

RESIDENTIAL STRATA

Product Disclosure Statement

Policy Wording

Prestige



TABLE OF CONTENTS

Important INFORMATION	3	What We shall also pay	16
Product Disclosure Statement	3	Additional Benefits	16
What is the purpose of this Product Disclosure Statement (PDS)	3	Optional Cover	19
Who is the Insurer?	3	How We Will Pay Your Claim	19
Who is CSI?	3	What You Are Not Covered For	20
Who is the Insured?	3	Special Conditions	21
Cooling Off Period	3	Special Clauses	21
Duty of Disclosure	4	Section 2 – Public Liability	22
The Goods and Services Tax (GST) and Your insurance	4	What You Are Covered For	22
Privacy Statement	4	Definitions For This Section	22
The General Insurance Code of Practice	5	Additional Benefits	22
Making a Complaint	5	What You Are Not Covered For	23
Updating information	5	Special Clause	24
Making a Claim	6	Section 3 – Fidelity Guarantee	24
The Costs of this Insurance	6	What You Are Covered For	24
Excesses	6	Definitions For This Section	24
Applying for Insurance	6	What You Are Not Covered For	24
SEVERAL LIABILITY NOTICE	6	Special Conditions	24
Service of Suit	6	Section 4 – Office Bearer’s Liability	25
Effective Date	6	This section is on a claims made basis	25
		What You Are Covered For	25
		Definitions for this section	25
		Additional Benefits	25
		What You Are Not Covered For	26
Your Policy	7	Section 5 – Voluntary Workers (Personal Accident)	26
Benefits and Features	7	What You Are Covered For	26
Section 1: Buildings and Common Contents	7	Definitions For This Section	26
Section 2: Public Liability	7	Additional Benefits	27
Section 3: Fidelity Guarantee	7	What You Are Not Covered For	27
Section 4: Office Bearer’s Liability	7	Special Conditions	27
Section 5: Voluntary Workers (Personal Accident)	7	Section 6 – Legal costs	28
Section 6: Legal Costs	7	This section is on a claims made basis	28
Section 7: Occupational Health and Safety Breaches	7	What You Are Covered For	28
Section 8: Tax Probe	7	Definitions for This Section:	28
Section 9: Breakdown of mechanical and Electronic Equipment	7	What You Are Not Covered For	28
		Special conditions	28
Your Duty of Disclosure	7	Section 7 – Occupational Health & Safety Breaches	30
General Policy Conditions	7	This section is on a claims made basis	30
Your Responsibilities	8	What You Are Covered For	30
Subrogation Rights	8	Definitions For This Section	30
Transfer of Interest	8	Special Conditions	30
Jurisdiction	8	What You Are Not Covered For	30
Cancelling Your Policy	8	Section 8 – Tax Probe	31
Inspections	8	What You Are Covered For	31
General Exclusions	9	Definitions For This Section	31
What You Are Not Covered For	9	What You Are Not Covered For	31
How Goods and ServiceS Tax (GST) affects any payments We make	10	Special Conditions	31
General Definitions	10	Section 9 –Breakdown of Mechanical and Electronic Equipment	32
Claims Procedures Applicable to All Sections of This Policy	14	What You Are Covered For	32
Notification of Claim	14	Definitions For This Section	32
Proceedings and Negotiations	14	Additional Benefits	32
When We may refuse a claim	14	How We Will Pay Your Claim	33
Special Conditions	14	What You Are Not Covered For	33
Other Insurances	15	Workers Compensation – You Need Another Policy	35
Section 1 – Buildings and Common Contents	16		
What You Are Covered For	16		

IMPORTANT INFORMATION

PRODUCT DISCLOSURE STATEMENT

WHAT IS THE PURPOSE OF THIS PRODUCT DISCLOSURE STATEMENT (PDS)

This document (which is **Our** product disclosure statement and policy wording) contains important information to help **You** understand this Residential Strata Insurance. Before **You** decide whether to purchase it, **You** need to read this document carefully to understand its features, benefits and risks.

