

Residential Strata Insurance

Policy Wording and
Product Disclosure Statement (PDS)

Contents

General Information

Claims Made

Important Information

About *isStrata*

About the Insurers

Your Duty of Disclosure – New Business

Your Duty of Disclosure – Renewals including
Variations, Extensions and Reinstatements

General Insurance Code of Practice

Privacy Statement

Service of Suit

Several Liability

Sanctions

Governing Law and Jurisdiction

Headings

How Goods and Services Tax (GST) Affects
the Insurance

About Your Premium

Complaints and Dispute Resolution Process

Updating this PDS

Cooling-Off

Part One – Product Disclosure Statement

Significant Features and Benefits

Cover Sections

Additional Benefits

Optional Benefits

This Policy Does Not Cover Certain Things

Significant Risks

Full Insurance – Protect Your Assets

Excess

Preventing Our Rights of Recovery

When We can Refuse to Pay or Reduce the Amount

We Pay Under a Claim

Fraudulent Claims

Duty of Utmost Good Faith

Terms Subject to Relevant Law

Our Agreement

General Definitions

4 Section 1 – Buildings and Common Contents

1. Cover 17
2. Definitions Applying to this Section 17
3. Exclusions – What We Do Not Cover Under this Section 18
4. Benefits Which are Included in Your Sum Insured 19
5. Lot Owner Benefits – Costs of Losses Incurred by the Lot Owner 19
6. Additional Benefits 21
7. Optional Benefits 23
8. How We Settle Your Claims 25
9. Conditions Applying to this Section 26
10. Claims Examples 26

7 Section 2 – Public Liability 28

1. Cover 28
2. Definitions Applying to this Section 28
3. How We Settle Your Claims 28
4. Exclusions – What We Do Not Cover Under this Section 29

10 Section 3 – Voluntary Workers Personal Accident 31

1. Cover 31
2. Definitions Applying to this Section 31
3. How We Settle Your Claims 32
4. Exclusions – What We Do Not Cover Under this Section 32
5. Additional Benefits 32
6. Conditions Applying to this Section 32

11 Section 4 – Fidelity Guarantee 33

1. Cover 33
2. Excess 33
3. Definition Applying to this Section 33
4. Additional Benefits 33
5. Exclusions – What We Do Not Cover Under this Section 33
6. Conditions Applying to this Section 33

Section 5 – Equipment Breakdown	34	General Exclusions	45
1. Cover	34	1. War	45
2. Definitions Applying to this Section	34	2. Terrorism	45
3. Additional Benefits	34	3. Radioactivity	45
4. How We Settle Your Claims	35	4. Intentional Damage	45
5. Exclusions – What We Do Not Cover Under this Section	36	5. Property Cyber and Data	45
6. Conditions Applying to this Section	36	6. Vermin, Pests or Defective Sanitary Arrangements; Food or Drink Poisoning; Murder and Suicide	46
Section 6 – Office Bearers’ Liability	37	7. Transmission and Distribution Lines Exclusion	46
1. Cover	37	8. Biological or Chemical Materials Exclusion	46
2. Definitions Applying to this Section	37	9. Communicable Diseases Exclusion	46
3. Exclusions – What We Do Not Cover Under this Section	37	General Conditions	48
4. Additional Benefits	38	1. Your Obligations	48
5. Conditions Applying to This Section	39	2. Alteration	48
Section 7 – Government Audit Costs, Workplace Health and Safety Breaches and Legal Expenses	41	3. Cancellation	48
Cover A – Taxation and Audit Costs	41	4. Changes to the Policy	48
1. Cover	41	5. Transfer of Interest	48
2. Limit of Liability	41	6. Joint Insureds	48
3. Definitions Applicable to this Cover A	41	7. Notices	49
4. Exclusions – What We Do Not Cover Under this Section A	41	8. Rights of Recovery	49
5. Conditions Applying to this Cover A	41	9. Inspection of Property and Records	49
6. Excess Applying to this Cover A	42	10. Acts or Failure to Act of Your Body Corporate Manager	49
Cover B – Workplace Health and Safety Breaches	42	Claims Conditions	50
1. Cover	42	1. When Circumstances Occur that May Lead to a Claim Under the Policy You Must	50
2. Limit of Liability	42	2. If You Want to Make a Claim You Must	50
3. Extension of Cover to this Cover B	42	3. Paying Your Excess	50
4. Exclusions – What We Do Not Cover Under this Cover B	42	4. Progress Payments	50
5. Excess Applying to This Cover B	43	5. Inspection and Salvage	50
Cover C – Legal Defence Expenses	43	6. Other Insurance	50
1. Cover	43	7. False Claims	50
2. Limit of Liability	43		
3. Definitions Applicable to this Cover C	43		
4. Exclusions – What We Do Not Cover Under this Cover C	43		
5. Extension of Cover Applicable to this Cover C	43		
6. Excess Applying to this Cover C	44		
7. Condition Applicable to this Cover C	44		

General Information

The General Information set out below is provided for your information only. It does not form part of the insurance contract with you, and is not part of the policy.

Nothing contained in the General Information imposes contractual obligations on you, or creates contractual rights. These are contained in the policy and any endorsement.

Claims Made

Some cover sections of the policy operate on a 'claims made and notified' basis. This means that the section covers you for claims as defined in the relevant section made against you and notified to us during the period of insurance.

These sections do not provide cover in relation to:

- acts, errors or omissions actually or allegedly committed prior to the retroactive date of the policy (if such a date is specified);
- claims made after the expiry of the period of insurance even though the event giving rise to the claim may have occurred during the period of insurance;
- claims notified or arising out of facts or circumstances notified (or which ought reasonably to have been notified) under any previous policy;
- claims made, threatened or intimated against you prior to the commencement of the period of insurance;
- facts or circumstances of which you first became aware prior to the period of insurance, and which you knew or ought reasonably to have known had the potential to give rise to a claim under this policy section;
- claims arising out of circumstances noted on the proposal form for the current period of insurance or on any previous proposal form.

Where you give notice in writing to us of any facts that might give rise to a claim against you as soon as reasonably practicable after you become aware of those facts but before the expiry of the period of insurance, and provided the claim would otherwise be covered under the policy, you have rights under Section 40(3) of the Insurance Contracts Act 1984 (Cth) to be indemnified in respect of any claim subsequently made against you arising from those facts notwithstanding that the claim is made after the expiry of the period of insurance. Any such rights arise under the legislation only. The terms of the policy section and the effect of the policy section is that you are not covered for claims made against you after the expiry of the period of insurance.

Please note that the above may be affected by any provisions, where applicable, which may extend time for notification of a claim as defined.

Important Information

Please ensure You read this PDS (and the Policy wording which forms part of this PDS) carefully and in its entirety.

About isStrata

isStrata is a trading name of Insurance Investment Solutions (IIS), ABN 94 604 594 345 AFSL 487177. In issuing the Policy isStrata act under an authority given by the Insurers.

This means that when issuing the Policy isStrata will be acting as agents for the Insurers, not for You.

isStrata's contact details are:

PO Box 56, Bowral NSW 2576
Telephone: 02 4851 4017

You should contact isStrata in the first instance if You have any questions about this insurance.

About the Insurers

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

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

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

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

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

Your Duty of Disclosure – New Business

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

If we ask you questions that are relevant to our decision to insure you and on what terms, you must tell us anything that you know and that a reasonable person in the circumstances would include in answering the questions.

You have this duty until we agree to insure you.

Your Duty of Disclosure – Renewals including Variations, Extensions and Reinstatements

Before you renew, vary, extend or reinstate this contract of insurance, you have a duty of disclosure under the Insurance Contracts Act 1984.

If we ask you questions that are relevant to our decision to insure you and on what terms, you must tell us anything that you know and that a reasonable person in the circumstances would include in answering the questions.

Also, we may give you a copy of anything you have previously told us and ask you to tell us if it has changed. If we do this, you must tell us about any change or tell us that there is no change.

If you do not tell us about a change to something you have previously told us, you will be taken to have told us that there is no change.

You have this duty until we agree to renew the contract.

If You do not tell Us something

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

If Your failure to tell Us is fraudulent, We may refuse to pay a claim and treat the contract as if it never existed.

General Insurance Code of Practice

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

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

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

Privacy Statement

In this Privacy Statement the use of "We", "Our" or "Us" means isStrata and the Insurers unless specified otherwise.

In this Privacy Statement the use of personal information includes sensitive information.

Important Information

We are committed to protecting the privacy of the personal information that You provide to Us.

The Privacy Act 1988 contains the Australian Privacy Principles which require Us to tell You that We collect, handle, store and disclose Your personal and sensitive information for the specific purpose of:

- deciding whether to issue a policy,
- determining the terms and conditions of Your Policy,
- compiling data to help develop and identify other products and services that may interest clients, and
- handling claims.

Personal information is information or an opinion about an identified individual, or an individual who is reasonably identifiable:

- a) whether the information or opinion is true or not;
- b) whether the information or opinion is recorded in a material form or not.

Sensitive information includes, amongst other things, information about an individual's racial or ethnic origin, political opinions, membership of a political organisation, religious beliefs or affiliations, philosophical beliefs, membership of a professional or trade association, membership of a trade union, sexual orientation or practices, criminal record, health information about an individual, genetic information, biometric information or templates.

You have given Us Your consent to collect, use and disclose Your personal information in order to provide You with the relevant services and/or products.

When You give Us personal information about other individuals, We rely on You to have made or make the individual aware that You will or may provide their personal information to Us and the types of other parties and service providers We may provide it to, the relevant purposes We and the other parties and service providers will use it for, and how they can access it. If You have not done or will not do either of these things, You must tell Us before You provide the relevant personal information to Us.

We will protect Your information using physical, technical, and administrative security measures to reduce the risks of loss, misuse, unauthorised access, disclosure and alteration. Some of the safeguards that We use are firewalls and data encryption, physical access controls to Our data centres, and information access authorisation controls.

We disclose personal information to other parties and service providers whom We believe are necessary to assist Us and them in providing the relevant services and/or products. For example, in handling claims, We may have to disclose Your personal information to other parties and service providers such as Our claim management partner, other insurers, reinsurers, loss adjusters, external claims data collectors, investigators and agents, facilitators, assessors or other parties as required by law. We will limit the use and disclosure of any personal information provided by Us to them to the specific purpose for which We supplied it.

We may disclose Your personal information to Our insurers, reinsurers, related entities and service providers overseas where it is reasonably necessary for, or directly related to, the functions, services or activities we provide to you. When we transfer Your information to other countries, including countries which may not have data protection laws that provide the same level of protection that exists in Australia, We will protect the information as described in this Privacy Policy.

If You do not provide the personal information requested and/or do not provide Us with Your consent to the use and disclosure of Your personal information as set out in this Privacy Statement, Your insurance application may not be accepted, or We may not be able to administer Your Policy, or You may be in breach of Your duty of disclosure, the consequences of which are set out under the heading Duty of Disclosure in this document.

We will notify you as soon as possible if Your personal information is involved in a data breach that is likely to result in serious harm to You.

If You would like a copy of Our Privacy Policies, would like to seek access to or correct Your personal information, opt out of receiving materials We send, complain about a breach of Your privacy or You have any query on how Your personal information is collected, stored or used, or any other query relating to Our handling of Your personal information, please contact Us.

Service of Suit

The Insurers accepting this insurance agree that:

- if a dispute arises under this insurance, this insurance will be subject to Australian law and practice and the Insurers will submit to the jurisdiction of any competent court in the Commonwealth of Australia;
- any summons, notice or process to be served upon the Insurers may be served upon:
Lloyd's Australia Limited
Level 16, Suite 1603,
1 Macquarie Place,
Sydney NSW 2000
- if a suit is instituted against any of the Insurers, all Insurers participating in this insurance will abide by the final decision of such Court or any competent Appellate Court.

Several Liability

The liability of an Insurer under the contract is several and not joint with other Insurers who are party to the contract. An Insurer is liable only for the proportion of liability it has underwritten. An Insurer is not jointly liable for the proportion of liability underwritten by any other Insurer. Nor is an Insurer otherwise responsible for any liability of any other Insurer that may underwrite the contract.

The proportion of liability under the contract underwritten by an Insurer (or, in the case of a Lloyd's syndicate, the total of the proportions underwritten by all the members of the syndicate taken together) is shown in the Policy Schedule.

In the case of a Lloyd's syndicate, each member of the syndicate (rather than the syndicate itself) is an Insurer. Each member has underwritten a proportion of the total shown for the syndicate (that total itself being the total of the proportions underwritten by all the members of the syndicate taken together). The liability of each member of the syndicate is several and not joint with any other members. A member is liable only for that member's proportion. A member is not jointly liable for any other member's proportion. Nor is any member otherwise responsible for any liability of any other Insurer that may underwrite the contract. The business address of each member is Lloyd's, One Lime Street, London EC3M 7HA. The identity of each member of a Lloyd's syndicate and their respective proportion may be obtained by writing to Market Services, Lloyd's, at the above address.

Although reference is made at various parts in this clause to "the contract" in the singular, where the circumstances so require this should be read as a reference to contracts in the plural. The Insurers named hereon bind themselves each and for their own part and not one for another.

Each Insurer's liability under the contract shall not exceed that percentage or amount of the risk shown against that Insurer's name.

Sanctions

We shall not be deemed to provide cover and We shall not be liable to pay any claim or provide any benefit under this Policy to the extent that the provision of such cover, payment of such claim or provision of such benefit would expose Us, Our parent company or Our ultimate controlling entity to any sanction, prohibition or restriction under United Nations resolutions or the trade or economic sanctions, laws or regulations of the European Union, the Commonwealth of Australia, United Kingdom or the United States of America.

Governing Law and Jurisdiction

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

Headings

Headings have been included for ease of reference. The terms and conditions of this Policy are not to be construed or interpreted by reference to such headings.

How Goods and Services Tax (GST) Affects the Insurance

In addition to the premium, We will charge You an amount on account of GST. You must inform Us of the extent to which You are entitled to an input tax credit for Your premium and claim each time that You make a claim under the Policy.

No payment will be made to You for any GST liability that You may have on the settlement of a claim if You do not inform Us of your entitlement or correct entitlement to an input tax credit. GST has an impact on the way in which claim payments are calculated under the Policy. We will calculate the amount of any payment We make to You having regard to Your GST status.

If You are not registered for GST and the Sum Insured, Limit of Liability or other Policy limit is not sufficient to cover Your loss, We will pay an amount equivalent to the GST in addition the Sum Insured, Limit of Liability or other Policy limit. If You are registered for GST and We have arranged services directly with the service provider or repairer, We will pay up to the relevant Sum Insured, Limit of Liability or Policy limit inclusive of the GST.

In all other circumstances 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 which You would have been entitled were You to have made a relevant acquisition. If the Sum Insured, Limit of Liability or other Policy limit is not sufficient to cover Your loss, We will only pay GST (less any relevant input tax credit) that relates to Our proportion of Your loss. This outline of the effect of the GST on the 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.

‘GST’, ‘input tax credit’, ‘acquisition’ and ‘supply’ have the meaning given in A New Tax System (Goods and Services Tax) Act 1999 (Cth) and related or similar legislation, including any amendments to, delegated legislation thereof, or successor legislation (as applicable).

About Your Premium

The premium is the amount You pay Us for the insurance. The premium payable will be provided to You before You agree to enter into a Policy with Us and will also be shown on Your Policy Schedule. Premiums are subject to applicable Commonwealth and state taxes and charges. These can include GST, Emergency Services Levy, DSL and stamp duty. The amount of these taxes and charges will be shown on Your Policy Schedule.

If You change Your Policy during the Period of Insurance You may be entitled to a partial refund of premium or be required to pay an additional premium. We will advise You of this at the time of any variation if applicable.

There are a number of factors which impact generally on Your premium.

These are:

- a) Sum Insured: The lower the Sum Insured, the lower the premium,
- b) Postcode: Some postcodes pose a higher risk than others based on our data,
- c) The cover You choose: If You chose a number of Sections and add options to Your Policy, the premium will be higher,
- d) Claims experience: If You have had claims in the past, this may increase Your premium,
- e) Excess: A higher excess amount may reduce Your premium,
- f) Our cost of doing business including payments We make to intermediaries: If Our costs are higher this may make Your premium higher,
- g) Building materials: If Your building is made up of more fire resistant materials (e.g. concrete), the premium will be lower,
- h) Fire protection: If You have a functional, compliant sprinkler system, the premium will be lower,
- i) Security: If You have a good security system, the premium will be lower,
- j) Management: How Your property is managed and maintained in accordance with statutory obligations and good business practices will affect Your premium.

Complaints and Dispute Resolution Process

If you have any concerns or wish to make a complaint in relation to this policy, our services or your insurance claim, please let us know and we will attempt to resolve your concerns in accordance with our Internal Dispute Resolution procedure. Please contact Insurance Investment Solutions (IIS) in the first instance:

Complaints Officer

Insurance Investment Solutions

Email: complaints@is-insurance.com.au

Telephone: 02 4851 4017

Post: PO Box 56, Bowral NSW 2576

We will acknowledge receipt of your complaint and do our utmost to resolve the complaint to your satisfaction within 10 business days.

If we cannot resolve your complaint to your satisfaction, we will escalate your matter to Lloyd’s Australia who will determine whether it will be reviewed by their office or the Lloyd’s UK Complaints team. Lloyd’s contact details are:

Lloyd’s Australia Limited

Email: ldraustralia@lloyds.com

Telephone: (02) 8298 0783

Post: Suite 1603 Level 16,

1 Macquarie Place,
Sydney NSW 2000

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

You may refer your complaint to the Australian Financial Complaints Authority (AFCA), if your complaint is not resolved to your satisfaction within 30 calendar days of the date on which you first made the complaint or at any time. AFCA can be contacted as follows:

Telephone: 1800 931 678
Email: info@afca.org.au
Post: GPO Box 3 Melbourne VIC 3001
Website: www.afca.org.au

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

Updating this PDS

We may need to update this PDS from time to time if certain changes occur when required and permitted by law. We will issue You with a new PDS or a supplementary PDS or other compliant document to update the relevant information except in limited cases. Where the information is not something that would be materially adverse from the point of view of a reasonable person considering whether to buy this insurance We may issue the Insured with notice of this information in other forms or keep an internal record of such changes. You can get a paper copy free of charge by contacting Us using Our details provided in this document.

