide, mudslide, collapse, shrinkage or any other earth movement, **but we will cover** landslide or subsidence to your building if it is caused by any of the following insured incidents if the loss or damage they cause happens within **72** hours of the insured incident:

- ▶ storm;
- ▶ flood;
- ▶ earthquake and tsunami;
- ▶ explosion.

Hazardous materials

any hazardous materials if not stored or used in accordance with the relevant laws, controls and manufacturer's instructions.

Mechanical or electrical breakdown

mechanical or electrical failure or breakdown or anything that fails to operate properly, **but we will cover** loss or damage to your building or common contents caused by:

- ▶ fire spreading from an electrical fault to other parts of your building and common contents;
- ▶ lightning;
- ▶ motor burnout to the extent it is covered under 'Motor burnout' additional cover.

Not complying with building regulations

your building not complying with building laws or regulations, **except** those laws or regulations introduced after your building was originally built or last altered which you were not required to comply with.

Photographs, electronic data and images

repairing, replacing or fixing:

- ▶ electronic data or files that are corrupted, damaged or lost, including software, photographs, films, music or other visual images or audio files stored electronically or on any other medium, **unless**:
 - ▶ the device they were stored on is lost or damaged in an insured incident; **and**
 - ▶ the electronic data or files were legally purchased and you cannot restore them free of charge.
- ▶ hard copies of photographs, films or other visual images that are damaged or lost, **but we will cover** the cost of reproducing hard copy photographs you have purchased from, or had produced by, a professional photographic business or retail outlet.

Power surge or shut down by your power provider

power surge or shut down by your power provider, **but we will cover**:

- ▶ fire damage resulting from power surge;
- ▶ damage to electric motors covered under additional cover 'Motor burnout';
- ▶ damage from a power surge caused by lightning but only when:
 - ▶ the Australian Government Bureau of Meteorology has a record of lightning in your area at the time of the damage; **and**
 - ▶ you show us written confirmation from a qualified repairer that lightning was the cause.

Radioactivity

radioactivity or the use, existence or escape of:

- ▶ nuclear fuel;
- ▶ nuclear material or waste;
- ▶ action of nuclear fission including detonation of any nuclear device;
- ▶ nuclear weapon;
- ▶ any looting or rioting following such an incident.

Replacement of water

the loss, storage and replacement of water in any tank, container, pool, spa and any other water storage vessel.

Revolution, war

- ▶ revolution, hostilities, war or other acts of foreign enemy, war like activity (whether war is declared or not), military coup; **or**
 - ▶ any looting or rioting following these incidents.
-

General exclusions (Cont'd)

You are not covered under any section of this policy for damage, loss, cost or legal liability that is caused by, arises from or involves:

Roots of trees, shrubs and plants

the roots of trees, shrubs or plants, **but we will cover** loss or damage to your building and common contents caused by:

- ▶ liquid leaking or overflowing from pipes or drains that are blocked or damaged by these roots to the extent it is covered under insured incident 'Escape of liquid' (see page 19);
- ▶ roots from a fallen tree to the extent it is covered under insured incident impact.

Seepage of water

water seeping or running:

- ▶ through the earth (hydrostatic water seepage);
- ▶ down the sides of earth or earth fill that is up against your property;
- ▶ down the sides or underneath swimming pools or spas causing them to move, change shape, lift or leak through their hydrostatic valves;
- ▶ against or through retaining walls and forcing them to move or crack;
- ▶ from agricultural pipes.

Storm surge or actions or movements of the sea

actions or movements of the sea or storm surge, **but we will cover** loss or damage caused by storm surge if it occurs at the same time as other insured damage at the insured address caused by storm.

Tree lopping

trees being lopped, felled or transplanted by you or someone authorised by you.

Wear, tear and gradual deterioration

wear, tear, rust, fading, rising damp, mould, mildew, corrosion, rot, action of light, atmospheric or climatic conditions or gradual deterioration such as, **but not limited to**:

- ▶ tiles and their adhesive or grouting breaking down;
- ▶ weathering of roof tiles or roof ridge capping;
- ▶ gradual weathering and breakdown of bricks, mortar or concrete.

Overdue monthly instalments

if you pay your premium by monthly instalments and payment is overdue we can do one or both of the following:

- ▶ refuse to pay a claim if payment is **14** days (or more) late;
- ▶ cancel your policy without notifying you in advance if an instalment is **1** month (or more) overdue.

Claims

Making a claim

Contact us as soon as possible if you suffer loss or damage, or if there is an incident that could result in a claim.

What you must do

Step 1	Step 2	Step 3	Step 4
Make sure everyone is safe. For emergencies call 000.	Try to prevent further loss or damage. If possible take reasonable steps to prevent further loss, damage or liability (e.g. if there is a hole in the roof, arrange for it to be covered to prevent further water damage from the rain).	Immediately report any theft and malicious damage to the police. Give them a list of all stolen or damaged items. Keep details of the date reported, name of the police officer, police station reported to and the report number.	Contact us as soon as possible on 13 14 46. You can call us 24 hours a day. If you delay reporting your claim, we may not pay for any additional loss or damage caused by your delay. Describe details of what has been affected by the event (e.g. a broken window, storm damage or a list of stolen items).