To determine if this insurance is appropriate for **You**, it is important that **You** read:

- This introduction and the Important Information section – these contain information on some important matters **You** need to be aware of before applying for this insurance.
- The general provisions – it sets out:
 - > General definitions—what **We** mean by certain defined terms in the policy
 - > General exclusions—what **We** do not cover for all cover sections,
 - > General conditions—additional terms and conditions that apply to all cover sections.
 - > The cover sections—each sets out the cover provided by the section and any specific definitions, exclusions and conditions that apply. The **Policy Schedule** will indicate which cover sections apply to **You**.
- Any other documents **We** provide to **You** about the insurance which set out details relevant to **You** and may change the standard cover.

WHO IS THE INSURER?

The insurers of the policy are certain underwriters at Lloyd's. Lloyd's is authorised by the Australia Prudential Regulation Authority (APRA) to conduct business in Australia and Lloyd's underwriters are licensed to underwrite insurance in Australia. Lloyd's is the world's leading insurance market providing specialist insurance services to businesses in over 200 countries and territories.

You can contact the insurers via their appointed coverholder Complete Strata Insurance Underwriter Pty Ltd (CSI) by telephone on 02 9419 2777; by fax

on 02 9419 7877; by e-mail at info@csiuw.com.au or by writing to CSI at P.O. Box 178, Chatswood 2159 or by contacting Lloyd's Underwriters General Representative in Australia at

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

Telephone: (02) 8298 0700

Fax: (02) 8298 0788

In this document unless otherwise stated, the insurer is called "**We**", "**Us**", "**Our**" and/or "certain underwriters at Lloyd's". For further information visit their website at www.lloyds.com.

WHO IS CSI?

Complete Strata Insurance Underwriting Pty Ltd, ABN is 91 143 415 070 (CSI) is acting under the authority of certain underwriters at Lloyd's in arranging this product in accordance with the Binding Authority Agreement between certain underwriters at Lloyd's and CSI. CSI has the authority to market, underwrite, and administer this product on behalf of certain underwriters at Lloyd's. CSI's AFSL Number is 379787. CSI can be contacted by writing to CSI at PO Box 178, Chatswood NSW 2057, or by telephoning +61 (2) 9419 2777 or by visiting CSI's website www.csiuw.com.au.

WHO IS THE INSURED?

The entity or entities insured by this policy are identified by name and or number set out in the **Policy Schedule**. In this policy the insured is called "**You**" or "**Your**".

COOLING OFF PERIOD

You have the right to cancel and return this policy or cover section of the policy by notifying **Us** in writing within 30 days of the date it was issued to **You** ("cooling off period"), unless **You** make or are entitled to make a claim under the policy within the cooling off period. If **You** cancel it in this time, **We** will return the amount **You** have paid.

In addition, If **You** varied **Your** policy and added a cover section, **You** have the right to cancel that cover section within 30 days of the date it was added by notifying **Us** in writing ("additional cooling off period") unless **You** make a claim or are entitled to make a claim under that cover section within the

additional cooling off period. If it is cancelled in this time, **We** will return the amount **You** have paid for that section.

DUTY OF DISCLOSURE

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

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

It includes matters **We** specifically ask about when **You** apply for a policy, or renew, or alter **Your** policy, and any other matters which might affect whether **We** insure **You** and on what terms.

The information **You** tell **Us** can affect:

- the amount of **Your** premium and **Your** Excess;
- if **We** will insure **You**;
- if special conditions will apply to **Your** policy.

Your duty however does not require disclosure of any matter:

- that diminishes the risk to be undertaken by **Us**;
- that is of common knowledge;
- that **We** know or, in the ordinary course of **Our** business, ought to know;
- in respect of which **We** have waived **Your** duty.

If **You** fail to comply with **Your** duty of disclosure **We** may be entitled to reduce **Our** liability under the policy in respect of a claim, or, may cancel the policy. If **Your** non-disclosure is fraudulent, **We** may also have the option of avoiding the policy from its beginning.

THE GOODS AND SERVICES TAX (GST) AND YOUR INSURANCE

GST refers to the goods and services tax which is the subject of A New Tax System (Goods and Services Tax) Act 1999 (Cth).

The premium on this policy includes an amount for GST and if **We** pay a claim **Your** GST status may determine the amount to be paid on the claim.

You must advise **Us** if **You** are registered, or required to be registered, for GST purposes, and **You** must when requested tell **Us** what **Your** entitlement to

Input Tax Credits (ITCs) is for **Your** insurance premium.