Information in this PDS may need to be updated from time to time to take account of changes or to add to the PDS. If we materially change anything which generally affects a policy which has been issued, we may provide all insureds with a new PDS or supplementary PDS. In each individual case we will notify an individual Insured in respect of changes to their individual insurance policy. Updates will also be available on the website is-insurance.com.au

Cooling-Off

You have the right to cancel and return the insurance Policy or a Section of the Policy by notifying Us in writing within 21 days of the date it was issued to You ("cooling off period") provided You have not exercised any right or power under the Policy (e.g. made any claim) and these rights and powers have not ended within the cooling off period.

If You cancel Your Policy or a Section of the Policy during the cooling off period, We will return the applicable amount of premium You have paid. We may deduct any reasonable administrative and transaction costs incurred by Us that are reasonably related to the acquisition and termination of the Policy and any Government taxes or duties We cannot recover, from any refund amount.

In addition, if You vary Your Policy during the Period of Insurance and add a Section, You have the right to cancel that Section within 21 days of the date it was added by notifying Us in writing ("additional cooling off period") provided You have not exercised any right or power under that Section (e.g. made any claim) and these rights and powers have not ended within the additional cooling off period.

If You cancel the added Section during the additional cooling off period, We will return the amount You have paid for that Section. We may deduct any reasonable administrative and transaction costs incurred by Us that are reasonably related to the acquisition and termination of the Policy and any Government taxes or duties We cannot recover, from any refund amount.

Part One

Product Disclosure Statement

Significant Features and Benefits

Features and benefits of this Policy depend on which Section(s) of the Policy You effect.

Cover Sections

There are 7 cover Sections of this Policy.

- a) **Section One** covers Your Building and Common Contents for physical loss of or destruction of or damage to Insured Property.
- b) **Section Two** covers You against any claim for compensation or expenses that You become legally liable to pay for Personal Injury or Property Damage.
- c) **Section Three** covers death or Injury to Insured Persons in the Period of Insurance while engaged in Voluntary Work.
- d) **Section Four** covers You against loss of Funds as a result of theft, embezzlement, misappropriation, conversion or fraud.
- e) **Section Five** covers You against Breakdown of Plant and Equipment, and covers other Insured Property directly damaged by a Breakdown of Plant and Equipment.
- f) **Section Six** covers Office Bearers against Loss arising from any Claim by reason of any Wrongful Act while acting in their capacity as Office Bearers and You against Loss for which You may become vicariously liable or for which You grant indemnity to any Office Bearer as permitted or required by law arising from any Claim by reason of any Wrongful Act committed by any Office Bearer while acting in their capacity as Office Bearer.
- g) **Section Seven** covers You against Costs and expenses arising from Taxation and Audit Costs and Workplace Health and Safety Breaches.

You are only insured for the Section(s) if We have agreed to provide You with the cover. The Section(s) for which We have agreed to provide You with will be shown in the Policy Schedule as "Insured". The Section(s) that are not covered will be shown in the Policy Schedule as "Not Insured".

In some circumstances:

- You must take out cover under a specific Section of the Policy in order to be eligible for any cover under the Policy; or
- You may only be eligible to take out cover under a particular Section of the Policy if You are also covered under another Section of the Policy.

These eligibility criteria are subject to change from time to time and We will advise You at the time of Your application of any criteria that may apply

Additional Benefits

There are Additional Benefits to the cover given. Additional Benefits are benefits that automatically expand upon the cover given in each of the Sections of this Policy. Some of these extensions may cover things:

- a) that are otherwise specifically excluded under the Policy; or
- b) that are otherwise outside the scope of cover;

but usually with a lower sub-limit (than the Sum Insured or Limit of Liability). As these are included in the standard cover automatically, they are not specifically shown in the Policy Schedule.

The scope of cover provided by each Additional Benefit is detailed in the Policy terms and conditions.

Additional Benefits can be found in the Policy wording, please refer to:

- Page 21 for Section One Additional Benefits;
- Page 32 for Section Three Additional Benefits;
- Page 33 for Section Four Additional Benefits;
- Page 34 for Section Five Additional Benefits; and
- Page 38 for Section Six Additional Benefits.

Optional Benefits

Optional Benefits are extensions which You can request. In most cases, additional premium may be charged to provide cover under these Optional Benefits. If We accept Your request and agree to provide the cover granted by any Optional Benefit, that Optional Benefit will be shown as "Insured" in the Policy Schedule and specifying sub-limit and/or Excess applying to the cover provided by that Optional Benefit.

Optional Benefit that are not requested by You, or where We do not agree to provide cover, will be shown as "Not Insured" in the Policy Schedule.

Optional Benefits can be found in the Policy wording, please refer to:

- Page 23 for Section One Optional Benefits.

This Policy Does Not Cover Certain Things

There are certain restrictions or exclusions that limit the cover given. These can be found in the Policy wording. Please refer to;

- Page 18 for Exclusions applicable to Section One;
- Page 29 for Exclusions applicable to Section Two;
- Page 32 for Exclusions applicable to Section Three;
- Page 33 for Exclusions applicable to Section Four;
- Page 36 for Exclusions applicable to Section Five;
- Page 37 for Exclusions applicable to Section Six;
- Page 41 for Exclusions applicable to Cover A of Section Seven;
- Page 42 for Exclusions applicable to Cover B of Section Seven;
- Page 43 for Exclusions applicable to Cover C of Section Seven; and
- Page 45 for General Exclusions applicable to all Sections.

Significant Risks

Full Insurance – Protect Your Assets

If You have elected to insure Your Buildings and Common Contents (as defined under Section 1) for reinstatement and replacement costs, the Sum Insured should represent the full replacement value on a new for old basis and if this is not done You may not be covered for Your loss in full.

It is Your responsibility to ensure the adequacy of Sums Insured and You should reevaluate these Sums Insured during the currency of the Policy and prior to renewal each year.

Excess

When You make a claim, You will be required to pay one or more Excesses unless We tell You otherwise. The description of these Excesses and the circumstances in which they are applied are set out in this PDS or the Policy Schedule.

The amount of the Excess(es) applying to each Section will be advised to You before You agree to enter into a Policy with Us and will be shown on Your Policy Schedule.

Except for any Special, Imposed, Risk or Peril Excess, if more than one Excess is payable under the Policy for any claim or series of claims arising from the one event or occurrence, the Excesses will not be cumulative and the highest single level of Excess only will apply.

A Special, Imposed, Risk or Peril Excess may apply under the Policy to a defined or nominated event. That Special, Imposed, Risk or Peril Excess must be paid in addition to any other Excess for that defined or nominated event. Each Special, Imposed, Risk or Peril Excess applies in the aggregate to all lots including Stratum Lots and Volumetric Lots and Lot Owners, unless We agree otherwise.

Preventing Our Rights of Recovery

If You have agreed not to seek compensation from another person or entity who is liable to compensate You for any loss, destruction, damage or liability which is covered by the Policy We will not cover You under the Policy for that loss, destruction, damage or liability, except in the following circumstances:

We will waive any rights and remedies or relief to which We are or may become entitled by subrogation against:

- any co-insured (including its directors, officers and employees);
- any corporation or entity (including its directors, officers and employees) owned or controlled by any Insured or against any co-owner of the property insured.

You may without prejudicing Your position under the Policy:

- release any statutory governmental, semi-governmental or municipal authority from any liability if required by any contract to do so;
- agree to enter into a contract for storage of goods or merchandise if the terms of the contract include a disclaimer clause that holds You harmless for physical loss or destruction of or damage to Insured Property or Personal Injury arising out of the storage; agree to enter into a lease for occupancy of any building or part of a building or a lease or hiring of property where the terms of the lease or hiring include a disclaimer clause in favour of the lessor or the owner that holds You harmless for physical loss or destruction or damage to Insured Property or Personal Injury arising out of the lease or hire arrangements.

When We can Refuse to Pay or Reduce the Amount We Pay Under a Claim

We may refuse to pay or reduce the amount We pay under a claim to the extent permitted by law.

The situations in which We may refuse to pay or reduce the amount We pay under a claim under the Policy include (but are not limited to):

- a) when You apply for cover (this includes new business, variations and renewals) and You do not comply with Your obligations regarding pre contractual disclosures and representations to Us under the Insurance Contracts Act 1984 (Cth) (including where applicable the Duty of Disclosure); or
- b) if You do not comply with or meet a term or condition (including where an exclusion applies or other limitation) of the Policy (All referred to as “Terms” when used below)
 - See “If you do not comply with or meet any Policy Term” below for more detail;
- c) if You make a fraudulent claim – See “Fraudulent claims” below;
- d) where You have not or are not acting in accordance with Your duty of utmost good faith under the Insurance Contracts Act 1984 (Cth) – See “Duty of Utmost Good faith” below.

The amount of any claim entitlement can also be affected and/or reduced by any limits (including any time limits) or Excess(es) that apply. The Policy sets out the relevant limits and Excess(es) and when they apply to a claim.

If You Do Not Comply with or Meet any Policy Term

We will only rely on any rights We have regarding the operation of or breach of a Term of the Policy to the extent permitted by law (including Our right to refuse or reduce a claim noted above). You need to seek Your own advice regarding all relevant legal rights You may have.

Terms Allowing Us to Refuse to Pay or Reduce a Claim (in Whole or Part) by Reason of an Act by You or Some Other Person that Occurred After the Policy was Entered Into

Subject to Our rights in relation to Fraudulent claims explained below, by reason of section 54 of the Insurance Contracts Act (1984) (Cth), where the effect of the Policy (this includes all terms or conditions, including any exclusion or other limitation) is to allow Us to refuse to pay or reduce a claim (in whole or part) by reason of an act by You or some other person that occurred after the policy was entered into, We will exercise Our rights under the Policy as explained below (Refer to the Insurance Contracts Act 1984 (Cth) for full details).

Under section 54, an “act” by You or some other person includes an omission and inaction and an act or omission that has the effect of altering the state or condition of the subject matter of the Policy or of allowing the state or condition of that subject-matter to alter.

How We exercise Our rights where section 54 applies (unless there is a Fraudulent claim):

- Where:
 - the act was necessary to protect the safety of a person or to preserve property;
 - it was not reasonably possible for You or the other person not to do the act; or
 - You prove no part of the loss that gave rise to the claim was caused by the act,

We will not refuse to pay or reduce the claim by reason only of that act.

- Where the act:
 - could not reasonably be regarded as being capable of causing or contributing to a loss in respect of which insurance cover is provided by the Policy; or
 - could reasonably be regarded as being capable of causing or contributing to a loss in respect of which insurance cover is provided by the Policy but You prove that some part of the loss that gave rise to the claim was not caused by the act, We may not refuse to pay the claim, so far as it concerns that part of the loss but,

We can reduce our liability in respect of the claim by an amount that fairly represents the extent to which Our interests were prejudiced as a result of that act.

- Where the act could reasonably be regarded as being capable of causing or contributing to a loss in respect of which insurance cover is provided by the Policy, We may refuse to pay the claim.

Terms Allowing Us to Refuse to Pay or Reduce a Claim Because of Pre-Existing Defects or Imperfections Existing Before the Policy was Entered Into

Only where section 46 of the Insurance Contracts Act 1984 (Cth) is applicable to the Policy:

- where a claim is made in respect of a loss that occurred as a result, in whole or in part, of a defect or imperfection in a thing and at the time when the contract was entered into; and
- You were not aware of, and a reasonable person in the circumstances could not be expected to have been aware of, the defect or imperfection,

We may not rely on any provision included in the Policy that has the effect of limiting or excluding Our liability under the contract by reference to the condition, at a time before the Policy was entered into, of the thing. This does not apply if the Policy is in an excluded class to which section 46 does not apply (Refer to the Insurance Contracts Act 1984 (Cth) for full details).

Terms Allowing Us to Refuse to Pay or Reduce a Claim Because of a Pre-Existing Sickness or Disability Existing Before the Policy was Entered Into

Only where section 47 of the Insurance Contracts Act 1984 (Cth) is applicable to the Policy:

- where a claim under the Policy is made in respect of a loss that occurred as a result, in whole or in part, of a sickness or disability to which a person was subject or had at any time been subject; and
- where, at the time when the contract was entered into, You were not aware of, and a reasonable person in the circumstances could not be expected to have been aware of, the sickness or disability,

We may not rely on a provision included in the Policy that has the effect of limiting or excluding Our liability under the Policy by reference to the sickness or disability to which You were subject at a time before the Policy was entered into (Refer to the Insurance Contracts Act 1984 (Cth) for full details).

Fraudulent Claims

In all cases, where a claim is made fraudulently under:

- the Policy; or
- the Insurance Contracts Act against Us by a person who is not the insured,

We may refuse payment of the claim to the extent permitted by law. Under section 56(2) of the Insurance Contracts Act 1984 (Cth) a court may, if only a minimal or insignificant part of the claim is made fraudulently and non-payment of the remainder of the claim would be harsh and unfair, order Us to pay, in relation to the claim, such amount (if any) as is just and equitable in the circumstances (Refer to the Insurance Contracts Act 1984 (Cth) for full details).

Duty of Utmost Good Faith

- Section 13 of the Insurance Contracts Act 1984 (Cth) requires each party to the Policy to act towards the other party, in respect of any matter arising under or in relation to it, with the utmost good faith.
- Section 14 of the Insurance Contracts Act 1984 (Cth) provides that if reliance by a party to the Policy on a provision of the Policy would be to fail to act with the utmost good faith, the party may not rely on the provision.

(Refer to the Insurance Contracts Act 1984 (Cth) for full details).

Terms Subject to Relevant Law

A term of the Policy will be applied to the extent it is not unenforceable.

Our Agreement

When We agree to insure You We issue a Policy Schedule confirming cover.

The information contained in the Policy Schedule sets out information specific to You such as the cover We have agreed to provide and the Sums Insured and Limits of Liability that apply to the Policy.

Your Policy with Us will comprise of this PDS (including the Policy wording), the Policy Schedule and any endorsements We issue. They should be read together and kept in a safe place.

Where We have agreed to enter into a Policy with You and subject to the terms, conditions and exclusions of the Policy:

- We agree to provide You with the insurance cover set out in each of the Sections which are shown as “Insured” in the Policy Schedule, subject to Your payment of or agreement to pay Us the premium set out in the Policy Schedule,
- the Policy is in force for the Period of Insurance set out in the Policy Schedule, unless it ends earlier in accordance with its terms or at law,
- We will cover You for the relevant insured loss, damage, liability or claim happening during that Period of Insurance, and
- We will not pay any more than the Sum Insured or Limit of Liability for each Section which is shown in the Policy Schedule or as provided in the PDS, subject to any Excesses or Contribution.

General Definitions

Wherever the words listed below are used in the Policy and are capitalised, they mean what is set out below. Other words may have special meanings for particular Sections. They will be defined in those Sections. In this Policy, where the context permits, words denoting the singular shall include the plural and vice versa.

Act of Terrorism

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

Annual Rentable Value

- a) Where there is a lease agreement, the amount specified in the lease agreement as the annual rentable value of the Lots, Stratum Lots or Volumetric Lots, including any outgoings payable by the tenant or lessee, adjustable:
 - i. in accordance with any existing increases or decreases in rent specified in the lease agreement; or
 - ii. where no such decreases or increases in rent are specified, upon the (12) month anniversary of the Event, any increase in accordance with the change in the Housing Group for the weighted average of the eight capital cities within the Consumer Price Index (CPI) costs for the proceeding four (4) CPI quarters prior to the anniversary date; or
- b) where there is no lease agreement, the annual rentable value of similar or like Lots, Stratum Lots or Volumetric Lots, adjustable upon the (12) month anniversary of the Event, any increase in accordance with the change in the Housing Group for the weighted average of the eight capital cities within the Consumer Price Index (CPI) costs for the proceeding four (4) CPI quarters prior to the anniversary date.

Australia

The Commonwealth of Australia, its dependencies and territories.

Body Corporate Manager

A person or other entity either appointed in writing by You, or compulsorily appointed in accordance with the Strata Act with delegated functions including the authority to act as an Office Bearer.

Business

The Business described in the Policy Schedule including:

- a) ownership of the Common Area at the Location;
- b) management of the strata scheme, individually owned Lots or Common Areas;
- c) the provision of services by You for the benefit, general use and enjoyment of Lot Owners and occupiers of Lots at the Location;
- d) the provision and management of canteens, social, sports and welfare organisations for the benefit of Your employees, first aid, fire and ambulance services and the maintenance of Your premises;
- e) the hiring out of sporting or recreational facilities (such as but not limited to tennis courts or swimming pools); and
- f) recreational or social activities arranged for and on behalf of Lot Owners and occupiers of Lots.

Common Area

The area at the Location(s) that is not part of any Lot/Unit, or is identified as common.

Consumer Price Index

Inflation index released by the Australian Bureau of Statistics quarterly.

Covered Disease

The following diseases only:

- a) legionnaires disease.

Excess/Excesses

The amount shown in the Policy, payable by you on each and every claim.

May be added together and payable by You in the event of a claim in accordance with the terms and conditions of the specific Endorsement.

Flood

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; or
- g) a dam.

General Definitions

Limit of Liability

The applicable Limit of Liability shown in the Policy Schedule.

Location(s)

The place(s) listed in the Policy Schedule or any other place(s) noted on the registered plans in accordance with the Strata Act.

Loss of Rent

As regards any Lot, Stratum Lot or Volumetric Lot or part of Your Common Area leased to a tenant, an amount of money for lost rent calculated on the basis of the Annual Rentable Value that applied immediately prior to the event causing loss or damage.

Lot

The area shown on Your strata title plan as a Lot or unit registered in the strata plan in accordance with the Strata Act.