Note: If the damage to your building or common contents was caused by another person, please provide us their name and address or, if applicable, their registration details.

How the Goods and Services Tax (GST) affects this insurance

You must tell us about the input tax credit (ITC) you are entitled to for your premium and your claim, each time you make a claim. If you do not give us this information or if you tell us an incorrect ITC, we will not pay any GST liability you incur. Our liability to you will be calculated taking into account any input tax credit to which you are entitled for any acquisition which is relevant to your claim, or to which you would have been entitled were you to have made a relevant acquisition.

This outline of the effect of the GST on your policy is for general information only. You should not rely on this information without first seeking expert advice on the application of the GST to your particular circumstances.

Legal liability or office bearer's liability claims

In this section 'plaintiff' means the person or entity making a claim against you or your office bearers.

You must tell us about any incident that has caused an injury to others or damage to other people's property.

You also must immediately tell us about any demands made on you to pay compensation to others and any court actions or offers of settlement and send these to us.

If you make a legal liability claim that is covered under your policy we can at our full discretion decide to defend you, settle any claim against you or represent you at an inquest, official enquiry or court proceedings.

If we decide to defend you, settle any claim against you or represent you, then you and your office bearer must give us all the help we need, including help after your claim is settled.

If we have legal advice that the sum insured will not be enough to fully compensate the plaintiff's claim and we think a court is likely to award more than this amount, our liability will be limited to the amount of the sum insured plus proportionate defence costs.

If you or your office bearer refuses to consent to any settlement recommended by us, our liability in relation to such claim will not exceed the amount for which the claim could have been settled (including costs and expenses incurred) up to the date of the refusal, subject to our solicitor's legal opinion. The cost of obtaining such legal opinion will be advanced by us as defence costs.

To process the claim, you must

- ▶ allow us to inspect the damaged building and/or common contents;
- ▶ allow us to arrange for experts to assess the damaged building and/or common contents and to quote on repair or replacement;
- ▶ provide us with a quote for repair or replacement if we ask for this. If you choose to use our recommended repairers (when available), there is no need to obtain your own quotes;
- ▶ when requested, provide us with all proofs of ownership and value, information, co-operation and assistance in relation to a claim (including giving evidence in court) as we may reasonably require;
- ▶ allow us, or a person nominated by us, to recover, salvage or take possession of your building and/or common contents. When we ask, you must send any items to us, or cooperate in our collection or retrieval of such items;
- ▶ consult an expert if we ask for this.

What you must not do

- ▶ do not dispose of any damaged parts or items of your building or common contents without our consent;
- ▶ do not carry out or authorise repairs without our consent **unless** you cannot contact us and need to make emergency repairs to protect your building or common contents (see additional feature 'Emergency repairs' on page 26);
- ▶ do not wash or clean or remove debris from any area damaged by fire without our consent **unless** you need to do this to prevent further loss;
- ▶ do not admit liability or responsibility to anyone else **unless** we agree;
- ▶ do not negotiate, pay or settle a claim with anyone else **unless** we agree;
- ▶ do not accept payment from someone who admits fault for loss or damage to your building or common contents. Refer them to us instead.

If you do not comply

If you do not comply with 'What you must do' and 'What you must not do' we can reduce or refuse your claim and/or recover costs from you or cancel your policy.

If we decline a claim

We will provide reasons for our decision to decline and if you decide to lodge a claim, we will send you written confirmation of our decision.

How to establish your loss

Establish an incident took place

When making a claim you must be able to prove that an incident covered by your policy actually took place. If you do not do this, we will not be able to pay your claim.

We may obtain the following from the police:

- ▶ confirmation that you reported the incident;
- ▶ details of any investigations they undertook.

You must give us authority to access these records, if we ask.

Describe your loss or damage

You must also give us accurate and full details of what was lost, stolen or damaged and give us proof of value and ownership for items claimed if we request it.

When your building or common contents are damaged

Allowing us, a repairer or an expert appointed by us, to look at what is damaged is usually all that is needed to prove your loss. Sometimes though we might ask you to produce a copy of the most recent plans and drawings for your building, photographs of your building and/or common contents or other evidence that supports the extent of the loss you have suffered. For valuable and badly damaged items, we may ask you to provide proof of ownership and value.

If we decide that you are unable to reasonably substantiate your claim, we might reduce or refuse your claim.

How to prove ownership and value

For lost, damaged or stolen items that are no longer available for inspection, you must validate your claim by giving us details of when and where they were purchased and reasonable proof of ownership and value.

We will decide what is reasonable proof of ownership and value depending on what you are claiming for, how old they are and their value. A statutory declaration is not of itself considered acceptable evidence of proof of ownership and value.

If you are unable to reasonably substantiate your claim, we can reduce or refuse your claim.

Your excess

What is an excess?

An excess is the amount you have to pay for each incident when you make a claim. Sometimes you might have to pay more than one type of excess. The amount and types of excess are shown on your certificate of insurance or in this PDS.