When determining the amount to be paid for a claim under this policy, any payment or supply **We** make to **You** for the acquisition of goods, services or other supply (or monetary compensation in lieu thereof) or otherwise for **Your** claim will be calculated on the GST inclusive cost of **Your** claim. In calculating such payment, **We** are entitled to reduce it by any ITC to which **You** are, or would be, entitled:

- for the acquisition of such goods, services or other supply; or
- if the payment had been used to acquire such goods, services or other supply.

However, the total of all payments **We** make will not exceed the **Sum Insured**, limit or sub limit of liability, or other monetary limitation imposed or created by the policy.

The Sum(s) Insured, limits and/or sub limits of liability, or any other monetary limitations are inclusive of any taxes, levies, duties or charges that the payment would be affected by or subject to.

If **You** make a claim and **We** are obliged by law to withhold any amount from the payment in order to satisfy that law (for example, because **You** have not provided **Your** ABN where required to do so), the amount withheld will be treated as forming part of the claim payment paid under this policy (even though **You** have not received the withheld amount).

PRIVACY STATEMENT

Your personal information is collected by CSI on behalf of certain underwriters at Lloyd's to provide **You** with insurance products, to manage **Our** relationship with **You** and to assess and process claims. **We** will not be able to supply **You** **Our** policy if **You** do not provide **Us** with **Your** personal information. The information is generally collected from **You** when **You** are applying for or enquiring about **Our** insurance products or when making a claim.

At times **We** rely on third party suppliers (agents, lawyers, other insurance companies, assessors, investigators, loss adjusters, market research and mailing houses) to perform specialised activities for **Us**. **Your** personal information may be provided to them so that they can carry out their agreed activities.

They are bound by confidentiality and non-disclosure agreements and are prohibited from using the information for any other purpose.

These service providers are aware of their obligations under the Privacy Act and the General Insurance Code of Practice.

CSI's Privacy Policy includes further information about how **Your** personal information is handled including how **You** can access and correct **Your** information or make a privacy related complaint. For more information please visit **Our** website: www.csiuw.com.au or contact **Our** office

THE GENERAL INSURANCE CODE OF PRACTICE

As a signatory to the General Insurance Code of Practice **We** are committed to raising standards of service to **Our** customers. This voluntary code sets out the minimum standards **We** will uphold in the services **We** provide to **You**. More information about the General Insurance Code of Practice can be found at www.codeofpractice.com.au.

MAKING A COMPLAINT

If **You** have a complaint concerning the financial product or services provided to **You** please tell CSI.

- phone CSI +61 2 9419 2777
- fax CSI on +61 2 9419 7877
- write to CSI at PO Box 178, Chatswood NSW 2057.
- email CSI on info@csiuw.com.au

INTERNAL DISPUTE RESOLUTION BY CSI

CSI shall respond to **Your** complaint within 15 business days provided **CSI** have all necessary information and have completed any investigation required. Where further information, assessment or investigation is required, CSI shall agree to reasonable alternative timeframes with **You**. **You** will also be kept informed of the progress of **Your** complaint.

REVIEW BY LLOYD'S AUSTRALIA

If CSI cannot resolve **Your** complaint within the agreed timetable or if **You** do not agree to an alternative timetable, **You** can contact Lloyd's Australia:

Lloyd's Underwriters General Representative in Australia

- Level 9, 1 O'Connell Street, Sydney NSW 2000
- Email: idraustralia@lloyds.com

Alternatively, **You** can telephone (02) 8298 0783.

Lloyd's Australia will acknowledge **Your** complaint in writing within 5 business days of receipt, and **You** will be kept informed of the progress of Lloyd's Australia review of **Your** complaint at least every 10 business days.

The length of time required to resolve a particular dispute will depend on the individual issues raised, however in most cases **You** will receive a full written response to **Your** complaint within 15 business days of receipt, provided Lloyd's Australia have received all necessary information and have completed any investigation required.

WHAT IF YOUR PROBLEM REMAINS UNRESOLVED

If **Your** complaint is not resolved in a manner satisfactory to **You** or Lloyd's Australia do not resolve **Your** complaint within 45 calendar days of receiving it at Internal Dispute Resolution by CSI above, **You** may refer the matter to AFCA as follows:

Post: GPO Box 3, Melbourne VIC 3001

Phone: 1800 931 678

Email: info@afca.org.au

More information can be found on their website www.afca.org.au

AFCA is an independent body that operate nationally in Australia and aim to resolve disputes between **You** and **Your** insurer. AFCA provides fair and independent financial services complaint resolution that is free to consumers. **Your** dispute must be referred to AFCA within 2 years of the date of our final decision. Determinations made by AFCA are binding upon **Us**.