Lot Owner

A person, persons or other entity registered as a proprietor or owner of the Lot in accordance with the Strata Act.

Lot Owners Floating Floorboards

Floorboards within a Lot that are not fixed or attached, but are held in place by their own weight and/or skirting boards.

Office Bearer

- a) 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 the Strata Act; and
- b) any Body Corporate Manager when acting as an Office Bearer as described in a) above, when acting in that capacity; and
- c) any person invited by any person described in a) above, in accordance with their delegated authority to assist in the management of Your affairs.

Period of Insurance

The period shown in the Policy Schedule unless the Policy ends earlier in accordance with its terms or law. Each renewal results in a new contract and new Period of Insurance.

Policy

This PDS together with the Policy Schedule, and any endorsements issued by Us amending the PDS or Policy Schedule or part thereof.

Policy Schedule

The most current Policy Schedule applicable to the Policy, which has been numbered and issued by or on behalf of Us.

Storm Surge

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

Strata Act

The relevant strata or body corporate legislation/s applicable in the State or Territory in which the Location(s) is situated, including but not limited to the applicable Strata Schemes Management Act, Strata Titles Act, Community Land Management Act, Owners Corporation Act, or related or similar legislation, including any amendments to, delegated legislation thereof, or successor legislation (as applicable).

Stratum Lot or Volumetric Lot

An area or lot forming part of the Buildings (as defined under Section 1) required to be covered by the insurance for a Section of the Policy, and not otherwise forming part of a Lot in accordance with the Strata Act.

Stratum Lot Owner or Volumetric Lot Owner

A person, persons or other entity registered as a proprietor or owner of the Stratum Lot or Volumetric Lot and named in the Policy Schedule.

Sum Insured

The Sum Insured shown in the Policy Schedule for each applicable Section of the Policy.

Temporary Accommodation

For regards any Lot or Stratum Lot or Volumetric Lot occupied by the Lot Owner or Stratum Lot Owner, or Volumetric Lot Owner similar accommodation located in the vicinity of the Location.

We/Our/Us/Insurer

Lloyd's acting through their agent *is*Strata.

General Definitions

You/Your/Insured

The Owners Corporation, Strata Corporation, Community Title, Body Corporate or like entity stated in the Policy Schedule.

In addition You/Your/Insured includes:

In respect of Section 1

Lot Owners in respect of:

- a) Lot Owner Benefits 5.1 to 5.10; and
- b) Additional Benefits 6.21; and
- c) Optional Covers 7.2, 7.3, and 7.5.

In respect of Section 2

- a) members of the Owners Corporation, Strata Corporation, Community Title, Body Corporate or like entity stated in the Policy Schedule; and
- b) employees of the Owners Corporation, Strata Corporation, Community Title, Body Corporate or like entity stated in the Policy Schedule in connection with the employees' duties as an employee; and
- c) voluntary workers of the Owners Corporation, Strata Corporation, Community Title, Body Corporate or like entity stated in the Policy Schedule.

In respect of Section 6

Office Bearers.

Section 1

Buildings and Common Contents

1. Cover

This Section covers:

Physical loss of or destruction of or damage to Insured Property caused by an Event occurring during the Period of Insurance and not otherwise excluded.

Unless stated otherwise in this Section 1, the most We will pay per Event is the Sum Insured.

2. Definitions Applying to this Section

Wherever the words listed below are used in this Section 1 and are capitalised, they mean what is set out below:

2.1. Buildings

All buildings and outbuildings at the Location(s) owned by You or for which You are responsible, including:

- a) fixtures and fittings and fixed furnishings (but excluding temporary fixtures and fittings) as defined by Your Strata Act;
- b) all services to the buildings;
- c) fixed or built in plant, equipment and appliances;
- d) floor coverings excluding carpets;
- e) tennis courts, in-ground pools and spas;
- f) all other structural improvements at the Location including fencing, gates, paths and roadways;
- g) retaining walls, awnings, blinds and signs;
- h) marinas, wharves, jetties, docks, pontoons, swimming platforms or similar type facilities (whether fixed or floating) which are used for non-commercial purposes;
- i) fixed artwork or sculptures up to a maximum amount of \$50,000 any one Event unless specified otherwise in the Policy Schedule;
- j) any other permanent fixture defined as a building in the applicable Strata Act.

Buildings do not include any lot Owners' Contents.

2.2. Common Contents

All contents owned by You or for which You are responsible, while the contents are at the Location(s) or are temporarily removed or are in transit anywhere in Australia, including but not limited to:

- a) furniture, furnishings, household goods, light fittings, internal blinds and curtains;
- b) free standing plant, equipment and appliances;
- c) carpets (whether fixed or unfixed), floor rugs;

- d) computers, electronic equipment and office equipment;
- e) garden equipment including ride-on mowers, buggies or carts, and other similar appliances but only if they are not required to be registered;
- f) swimming pools or spas that are not in-ground, swimming pool or spa covers and accessories;
- g) money up to a maximum amount of \$10,000 in total;
- h) artwork, sculptures (other than fixed) up to a maximum amount of \$50,000 any one Event unless specified otherwise in the Policy Schedule;
- i) any other fixture defined as being owned by You in the applicable Strata Act.

Common Contents do not include:

- i. any Lot Owners' Contents; and
- ii. pots, plants, shrubs, trees, rockwork and lawns other than as specified in Additional Benefit 6.22 Landscaping.

2.3. Event

An occurrence or accident causing or resulting in sudden and unforeseen, physical loss of or destruction of or damage to Insured Property.

2.4. Insured Property

- a) Buildings;
- b) Common Contents; and
- c) other property shown "Insured" in the Policy Schedule.

2.5. Lot Owners' Contents

All contents owned by the Lot Owner or for which the Lot Owner is responsible situated at the Location(s) and including:

- a) built-in or freestanding appliances such as dishwashers, washing machines and dryers;
- b) computers, electronic and electrical equipment or garden equipment;
- c) personal effects, furniture, furnishings, carpets, floor rugs, floating floors or floating floorboards;
- d) Lot Owners' temporary fixtures and fittings defined as being owned by a Lot Owner by the applicable Strata Act, including but not limited to:
 - i. paint or wallpaper and other finishes on internal Lot walls or ceilings in New South Wales and the Australian Capital Territory; and
 - ii. mobile and fixed air-conditioning units servicing a Lot, Stratum Lot or Volumetric Lot in Queensland.

2.6. Lot Owners' Fixtures and Improvements

- a) Any item or structure for the exclusive use of a Lot Owner and which is permanently attached to or fixed to the Buildings so as to become legally part of it;

any improvements made to an existing part of the Buildings by a Lot Owner for their exclusive use, provided that the Lot Owners' Fixtures and Improvements were newly acquired, installed or constructed within the three years prior to:

- i. Your most recent renewal; or
 - ii. Your most recent insurance valuation,
- whichever is the earlier.

2.7. Records

Records, deeds, plans, drawings or documents of any kind, whether written, printed, filmed, taped or in electronic form which are directly related to Your Insured Property.

2.8. Sea

Oceans, bays, ports or tidal waters.

3. Exclusions – What We Do Not Cover Under this Section

The following exclusions apply to Section 1 in addition to the General Exclusions.

3.1. We will not cover physical loss of or destruction of or damage to:

- a) Lot Owners' Contents;
- b) any living creatures;
- c) any property in transit, other than as specified in Definition 2.2 Common Contents;
- d) Insured Property caused by any alterations or additions to the Insured Property when the contract value of work exceeds 20% of the Sum Insured or \$500,000, whichever is the lesser unless We agree otherwise in writing;
- e) boilers, other than boilers used for domestic purposes, resulting from their explosion;
- f) any installation or alteration of any kind to Your Insured Property where that installation or alteration was required to be approved by council or relevant local authority, and such approval had not been provided.

3.2. We will not cover physical loss, destruction or damage caused by or arising directly or indirectly from:

- a) the action of the Sea, tidal wave, high water, erosion, subsidence or landslide, unless caused by or arising from
 - i. an earthquake, tsunami or seismological disturbance or volcanic eruption;
 - ii. liquid escaping from a fixed pipe or something attached to a pipe, fixed gutter, fixed tank or drain,

We will pay for loss, destruction or damage caused by or arising from subsidence or landslide if it occurs within 72 hours after the happening of an Event of storm, rainwater, wind or explosion;

- b) Flood unless covered under the Flood Optional Benefit and the Policy Schedule specifies the Flood Optional Benefit is included;
- c) Storm Surge – but if Storm Surge is caused by and immediately follows a named tropical cyclone, We will pay for loss, destruction or damage to Your Building and Common Contents as a result of Storm Surge. The maximum We will pay is \$2,000,000 or the Sum Insured for Buildings shown in Your Schedule, whichever is the lesser, any one Event and in the aggregate for all Events in the Period of Insurance;
- d) steam or condensation;
- e) normal settling, seepage, shrinkage or expansion in Buildings or foundations, walls, pavements, roads and other structural improvements;
- f) creeping, heaving or vibration;
- g) the invasion of roots from trees plants, shrubs or grass;
- h) fraudulent or dishonest acts by Your employees;
- i) wear and tear, fading, scratching or marring;
- j) gradual deterioration or developing flaws;
- k) rust or oxidation;
- l) mildew, mould, wet or dry rot;
- m) corrosion, concrete or brick cancer;
- n) normal upkeep or making good;
but We will pay for resultant loss, destruction or damage under exclusions a) i. to n) caused by any other Event covered by this Section 1;
- o) animals or insects but We will pay for resultant loss, destruction or damage under this exclusion when caused by any other Event covered by this Section 1;
- p) change of colour, dampness of atmosphere or other variations in temperature, evaporation, or latent defect, loss of weight, change in flavour, texture or finish; but We will pay if any of these causes result in loss, destruction or damage from any other Event covered by this Section 1;

- q) i. defect, error or oversight in design, plan or specification or failure of design; or
- ii. defective or faulty materials or faulty workmanship, but We will pay for subsequent loss destruction or damage to Insured Property resulting from any Event not otherwise excluded by this Section, provided that You were not aware of, or could not reasonably have been expected to be aware of, exclusion q) i. or ii.;
- r) demolition ordered by any public or statutory authority as a result of Your failure, or the failure of anyone acting on Your behalf, to comply with any lawful requirement or due to the incorrect siting of Your Insured Property;
- s) incorrect siting of Buildings as a result of incorrect design or specification;
- t) machinery breakdown, electrical or electronic breakdown, but We will pay if the loss, destruction or damage is due to:
 - i. fusion to the extent insured under Additional Benefits 6.15 Fusion;
 - ii. lightning;
 - iii. power surge if the Event is confirmed by the supply authority.

4. Benefits Which are Included in Your Sum Insured

Following physical loss, destruction or damage covered under this Section 1, We will also pay the following costs and expenses incurred in consequence of the physical loss, destruction or damage up to the amount shown below, or the Sum Insured if no amount is specified below, per Event and provided that the maximum amount We will pay in total for all claims under this Section 1 of the Policy including any amounts under Additional Benefits A caused by or resulting from any Event is Sum Insured.

4.1. Architects and Other Fees

Architects', surveyors', consulting engineers', legal and other professional fees, clerk of works salaries and bank imposed charges as necessarily and reasonably incurred in the Reinstatement or Replacement of loss of or destruction of or damage to Your Insured Property.

These fees include legal fees incurred in making submissions or applications to any public or statutory authority, licensing board or court.

4.2. Government Fees, Contributions or Imposts

Fees, contributions or imposts required to be paid to any public or statutory authority to obtain their permission to rebuild, repair or replace Your Insured Property.

We will not pay any fine or penalty imposed by any of these authorities.

4.3. Loss of Land Value

The reduction in land value which will be the value certified by the Valuer General or other competent person or authority, that results from the requirements of any legal authority that does not allow rebuilding or only partial rebuilding of Insured Property which is the subject of the physical loss, destruction or damage at the Location(s).

Any reduction in land value will be calculated after Reinstatement or Replacement of the Building(s) or after We have agreed that Reinstatement or Replacement of Building(s) is not to be carried out.

4.4. Exploratory Costs

- a) The reasonable costs incurred in locating the source of the bursting, leaking, discharging or overflowing of any mains, pipes, gutters, drains, tanks or fixed apparatus used to hold or carry water or other liquids;
- b) up to \$1,000 for the cost of clearing, repairing or replacing the faulty main, pipe, gutter, drain, tank or fixed apparatus which is the cause of the loss, destruction or damage referred to in a) above; and
- c) the necessary costs incurred in:
 - i. repairing the area of Your Insured Property damaged by the exploratory work; and
 - ii. up to \$1,000 for rectifying contamination or pollution damage to land at the Location(s) caused by escape of liquid.

However, We will not pay if the cause of the bursting, leaking, discharging or overflowing is excluded under this Section 1. (For example, Exclusion 3(g) the invasion of roots from trees plants, shrubs or grass).

5. Lot Owner Benefits – Costs of Losses Incurred by the Lot Owner

Following physical loss, destruction or damage covered under this Section 1 (or in other circumstances described in any of the Additional Benefits below), We will also pay, in addition to the Sum Insured, the following amounts, costs and expenses incurred by a Lot Owner in consequence of the physical loss, destruction or damage.

The combined total amount We will pay under Lot Owner Benefits 5.1 to 5.9 below is limited to:

- a) 25% of the Buildings Sum Insured or \$500,000, whichever is the greater; or

Section 1 – Buildings and Common Contents

- b) any other amount or percentage shown in the Policy Schedule.

At Our option, We will settle claims under Lot Owner Benefits directly with the You or any Lot Owner.

5.1. Lot Owners' Fixtures and Improvements

Where Your Buildings Sum Insured has been exhausted We will pay for Lot Owners' Fixtures and Improvements that You are required by the Strata Act to insure.

However, We will not be liable for losses in excess of:

- a) \$300,000 for any one Lot for Lot Owner Fixtures and Improvements; or
- b) in the aggregate 10% of the Buildings Sum Insured for all Lots for Lot Owner Fixtures and Improvements.

The amount payable per Lot affected will be calculated on a proportionate basis between the relevant Lot Owners based on their percentage share of the total amount of the loss incurred for all Lot Owner Fixtures and Improvements.

5.2. Loss of Rent and Temporary Accommodation

a) Loss of Rent

Where the Lot is leased out or would have been leased out, the Loss of Rent incurred by the Lot Owner if the Lot or Common Area is made unfit to be occupied for its intended purpose.

We will pay from the time of the physical loss, destruction or damage until the time the Lot is re-let following completion of Reinstatement or Replacement (as defined under 8.1) of Your Insured Property, provided the Lot Owner takes all reasonable action to obtain a new tenant.

b) Temporary Accommodation

Where the Lot Owner occupies the Lot, the reasonable cost of:

- i. immediate emergency accommodation and meals up to \$2,500; and
- ii. temporary accommodation, necessarily incurred by the Lot Owner if the Lot is made unfit to be occupied for its intended purpose.

We will pay an amount of money for temporary accommodation calculated on the basis of similar accommodation located in the vicinity of the Location.

We will pay from the time of the physical loss, destruction or damage until the time the Lot Owner re-occupies the Lot following completion of Reinstatement or Replacement of Your Insured Property.

However, Our maximum liability for Loss of Rent and Temporary Accommodation is limited to the amount or percentage of the Limit of Liability shown in Your Policy Schedule.

5.3. Prevention of Access

If reasonable access to or occupancy of a Lot is prevented by physical loss, destruction or damage from an Event that would have been covered by this Section 1 happening to other property located within 1 (one) kilometre of Your Insured Property:

- a) Loss of Rent incurred by the Lot Owner in accordance with 5.2a); or
- b) the reasonable cost of Temporary Accommodation necessarily incurred by the Lot Owner in accordance with clause 5.2b).

We will pay the costs from the time of the physical loss, destruction or damage until the time when access to the Lot is re-established.

5.4. Failure of Supply of Services

If a Lot or Common Area is made unfit to be occupied for its intended purpose by the failure, for more than 24 consecutive hours, of electricity, gas, water or sewerage services resulting from physical loss, destruction or damage by an Event that would have been covered by this Section 1 to property belonging to or under the control of the supply authority:

- a) Loss of Rent incurred by the Lot Owner in accordance with 5.2a); or
- b) the reasonable cost of Temporary Accommodation necessarily incurred by the Lot Owner in accordance with clause 5.2b).

We will pay from the time of the failure until the time the services are reinstated up to a maximum of 30 days.

5.5. Cost of Re-Letting

Up to \$1,200 any one Event for reasonable re-letting costs incurred by the Lot Owner, where the Lot or Common Area is leased out and the tenant at the time of the physical loss, destruction or damage subsequently advises they will not be reoccupying the Lot or Common Area they previously leased.

The amount we pay will be reduced by a bond or deposit that the Lot Owner is entitled to receive or retain from the tenant.

5.6. Removal and Storage of Lot Owners' Contents

Costs reasonably incurred by the Lot Owner in:

- a) removing undamaged Lot Owners' Contents to the nearest place of safe keeping; and

Section 1 – Buildings and Common Contents

- b) storing undamaged Lot Owners' Contents at that place or other equivalent place; and
- c) returning undamaged Lot Owners' Contents to the Location(s) when occupancy of the Lot is permitted.

5.7. Pets, Security Dogs

Up to \$1,000 per Lot for the reasonable costs necessarily incurred by the Lot Owner for boarding pets or security dogs when a Lot is occupied solely for residential purposes, and the Lot is rendered unfit for its intended purpose and the Lot Owners Temporary Accommodation does not allow pets or security dogs.

5.8. Title Deeds

Up to \$5,000 for the reasonable costs the Lot Owner necessarily incurs in replacing title deeds to a Lot of Your Insured Property.

5.9. Travel Costs

Where a Lot is rented, up to \$250 per Lot for the necessary travel costs, incurred by the Lot Owner in attending the Lot to consult with claim assessors, builders or other repairers following loss, destruction or damage that results in the Lot being unable to be occupied for its intended purpose.

We will not pay more than \$1,000 for any one Event and \$5,000 in total in any one Period of Insurance for these travel costs.