The types of excesses are:

Standard excess	This excess applies to all building and common contents claims unless stated otherwise. You can choose your standard excess from the range we offer.
Additional excess	In some circumstances, an additional excess may apply based on our assessment of the risk. This excess is payable in addition to any other excess unless stated otherwise in this PDS or your certificate of insurance.
Water damage excess	This excess applies in addition to any other excess if you make a claim for loss or damage caused by leaks in pipes and water containers, unless otherwise stated in the PDS.
Earthquake and tsunami excess	This excess applies in addition to any other excess if you make a claim for loss or damage as a result of an earthquake or tsunami, unless otherwise stated in the PDS.
Theft or burglary by tenants or their guests excess	For any claim under the insured incident 'Theft or burglary by tenants or their guests' (see page 17), an excess of \$500 will apply in addition to any other excesses that apply.
Malicious acts or vandalism by tenants or their guests excess	For any claim under the insured incident 'Malicious acts or vandalism by tenants or their guests' (see page 21), an excess of \$500 will apply in addition to any other excesses that apply.
Unoccupied excess	This excess applies in addition to any other excess, unless stated otherwise in the PDS, if, at the time of the incident covered by your policy, the building has been unoccupied for more than 60 continuous days.

When you claim for both building and common contents

When both your building and common contents at the one insured address are insured with us under your policy and your claim is for loss or damage to both arising from the same incident, you only need to pay the standard excess once (plus any other applicable excess).

When we may waive your excess

When you make a claim for damage to your building or common contents and the incident covered by your policy was caused by another person **but not** people within the definition of 'you', a unit owner, the tenant (or their guest) of a unit owner and we agree, we may waive the excess that would normally apply if you give us the name and address of the person responsible for the damage or, if applicable, their registration details.

How to pay your excess

When you make a claim we will choose whether to deduct the applicable excesses from the amount we pay you or direct you to pay the excesses to us or to the appointed repairer or supplier. We may require you to pay the excesses in full before we pay your claim or provide any benefits under your policy. The fact we have asked for payment of your excess does not of itself mean that your claim has or will be accepted by us either in whole or in part.

[Refer to the PED Guide for further information](#)

How we settle your claim

We choose how we settle building claims

If we agree to pay a claim for loss, theft or damage to your building, we will decide if we will:

- ▶ repair damage to your building;
- ▶ rebuild your building;
- ▶ pay you what it would cost us to repair or rebuild your building;
- ▶ pay you the sum insured for your building;
- ▶ give you a voucher, store credit or stored value card for the amount it would cost us to repair or rebuild an item.

If we rebuild (or pay you what it would cost us to rebuild), we will do so on a 'new for old' basis.

If we repair (or pay you what it would cost us to repair), we will at our option repair on a 'new for old' basis or repair to a similar condition to what your building was in before the loss or damage occurred.

If we choose to pay you what it would cost us to rebuild or repair your damaged building, you are not eligible for an extra amount under additional feature 'Other repair/rebuilding costs'.

Unless we tell you otherwise, we will deduct any amounts you owe us from any amount we owe you.

We choose how we settle common contents claims

If we agree to pay a claim for loss, theft or damage to your common contents, we will decide if we will:

- ▶ repair damage to the common contents;
- ▶ replace your common contents 'new for old';
- ▶ pay you what it would cost us to repair or replace your common contents;
- ▶ pay you the sum insured for your common contents;
- ▶ give you a voucher, store credit or stored value card for the amount it would cost us to repair or replace the common contents.

If we replace (or pay you what it would cost us to replace), we will do so on a 'new for old' basis.

If we repair (or pay you what it would cost us to repair), we will at our option repair on a 'new for old' basis or repair to a similar condition to what your common contents were in before the loss or damage occurred.

Unless we tell you otherwise, we will deduct any amounts you owe us from any amount we owe you.

We will not:

- ▶ pay more than the relevant sum insured or policy limit;
- ▶ pay extra to replace your building or common contents to a better standard, specification or quality than they were before the loss or damage occurred **except** as stated in meaning of 'new for old';
- ▶ fix a fault that existed before the loss or damage occurred.

'New for old' means:

- ▶ we rebuild, replace or repair with new items or new materials that are available at the time of replacement or repair from Australian suppliers;
- ▶ we rebuild, replace or repair new for old regardless of age, with no allowance for depreciation;
For example, outdoor furniture, including tables and chairs, which were purchased **5** years ago for **\$5,000** and now worth **\$2,000**, will be replaced with brand new outdoor furniture equivalent to your old outdoor furniture when it was new. Cover is not limited to **\$2,000**.
- ▶ we replace or repair to the same type, standard and specification (but not brand) as when new. If the same is not available, it means of a similar type, standard and specification (but not brand) when new. We can replace with a different brand.

'New for old' does not:

- ▶ include paying the extra cost of replacing or purchasing an extended warranty on any item;
- ▶ mean of a better standard, specification or quality than when new.