Customers not eligible for referral to AFCA, may be eligible for referral to the UK Financial Ombudsman Service. Such referral must occur within 6 months of the final decision by the Complaints team at Lloyd's. Further details will be provided with their final decision to **You**.

This service is free of charge to policyholders.

UPDATING INFORMATION

The information in this PDS and policy wording was current at the date of preparation. **We** may update some of the information in the PDS, that is not materially adverse, from time to time without needing to notify **You**. **You** can find out if **We** have updated the PDS and obtain a copy of any updated information by calling +61 2 9419 2777. **We** will give **You** a free paper copy of any updates if **You** request them. If it becomes necessary, **We** will issue a supplementary or replacement PDS.

MAKING A CLAIM

If **You** wish to make a claim under this policy **You** must contact CSI on +61 2 9419 2777. Procedures on how to make a claim are shown in the policy section of this PDS under 'Claims Procedures'.

THE COSTS OF THIS INSURANCE

We consider various factors to calculate **Your** premium, such as:

- **Sum Insured**
- Occupation and use of units
- Construction, type and security of the property
- post code
- claims experience
- level of Excess **You** have selected

The premiums payable by **You** are subject to applicable Commonwealth and State taxes and charges such as the Goods and Services Tax, Stamp Duty, Fire Services Levy (where applicable) and CSI's administration fee. The amount of these taxes and/or charges will be shown on **Your Policy Schedule**.

EXCESSES

If **You** make a claim **You** may be required to pay one or more Excess(es). Details in respect of these Excess(es) are shown in the policy wording or on the **Policy Schedule**.

APPLYING FOR INSURANCE

When **You** apply for this insurance, **You** will need to complete a proposal form. **We** will use and rely on the information supplied on that form to decide the terms of cover **We** will provide. **We** provide cover to **You** on the terms contained in this document, and any other document that **We** tell **You** forms part of the terms and conditions of **Your** cover, including the most recent **Policy Schedule**.

The **Policy Schedule** will contain important information relevant to **Your** insurance including the **Period of Cover**, **Your** premium, details of **Your**

Insured Property, the Excess(es) that will apply to **You** and others and whether any standard terms have been varied by way of endorsement.

All of these make up **Your** "policy" with **Us**. **You** need to keep these documents in a safe place together with receipts and other evidence of ownership and value of items **You** insure.

SEVERAL LIABILITY NOTICE

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

SERVICE OF SUIT

The Underwriters accepting this Insurance agree that:

- if a dispute arises under this Insurance, this Insurance will be subject to Australian law and practice and the Underwriters will submit to the jurisdiction of any competent Court in the Commonwealth of Australia;
- any summons notice or process to be served upon the Underwriters may be served upon:
Lloyd's Underwriters' General Representative in Australia
Level 9
1 O'Connell Street
Sydney NSW 2000
who has authority to accept service;
- if a suit is instituted against any of the Underwriters, all Underwriters participating in this Insurance will abide by the final decision of such Court or any competent Appellate Court.

EFFECTIVE DATE

This Products Disclosure Statement is effective from 1 February 2019.

YOUR POLICY

Provided **You** have paid or agreed to pay **Us** the premium, **We** will cover **You** for **Accidental** loss, damage and/or liability up to the **Sum Insured** set out for each of the policy cover sections that **You** have selected or are listed as included in the **Policy Schedule**.

BENEFITS AND FEATURES

Your policy offers **You** a wide range of covers and options from which **You** may choose:

SECTION 1: BUILDINGS AND COMMON CONTENTS

This section covers **You** against **Accidental** loss or damage to **Your Buildings** and **Common Contents**.

SECTION 2: PUBLIC LIABILITY

This section covers **You** for certain amounts **You** are legally liable to pay in respect of Personal Injury and **Property Damage**.

SECTION 3: FIDELITY GUARANTEE

This section covers **You** in respect of fraudulent misappropriation of **Your** funds set aside for the financial management of **Your** affairs.

SECTION 4: OFFICE BEARER'S LIABILITY

This section covers **You** against Loss resulting from any Claim arising from a Wrongful Act committed by a Committee Member.