5.10. Restrictions on the Use of the Location

We will pay for the Loss of Rent incurred by the Lot Owner and the reasonable cost of Temporary Accommodation necessarily incurred by the Lot Owner if the Lot Owner or tenant of the Lot is not permitted to occupy the Lot or Common Area in consequence of:

- a) closure or evacuation of the whole or part of the Location(s) by order of a government, local government or other statutory authority as a direct result of an occurrence or outbreak of a Covered Disease as defined in this Policy; or

- b) any occurrence of murder or suicide;

occurring at the Location(s) in the Period of Insurance,

Provided that:

- i) We shall not be liable for the first 24 hours of any restrictions on the use of, or interference with, the Location(s) as determined by the date and time at which the order for closure or evacuation takes effect in the case of clause a), or the first 24 hours after the date and time of the occurrence in the case of clause b);

- ii) We shall only be liable for loss and expenses covered under this Lot Owner Benefit arising from restrictions on the occupation of the Lot or Common Area at the Location(s), which are directly affected by the occurrences or outbreak in clauses a) and b);
- iii) We shall not be liable under this Lot Owner Benefit for any costs incurred in the cleaning, repair, replacement, recall or checking of the Location(s) or any Insured Property;
- iv) Our maximum liability for Loss of Rent and Temporary Accommodation is \$500,000 in the aggregate for all Lot, Stratum Lot or Volumetric Lot Owner/s in any one Period of Insurance. This maximum liability applies for all losses related to or arising out of the restrictions placed on the use of the Insured Property as covered under this Lot Owner Benefit irrespective of whether cover is also triggered under any other Lot Owner Benefit(s), Additional Benefit(s), coverage extension(s) or other coverage grant(s);
- v) We will not pay any claim relating to closure or restrictions on the use of the Location(s) due to Legionnaires Disease unless You have taken steps to arrange the carrying out of appropriate inspections and tests at the required intervals and met control requirements and management of risk requirements for legionella and Legionnaires Disease in accordance with the applicable legislation and regulations and Australian Standards with satisfactory results; and
- vi) the amount payable to each Lot Owner will be reduced by any sum saved in respect of such charges and expenses of the relevant Location(s) as may cease or be reduced in consequence of the enforcement action and any amount awarded as compensation within the terms of applicable legislation.
- vii) We will pay up until the time re-occupancy is permitted to a maximum indemnity period of 30 days, or up to the maximum liability limit set out at clause iv) above, whichever is the lesser.

6. Additional Benefits

We also provide the following benefits in addition to the Sum Insured:

6.1. Removal of Debris and Temporary Repairs

- a) The cost of removal, storage and disposal of debris or the demolition, dismantling, shoring up, propping, underpinning or other temporary repairs.
- b) the cost of demolition and disposal of any undamaged portion of Insured Property including undamaged foundations and footings in accordance with a demolition order issued by a public or statutory authority.

6.2. Rewriting of Records

Up to \$50,000 for the costs You necessarily incur in rewriting or reproducing Records, which are physically lost, destroyed or damaged by an Event insured by this Section 1 while anywhere in Australia.

These costs include the costs of collating information and other preparation.

6.3. Modifications

Up to \$25,000 for the cost incurred in modifying the Building to cater for the needs of a Lot Owner or a member of a Lot Owners family permanently residing in the Lot who is diagnosed as being paraplegic or quadriplegic as a direct result of physical loss of or destruction of or damage to Your Insured Property.

6.4. Mortgage Discharge Contribution

Up to \$5,000 towards fees associated with the discharging of any mortgage over Your Insured Property if it becomes a total loss and is not replaced and We have paid the Sum Insured under this Section 1.

6.5. Property of Others

Up to \$10,000 for physical loss or destruction of or damage to personal property of others while their property is in Your physical or legal control and is not otherwise insured, but We will only pay the cost to replace this property with property with property that is substantially the same as, but not better or more extensive than, the property taking into account its age, condition, depreciation and remaining useful life at the time of the physical loss, damage or destruction.

6.6. Water Removal from Basement

Up to \$2,000 for the costs You necessarily incur in removing water from the basement or undercroft area of the Buildings if the inundation is directly caused by a storm or downpour of rain in the Period of Insurance.

6.7. Maintenance Fees and Strata Levies

The maintenance fees and strata levies required to be paid by the Lot Owner to You during the period the Lot is unfit for occupation following physical loss, destruction or damage.

6.8. Funeral Expenses

Up to \$5,000 in any one Period of Insurance for the funeral costs for any Lot Owner or member of a Lot Owners family permanently residing in the Lot, where death occurs as a direct result of physical loss of or destruction of or damage to Your Insured Property.

6.9. Meeting Room Hire

Up to \$5,000 in any one Period of Insurance for the cost to hire temporary meeting room facilities for the purposes of holding annual general meetings or committee meetings where a designated meeting room within Your Insured Property is unable to be occupied for its intended purpose as a direct result of loss of or destruction of or damage to Your Insured Property.

We will only pay for meetings held during the period of time that is reasonably necessary for repairs to be carried out and access to be re-established.

6.10. Arson Reward

A reward of up to \$10,000 for information (irrespective of the number of people supplying information) which leads to a conviction for arson, theft, vandalism or malicious damage of or to Your Insured Property. We will pay the reward to the person or persons providing the information or in any other manner that We may decide.

6.11. Removal of Trees

Up to \$5,000 for the professional removal of trees or parts of trees, including the costs of treating the stump to prevent re-growth, that have fallen and damaged Your Insured Property or landscaped gardens.

6.12. Improved Environmental Features

If the physical loss, destruction or damage results in total loss of Your Buildings and Your Buildings are reinstated or replaced, We will pay up to an additional \$10,000 towards the costs incurred in adding environmental features which the Buildings did not have before the total loss, such as rainwater tanks, solar energy or grey water recycling systems.

6.13. Excess Electricity, Gas and Similar Charges

Up to \$2,000 for additional electricity, gas, sewerage, water and management charges You are required to pay as a direct result of physical loss or destruction of or damage to Insured Property.

6.14. Inflationary Costs

Where Your Insured Property suffers physical loss, destruction or damage insured by this Section, We will increase the Sum Insured by the amount the Consumer Price Index (Housing Group) has increased since the start date of the current Period of Insurance.

6.15. Fusion

We will pay the reasonable cost to repair, reinstate or replace an electrical motor not exceeding 5 kilowatts, that forms part of the Buildings or Common Contents, burnt out by electric current in the Period of Insurance.

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

If a motor in a sealed unit cannot be repaired or replaced because of the unit's inability to use a different type of refrigerant gas as required by regulation, or parts are no longer available, then We will only pay the cost of an equivalent or nearly equivalent new appliance that is substantially the same as, but not better or more extensive than, the unit taking into account its age, condition, depreciation and remaining useful life at the time of the physical loss, damage or destruction.

6.16. Loss Prevention Expenses

We will pay:

- a) costs and expenses (which include wages of Your employees) incurred in extinguishing a fire at the Location(s), or in the vicinity of the Location(s) in the Period of Insurance and threatening to involve Your Insured Property, including damage to gain access or damage to materials (including employees' clothing and personal effects unless otherwise specifically insured) and the cost of replenishment of firefighting appliances, replacing used sprinkler heads and resetting fire, smoke and security alarm systems; and
- b) charges incurred for the purpose of shutting off the supply of water or other substance following accidental discharge from any fire protective equipment or otherwise escaping from intended confines in the Period of Insurance; and
- c) the costs for which You are liable under any Fire Brigade Act or similar legislation, in respect of those expenses necessarily and reasonably incurred in extinguishing fires at or adjoining the Location(s) or immediately threatening to involve Your Insured Property in the Period of Insurance; and
- d) costs incurred in preventing or diminishing imminent damage to Your Insured Property by an Event covered by this Section 1 in the Period of Insurance, including emergency repair costs necessarily incurred.

6.17. Replacement of Locks and Keys

If the keys to any locks in Your Insured Property are stolen in the Period of Insurance, We will pay up to \$5,000 for the reasonable cost of replacing or re-keying or re-coding those locks and replacing the keys.

We will not pay if the keys have been stolen by a tenant or former tenant.

6.18. Unauthorised Occupancy

If Your Insured Property or a Lot is occupied without Your consent in the Period of Insurance We will pay:

- a) up to \$2,000 for legal fees incurred by You or a Lot Owner with Our prior consent to repossess Your Insured Property or a Lot; and
- b) up to \$2,000 during any one Period of Insurance for the unauthorised use of metered electricity, gas, oil, water or other utilities by the unauthorised occupants.

We may reduce or refuse to pay a claim under this Additional Benefit if You or the Lot Owner have not at all times taken reasonable steps to prevent or terminate any unauthorised occupancy including by way of regular monitoring and inspection of the Insured Property or Lot.

6.19. Damage by Emergency Services

We will pay the reasonable costs of repair to or reinstatement of Your Insured Property physically lost, destroyed or damaged by Police, Fire Brigade, Ambulance or other lawfully constituted emergency services in the course of their duty in the Period of Insurance.

6.20. Capital Additions

We will increase the Sum Insured by the total value of additions, alterations and improvements to Your Insured Property during the Period of Insurance but only on completion of the additions, alterations or improvements and provided You notify Us within 60 days of the completion, or as soon as practicable thereafter.

For any increase in excess of \$500,000, You must pay any additional premium that applies.

6.21. Purchaser's Interest

We will cover a purchaser's legal interest in Your Insured Lot, Stratum Lot or Volumetric Lot, in the terms of Section 1, when the purchaser has signed an agreement to buy part or all of Lot, Stratum Lot or Volumetric Lot, until that agreement completes or is terminated.

6.22. Landscaping

We will cover the reasonable costs You necessarily incur to replace or repair damage caused by an Event to pots, plants, shrubs, trees, rockwork and lawns up to \$10,000.

6.23. Temporary Protection

We will pay for the reasonable costs for temporary protection of Insured Property or of resident persons up to \$5,000.

7. Optional Benefits

7.1. Catastrophe Cover

Where You have included this Optional Benefit and it is specified in Your Policy Schedule as included and the physical loss of or destruction of or damage to Your Insured Property under this Section is caused by:

- a) any insured Event during the Period of Insurance where You incur costs exceeding the relevant Sum Insured, and:
 - i. a Catastrophe follows such insured Event; or
 - ii. a Catastrophe occurs prior to the Period of Insurance and We were the insurer during that prior period of insurance;
 - b) a Catastrophe,
- then:

- 1) We will pay up to the amount or percentage noted in Your Policy Schedule for Catastrophe Cover for Increased Costs You incur directly associated with or attributable to the Catastrophe.

The Optional benefit extends the Sum Insured or other limits under this Section 1 by the amount or percentage noted in Your Policy Schedule for:

- i. Insured Property; and
- ii. all other Lot Owner and Additional Benefits in this Section 1, but only if Your Insured Property is reinstated or replaced.

We will not pay more than the Increased Costs actually incurred by You.

We will not pay any amount under this Additional Benefit until You have incurred costs exceeding the relevant Sum Insured or other applicable limits under this Section 1.

- 2) where a Lot that is destroyed or damaged due to a Catastrophe is occupied as a residence by the Lot Owner, We will pay for the Cost of Evacuation necessarily incurred by the Lot Owner, or any person permanently residing with the Lot Owner immediately prior to the happening of the Catastrophe, following an order for evacuation issued by a public or statutory authority, entity or person empowered by law to issue such an order due to the happening of the Catastrophe.

The amount payable will be reduced by any compensation payable by any public or statutory authority. The most We will pay for the Cost of Evacuation is 1% of the Sum Insured in total for all Lot Owners per Catastrophe.

For the purpose of this Optional Benefit only, the following additional Definitions apply:

- **Catastrophe** means any occurrence that gives rise to the declaration by the relevant authority of a state of emergency affecting the area in which the Buildings are situated.

- **Cost of Evacuation** means the costs incurred for any form of transport to the designated place of evacuation and subsequent return to the Location to resume permanent residency.
- **Increased Costs** means:
 - i. for Insured Property – the difference between the cost of Reinstatement or Replacement actually incurred in accordance with the Basis of Settlement provisions of this Section 1 and the cost of Reinstatement or Replacement that would have applied had the Catastrophe not occurred.
 - ii. for the Lot Owner Benefits and Additional Benefits – the difference between the amount payable for the costs, expenses, fees or other charges covered by the Lot Owner Benefits and/or Additional Benefits and that which would have been payable had the Catastrophe not occurred.

This Optional Benefit applies provided that the Sum Insured under Section 1 represents no less than 90% of the cost of Reinstatement or Replacement immediately prior to the Catastrophe.

7.2. Internal Paint and Wallpaper within Lot Owners' Lots

Where the Strata Act excludes paint and wallpaper within Lot Owners' Lots from the definition of Building, and this optional cover is specified in Your Policy Schedule as included, We will cover paint and wallpaper as if they were part of the Building.

Section 1 Exclusion 3.1(a) does not apply to this Optional Benefit.

7.3. Lot Owner's Floating Floorboards

Where You have included this Optional Benefit, and it is specified in Your Policy Schedule as included, We will cover Lot Owners Floating Floorboards as if they were part of the Buildings.

Section 1 Exclusion 3.1(a) does not apply to this Optional Benefit.

7.4. Flood

Where You have included this Optional Benefit, and it is specified in Your Policy Schedule as included, We will cover You for physical loss of or destruction of or damage to Insured Property caused by Flood.

The most We will pay for Optional Benefit in the Period of Insurance is the Limit of Liability for Flood set out in the Policy Schedule.

Section 1 Exclusion 3.2(c) does not apply to this Optional Benefit.

7.5. Market Value

Where You have included this Optional Benefit, and it is specified in Your Policy Schedule as included, We will cover You or the Lot Owner for the difference between the Reinstatement and Replacement value of the Buildings and the Market Value where:

Section 1 – Buildings and Common Contents

- a) Your Sum Insured for this Section 1 has been exhausted, and
- b) reinstatement of the damage is limited or restricted by:
 - i. any Act of Parliament or regulation under it; or
 - ii. any by-law or regulation of any municipal or other statutory authority.

The total amount that We will pay for this Optional Benefit is the difference between the Market Value of Your Buildings or individual Lots and the total Sum Insured for Buildings under this Section 1 but limited to:

- a) an amount equal to 20% of the Sum Insured; or
- b) with respect to an individual Lot, the proportional value, as represented by unit entitlements, of an amount equal to 20% of the Sum Insured,

whichever is the lesser.

For the purpose of this Optional Benefit only, the following additional Definition applies:

Market Value means the price the Buildings or Lot would sell in an open real estate market at the time of the physical loss, destruction or damage as determined by a licenced real estate valuer or other competent authority mutually agreed to by You and Us.

We will settle claims under this Optional Benefit directly with You or any Lot Owner as applicable.

8. How We Settle Your Claims

Unless otherwise shown in the Policy Schedule, claims will be settled on the basis of Reinstatement or Replacement and Extra Costs, as follows.

8.1. Reinstatement or Replacement

Means:

- a) where Your Insured Property is physically lost or destroyed, in the case of Buildings, the rebuilding of it, or in the case of Insured Property other than Buildings, the replacement of it, by similar property, in either case in a condition equal to but not better or more extensive than its condition when new.
- b) where Your Insured Property is damaged, the repair of the damage and the restoration of the damaged portion of Your Insured Property to a condition substantially the same as but not better or more extensive than its condition when new.

Claims for the cost of reinstating or replacing Your Insured Property physically lost, destroyed or damaged are subject to the following provisions:

- i. the work of rebuilding, or replacement, or repairing as the case may be (which may be carried out upon another site and in any manner suitable to Your requirements but subject to Our liability not being increased), must be commenced and carried out as soon as practicable, failing which We may be entitled to reduce or refuse a claim to the extent that We are prejudiced by any delay.
- ii. when any Insured Property to which this clause applies is physically lost, destroyed or damaged in part only, We will not pay more than the Sum Insured.
- iii. If you are unable to rebuild any Buildings destroyed, You may purchase alternative Buildings to replace those destroyed. This replacement will be deemed to constitute reinstatement for the purpose of this insurance but We will not under any circumstances be liable to make any payment beyond the cost that would have been incurred in rebuilding the buildings destroyed.
- iv. We will pay Common Contents up to a maximum of 1% of the Sum Insured or any other amount shown in the Policy Schedule whichever is the greater.

8.2. Extra Costs

We will also pay the extra cost of reinstatement including demolition or dismantling of Your Insured Property necessarily incurred to comply with the requirements, operative at the time of reinstatement, of:

- a) any Act of Parliament or regulation made under it; or
- b) any by-law or regulation of any municipal or other statutory authority,

provided in either case that:

- i. the work of reinstatement (which may be carried out wholly or partially upon another site if the Act, by-law or regulation so necessitates and subject to Our liability not being increased) must be commenced and carried out as soon as practicable, failing which We may be entitled to reduce or refuse a claim to the extent that We are prejudiced by any delay will not be liable to make any payment beyond the amount which would have been payable under this Section 1 if this clause had not been incorporated may be entitled to reduce or refuse a claim to the extent that We are prejudiced by any delay; and
- ii. the amount recoverable will not include the additional cost incurred in complying with any Act, by-law or regulation which You had been required to comply with prior to the happening of the physical loss, loss, destruction or damage.

8.3. Earthquake

You have to pay or contribute the greater of the Excess specified in Your Policy Schedule or the first \$500 in respect of loss, destruction or damage caused by or arising from earthquake, subterranean fire or volcanic eruption occurring during any one period of forty eight (48) consecutive hours.

8.4. Undamaged Foundations

When Your Insured Property is physically lost, destroyed or damaged and, due to the exercising of statutory powers or delegated legislation or authority by any government department, local government or other statutory authority, reinstatement of Your Insured Property is carried out upon another site or sites, We will pay for the value of any undamaged part of Your Insured Property, including foundations and footings, as if it had been destroyed. If the presence of the undamaged parts increases the sale value of the original site, then the increase will be regarded as salvage and will be payable to Us under the Policy.