When items may be replaced to a better standard

Refrigerators, freezers, dishwashers, air conditioners, washing machines and dryers with less than a 3 star energy rating

For these items when being replaced, 'new for old' means replacing with a new item of equal specification (but not brand) and if you agree, it means replacing with a minimum 3 star energy rating if this is available. It can be a different brand.

Obsolete electrical appliances

For obsolete electrical appliances such as outdated dishwashers or air conditioners 'new for old' means, replacing or repairing to an equal specification (but not brand). If this is not available, it means to the nearest better specification available. It can be a different brand. We do not insure electrical or electronic items that are no longer able to be used for the purpose they were intended.

When items cannot be replaced 'new for old'

For these items (such as paintings, pictures and works of art), 'new for old' means that if the item cannot be replaced 'new for old' or repaired, we will pay you what it would have cost to buy the item immediately before the loss or damage occurred, up to the relevant limit.

Building claims

This section relates specifically to a claim made on your building policy and is in addition to the information in 'How we settle your claim' on pages 49 to 50.

When we authorise the repair or rebuilding of your building

If we need to source material in order to repair or rebuild your building, we will do our best to obtain new materials that are the same type, standard and specification. If the same is not available, we will use new materials of a similar type, standard and specification that are commercially available and compliant with current building regulations.

We may enter into any building contract with the selected repairer and/or supplier on your behalf. We will oversee the repairs and keep you informed of their progress.

If you decide not to repair or replace your building, or do not commence repair or replacement within **6** months of the date the loss or damage occurred, we will only compensate you for what it would have cost to repair or replace your building at the date of the loss or damage.

When we cannot match materials

If we cannot find new materials to match undamaged parts,
we will use the closest match available to us.



If you are not satisfied with the materials we find as the closest match
before we repair your building:



If we agree, you can pay the extra cost of replacing undamaged parts of your building to achieve a uniform appearance.



Or we will pay you what it would have cost us to repair or rebuild the damaged part.

Repairing or rebuilding damaged parts

We will only repair or rebuild the parts that are damaged in the incident covered by your policy. You cannot claim to replace undamaged parts of your building to create a uniform appearance, such as when:

- ▶ **one garage door is damaged**
we will only replace or repair the damaged one, not other doors.
- ▶ **roof tiles are damaged**
we will only replace the damaged ones, not the undamaged tiles, even if the undamaged tiles are faded and do not match the new ones used for repairs.
- ▶ **roof sheeting is damaged**
we will only replace the damaged roof sheeting, not the undamaged roof sheeting, even if the closest match available to us is a different shade, colour, finish, material or profile to the undamaged roof sheeting.
- ▶ **an external wall is damaged**
we will replace the damaged parts of the wall, not undamaged areas of the wall or other sides of your building.

For the limited circumstances where we will repair or rebuild undamaged parts read the section below.

When we will repair or rebuild undamaged parts

If we cannot match the materials with the undamaged parts, we will pay extra to create a uniform appearance when:

▶ **wall tiles are damaged**

we will pay up to **\$750** extra for each incident covered by your policy to replace undamaged wall tiles in the same room, stairs, hallway or passageway* so they match or complement new tiles used for repairs.

▶ **other wall coverings are damaged**

(e.g. paint, wallpaper, wood panels, but not tiles) we will pay extra to paint, wallpaper or replace undamaged wall coverings in the same room, stairs, hallway or passageway* where the damage occurred.

▶ **floor coverings are damaged (including tiles)**

we will pay extra to replace continuously joined undamaged floor coverings of the same material in the same room, stairs, hallway or passageway* where the damage occurred.

▶ **kitchen cabinets, cupboards or benchtops are damaged**

see 'Repairing or replacing kitchen cabinets, cupboards or benchtops' below.

* For the meaning of these terms refer to the diagrams on pages 53 to 54.

Repairing or replacing kitchen cabinets, cupboards or benchtops

We will repair damaged parts of your kitchen

We will repair the damaged parts of your kitchen cupboards, cabinets or benchtops.

When we will replace undamaged parts of the kitchen

To create a uniform appearance, we will pay extra to replace undamaged parts of the same cupboard, cabinet or benchtop so that they match the repaired parts.

Same cabinet, cupboard or benchtop means:

- ▶ those parts continuously joined to the damaged parts (this is one 'section');
- ▶ made out of the same materials; **and**
- ▶ on the same level.

See the case study on page 53 for a visual explanation.

Note: Sometimes replacing the benchtop, door fronts or drawers in the undamaged area is all that is necessary to create a uniform appearance. We will decide what is necessary depending on the circumstances.

Case study

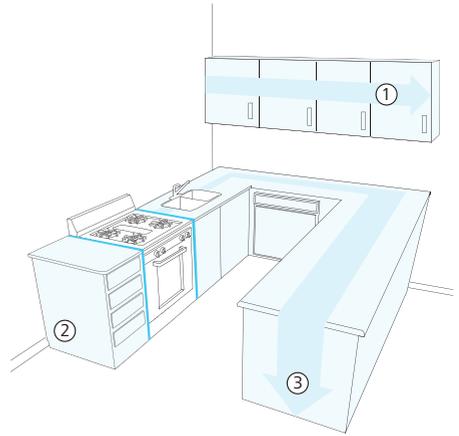
The extent of repairs carried out to match undamaged areas in a kitchen.