SECTION 5: VOLUNTARY WORKERS (PERSONAL ACCIDENT)

This section covers **You** against liability to pay compensation to a Voluntary Worker as a result of bodily injury.

SECTION 6: LEGAL COSTS

This section covers **Your** Legal Costs for actions brought or threatened against **You**.

SECTION 7: OCCUPATIONAL HEALTH AND SAFETY BREACHES

This section covers **Your** Legal Costs to appeal against any improvements, prohibition notice and the like imposed by any court or tribunal under any workplace occupational health and safety legislation or similar legislation.

SECTION 8: TAX PROBE

This section covers **You** for Professional Fees that **You** incur with an Audit of **Your** Business's financial affairs.

SECTION 9: BREAKDOWN OF MECHANICAL AND ELECTRONIC EQUIPMENT

This section covers certain loss or damage of **Your** Machinery and **Electronic Equipment** resulting from **Breakdown**.

The above summaries are indicative only. Full details of scope of covers, definitions, terms, exclusions and conditions are provided in each section of **Your** policy.

YOUR DUTY OF DISCLOSURE

Your disclosure obligations and the consequences of not complying with these obligations are outlined on page 4 of **Your** product disclosure statement.

GENERAL POLICY CONDITIONS

The following general conditions apply to all cover sections of this policy unless otherwise expressly stated.

YOUR RESPONSIBILITIES

The extent of **Our** liability is conditional upon the following:

- Alteration of Risk

You must notify **Us** in writing as soon as possible of any changes materially varying any of the facts or circumstances existing at the commencement of this policy or following any renewal of this policy including but not limited to:

 - > Alteration to the **Buildings**;
 - > Changes in profession carried on at the Situation;
 - > Changes in nature of occupation or other circumstances which increase the risk of loss, damage or liability claims.
- Observance of Policy Terms and Conditions

You must follow all terms and conditions set out in **Your** policy.
- Paying **Your** Premium

You must pay the premium by due date, otherwise **We** may refuse to pay a claim.
- Reasonable Precautions

You must keep **Your Buildings, Common Contents and Common Area** in good condition.

This includes:

 - > repairing faults or fixing defects in items such as roofs, gutters, drains, water pipes and tiled areas when they leak or need repair;
 - > taking all reasonable precautions to prevent bodily injury, destructive loss or damage to property; and
 - > complying and ensuring that **You** or anyone acting on **Your** behalf comply with all statutory obligations and by laws or regulations imposed by any public authority for the safety of property or person.

SUBROGATION RIGHTS

We will not be liable to pay any benefits under this policy for loss, damage or liability if **You** agree or have agreed to limit or hinder **Our** rights of recovery against any third party who would otherwise be liable to compensate **You** with respect to that loss, damage or liability.

TRANSFER OF INTEREST

You will not transfer any interest in this policy unless **We** give **You Our** written consent.

JURISDICTION

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

CANCELLING YOUR POLICY

HOW YOU MAY CANCEL?

You may cancel the policy or a cover section at any time by telling **Us** that **You** want to cancel it. **You** can do this by giving written notice to **Us**.

HOW WE MAY CANCEL?

We may cancel this policy under Section 60 of the Insurance Contract Act 1984 (Cth). **We** will tell **You** either in writing, in person or by post to **Your** last known address.

AFTER CANCELLATION

We will subtract from any premium **You** have paid **Us**, to cover the period for which **We** have already insured **You**, any administration fee and any non-refundable government charges. **We** will then return the rest of the premium to **You**.

INSPECTIONS

We (or agents appointed by **Us**) have the right to inspect and examine by mutual appointment, any property insured under this policy.

GENERAL EXCLUSIONS

General exclusions applicable to all sections of this policy.

WHAT YOU ARE NOT COVERED FOR

- Asbestos

This policy does not insure any liability for:

- > Personal Injury arising directly or indirectly out of, or caused by, through or in connection with the inhalation of (including the fear of inhalation of, or exposure to) asbestos, asbestos fibres or derivatives of asbestos;
- > **Property Damage**, or loss of use or diminution in value of property, arising directly or indirectly out of, or caused by, through or in connection with asbestos, asbestos fibres or derivatives of asbestos;
- > The cost of cleaning up, removing, treating, controlling, storing or disposing of asbestos, asbestos fibres or derivatives of asbestos.