All differences relating to the amount of any increase in site value will be referred to the decision of two registered valuers, one to be appointed by each of the parties to the Policy. If the two valuers fail to agree, their differences will be referred to the decision of a third valuer, nominated by the Chair of the Australian Property Institute (in the same state or territory as the Insured Property) as an expert, whose decision will be binding. The cost of the third valuer is to be shared equally by the parties.

8.5. Floor Space Ratio Index (Plot Ratio)

Where Buildings are damaged and reinstatement of the damage is limited or restricted by:

- a) any Act of Parliament or regulation under it, or
- b) any by-law or regulation of any municipal or other statutory authority,

resulting in either case in the reduction of the floor space ratio index (plot ratio) of the site, then We will pay in addition to any amount payable on reinstatement of the Buildings the difference between:

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

8.6. Replacement with Similar Property

Where the architectural features and structural materials of the Buildings possess a particularly ornamental, antiquarian or historical character, or the materials used in its construction are not readily available, the cost of reinstatement will be the cost of reinstating or replacing similar buildings of current design and materials and of reasonably equivalent utility and capacity.

9. Conditions Applying to this Section

9.1. Automatic Reinstatement of Sum Insured

- a) If We are liable for a claim (other than a total loss) under this Section 1, We will reinstate the Sum Insured to the amount shown in Your Policy Schedule at the time of the physical loss, destruction or damage in the following manner: for all claims for less than 5% of the Sum Insured, We will reinstate each Sum Insured for each claim at no additional premium.
- b) for any claims for more than 5% of the Sum Insured, then We may ask you to pay any additional premium that applies.

9.2. Claims Preparation Fees

We will pay in addition to the Sum Insured up to \$50,000 or any higher amount shown in the Policy Schedule for professional fees and other expenses for preparation of claims that You reasonably and necessarily incur with Our consent and which are not otherwise recoverable under the Policy.

10. Claims Examples

The following examples are designed to illustrate how a claim payment might typically be calculated. The examples do not cover all scenarios or all benefits and do not form part of the Policy terms and conditions. They are a guide only.

Example 1

Your Building has a Sum Insured of \$650,000. You are not registered for GST. Your Excess is \$500. There is a fire that starts from a heater in one of the units. The fire destroys the Building and We assess that it is a total loss. We assess the cost to rebuild is \$750,000 including GST, and have an Input Tax Credit Entitlement of 100%.

Your Sum Insured is not enough to cover the cost to rebuild. Accordingly we will settle up to the Building Sum Insured.

How much we pay:

Building Sum Insured:	= \$650,000
GST:	= \$65,000
Less Excess:	= \$500
Total claim:	= \$714,500

Please note that, if You are entitled to any Lot Owner Benefits under 5, or Additional Benefits under 6 they will be covered in addition to the Building Sum Insured.

Section 1 – Buildings and Common Contents

Example 2

Your Building has a Sum Insured of \$800,000. You are registered for GST, and have an Input Tax Credit Entitlement of 100%.

A leaking pipe in the Building causes damage to the ceiling in one of the units. We assess repairing the damage to the ceiling will cost \$4,400 including GST. The cost to repair the leaking pipe is \$440 including GST.

Your Excess is \$500

How much we pay:

Cost of ceiling repairs including GST:	= \$4,400
GST:	= \$400
Cost of ceiling repairs less GST:	= \$4,000
Cost to repair the pipes including GST:	= \$440
GST:	= \$40
Cost to repair the pipes less GST:	= \$400
Cost of ceiling repairs less GST:	= \$4,000
Cost to repair the pipes less GST:	= \$400
Less Excess:	= \$500
Total claim:	= \$3,900

Please note that, if You are entitled to any Lot Owner Benefits under 5, or Additional Benefits under 6 they will be covered in addition to the Building Sum Insured.

Example 3

Your Building has a Sum Insured of \$1,000,000. You are registered for GST.

A tropical cyclone damages Your Building. The cost to repair is \$550,000 including GST.

Your policy has a \$10,000 Peril Excess for tropical cyclone for each and every Event.

How much we pay:

Cost of repairs including GST:	= \$550,000
GST:	= \$50,000
Cost of repairs less GST:	= \$500,000
Peril Excess:	= \$10,000
Total claim:	= \$490,000

Please note that, if You are entitled to any Lot Owner Benefits under 5, or Additional Benefits under 6 they will be covered in addition to the Building Sum Insured.

Section 2 – Public Liability

1. Cover

This Section covers You against any claim for compensation or expenses that You become legally liable to pay for:

a) Personal Injury; or

b) Property Damage,

happening during the Period of Insurance and caused by an Occurrence in connection with Your Business.

2. Definitions Applying to this Section

Wherever the words listed below are used in this Section 2 and are capitalised they mean what is set out below:

2.1. Aircraft

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

2.2. Occurrence

An event which results in Personal Injury or Property Damage, neither expected nor intended from Your standpoint. All Personal Injury or Property Damage, arising out of continuous or repeated exposure to substantially the same general conditions, will be construed as arising out of one Occurrence.

The Occurrence will be determined by reference to the date on which the Personal Injury or Property Damage from the one source or originating cause first occurred.

2.3. Personal Injury

- a) Bodily injury (death and illness), disability, shock, fright, mental anguish, mental injury, loss of consortium; or
- b) false arrest, wrongful detention, false imprisonment or malicious prosecution, or malicious humiliation; or
- c) wrongful entry or eviction; or
- d) a publication or utterance of a libel or slander or other defamatory or disparaging material.

2.4. Pollutant

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

2.5. Property Damage

- a) Physical loss of, destruction of or damage to tangible property including any resulting loss of use of that property; or

- b) loss of use of tangible property which has not been physically lost, destroyed or damaged provided the loss of use is caused by physical loss of or destruction of or damage to some other tangible property.

2.6. Vehicle

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

2.7. Watercraft

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

3. How We Settle Your Claims

3.1. Limit of Liability

We will not pay more than the Limit of Liability for all compensation payable in respect of any one Occurrence.

The costs as described in 3.2 below are payable in addition to the Limit of Liability.

3.2. Defence of Claims

In addition to the cover in 3.1, We will pay:

- a) costs and expenses incurred by Us, or by You with Our prior written consent, not to be unreasonably withheld, in the investigation, settlement or defence of any claim for compensation for which You are entitled to cover under this Section 2; and
- b) reasonable costs of legal representation You necessarily incur with Our written consent not to be unreasonably withheld, at a coronial inquest or inquiry into any death which may be the subject of a claim for compensation covered under this Section 2; and
- c) other reasonable expenses You necessarily incur that We have agreed to reimburse; and
- d) compensation of \$250 per day if You are required to attend court in connection with a claim.

3.3. Contribution to Costs

If a payment exceeding the Limit of Liability has to be made to dispose of claims relating to an Occurrence, Our liability to pay costs and expenses under clause 3.2 is limited to the proportion the Limit of Liability bears to the amount required to be paid to dispose of the claims relating to the Occurrence.

4. Exclusions – What We Do Not Cover Under this Section

The following exclusions apply to Section 2 in addition to the General Exclusions.

We will not cover liability in respect of:

4.1. Employment Liability

- a) Personal Injury to any Employee arising directly or indirectly out of or in the course of their employment by You; or
- b) any claim or claims arising out of the provisions of any workers' compensation legislation or any industrial award or agreement or determination; or
- c) any claim for which You are or would have been entitled to seek indemnity under any policy of insurance required to be taken out pursuant to any legislation relating to workers' or workmen's compensation including any legislation of any State or Territory (whether insurance is effected or not).

For the purpose of this Exclusion 4.1 Employee means any person engaged under a contract of service or apprenticeship with You but does not include any person employed under such a contract who is excluded from the definition of worker under any workers' compensation legislation.

This Exclusion 4.1 does not apply to liability in respect of Personal Injury to any Employee where the legislation relating to workers' or workmen's compensation including any applicable legislation of any State or Territory does not provide cover and the reason why cover is not provided does not involve a breach by You of that legislation.

4.2. Property in Custody or Control

Property Damage to property owned by or leased or rented to You, or in Your physical and legal control.

4.3. Aircraft, Watercraft and Hovercraft

Claims arising out of the ownership, maintenance, operation or use by You of:

- a) any Aircraft;
- b) any Watercraft exceeding 8 metres in length; or
- c) any hovercraft or craft or vessel designed for travelling over land or water on a supportive cushion of air.

4.4. Vehicles

Personal Injury or Property Damage arising out of the ownership, possession, operation, maintenance or use by You of any Vehicle owned by You or in Your physical or legal control that is registered or required to be registered by law.

This Exclusion 4.4 does not apply to:

- a) Personal Injury or Property Damage caused by or arising from the delivery or collection of goods including loading and unloading to or from any vehicle beyond the limits of any public road;
- b) Property Damage caused by any wheelchair, garden equipment, golf carts or golf buggy; or
- c) liability in respect of Personal Injury where the compulsory liability insurance or statutory scheme does not provide cover and the reason why cover is not provided does not involve a breach by You of legislation relating to Vehicles.

4.5. Contractual Liability

Any liability assumed by You under any agreement except to the extent that:

- a) the liability would have been implied by law; or
- b) the liability arises from a provision in a contract for lease of real or personal property other than a provision which obliges You to effect insurance or provide indemnity in respect of any subject matter of that contract; or
- c) the liability is assumed by You under a warranty of fitness or quality as regards to Your products or services; or
- d) the liability is assumed by You in the course of Your Business under the terms of any written agreement with the company, person or firm appointed to manage Your Business except where liability arises out any negligence on their part or by their default in performing their obligations under the agreement; or
- e) the liability is assumed under those agreements specified in the Policy Schedule.

4.6. Professional Liability

A breach of a duty owed in a professional capacity (for example the provision of professional advice or services), including any treatment prescribed or administered by You.

This Exclusion does not apply to the rendering of, or the failure to render, first aid.

4.7. Defamation

The publication or utterance of defamatory or disparaging material:

- a) made prior to the effective date of this Policy; or
- b) made by You or at Your direction with knowledge of its falsity or in deliberate disregard thereof; or
- c) related to advertising, broadcasting, publishing or telecasting activities conducted by You or on Your behalf.

4.8. Pollution

- a) Personal Injury or Property Damage caused by or arising out of the discharge, dispersal, release or escape of Pollutants into or upon land, the atmosphere, or any water course or body of water, but this Exclusion does not apply if the discharge, dispersal, release or escape is sudden, identifiable, unexpected and unintended and takes place in its entirety at a specific time and place; or
- b) any costs and expenses incurred in the prevention, removing, nullifying or clean-up of the contamination or Pollutants but this Exclusion does not apply to clean-up, removal or nullifying expenses only, which are consequent upon a sudden, identifiable, unexpected, unintended happening taking place in its entirety at a specific time and place which results in Personal Injury or Property Damage.

4.9. Territorial Limits

- a) Claims and actions instituted within the United States of America or Canada or any other territory coming within the jurisdiction of the courts of the United States of America or Canada; or
- b) claims and actions to which the laws of the United States of America or Canada apply.

Provided that:

- i. this Exclusion does not apply to claims and actions arising from the presence outside Australia of any person who is normally resident in Australia and who is not undertaking manual work or supervision of work of any kind whilst in the United States of America or Canada; and
- ii. the Limit of Liability in respect of coverage provided under clause 4.9i. is inclusive of all costs, expenses and interest as set out in 3.2 of this Section 2.

4.10. Asbestos

Personal Injury or Property Damage resulting from the existence, mining, handling, processing, manufacture, sale, distribution, storage or use of asbestos, asbestos products or products containing asbestos.

4.11. Fines, Penalties or Liquidated Damages

Fines, penalties or liquidated damages.

4.12. Punitive Damages

Punitive damages, exemplary damages, aggravated damages and any additional damages resulting from the multiplication of compensatory damages.

4.13. Assault and Battery

Personal Injury or Property Damage caused by or arising from assault and battery committed by You or at Your direction, unless reasonably necessary for the protection of persons or property.

4.14. Information Technology Hazards, Computer Data, Programs and Storage Media

Personal Injury or Property Damage arising directly or indirectly out of or in any way involving Your Internet Operations.

This Exclusion does not apply to Personal Injury or Property Damage arising out of any material which is already in print by the manufacturer in support of its product, including but not limited to product use and safety instructions or warnings, and which is also reproduced on its site.

Internet Operations means the following:

- a) use of electronic mail systems by You or Your employees, including part-time and temporary staff, contractors and others within Your organisation; and
- b) access through Your network to the World Wide Web or a public internet site by Your employees, including part-time and temporary staff, contractors and others within Your organisation; and
- c) access to Your intranet (meaning internal company information and computing resources) which is made available through the World Wide Web for Your customers or others outside Your organisation; and
- d) the operation and maintenance of Your website.

4.15. Alteration, Additions and Construction

For any liability caused by or arising directly or indirectly out of or in connection with the construction, erection, demolition, underpinning, weakening or removal of support, alteration or installation work by You or on Your behalf, except to a building owned or occupied by You for the purpose of Your Business where the total cost of all work is not greater than \$500,000.

Section 3

Voluntary Workers Personal Accident

1. Cover

This Section covers Accidental Death or Injury to Insured Persons in the Period of Insurance while engaged in Voluntary Work.

Should any of the Events set out in the Table of Benefits happen to the Insured Person as the result of an Injury We will pay the Benefit set out next to that Event. The following Table of Benefits sets out the Events covered and the amount of the Benefits. The amount of the Benefit shown applies to each Insured Person.

Table of Benefits

Column A – Event	Column B – Benefit
1. Accidental Death	\$200,000
2. Total and loss of all sight in both eyes	\$200,000
3. Total and permanent Loss of use of both hands or both feet or one hand and one foot	\$200,000
4. Total and permanent Loss of use of one hand or one foot	\$200,000
5. Total and irrecoverable loss of all sight in one eye	\$200,000
6. Total disablement that entirely prevents an Insured Person from carrying out all of the normal duties of any or all of their usual profession(s), business(es) or occupation(s) in respect of each week of disablement up to a maximum of 104 weeks	\$2,000 per week
7. Partial Disablement that prevents an Insured Person from carrying out a substantial part of all the normal duties of their usual occupation, business or profession in respect of each week of disablement up to a maximum of 104 weeks	\$1,000 per week

2. Definitions Applying to this Section

Wherever the words listed below are used in this Section 3 and are capitalised, they mean what is set out below:

2.1. Accident

A sudden, external and identifiable event that happens by chance and could not have been expected from the perspective of the Insured Person. The word Accidental shall be construed accordingly.

2.2. Accidental Death

Death occurring as a result of an Injury.

2.3. Injury

Means bodily injury resulting from an accident, which is not an illness and:

- within 12 months of the bodily injury results, solely and independently of any other cause, in any one or more of the Events listed in the Table of Benefits;
- includes any condition resulting from exposure to the elements as a result of the bodily injury, and
- is not a Pre-Existing Medical Condition.

2.4. Insured Person

Means any person engaged in Voluntary Work on Your behalf.

2.5. Loss

Means, In connection with a limb or part of a limb, physical severance or permanent loss of use.

2.6. Partial Disablement

Means disablement as a result of Injury that prevents an Insured Person from carrying out a substantial part of all the normal duties of their usual occupation, business or profession.

2.7. Permanent

Having lasted, or where the medical evidence shows that it will last, twelve (12) months from the date of Injury and at the expiry of that period, being beyond hope of improvement in the opinion of a doctor relevant to the medical condition.

2.8. Pre-Existing Medical Condition

- any physical defect, condition, illness or disease for which treatment, medication or advice (including advice for treatment) has been received or prescribed by a doctor or dentist in the twelve (12) months prior to becoming an Insured Person under the Policy; or
- a condition, the manifestation of symptoms of which a reasonable person in the circumstances would be expected to be aware of an underlying condition in the three (3) months prior to becoming an Insured Person under the Policy.

2.9. Total Disablement

Means disablement as a result of Injury that entirely prevents an Insured Person from:

- carrying out all the normal duties of their usual occupation, business or profession; or
- where they are engaged in more than one occupation, business or profession, carrying out the normal duties of all of them.

Section 3 – Voluntary Workers Personal Accident

2.10. Voluntary Work

Means work or duties performed without promise of reward or remuneration from You or any other person or entity other than an honorarium for duties associated with the position of Office Bearer.

A voluntary worker does not mean any employee, contractor or person who receives payment, reward or remuneration for their services.

3. How We Settle Your Claims

If an Event in Column A in the Table of Benefits happens to an Insured Person as a result of Injury then We will pay to the Insured Person the corresponding amount in Column B.

We will only pay the amounts corresponding to Events 6 and 7 in the Table of Benefits where the Insured Person is in paid employment at the time of the Injury.

Where the Insured Person dies as a result of an accidental Injury, We will pay the Insured Person's executor or administrator.

4. Exclusions – What We Do Not Cover Under this Section

The following exclusions apply to Section 3 in addition to the General Exclusions.

We will not pay claims for any Event which is caused by or arises out of:

- a) illness or disease (except illness or disease resulting directly from medical or surgical treatment rendered necessary by any Bodily Injury); or
- b) suicide or intentional self-injury; or
- c) the Insured Person's criminal or illegal act; or
- d) the Insured Person being under the influence of alcohol or a drug other than a drug prescribed by a qualified medical practitioner; or
- e) any Injury suffered in an accident which occurred before this cover commenced; or
- f) pregnancy or childbirth (except for unexpected medical complications of emergencies arising from Injury); or
- g) a Pre-Existing Medical Condition.

5. Additional Benefits

Where an Insured Person suffers an Injury covered by this Section 3 while engaged in Voluntary Work, We will also pay the following costs and expenses where they arise following the Injury:

Cost and Expenses	Limit any one Injury
1. Travel expenses (other than ambulance services) in obtaining medical treatment	\$2,000
2. Reasonable cost of domestic assistance	\$5,000
3. Reasonable cost of home tutorial expenses if the Voluntary Worker is a full time student at a school or other registered education provider – up to \$250 per week	\$2,500
4. Reasonable costs of burial or cremation	\$200,000

6. Conditions Applying to this Section

6.1. Insured Person to Obtain Medical Advice

The Insured Person must obtain appropriate medical advice as soon as practicable after sustaining the Injury.