To match undamaged areas to the damaged parts, they must be:

- ▶ continuously joined; **and**
- ▶ on the same level; **and**
- ▶ made of the same material.

In this kitchen case study

Areas 1, 2 and 3 will be treated as separate sections. The oven breaks up the bottom level into two sections (e.g. if only section 2 is damaged, we will not pay to replace sections 1 and 3).



What we mean by same room, stairs, hallway or passageway

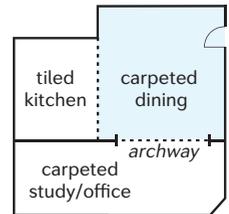
Same room

A room is an area starting and finishing at:

- ▶ its nearest walls;
- ▶ nearest doorway, archway or similar opening of any width;
- ▶ a change in the floor or wall covering.

A hallway next to a room is not the same room, even if it has the same floor or wall covering as the room.

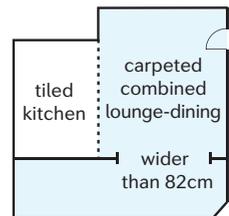
Any archway or similar opening separates a room **unless** it is a combined lounge-dining room (below).



Combined lounge-dining room

We will only combine rooms with a shared doorway, archway or similar opening when:

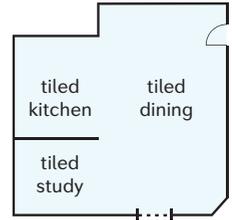
- ▶ they are lounge and dining rooms; **and**
- ▶ the shared doorway, archway or similar opening is wider than **82cm**; **and**
- ▶ the floor or wall covering is the same in both rooms.



Open plan areas

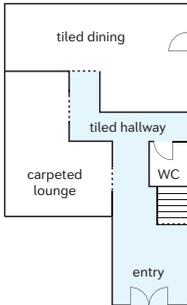
When there is no wall, archway, doorway or similar opening, the room continues until:

- ▶ a change in the floor or wall covering;
- ▶ the nearest wall, doorway, archway or similar opening.



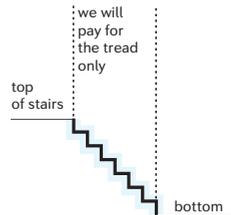
Same passageway or hallway

A passageway or hallway has the same meaning as a room. We will not combine a hallway and a room.



Same stairs

Side view of stairs



Legend

- Shaded areas show the area that we consider the same room, stairs, hallway or passageway.
- Solid lines represent floor to ceiling walls.
- - - Dotted lines show boundaries of a room or area where there is no physical barrier present (e.g. no wall or door).

Dealing with defects

If a known defect is the cause of the damage

We do not pay for loss or damage caused by a defect, structural fault or design fault at your building that you knew about (or should reasonably have known about) and did not fix before the loss or damage occurred.

If an unknown defect is the cause of the damage

If an incident covered by your policy damages your building and an unknown defect was the cause or part of the cause, we will pay for the resulting damage. If the unknown defective part of your building is also damaged by the same incident, we will fix this as well.

We do not rectify structural or design faults

When we accept a claim, we will not pay extra to rectify a structural or design fault at your building that you knew about (or should reasonably have known about). We will only pay you what it would have cost us to fix the damage from the incident covered by your policy, or if we agree, you can pay us the extra amount it costs to rectify the structural or design fault at your building.

If undamaged defective parts of your building will not support repairs

If undamaged defective parts of your building you knew about (or should have reasonably have known about) will not support repairing the damage caused by an incident covered by your policy, we will only pay what it would have cost us to repair the damage had your building not been defective.

For known defects or faults

Once you become aware of a defect, structural or design fault at your building, you must rectify it as soon as possible because there is no cover for loss or damage due to that defect. If you do not rectify the defect or fault, you may not be covered or we might not offer a renewal of your policy.

Changes to your building

If you want to change the design of your building

When rebuilding your building, if we agree, you can choose to change the design of your building or upgrade parts of it, providing you pay the extra costs of doing this. If you want to downsize your building for less cost than you are entitled to claim, we will not pay more than it costs us to rebuild the downsized building.

Choosing to rebuild on another site

If your building is to be rebuilt after an incident covered by your policy, you can choose to have your building rebuilt on another site providing you pay any extra costs involved.

Lifetime guarantee on building repairs

When we repair or rebuild your building, we guarantee the quality of materials and workmanship of that work for the lifetime of your building if we:

- ▶ authorise;
- ▶ arrange; **and**
- ▶ pay the builder or repairer directly for this work.

What we guarantee

We guarantee the material used and standard of the workmanship to be free of defects. If a defect arises in the lifetime of your building as a result of poor quality workmanship or use of incorrect materials, then we will rectify the problem.