Failure to follow proper medical treatment or advice in accordance with the above may result in Us reducing Our liability under the Policy to the extent to which We have suffered any prejudice due to such failure.

6.2. Cost of Medical Examinations

We may require the Insured Person to undergo any reasonable medical examination or provide Us with a medical report or other information requested by Us in relation to a claim under this Section 3, in which case We will bear the cost of the examination, or of obtaining the report or other information.

6.3. Claims Preparation Fees

We will pay up to \$30,000 or any higher amount shown in the Policy Schedule for professional fees and other expenses for preparation of claims under this Section 3 that You reasonably and necessarily incur with Our consent, such consent not to be unreasonably withheld, and which are not otherwise recoverable under this Section 3.

Section 4 – Fidelity Guarantee

1. Cover

This Section covers You against loss of Funds as a result of theft, embezzlement, misappropriation, or fraud in the Period of Insurance.

The most We will pay for all loss during any one Period of Insurance is the Sum Insured shown in the Policy Schedule for this Section 4.

2. Excess

You must pay the Excess shown in the Policy Schedule in respect of each individual act of theft, embezzlement, misappropriation, conversion or fraud or series of related acts.

3. Definition Applying to this Section

Wherever the words listed below are used in this Section 4 and are capitalised, they mean what is set out below:

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 Lot Owners.

4. Additional Benefits

4.1. Auditors' Fees

Subject to the Sum Insured not otherwise being exhausted, We will also reimburse You for fees payable by You to external auditors that are reasonably and necessarily incurred to support a valid claim under this Section 4. The maximum amount We will pay for auditors' fees is \$2,500 per Period of Insurance.

4.2. Claims Preparation Fees

We will pay up to \$30,000 or any higher amount shown in the Policy Schedule for professional fees and other expenses for preparation of claims under this Section 4 that You reasonably and necessarily incur with Our consent, not to be unreasonably withheld, and which are not otherwise recoverable under the Policy.

5. Exclusions – What We Do Not Cover Under this Section

The following exclusions apply to Section 4 in addition to the General Exclusions.

We will not pay for:

- a) any fraudulent misappropriation unless You have exhausted any rights or entitlements to payments from any fidelity bond or fund legislation; or
- b) any theft, embezzlement, misappropriation, conversion or fraud committed by the same person or persons after the initial discovery of any loss where the person has been identified as causing the loss, and allowing a reasonable time for the Insured to take appropriate action to stop ongoing theft; or
- c) any claims for losses discovered more than twelve months after the cancellation of this Policy or normal expiration of the Policy; or
- d) any losses arising out of theft, embezzlement, misappropriation, conversion or fraud committed prior to the inception of the Policy; or
- e) personal money, securities or tangible property of Lot Owners.

6. Conditions Applying to this Section

6.1. Reinstatement of Sum Insured

If We have agreed to pay a claim (other than a claim where We pay the full Sum Insured) under this Section 4, We will reinstate the Sum Insured to the amount shown in Your Policy Schedule at the time of the loss. We will automatically reinstate the Sum Insured once only during each Period of Insurance for no additional premium. For any other reinstatement, You must pay apply for a reinstatement and if We agree to it pay or agree to pay Us any additional premium that applies.

Section 5 – Equipment Breakdown

1. Cover

This Section covers Breakdown of Plant and Equipment, and covers other Insured Property directly damaged by a Breakdown of Plant and Equipment, during the Period of Insurance.

The most We will pay for all losses during the Period of Insurance is the Sum Insured shown in the Policy Schedule for this Section 5.

2. Definitions Applying to this Section

2.1. Breakdown

Sudden and accidental physical damage to Plant and Equipment resulting in failure of the equipment which requires the repair or replacement of the equipment or a part of the equipment before normal operation can continue.

2.2. Boilers, Pressure Vessels and Pressure Pipe Systems

Any boiler, fired or unfired pressure vessel normally subject to vacuum or internal pressure other than static pressure of contents, any piping connected thereto and its accessory equipment, but not including the following:

- a) any boiler setting, any refractory or insulating material; or
- b) any part of a boiler or fired pressure vessel that does not contain steam or water; or
- c) any buried piping, drainage piping, sprinkler piping and its accessory equipment.

2.3. Electrical and Mechanical Equipment

Any mechanical or electrical equipment used for the generation, transmission or utilisation of mechanical or electrical power, but not including the following:

- a) i. any vehicle or mobile machinery; or
ii. any lift or elevator, moving walkway (travelator) or escalator.
However, a) i and ii do not apply to any gearbox, electrical, or Electronic Equipment used with such apparatus.
- b) mobile and fixed air-conditioning units servicing a Lot, or Volumetric Lot in Queensland.

2.4. Electronic Equipment

Any electronic machine, device or instrument used for research, diagnosis, treatment, communication, data processing, duplicating, monitoring or scanning.

2.5. Hazardous Substance

Any pollutant, contaminant or other substance declared by a government authority to be hazardous to health or the environment.

2.6. Insured Property

- a) Property You own; or
- b) property of others in Your care, custody or control and for which You are legally liable.

2.7. Plant and Equipment

Electrical and Mechanical Equipment, Boilers, Pressure Vessels and Pressure Pipe Systems and Electronic Equipment owned by You, or for which You are legally responsible, installed and ready for use at the Location, after completion of successful initial commissioning.

3. Additional Benefits

3.1. Expediting Expenses

Where there is a Breakdown of Plant and Equipment covered by this Section 5, We will pay the reasonable extra cost to:

- a) make temporary repairs; or
- b) expedite permanent repairs; or
- c) expedite permanent replacement,

of the Plant and Equipment or Insured Property which is directly damaged by the Breakdown.

The maximum We will pay for all claims during the Policy Period is \$25,000 under this Additional Benefit.

3.2. Service Interruption

We will cover you under Section 5 Additional Benefit 3.6 following breakdown of equipment during the Period of Insurance located at or within one thousand (1,000) metres of Your Location and which is not owned or operated by You.

This Additional Benefit only applies if the equipment:

- a) is of a type described in the definition of Plant and Equipment, except it is not installed at the Location; and
- b) would have been covered under this Section 5 if it was Plant and Equipment installed at the Location; and
- c) is owned by or a utility company at its location; and
- d) is used to supply telecommunication, electricity, air conditioning, heating, gas or water services to Your Location.

Section 5 – Equipment Breakdown

3.3. By-laws

Where there is in force a law, by-law, ordinance, regulation, rule or ruling regulating or restricting repair, alteration, use, operation, construction or installation of Insured Property, prior to a Breakdown of Plant and Equipment covered by this Section 5, We will pay the increase in cost of repair or replacement of both damaged and undamaged property (including any demolition and site clearing costs) which is necessary to meet the minimum requirements of the law, by-law, ordinance, regulation, rule or ruling.

The maximum We will pay for all claims during the Policy Period is \$25,000 under this Additional Benefit.

3.4. Hazardous Substances

If a Hazardous Substance is involved in or released by a Breakdown of Plant and Equipment covered by this Section 5, We will pay the increase in cost to repair, replace, clean up or dispose of, affected Insured Property.

The maximum We will pay for all claims during the Policy Period is \$10,000 under this Additional Benefit.

For the purpose of this Additional Benefit, increase in business interruption or increased cost of working means an additional amount incurred beyond that which would have otherwise been incurred by You had no Hazardous Substance been present.

3.5. Data Coverage

If, as a result of a Breakdown of Plant and Equipment covered by this Section 5, data is lost or damaged, We will pay the cost of gathering or reproducing the data.

The maximum We will pay for all claims during the Period of Insurance is \$5,000 under this Additional Benefit.

We will not pay for data which is lost or damaged as a result of programming errors of any kind including the inability of software to correctly read, recognise, save, process or interpret any date or time.

3.6. Loss of Rent and/or Temporary Accommodation

Following a Breakdown of Plant and Equipment covered by this Section 5, We will cover Loss of Rent of any Lot, Stratum Lot or Volumetric Lot and/or Temporary Accommodation of any Lot, which becomes un-tenantable as a result of the Breakdown.

We will only pay for Loss of Rent and/or Temporary Accommodation (for Lot Owners only) during the time reasonably necessary due to the Breakdown, but not exceeding 24 months.

Where Your Lot, Stratum Lot or Volumetric Lot is rented and You agree to a rental rebate as a direct result of such Breakdown, We will pay You the amount of that rebate. Annual Rentable Value will be the basis of calculation.

Our liability for Loss of Rent or Temporary Accommodation will be limited to 15% of the Sum Insured, unless otherwise stated in the Policy Schedule.

We will settle claims under this Additional Benefit directly with You or any Lot Owner (as applicable).

3.7. Claims Preparation Fees

We will pay up to a maximum of \$30,000 or any higher amount shown in the Policy Schedule for professional fees and other expenses for preparation of claims under this Section 5 that You reasonably and necessarily incur with Our consent, not to be unreasonably withheld and which are not otherwise recoverable under the Policy.

4. How We Settle Your Claims

- a) For damage to Plant and Equipment or other property covered by this Section 5, We will pay You the lesser of the cost at the time of the Breakdown:
- to repair; or
 - to replace with similar property (not necessarily new) of like kind, capacity, size, quality and function.

We will not pay:

- for cost of repairing any part or parts of a piece of equipment which is greater than the cost of repairing or replacing the entire piece of equipment; or
- more than the cost for You to replace the property with other property of like kind, capacity, size, quality and function; or
- more than the cost for You to replace the property at the same or adjacent Location; or
- loss or damage to property which was useless or obsolete to You prior to the Breakdown occurring.

If You do not repair or replace the damaged property within 24 months after the date of the Breakdown then We will only pay for the cost of replacing the damaged property with property of similar kind, capacity, size, quality and function less depreciation however caused.

The age, condition and normal life expectancy of the property will be used in determining depreciation.

- b) We will reduce the amount We pay for each claim by the amount of the Excess shown in the Policy Schedule.

Section 5 – Equipment Breakdown

5. Exclusions – What We Do Not Cover Under this Section

The following exclusions apply to Section 5 in addition to the General Exclusions.

We will not pay for:

5.1. Section 1

Any loss covered by Section 1 of the Policy including optional or additional benefits covered by Section 1 of the Policy.

5.2. Loss or damage caused by or arising from:

- a) Flood; or
- b) fire, smoke or soot; or
- c) extinguishing a fire including subsequent demolition or repair work; or
- d) lightning; or
- e) chemical explosion (other than explosion of flue gas in boilers); or
- f) impact of land borne vehicles, aircraft or water borne craft; or
- g) earthquake, subterranean fire or volcanic eruption; or
- h) landslip or subsidence; or
- i) storm, tempest, windstorm or cyclone; or
- j) water escaping, discharged or leaking from any source which is external to the Plant and Equipment insured; or
- k) theft or attempted theft; or
- l) intentional or malicious damage; or
- m) depletion, deterioration, corrosion or erosion of material; or
- n) wear and tear; or
- o) vibration or misalignment; or
- p) the functioning of any safety device or protective device; or
- q) the failure of a structure or foundation supporting the equipment or a part of the equipment.

5.3 Loss or damage to:

- a) In relation to Section 5, 2.1 Boilers, Pressure Vessels and Pressure Pipe Systems:
 - i) any boiler setting, any refractory or insulating material;
 - ii) any part of a boiler or fired pressure vessel that does not contain steam or water; or
 - iii) any buried piping, drainage piping, sprinkler piping and its accessory equipment.

- b) In relation to Section 5, 2.3 Electrical and Mechanical Equipment:
 - i) any vehicle or mobile machinery; or
 - ii) any lift or elevator, moving walkway (travelator) or escalator.

However, i) and ii) do not apply to any gearbox, electrical or Electronic Equipment used with such apparatus.
 - iii) mobile and fixed air-conditioning units servicing a Lot, or Volumetric Lot in Queensland.

6. Conditions Applying to this Section

6.1. General Conditions

On the happening of any occurrence which might give rise to a claim under this Section 5 You must, in addition to complying with the General Conditions (Claims):

- a) take all reasonable steps to minimise the extent of the loss; and
- b) preserve any damaged or defective Plant and Equipment or items and make them available to Us for inspection, where it is safe and reasonable to do so.

6.2. Engineering Repair Practices

We will not pay for loss or damage to any Plant and Equipment which has been damaged and operated without having been repaired in a manner consistent with the generally accepted rules of engineering practice.

6.3. Reinstatement of Sum Insured

If We agree to pay a claim (other than a claim where We pay the full Sum Insured) under this Section 5, We will reinstate the Sum Insured to the amount shown in Your Policy Schedule at the time of the Breakdown.

We will automatically reinstate the Sum Insured once only during each Period of Insurance. For any other reinstatement, You must apply for a reinstatement and if We agree to it, pay or agree to pay Us any additional premium that applies.

Section 6 – Office Bearers’ Liability

1. Cover

This Section covers:

- a) Office Bearers against Loss arising from any Claim by reason of any Wrongful Act while acting in their capacity as Office Bearers which is:
 - i. first made against them jointly or severally during the Period of Insurance; and
 - ii. notified to Us as soon as reasonably practicable during the Period of Insurance.
- and
- b) You against Loss for which You may become vicariously liable or for which You grant indemnity to any Office Bearer as permitted or required by law arising from any Claim by reason of any Wrongful Act committed by any Office Bearer while acting in their capacity as Office Bearer where the Claim is:
 - i. first made against You, or any Office Bearer jointly or severally, during the Period of Insurance; and
 - ii. notified to Us as soon as reasonably practicable during the Period of Insurance.

The most We will pay for all Losses in respect of any one Period of Insurance is the Limit of Liability shown in the Policy Schedule.

2. Definitions Applying to this Section

Wherever the words listed below are used in this Section 6 and are capitalised, they mean what is set out below:

2.1. Claim(s)

- a) Any writ, summons, application or other originating legal or arbitral process, complaint, charge, cross claim, or counter-claim issued against or served upon You or any Office Bearer alleging any Wrongful Act; or
- b) any written demand alleging any Wrongful Act against You or any Office Bearer.

2.2. Defence Costs

Costs, charges and expenses (other than Your fees, salaries or salaries of Your Employees) incurred by Us or with Our written consent (Our consent is not to be unreasonably withheld) in the investigation, defence, monitoring or settlement of any Claim or proceedings and appeals arising from them together with the costs of appeal.

2.3. Employee

Any person who was, is or may become under a contract of service with You.

2.4. Loss

- a) Legal liability to pay damages, judgments, settlements, awards or orders for costs; and
- b) Defence Costs.

2.5. Representation Costs

All reasonable and necessary legal fees, costs and expenses incurred by Us or with Our prior written consent (Our consent is not to be unreasonably withheld) solely for any legally compellable attendance by an Office Bearer at any official investigation into the affairs of the Owners Corporation, Strata Corporation, Community Title, Body Corporate or like entity stated in the Policy Schedule.

2.6. Wrongful Act

Any actual or alleged breach of duty, breach of trust, neglect, error, misstatement, misleading statement, defamation, failure to act, 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 their capacity as:

- a) an Office Bearer, or any matter claimed against them solely by reason of them acting in this capacity for You; or
- b) an Office Bearer on a related building management committee, provided that they are at the material time also an Office Bearer or committee member, nominee or director of You and they hold office on the related building management committee in that capacity only.

3. Exclusions – What We Do Not Cover Under this Section

The following exclusions apply to Section 6 in addition to the General Exclusions.

We will not cover liability under this Section 6 arising out of or in connection with:

3.1. Bodily Injury or Property Damage

- a) Any actual or alleged bodily injury, sickness, disease or death of any person; or
- b) any actual or alleged damage to or destruction of tangible property, including loss of use of the property; or
- c) any mental anguish or emotional distress,

but this Exclusion 3.1 will not apply to:

- i. loss or damage to documents which are the Office Bearer’s property or entrusted to the Office Bearer, or costs and expenses incurred by the Office Bearer in replacing or restoring the documents; or
- ii. liability of the Office Bearer arising from the Office Bearer failing to obtain public liability insurance for You.

3.2. Dishonesty

Any Claim brought about or contributed to by any dishonest, fraudulent, criminal or malicious act or failure to act of any Office Bearer.

However, this Exclusion 3.2 will not apply to:

- a) any party not committing or condoning any such act or failure to act; or
- b) the costs of a successful defence of such a claim.

3.3. Asbestos

Any Claim directly or indirectly caused by, in respect of or in any way connected with asbestos or any material containing asbestos in any way.

3.4. Fines and Penalties

Any fine, penalty or punitive, exemplary, additional or like damages but this Exclusion will not exclude fines and penalties of a compensatory nature.

3.5. USA/Canada Legal Action

Any matter where action for damages or compensation is brought against You or an Office Bearer in a court of law within the jurisdiction of the United States of America or Canada or territories or protectorates of them, or to enforce a judgment of their courts.

3.6. Prior Claims and Circumstances

- a) Any Claim made or threatened or in any way intimated before the commencement of the Period of Insurance; or
- b) any Wrongful Act committed prior to the retroactive date specified in the Policy Schedule; or

- c) any facts or circumstances existing prior to or at the inception of this Section 6 and which You or the Office Bearer knew, or a reasonable person in the circumstances could be expected to know, prior to the inception date of this Section 6, might give rise to a Claim; or
- d) any notice of facts or circumstances given under any other policy that expired prior to the inception of this Section 6; or
- e) any facts or circumstances disclosed by You or any Office Bearer or on Your or his or her behalf in applying for this insurance.

For the purpose of this Exclusion no fact pertaining to or knowledge possessed by any Office Bearer shall be imputed to any other Office Bearer.

3.7. Improper Gain

Any profit or advantage gained by an Office Bearer where the Office Bearer was not legally entitled to the profit or advantage or where the Office Bearer may be held accountable to You for the profit or advantage.

3.8. Unauthorised Payments

Any Office Bearer being given or taking money or a gratuity without Your authorisation where Your authorisation is necessary pursuant to constitution or other governing rules.

3.9. Conflict

Any conflict of duty or interest of an Office Bearer.

3.10. Abuse of Power

Any intentional exercise of power by any Office Bearer where the exercise of that power is for a purpose other than that for which the power was conferred.

4. Additional Benefits

4.1. Advance Payment of Defence Costs

Where indemnity has been granted and confirmed in writing by Us in relation to any Claim, We will pay all reasonable Defence Costs arising from the Claim as and when they are incurred and prior to the finalisation of the Claim provided that You obtain Our written consent prior to incurring Defence Costs, such consent not to be unreasonably withheld.

We reserve the right to recover any Defence Costs advanced in the event and to the extent that it is agreed or subsequently established by judgment or other final adjudication that You were not entitled to be indemnified under this Section 6.

4.2. Representation Costs

We agree to pay Representation Costs provided that notice of the investigation is first received by the Office Bearer or You and notified to Us during the Period of Insurance. The maximum amount We will pay under this Additional Benefit is \$100,000 any one Claim.

4.3. Continuous Cover

Should a Claim, fact or circumstance arise which should have been or could have been notified to Us under a prior office bearers liability insurance policy issued by Us, We will accept notification of the Claim, fact or circumstance under this Section 6, subject to the following:

- a) We have continuously been the insurer under an office bearers legal liability insurance policy between the date when the notification should or could have been given and the date when the notification was in fact given; and
- b) there was no fraudulent non-compliance with Your duty of disclosure or fraudulent misrepresentation by You in respect of the Claim, fact or circumstance; and
- c) the terms and conditions applying to any Claim, fact or circumstances will be the terms and conditions, including the limit of liability and excess, applicable to the office bearers liability insurance policy in force at the date upon which the notification could or should have been given.

4.4. Extended Reporting Period

If We refuse to offer any renewal terms for the Policy at the end of the Period of Insurance for any reason other than non-payment of premium or fraudulent nondisclosure or misrepresentation, and provided You have not obtained any other replacement policy providing substantially the same cover as the Policy then should a Claim, fact or circumstance arise within 30 days following the expiry date of the Policy We will, accept notification of the Claim, fact or circumstance being made in accordance with the provisions of this Section 6, accept the notification of the Claim, fact or circumstance being made within that 30 days period and in accordance with the provisions of this Section 6. The terms and conditions applicable to the notification will be the terms and conditions, including the Limit of Liability and Excess that apply under this Section 6.

5. Conditions Applying to This Section

5.1. Claims

- a) You must give *isStrata* notice as soon as practicable and in writing of:
 - i. any Claim made against You or any Office Bearer, or
 - ii. any circumstances of which You or any Office Bearer becomes aware which might subsequently give rise to a Claim against You or any Office Bearer.
- b) more than one Claim involving the same Wrongful Act will be deemed to constitute a single Claim and the Claim will be deemed to have been made against You or an Office Bearer on the first of the following dates:
 - i. the date the first Claim involving the Wrongful Act was made against You or an Office Bearer; or
 - ii. the date upon which You or an Office Bearer first became aware of any intention to hold You or an Office Bearer responsible for the results of a Wrongful Act; or
 - iii. the date upon which You or an Office Bearer first became aware of any circumstances which might subsequently give rise to a Claim.
- c) where the one Wrongful Act results in more than one Claim which is the subject of indemnity under this Section 6, all of the Claims will jointly constitute one Claim under this Section 6.
- d) You and any Office Bearer must give Us any information and co-operation as We may reasonably require.
- e) You and any Office Bearer must not admit liability for or settle any Claim or incur any costs, charges or expenses without Our written consent which shall not be unreasonably withheld, delayed or conditioned.

In any event, no action may be taken which might prejudice Us.

You and any Office Bearer will not be required to contest any legal proceedings unless legal counsel (to be mutually agreed upon by You and Us) advises that the proceedings should be contested.

- f) We will not settle any Claim without Your consent. If, however, You refuse to consent to any settlement recommended by Us, and elect to contest or continue any legal proceedings in connection with the Claim, then Our liability for the Claim will not exceed the amount for which the Claim could have been settled, plus the costs, charges and expenses incurred with Our consent up to the date of Your refusal, and then only up to the amount of the Limit of Liability.

- g) in the event of any payment under this Section 6, We will be entitled, to the extent of the payment, to all rights of recovery that You or any Office Bearer may have and You and the Office Bearers must execute all papers required and do everything that is necessary to secure and preserve these rights, including the execution of any documents that are necessary to enable Us to effectively bring a suit in Your name.

We agree not to exercise any of these rights against any Office Bearer or Employee unless the Claim is brought about by or contributed to by the dishonest, criminal or malicious act (including failure to act) of the Office Bearer or Employee.

- h) notice of a Claim under this Section 6 will be deemed given to Us if given to:

isStrata

PO Box 56, Bowral NSW 2576

Telephone: 02 4851 4017

claims@is-insurance.com.au

5.2. Excess

We will be liable under Insuring Clauses 1a) and 1b) of this Section 6 to pay only amounts over and above the Excess.

The Excess applies to each and every Claim and the amount of the Excess is to be borne by You.

The Excess does not apply to Defence Costs.

5.3. Non-Imputation and Severability

Where this Section 6 insures more than one party, any conduct on the part of any one party or parties where the party or parties:

- a) failed to comply with the duty of disclosure in terms of the Insurance Contracts Act 1984 (Cth); or
 - b) made a misrepresentation to Us before the contract was entered into; or
 - c) failed to comply with any terms or conditions of this Section 6,
- will not prejudice the right of the other party or parties to indemnity as may be provided by this Section 6, subject to the following:
- i. the party or parties so indemnified must be entirely innocent of and have no prior knowledge of any of the conduct; and
 - ii. 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.

5.4. Cross Liability

We will insure the Office Bearer for their liability to another Office Bearer as if that other Office Bearer were not a party to the Policy under this Section 6. Provided that Our Limit of Liability and any Additional Benefits will apply as though there were not separate policies issued to each Office Bearer.

5.5. Liability Not to be Admitted

Neither You nor any Office Bearer may admit liability for or settle any claim or incur any Defence Costs in connection with any claim without Our written consent, consent which shall not be unreasonably withheld, delayed or conditioned.

5.6. Our Right to Take Over Legal Proceedings

We shall be entitled to take over and conduct, in Your name or in the name of any Office Bearer, any proceedings arising out of or relating to any Claim covered under this Section 6.

5.7. Claims Preparation Fees

We will pay up to \$30,000 or any higher amount shown in the Policy Schedule for professional fees and other expenses for preparation of claims under this Section 6 that You reasonably and necessarily incur with Our consent, not to be unreasonably withheld, and which are not otherwise recoverable under the Policy.

Section 7 – Government Audit Costs, Workplace Health and Safety Breaches and Legal Expenses

This Section covers You against Costs and expenses as described in Covers A, B and C.

Cover A – Taxation and Audit Costs

1. Cover

We will cover You for the reasonable Costs that You incur following notification received by You and notified to Us during the Period of Insurance of an audit or investigation of Your taxation or financial affairs by the Australian Taxation Office or by a Commonwealth, State or Territory department, statutory body or agency relating to Your liability to pay income tax, fringe benefits tax, capital gains tax, wholesale and sales tax, payroll tax, goods and services tax or superannuation contributions tax.

2. Limit of Liability

The most We will pay in total for all claims during the Period of Insurance is the Limit of Liability shown in the Policy Schedule for this Section 7.

3. Definitions Applicable to this Cover A

3.1. Costs

Professional fees paid to accountants or registered tax agents or other professional persons or consultants engaged by or at the recommendation of Your accountant with Our prior written approval for work undertaken in connection with the audit or investigation, but not Your employees.

4. Exclusions – What We Do Not Cover Under this Section A

The following exclusions apply to Section 7A in addition to the General Exclusions.

We will not be liable under this Cover A:

- a) for any tax, fines, penalties, court costs, penalty tax or interest; or
- b) for Costs incurred after completion of the audit or investigation; or
- c) in respect of any audit or investigation, notice of which or information as to their likely conduct was received by You or any person acting on Your behalf prior to the commencement of the Period of Insurance; or

- d) for any claim arising from circumstances that You knew of prior to the inception of this Section 7; or
- e) for any claim arising from Your improper, unwarranted or unjustified refusal or failure to comply with any lawful request made by a Federal or State Commissioner of Taxation for the production of documents or the supply of information;
We will not deem refusal or failure to comply to be improper, unwarranted or unjustified if You refuse or fail to comply upon the written advice of Your accountant or tax agent; or
- f) for any claim arising out of fraud or any fraudulent act or failure to act committed by You or on Your behalf; or
- g) for any claim arising from audits or investigations which result from You, or any person acting on Your behalf, becoming aware of any error or deficiency in any return of income or other documentation supplied to a Federal or State Commissioner of Taxation and failing to notify the Commissioner of Taxation as soon as practicable once You become so aware.

5. Conditions Applying to this Cover A

5.1. Returns

You must lodge taxation and other returns within the time limits applicable to those returns as prescribed or otherwise agreed by the Australian Taxation Office or State Commissioner of Taxation.

You must make full and complete disclosure of all assessable income (including capital gains), as required by any relevant legislation.

5.2. Claims

In the event of a claim:

- a) You must at all times keep Us fully and continually informed of all material developments in relation to the claim and in relation to any audit; and
- b) You must take all necessary and reasonable steps to minimise any delays and the amount of any Costs incurred or likely to be incurred in connection with any audit; and
- c) We or Our duly appointed agent may make Our own investigation into any matter which is or may be the subject of a claim; and
- d) You must ensure that Your accountant, registered tax agent and solicitor cooperate with Us and where necessary, assist Us in relation to any claim, and assist Us with any matter We wish to pursue with the Commissioner of Taxation which is, or may be, the subject of a claim.

Section 7 – Government Audit Costs, Workplace Health and Safety Breaches and Legal Expenses

6. Excess Applying to this Cover A

6.1. Excess

We will reduce the amount We pay for each claim by the amount of the Excess shown in the Policy Schedule.

Cover B – Workplace Health and Safety Breaches

1. Cover

- 1.1. We will cover You for legal fees, costs, expenses and disbursements reasonably incurred by You in appealing against any:
- a) imposition of an improvement or prohibition notice; or
 - b) determination by any review committee, arbitrator, tribunal or court,
made under any workplace, occupational health and safety or similar legislation in the Period of Insurance.
- 1.2. We will only cover You:
- a) if the imposition of an improvement or prohibition notice or determination arises from Your failure to provide or maintain so far as is reasonable:
 - i. a safe working environment or system of work; or
 - ii. plant and equipment in a safe condition; or
 - iii. adequate facilities for the welfare of Your employees;and
 - b) if You have obtained Our prior written consent, not to be unreasonably withheld, to the lodgement of the appeal. We will only agree to the appeal if Our legal advisor considers that there are reasonable prospects of the appeal being successful; and
 - c) if the improvement or prohibition notice or determination by any court or tribunal is first made or brought against You during the Period of Insurance and You report it to Us during the Period of Insurance or within 30 days after the expiry of the Period of Insurance.

2. Limit of Liability

The most We will pay in respect of all legal fees, costs, expenses and disbursements You incur in connection with an appeal covered by this Section 7, is the Limit of Liability specified in the Policy Schedule any on Period of Insurance.

3. Extension of Cover to this Cover B

3.1. Continuous Cover

Should a notice, determination, fact or circumstance arise which should have been or could have been notified to Us under a prior government audit costs and legal expenses insurance policy issued by Us, We will accept notification of the notice, determination, fact or circumstance under this Cover B of Section 7, subject to the following:

- a) We have continuously been the Insurer under a government audit costs and legal expenses insurance policy between the date when the notification should have been given and the date when the notification was in fact given; and
- b) there was no fraudulent non-compliance with Your duty of disclosure or fraudulent misrepresentation by You in respect of the notice, determination, fact or circumstance; and
- c) the terms and conditions applying to any notice, determination, fact or circumstances will be the terms and conditions, including the limit of liability and excess, applicable government audit costs and legal expenses insurance policy in force at the date upon which the notification could or should have been given.

4. Exclusions – What We Do Not Cover Under this Cover B

The following exclusions apply to Section 7B in addition to the General Exclusions.

We will not cover You under this Cover B for:

- a) any legal fees, costs, expenses or disbursements in respect of or in connection with or arising from:
 - i. the defence or opposition by You of the imposition of any improvement or prohibition notice; or
 - ii. the defence or opposition by You of any determination by any review committee, arbitrator, tribunal or court; or
 - iii. any imposition or determination made under any workplace, occupational health and safety or similar legislation; or
 - iv. any imposition or determination that You knew of prior to the commencement of the Period of Insurance, except to the extent provided under 3. Extension of Cover to this Cover B; or
- b) any legal fees, costs, expenses or disbursements in respect of or in connection with any notice or determination in any way connected with asbestos or materials containing asbestos.

Section 7 – Government Audit Costs, Workplace Health and Safety Breaches and Legal Expenses

5. Excess Applying to This Cover B

5.1. Excess

We will reduce the amount We pay for each claim by the amount of the Excess shown in the Policy Schedule.

Cover C – Legal Defence Expenses

1. Cover

1.1. We will cover You for Legal Expenses incurred with Our written consent, not to be unreasonably withheld, in connection with a Claim first made or brought against You in the Period of Insurance and notified to Us during the Period of Insurance or within 30 days after the expiry of the Period of Insurance, provided the Claim:

- a) is in connection with the conduct of Your Business affairs; or
- b) is under or is alleging a breach by You of the Competition and Consumer Act 2010 (Cth) or any other applicable consumer protection legislation; or
- c) is arising out of a dispute with a current, past or prospective employee concerning the terms and conditions of their employment with You or civil or criminal proceedings under any anti-discrimination, workplace discrimination, harassment and/or bullying legislation.

2. Limit of Liability

The most We will pay for any one Claim and in the aggregate in any one Period of Insurance is the Limit of Liability specified in the Policy Schedule.

3. Definitions Applicable to this Cover C

Wherever the words listed below are used in this Cover C and are capitalised, they mean what is set out below:

3.1. Claim

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

3.2. Legal Expenses

- a) fees, expenses and other disbursements reasonably incurred by a solicitor, barrister, assessor, consultant, investigator or other person appropriately qualified to act on Your behalf in connection with any Claim brought against You including costs and expenses of expert witnesses as well as such costs incurred by Us on Your behalf in connection with any of these Claims; and
- b) subject to clause 7.1, legal fees, expenses and other disbursements reasonably and necessarily incurred in appealing or resisting an appeal from the judgment or determination of a court, arbitrator or tribunal.

3.3. Contribution

The proportion of Legal Expenses incurred above the Excess, specified as a percentage in Your Policy Schedule, which is payable by You.

4. Exclusions – What We Do Not Cover Under this Cover C

The following exclusions apply to Section 7C in addition to the General Exclusions.

We will not cover Legal Expenses in connection with any Claim:

- a) caused by, arising out of, in respect of or in any way connected with asbestos or materials containing asbestos; or
- b) arising from an act, failure to act, liability or event for which cover is provided under Section 2 Public Liability or Section 6 Office Bearers' Liability, whether or not You have taken out insurance under those Sections; or
- c) arising from facts or circumstances that You knew of prior to the commencement of the Period of Insurance, except to the extent provided under Extension of Cover to this Cover C; or
- d) arising from a deliberate act, including a deliberate act of fraud or dishonesty, on Your part if a judgment or other final adjudication adverse to You establishes that the act was committed or attempted by You with actual dishonest purpose or intent and was material to the cause of action so adjudicated; or
- e) between You and Us.

5. Extension of Cover Applicable to this Cover C

5.1. Continuous Cover

Should a Claim, fact or circumstance arise which should have been or could have been notified to Us under a prior government audit costs and legal expenses insurance policy issued by Us, We will accept notification of the Claim, fact or circumstance under this Section 7, subject to the following:

Section 7 – Government Audit Costs, Workplace Health and Safety Breaches and Legal Expenses

- a) We have continuously been the Insurer under a government audit costs and legal expenses insurance policy between the date when the notification should have been given and the date when the notification was in fact given; and
- b) there was no fraudulent non-compliance with Your duty of disclosure or fraudulent misrepresentation by You in respect of the Claim, fact or circumstance; and
- c) the terms and conditions applying to any Claim, fact or circumstance will be the terms and conditions, including the Limit of Liability and Excess, applicable to government audit costs and legal expenses insurance policy in force at the date upon which the notification could or should have been given.

6. Excess Applying to this Cover C

6.1. Excess

We will reduce the amount We pay for each Claim by the amount of the Excess shown in the Policy Schedule.

6.2. Contribution

In addition to the Excess applicable to Cover C of this Section 7, You are also required to pay a Contribution for each Claim. The Contribution applies to any amount left after the Excess has been deducted from the amount of Your Claim.

The following are examples of how Contribution may affect your cover under this Section 7:

Claim example 1

Claim for breach of Competition and Consumer Act 2010 (Cth) (First Claim in the Period of Insurance).

Limit of Liability	\$50,000
Excess	\$5,000
Contribution percentage	20%
Legal Expenses incurred	\$60,000
Legal Expenses net of Excess is	\$55,000 (\$60,000 less \$5,000 Excess).
Your Contribution is	\$11,000 (20% of \$55,000).
Your payment is	\$16,000 (\$5,000 Excess plus \$11,000 Contribution).
Our payment is	\$44,000 (\$55,000 less \$11,000).

Therefore, the balance of the Limit of Liability is \$6,000 for any subsequent Legal Expenses Claims in the same Period of Insurance.

Claim example 2

Claim for breach of Competition and Consumer Act 2010 (Cth) second loss in the same Period of Insurance as claim example one above.