This guarantee does not apply:

- ▶ to repairs you authorise or make yourself;
- ▶ to loss, damage or failure of any electrical or mechanical appliances or machines;
- ▶ to wear and tear consistent with normal gradual deterioration of your building (e.g. paint peeling off after its expected life cycle, wood rotting from moisture in the air or ground, roofs weathering or a hot water tank leaking after its guaranteed life);
- ▶ where we agree with a repair quote and we give you, or the builder or repairer, payment for the cost of the repairs and you arrange the repairs.

Common contents claims

This section relates specifically to a claim made on your common contents policy and is in addition to the information in 'How we settle your claim' on pages 49 to 50.

When we repair or replace your common contents

If we choose to repair damage to the common contents or replace the common contents, we will repair or replace with items or materials that are reasonably available at the time of repair or replacement from Australian suppliers.

We will do our best to replace to the same type, standard and specification (but not brand) as when new. If the same is not available, we will replace with items or materials of a similar type, standard and specification when new. It can be a different brand.

When we cannot match materials

If we cannot find a contents item we will use the closest match reasonably available to us.



If you are not satisfied with what we choose before we repair the contents:



If we agree, you can pay the extra cost of replacing undamaged parts of your common contents to achieve a uniform appearance.



Or we will pay you what it would have cost us, but only if we agree to this.

Items that form part of a set or collection

We will only repair or replace common contents that are lost or damaged by an incident covered by your policy. You cannot claim to replace undamaged parts of the common contents (e.g. when an outdoor chair which is part of an outdoor furniture suite is damaged beyond repair. We will pay to replace that chair, not the whole outdoor suite).

When we will repair or replace undamaged common contents

We will only repair or replace common contents that are lost or damaged by an incident covered by your policy. You cannot claim to replace undamaged common contents or undamaged parts of common contents.

But there are limited circumstances where we will repair undamaged parts of common contents to create a uniform appearance, when:

- ▶ **internal window coverings** if we can't match the new material or parts with the undamaged ones, if necessary, we will pay extra to replace undamaged window coverings in the same room, stairs, hallway or passageway* where the damage occurred.
- ▶ **carpets or other floor coverings** if we can't match the new material or parts with the undamaged ones, if necessary, we will pay extra to replace undamaged floor carpets and other coverings in the same room, stairs, hallway or passageway* where the damage occurred.

* See pages 53 to 54 for 'What we mean by same room, stairs, hallway or passageway'.

If you want to change the common contents

When repairing or replacing the common contents, if we agree, you can choose to change the make and model of the common contents item or upgrade to a different make and model of it, providing you pay the extra costs of doing this. If you want to downsize the common contents item for less cost than you are entitled to claim, we will not pay more than it costs us to repair or replace the downsized common contents item.

Other claims information

Potential impact on cover and premiums

After a building claim

If we only pay part of the sum insured to you, your building policy continues for the period of insurance.

If we pay the full sum insured to you, all cover under your building policy stops. There is no refund of premium. If you have been paying premiums by instalments, we will deduct the remaining instalment premiums for the unexpired period of insurance from the amount we pay for the claim.

After a common contents claim

If we pay part of, or the full common contents sum insured, the common contents sum insured is automatically reinstated and cover continues for the period of insurance. You may need to change your insured address. You should reassess your common contents sum insured. There is no refund of premium if you reduce your sum insured by the amount of your claim.

Salvaged building and common contents items

If we replace or compensate you for an item, we then own the damaged or recovered item. If we agree you can keep an item we will determine the salvage value and we can deduct this amount from any payment we make to you.

Our right to recover claims we pay from those responsible

After we pay a claim under this policy, we can decide to take legal action in your name to recover money from the person or entity that caused loss, damage or liability. You must give us all the help we need to do this. If we recover money that belongs to you and was not part of the claim we paid, we will give this to you.

Refer to the PED Guide for further information

Other important information

What happens with cancellations

Cancellation by you

You may cancel your policy at any time. If you cancel this policy you will be refunded the unexpired portion of the premium, less the cancellation fee and less any non-refundable government charges if the refund is more than **\$10**. See below for the cancellation fee.

Cancellation by us

We can cancel your cover where the law allows us to do so. If we cancel your policy you will be refunded the unexpired portion of the premium, less the cancellation fee and less any non-refundable government charges if the refund is more than **\$10**. If we cancel your policy due to fraud, we will not refund any money to you.

Cancellation fee

Fee	Details
<p>Cancellation fee</p> <p>We incur costs in establishing and administering your policy. If you cancel your policy we will charge a cancellation fee on each insured address.</p> <p>A cancellation fee will not apply in some circumstances, including if you exercise your cooling off rights (see page 3).</p>	<p>The amount of the cancellation fee is \$30 (plus (if applicable) FSL plus GST plus stamp duty) for all building and common contents cover for one insured address.</p> <p>This fee is deducted from any refund we send you. If the refund is less than the fee, a refund will not be issued and we will not charge you an additional amount to cover the difference.</p>

Words with special meanings

Accidental loss or damage

means loss or damage that occurs without intent and includes loss or damage from the incidents shown on pages 14 to 21.