Legal Expenses incurred	\$20,000
Excess	\$5,000
Contribution percentage	20%
Legal Expenses net of Excess is	\$15,000 (\$20,000 less \$5,000 Excess).
Your Contribution is	\$3,000 (20% of \$15,000).
Your payment is	\$8,000 (\$5,000 Excess plus \$3,000 Contribution).
Our payment is	\$6,000 which is the remaining Limit of Liability available after payment of the first claim above. This means You are also liable to pay an additional \$6,000 toward this claim).

Therefore, the Limit of Liability is exhausted and You have no cover available for Legal Expenses in connection with any subsequent Claims made or brought against You in the same Period of Insurance.

7. Condition Applicable to this Cover C

7.1. Appeal Procedure

If You are dissatisfied with any decision made by a court or tribunal and wish to appeal against that decision You must advise Us in writing of Your intention to appeal at least five (5) business days prior to the expiry of the time for instituting an appeal or as soon as practicable if the time allowed by law to appeal, such consent not to be unreasonably withheld, is less than five (5) clear business days. You must obtain Our written consent to the appeal if You want us to cover any of those Legal Expenses under this Cover C.

If You or Us are dissatisfied with any decision made by a court or tribunal and wish to appeal that decision We will seek Your co-operation in the bringing of such an appeal based upon potential success from the appointed legal advisor.

7.2. Insurer Consent and Specialist Advice

We will only cover Legal Expenses in connection with any Claim which You have pursued or defended:

- i) if you obtain Our prior written consent, such consent not to be unreasonably withheld; and
- ii) You follow the advice of the solicitor, barrister, assessor, consultant, investigator or other person acting on Your behalf.

General Exclusions

These General Exclusions apply to all Sections of this Policy.

We will not cover:

1. War

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

2. Terrorism

- a) Loss, damage, cost or expense of whatsoever nature directly or indirectly caused by, resulting from or in connection with any Act of Terrorism regardless of any other cause or event contributing concurrently or in any other sequence to the loss; or
- b) loss, damage, cost or expense of whatsoever nature directly or indirectly caused by, resulting from or in connection with any action taken in controlling, preventing, suppressing or in any way relating to any Act of Terrorism.
- c) any Act of Terrorism including any action taken in controlling, preventing, suppressing or in any way relating to an act that includes the release of germs, disease or other contagion or contaminants or detonation of any device employing atomic or nuclear fission and/or fusion or other like reaction or radioactive force or matter including but not limited to the use of any device, whether or not a weapon of war, which disperses or releases radioactive matter.

Exclusion 2a) and 2b) does not apply if the reinstatement and replacement value of Your Buildings at the time of the loss or damage is \$50,000,000 or less.

3. Radioactivity

Loss, damage, disablement or liability directly or indirectly caused by or contributed to by or arising from ionising radiation from, or contamination by radio-activity from, any nuclear fuel or nuclear waste from the combustion of nuclear fuel.

4. Intentional Damage

Damage or liability intentionally caused or incurred by:

- a) You; or
- b) a person acting with Your express or implied consent, unless for the purpose of preventing or eliminating danger to persons or property.

5. Property Cyber and Data

- a) any:
 - i. Cyber Loss, unless subject to the provisions of clause b);
 - ii. loss, damage, liability, claim, cost, expense directly or indirectly caused by, contributed to by, resulting from, arising out of or in connection with any loss of use, reduction in functionality, repair, replacement, restoration or reproduction of any Data, including any amount pertaining to the value of such Data, unless subject to the provisions of clause c);
- regardless of any other cause or event contributing concurrently or in any other sequence.
- b) We cover physical loss or physical damage to property insured under this Policy caused by any ensuing fire or explosion which directly results from a Cyber Incident, unless that Cyber Incident is caused by, contributed to by, resulting from, arising out of or in connection with a Cyber Act including, but not limited to, any action taken in controlling, preventing, suppressing or remediating any Cyber Act.
 - c) where Data Processing Media owned or operated by the Insured suffer physical loss or physical damage insured by this Policy, then We will cover the cost to repair or replace the Data Processing Media itself plus the costs of copying the Data from back-up or from originals of a previous generation.
 - d) if such media is not repaired, replaced or restored the basis of valuation shall be the cost of the blank Data Processing Media.

We do not cover:

- e) costs for or related to research and engineering nor any costs of recreating, gathering or assembling the Data.
- f) any amount pertaining to the value of such Data, to the Insured or any other party, even if such Data cannot be recreated, gathered or assembled.

Definitions applying to this exclusion:

- g) Cyber Loss means any loss, damage, liability, claim, cost or expense directly or indirectly caused by, contributed to by, resulting from, arising out of or in connection with any Cyber Act or Cyber Incident including, but not limited to, any action taken in controlling, preventing, suppressing or remediating any Cyber Act or Cyber Incident.
- h) Cyber Act means an unauthorised, malicious or criminal act or series of related unauthorised, malicious or criminal acts, regardless of time and place, or the threat or hoax thereof involving access to, processing of, use of or operation of any Computer System.

- i) Cyber Incident means:
 - i. any error or failure to act or series of related errors or failure to act involving access to, processing of, use of or operation of any Computer System; or
 - ii. any partial or total unavailability or failure or series of related partial or total unavailability or failures to access, process, use or operate any Computer System.
- j) Computer System means any computer, hardware, software, communications system, electronic device (including, but not limited to, smart phone, laptop, tablet, wearable device), server, cloud or microcontroller including any similar system or any configuration of the aforementioned and including any associated input, output, data storage device, networking equipment or back up facility, owned or operated by the Insured or any other party.
- k) Data means information, facts, concepts, code or any other information of any kind that is recorded or transmitted in a form to be used, accessed, processed, transmitted or stored by a Computer System.
- l) Data Processing Media means any property insured by this Policy on which Data can be stored but not the Data itself.

If Section 5 – Equipment Breakdown of this Policy is current and Data Coverage is insured We will also provide cover for losses as described in clause c) above to Data Processing Media arising out of vibration, power surge, low voltage, mechanical, electrical and electronic breakdown, but not Breakdown (as defined in Section 5) directly or indirectly caused by, contributed by, resulting from, arising out of or in connection with any Cyber Act or Cyber Incident.

6. Vermin, Pests or Defective Sanitary Arrangements; Food or Drink Poisoning; Murder and Suicide

Loss resulting from interruption of or interference with the Business or loss of occupancy of a Lot, Stratum Lot or Volumetric Lot directly or indirectly arising from closure or evacuation of the whole or part of Your Location(s) by the order of a competent public authority consequent upon:

- a) the discovery of vermin or pests at the Location(s); or
- b) defects in the drains or other sanitary arrangements at the Location(s); or
- c) poisoning directly caused by the consumption of food or drink provided at the Location(s); or
- d) murder or suicide occurring in or at the Location(s).

This exclusion does not apply to the extent cover is provided under Section 1, Lot Owner Benefits B 5.10 Restrictions on the use of the Location.

7. Transmission and Distribution Lines Exclusion

Losses in respect of overhead transmission and distribution lines and their supporting structures of power-generating authorities or companies and telecommunications companies.

However, this Exclusion does not apply in respect of the overhead transmission and distribution lines (and their supporting structures) that extend from the public highway to the Location and are the responsibility of You.

It is understood and agreed that any public utilities extension and/or suppliers extension and/or contingent business interruption coverages are not subject to this Exclusion, provided that these are not a part of the transmitters' or distributors' policy.

8. Biological or Chemical Materials Exclusion

Excluding loss, damage, cost or expense of whatsoever nature directly or indirectly caused by, resulting from or in connection with the actual or threatened malicious use of pathogenic or poisonous biological or chemical materials regardless of any other cause or event contributing concurrently or in any other sequence.

9. Communicable Diseases Exclusion

- a) any loss, damage, claim, cost, expense or other sum, directly or indirectly arising out of, or in any way attributable or related to, connected with or contributing concurrently or in any sequence with:
 - i. a Communicable Disease; or
 - ii. the fear or threat (whether actual or perceived) of a Communicable Disease.
- b) For the purposes of this Exclusion, loss, damage, claim, cost, expense or other sum, includes, but is not limited to, any cost to clean-up, detoxify, remove, monitor or test:
 - i. for a Communicable Disease, or
 - ii. any Location(s) that is or may be affected either directly or indirectly by a Communicable Disease.
- c) For the purposes of this Exclusion, a **Communicable Disease** means any:
 - i. physical distress, illness, or disease caused or transmitted directly or indirectly by any virus, bacterium, parasite, fungus or other organism or any variation thereof, whether deemed living or not, and regardless of the means of transmission or whether it was discovered at the Location(s), or whether it was, or is, occurring at the Location(s), or in respect of which there is an occurrence or an outbreak elsewhere. This sub-clause of this definition does not apply to an illness that is a Covered Disease; or

- ii. virus, bacterium, parasite, or other organism or any variation thereof, whether deemed living or not which causes, or is likely and/or expected to cause, physical distress, illness or disease. This sub-clause of this definition does not apply where such an organism causes a Covered Disease; or
 - iii. any disease (including a Covered Disease) which is a quarantinable disease or a listed human disease under the Biosecurity Act 2015 (Cth), as may be amended from time to time and any replacement, successor or functionally similar legislation of the Commonwealth of Australia (or of the applicable State or Territory of the Commonwealth of Australia in which the Location(s) are located), including delegated legislation and irrespective of whether it was discovered at the Location(s), or was, or is, occurring at the Location(s) or in respect of which there is an occurrence or outbreak elsewhere; or
 - iv. any disease (including a Covered Disease) determined by the World Health Organisation to be a Public Health Emergency of International Concern (PHEIC); or
 - v. any physical distress, illness or disease, or Covered Disease, that gives rise to an Epidemic or Pandemic (or which is likely or expected to give rise to an Epidemic or Pandemic) regardless of the means of transmission or whether it was discovered at the Location(s), or whether it was, or is, occurring at the Location(s) or in respect of which there is an occurrence or outbreak elsewhere; or
 - vi. any mutation of the illnesses, diseases or organisms described in sub-clauses c)i., c)ii., c)iii., c)iv. and c)v..
- d) For the purposes of sub-clause c)v.:
- i. Epidemic means the occurrence in a community, region, state or nation of cases of an illness, specific health-related behaviour, or other health-related events exceeding normal expectancy or recorded averages or seasonal variances in that community, region, state or nation.
 - ii. Pandemic means the widespread outbreak of a disease including but not limited to outbreaks which cross international boundaries and that affect a large number of people.

General Conditions

These general conditions apply to all Sections of the PDS. If You do not comply with the Policy conditions, We may be entitled to refuse or reduce Our liability under the Policy in respect of a claim and/or cancel the Policy, to the extent permitted by law.

1. Your Obligations

You must:

- a) take all reasonable precautions to avoid or minimise loss, damage, disablement or liability; and
- b) maintain all business premises, fittings, appliances and equipment in sound condition (for example; free from decay, defects and in good working condition) to the extent reasonably practicable; and
- c) take reasonable steps to comply with all statutory obligations, by-laws and regulations imposed by any public authority, for the safety of persons or property; and
- d) obtain certificates of inspection for all equipment required by any statute or regulation to be so certified.

2. Alteration

You must advise Us as soon as practicable of any changes in the details to the information You have given Us, or if the nature of the occupation or other circumstances affecting Your property change in such a way as to change the risk of loss or damage or the likelihood of liability losses.

Where the change:

- reduces the risk We insure You for We may (if applicable) provide You with a refund of a portion of the premium where the change affects the premium payable; or
- increases the risk We insure You for We may either:
 - refuse to accept the change;
 - agree to the change in writing, provided that You pay or agree to pay Us any additional premium We may require;
 - cancel the Policy; or
 - choose not to renew the Policy.

3. Cancellation

You may cancel the Policy at any time by giving Us notice in writing in which case We will retain the pro-rata premium for the time the Policy has been in force.

We may cancel the Policy pursuant to any right at law and as set out in the Insurance Contracts Act 1984 by giving You written notice to that effect where You have:

- a) failed to comply with the duty of utmost good faith;
- b) failed to comply with the Duty of Disclosure at the time when the Policy was entered into;
- c) made a misrepresentation to Us during the negotiations for the Policy before We entered into the Policy;
- d) failed to comply with a provision of the Policy;
- e) failed to pay the premium;
- f) made a fraudulent claim under the Policy or any other policy of insurance (whether with Us or some other insurer) that provided insurance cover during any part of the period during which the Policy provides insurance cover; or
- g) failed to notify Us of any specific act or omission where notification is required under the terms of the Policy.

When We cancel the Policy We will repay a rateable proportion of the premium for the unexpired Period of Insurance from the date of cancellation less any non-refundable Government charges or levies.

4. Changes to the Policy

No change to the Policy will be valid unless We agree in writing nor will the requirements of any Section be deemed to be waived unless We agree in writing.

5. Transfer of Interest

No interest in this Policy can be transferred without Our written consent, not to be unreasonably withheld.

6. Joint Insureds

Where You comprise more than one party each of the parties will be considered as a separate and distinct unit and the words You and Your will be considered as applying to each party in the same manner as if a separate Policy had been issued to each of them.

Nothing in this Condition will result in an increase of Our liability in respect of any occurrence or Period of Insurance.

7. Notices

You must as soon as practicable give to Us notice in writing of:

- a) every occurrence, claim, writ, summons, proceeding, impending prosecution, and inquest together with all relevant information accessible to You which may result in a claim under the Policy, whether or not You believe any claim amount might fall below the applicable Excess; and
- b) any change You are required to advise Us of in accordance with General Condition 2. Alterations.

Any notice given in writing by Us to the first named Insured shown in the Policy Schedule will be treated as notice to each of the parties You comprise. Service of notices by Us will be effective immediately on receipt by You of a letter or electronic communication sent from Us or in the case of notices by post, three business days after having been posted by Us.

8. Rights of Recovery

If You have suffered loss or damage as a result of an event or occurrence covered, or partially covered by this Policy, then We have the right and You permit Us to take action or commence legal proceedings against any person, company or entity legally liable to You for the recovery of Your insured, underinsured or uninsured losses, payments made and expenses in relation to the event or occurrence. Any action or legal proceeding will be commenced in Your name. You must provide Us with all information accessible to You and reasonable assistance in the recovery of Your loss, including providing Us with any documents that prove Your Loss.

If You have commenced action or instituted legal proceedings against any person, company or entity legally liable to You for Your Loss, We have the right and You permit Us to take over and continue that action or legal proceeding. You must provide Us with all information and reasonable assistance in the recovery of Your Loss, including providing Us with any documents that prove Your Loss.

Where recovery of Your Loss forms part of any representative proceeding which has not been instituted under Our instructions, We have the right and You permit Us to exclude Your Loss from that representative proceeding for the purpose of including Your Loss in a separate representative proceeding which is or will be instituted under Our instructions (Our Representative Proceeding). You must provide Us with all information and reasonable assistance in the recovery of Your Loss as part of Our Representative Proceeding, including providing Us with any documents that prove Your Loss.

You must not commence any proceedings, enter into any agreement, make any admissions or take any action or step that has the effect of limiting or excluding Your rights and Our rights to recover Your loss without first obtaining Our approval in writing to do so, such consent not to be unreasonably withheld.

9. Inspection of Property and Records

We may inspect Your property and operations, with Your mutual agreement, at any reasonable time:

- a) to conduct a risk survey or in the event of a claim; and
- b) examine and audit Your books and records at any time during the Period of Insurance and within 3 years after expiry of the Period of Insurance but that examination and audit will be restricted to matters involving any claim under the Policy.

10. Acts or Failure to Act of Your Body Corporate Manager

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

Claims Conditions

1. When Circumstances Occur that May Lead to a Claim Under the Policy You Must

When circumstances occur that may lead to a claim under the Policy You must:

- a) take reasonable steps to reduce the loss or damage and to prevent further damage; and
 - b) make a full report to the Police as soon as practicable if You know or suspect that:
 - i. property has been stolen; or
 - ii. someone has broken into Your premises; or
 - iii. someone has caused malicious damage to Your property;
- and
- c) not make any admission of liability, offer, promise or payment in connection with any event; and
 - d) promptly inform Us by telephone; and
 - e) preserve any damaged property and make it available for inspection by Our representative or agent (including a loss adjuster); and
 - f) not authorise the repair or replacement of anything without Our agreement.

2. If You Want to Make a Claim You Must

If You want to make a claim You must:

- a) when requested, fill in Our claim form and return it to Us promptly;
- b) give Us all the reasonably accessible information and documentation We request including information and documentation about any other insurance which may cover Your claim;
- c) if We ask for it, You must provide Us with a statutory declaration verifying the truth of Your claim and any matters connected with it; and
- d) send Us any court document You receive within two business days or as soon as reasonably practicable; and
- e) as soon as reasonably practicable send Us other communication You receive about the claim.

3. Paying Your Excess

You must pay the Excesses that apply to claims under the Policy including any Contribution applicable under Section 7 Cover C.

If more than one Excess is payable under the Policy for any claim or series of claims arising from the one event or occurrence, the Excesses will not be cumulative and the highest single level of Excess only will apply unless specified in the Policy Schedule.

We will either ask You to pay the Excess to Us directly or to another person or We will deduct the Excesses from the amount that We pay You.

4. Progress Payments

If We have admitted liability, We may make progress payments at intervals and for amounts that We agree with You, upon production of a report by the loss adjuster (if appointed), provided these payment(s) are deducted from the amount finally determined upon adjustment of the claim.

5. Inspection and Salvage

You must give Us access to Your property and the location at a time to be mutually agreed, or make them available to Us for inspection if You make a claim.

You must allow Us to take possession of any lost, destroyed or damaged property for the purposes of validating, substantiating or recouping losses. If We do not take possession of the lost, destroyed or damaged property, You will not be entitled to abandon Your responsibilities for the property.

6. Other Insurance

You must inform Us of any other insurance policies in force that provide cover for any person protected under this Policy and which provide cover similar to the same as the cover provided by the Policy.

7. False Claims

If You, or someone acting on Your direction or with Your knowledge makes a false claim, or causes loss or damage deliberately We may:

- a) refuse to pay all or part of the claim; or
- b) cancel the Policy in accordance with Section 3 'Cancellation' in the Policy; or
- c) take legal action against You.