Actions or movements of the sea

means:

- ▶ rises in the level of the ocean or sea;
- ▶ high tides or king tides;
- ▶ any other actions or movements of the sea.

Actions or movements of the sea **do not** include a tsunami or storm surge.

Administration office

means a unit or part of a unit in your building used for your secretarial functions or your caretaking or letting services.

Building

see page 9.

Business activity

means:

- ▶ any activity specifically undertaken for the purposes of earning an income; **or**
- ▶ any activity registered as a business and which you are obliged by law to register for GST purposes.

It **does not** mean the residential tenancy of any part of your building.

Certificate of insurance

means the latest certificate of insurance, including the insurance account, we have given you. It is an important document as it shows the covers you have chosen and other policy details.

Common areas or common property

means the land or areas at the insured address that both you and other people are entitled to use and are not part of any unit (e.g. gardens, driveways, footpaths, walkways, pool areas, tennis courts).

Common contents

see page 11.

Compensation

money you are legally liable to pay as a result of:

- ▶ a judgement made against you by a court of law; **or**
- ▶ a settlement by us of legal action against you.

It **does not** include fines, penalties, punitive, aggravated or exemplary damages.

Fixed

means permanently attached to your building or permanently anchored in the ground.

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.

Funds

means money, negotiable instruments, 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 your unit owners or members.

Guest

means any person invited onto the insured address as your guest, a unit owner's guest or a unit owner's tenants guest for social or entertainment purposes.

Incident

means a single event, accident or occurrence which you did not intend or expect to happen.

Insured address

see page 9.

Insured incident

means an incident not excluded by your policy. It is always a single event, accident or occurrence which you did not intend or expect to happen.

Loss or damage

means physical loss or physical damage.

Managing agent

means a person or other entity appointed in writing and paid by you with delegated functions including the authority to act as an Office Bearer in terms of any strata, group, body corporate, community title or similar laws that apply to your building.

New for old

means:

- ▶ we rebuild, replace or repair with new items or new materials that are available at the time of replacement or repair from Australian suppliers;
- ▶ we rebuild, replace or repair new for old regardless of age, with no allowance for depreciation;
- ▶ we replace or repair to the same type, standard and specification (but not brand) as when new. If the same is not available, it means of a similar type, standard and specification (but not brand) when new. We can replace with a different brand.

Office bearer

- ▶ any person appointed (including any person appointed at any time in the past or future) by you to act as an office bearer or committee member of yours in terms of any strata, group, body corporate, community title or similar laws;
- ▶ any managing agent when acting as an office bearer as described above, when acting in that capacity; **and**
- ▶ any person invited by any person described above, in accordance with their delegated authority to assist in the management of your affairs.

PED Guide

see page 3.

Period of insurance

means when your policy starts to when it ends. It is shown on your certificate of insurance.

Policy

means your insurance contract. It consists of this PDS and any SPDS we have given you, and your latest certificate of insurance.

Retaining wall

means a wall, which is not part of your building, that holds back or prevents the movement of earth.

Scheme land

the scheme land is the land or parcel at the insured address, identified in your strata, group, body corporate or community titled scheme as recorded by the relevant titles registration procedure in your state or territory.

Storm

means a storm, cyclone or severe atmospheric disturbance. It can be accompanied by strong winds, rain, lightning, hail, snow or dust.

Storm surge

means a rush of water onshore associated with a low pressure system and caused by strong winds pushing on the ocean's surface.

Strata title

means any form of land title which allows for multiple titles to exist in or on a block of land where the common property is held under a single separate title.

Sum insured

see page 6.

Tenant

means the person or persons who have been granted the right to occupy a unit in your building under a rental agreement or lease and includes any other person who usually resides at the unit at the insured address.

Unit

means an area (e.g. unit, villa, townhouse or apartment), marked as a lot on the plan for the strata, group, body corporate or community titles scheme, for your land scheme. It does not include common areas.

Unit owner

the registered owner of a lot forming part of a strata, group, body corporate or community titled building.

Unoccupied and occupied

unoccupied means:

- ▶ no-one is eating, sleeping and living at the building; **or**
- ▶ the building is not connected to utilities.

occupied means:

- ▶ someone is eating, sleeping and living at the building; **and**
- ▶ the building is connected to utilities.

Voluntary worker

a unit owner, nominee of a unit owner or office bearer who voluntarily does work or performs duties in and around your building and the common areas. A voluntary worker is not an employee or anyone who receives financial reward other than reimbursement for expenses.

Water containers

drains, gutters, baths, sinks, basins, toilets, bidets, tanks, swimming pools, spa baths, hot water systems, dishwashers, washing machines, evaporator trays in refrigeration appliances. A water container is not a shower base or the walls of a shower cubicle.

We, our, us and GIO

means AAI Limited ABN 48 005 297 807 AFSL No. 230859, trading as GIO.

Well maintained and in good condition

means your building and common contents do not have any faults or defects that might cause loss or damage to your building and common contents, loss or damage to property of others or injury to people. This includes **but is not limited** to the following:

- ▶ the roof does not leak when it rains;
- ▶ there are no areas of the roof that are rusted through;
- ▶ there is no wood rot, termite or white ant damage to your building;
- ▶ there are no holes in floors, walls, ceilings or any other parts of your building (e.g. external wall cladding, internal plaster, floorboards);
- ▶ there are no boarded or broken windows;
- ▶ there are no drains, water pipes or tiled areas that leak or need repairs;
- ▶ there are no steps, gutters, flooring, walls, ceilings or any other areas of your building that are loose, falling down, missing or rusted through;
- ▶ all previous damage including damage caused by flood has been repaired;
- ▶ your building is not infested with vermin;
- ▶ any pool fencing and gates are well maintained;
- ▶ there are no squatters or unauthorised persons occupying your building.

Wrongful act

means any actual or alleged breach of duty, breach of trust, neglect, error, misstatement, misleading statement, libel, slander, omission, breach of warranty or authority or other act wrongfully made, committed, attempted, or allegedly made, committed or attempted by any office bearer in the discharge of his or her duties in that capacity.

You/Your

see page 9.

How we will deal with a complaint

If you have a complaint about our products or services (even if through one of our service providers) or our complaints handling process, please let us know so that we can help.

You can contact us:

By phone	13 10 10
By fax	1300 724 872
In writing	GIO Reply paid 3999 SYDNEY NSW 2001
In person	By visiting one of our agencies
By email	gioservice@gio.com.au

Please include the full details of your complaint and explain what you would like us to do.

When we receive your complaint, we will consider all the facts and attempt to resolve your complaint by the end of the next business day.

If we are not able to resolve the matter to your satisfaction, it will be referred to the relevant team leader or manager, who will review your complaint and contact you within **5** business days of us receiving your complaint.

If you remain dissatisfied the matter will be referred to our Internal Dispute Resolution (IDR) team. Our IDR team will review your complaint, and provide you with their final decision within **15** business days of your complaint being referred to them.

The contact details for our IDR team are: By phone: 1300 264 094; In writing: Internal Dispute Resolution, GIO, PO Box 14180, Melbourne City Mail Centre, VIC, 8001; By email: idr@gio.com.au.

If we require additional information for our assessment or investigation of your complaint, we will agree with you a reasonable alternative timeframe to resolve your complaint.

If we are unable to resolve your complaint within **45** days, you may take your complaint to the Financial Ombudsman Service (the FOS), even if we are still considering it. The contact details for the FOS are set out below.

What if you are not satisfied with our final IDR decision?

We expect our procedures will deal fairly and promptly with your complaint. However, if you remain dissatisfied, you may be able to access the services of the FOS. The FOS is an independent external dispute scheme and their service is free to you. Any decision the FOS makes is binding on us, provided you also accept the decision. You do not have to accept their decision and you have the option of seeking remedies elsewhere.

The FOS is available to customers who fall within their terms of reference. The FOS will advise if they can help you.

You can contact FOS:

By phone: 1300 780 808

By Fax: (03) 9613 6399

By email: info@fos.org.au

In writing: Financial Ombudsman Service
GPO Box 3
Melbourne VIC 3001

By visiting: www.fos.org.au

General Insurance Code of Practice

We support and adhere to the General Insurance Code of Practice. You can get a copy of the code from the Insurance Council of Australia website (insurancecouncil.com.au) or by phoning (02) 9253 5100.

Report insurance fraud

Insurance fraud is not a victimless crime. It imposes additional costs on honest policy holders and wastes the valuable resources of our community. This means it affects everyone.

We actively pursue fraudulent and inflated claims in order to keep your premiums as low as possible. Fraudulent claims will be investigated and may be reported to the police.

Help us fight insurance fraud by reporting:

- ▶ inflated vehicle or home repair bills;
- ▶ staged vehicle or home incidents;
- ▶ false or inflated home or vehicle claims;
- ▶ home and vehicle fires which may be intentionally started, including by someone known to you.

To report suspected insurance fraud, call **1300 881 725**. Let's work together to reduce the impact of insurance fraud on the community.

Financial Claims Scheme

This policy may be a 'protected policy' under the Federal Government's Financial Claims Scheme (FCS) which is administered by the Australian Prudential Regulation Authority (APRA).

The FCS only applies in the extremely unlikely event of an insurer becoming insolvent and the Federal Treasurer making a declaration that the FCS will apply to that insurer.

The FCS entitles certain persons, who have valid claims connected with certain protected policies issued by that insurer to be paid certain amounts by APRA.

Information about the FCS can be obtained from APRA at apra.gov.au or by calling **1300 55 88 49**.

How to contact us

- ▶ For enquiries **13 10 10**
- ▶ For claims **13 14 46** – 24 hours a day – every day
- ▶ Report any suspected insurance fraud to our hotline on **1300 881 725**
- ▶ Visit one of our agencies
- ▶ Find us on the web at gio.com.au

Who we are

This insurance issued by
AAI Limited
ABN 48 005 297 807
AFSL No. 230859 trading as GIO