- Confiscation, nationalisation or expropriation

This policy does not insure any loss, damage or consequential loss:

- > due to confiscation, nationalisation or expropriation.
- > caused by any person or organisation who lawfully destroys or takes away **Your** ownership or control of any property covered by the policy.

- Electronic Data

a) This policy does not insure:

- (i) total or partial destruction, distortion, erasure, corruption, alteration, misinterpretation or misappropriation of ELECTRONIC DATA,
- (ii) error in creating, amending, entering, deleting or using ELECTRONIC DATA, or
- (iii) total or partial inability or failure to receive, send, access or use ELECTRONIC DATA for any time or at all

from any cause whatsoever, regardless of any other contributing cause or event whenever it may occur.

ELECTRONIC DATA means facts, concepts and information converted to a form useable for communications, display, distribution, interpretation or processing by electronic and electromechanical data processing or electronically controlled equipment and includes programmes,

software and other coded instructions for such equipment.

b) However, in the event that a peril listed below (being a peril insured by this policy but for this exclusion) is caused by any of the matters described in paragraph (a) above, this policy, subject to all its provisions, will insure:

- (i) physical loss of or damage or destruction to Property Insured directly caused by such listed peril, and/or
- (ii) consequential loss insured by this policy

Further, this exclusion does not apply in the event that a peril listed below (being a peril insured by this policy but for this exclusion) causes any of the matters described in paragraph (a) above

- > fire, explosion, lightning, windstorm, hail, tornado, cyclone, hurricane, earthquake, volcano, **Tsunami**, freezing, weight of snow, impact by **Aircraft** or other aerial objects dropped therefrom, impact by any road Vehicle or animal, bursting, overflowing discharging or leaking of water tanks apparatus or pipes, or theft of ELECTRONIC DATA solely where such theft is accompanied by theft of the computer hardware, firmware, medium, microchip, integrated circuit or similar device containing such ELECTRONIC DATA.

- **Sexual Abuse**

Any actual or alleged sexual abuse.

- Unoccupied Building

This policy does not insure any Building which remains 80% or more unoccupied for more than 60 consecutive days without **Our** prior written consent.

This exclusion does not apply if the Building is built as new or just fully renovated.

- War

This policy does not insure loss, consequential loss, damage, destruction, death, injury, illness, liability, cost or expense of any nature directly or indirectly caused by, contributed to by, resulting from, arising out of or in connection with any of the following, regardless of any other cause or event contributing concurrently or in any other sequence to the loss:

- > 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, military or usurped

power; or confiscation or nationalisation or requisition or destruction of or damage to property by or under the order of any Government or Public or Local Authority.

- Terrorism

This policy does not insure loss, consequential loss, damage, destruction, death, injury, illness, liability, cost or expense of any nature directly or indirectly caused by, contributed to by, resulting from, arising out of or in connection with any of the following, regardless of any other cause or event contributing concurrently or in any other sequence to the loss:

- > Any Act(s) of Terrorism as defined herein,
- > Any action in controlling, preventing, suppressing, retaliating against, or responding to any **Act of Terrorism**,

except as otherwise provided in the Terrorism Insurance Act 2003.

- Nuclear

This policy does not insure:

- > loss or destruction of or damage to any property whatsoever or any loss or expense whatsoever resulting from or arising therefrom or any consequential loss; or
- > any legal liability of whatsoever nature directly or indirectly caused by or contributed to by or arising from:
 - ionising radiations or contamination by radioactivity from any nuclear fuel or from any nuclear waste from the combustion of nuclear fuel; or
 - the radioactive, toxic, explosive or other hazardous properties of any explosive nuclear assembly or nuclear component thereof.

- Willful acts

Subject to the provisions of the Insurance Contracts Act 1984 (Cth), **We** will not pay for any loss or damage caused by either **Your** willful act or by the willful act of another party committed with **Your** knowledge and consent and which **You** were capable of preventing.

- Sanctions

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

Australia, United Kingdom or United States of America.

HOW GOODS AND SERVICES TAX (GST) AFFECTS ANY PAYMENTS WE MAKE

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 that GST amount each time that **You** make a claim under this 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**.

Despite the other provisions of this insurance (including provisions in the policy wording, the **Policy Schedule** and any endorsement), **Our** liability to **You** will be calculated taking into account:

- any **Input Tax Credit** to which **You** are entitled for any acquisition which is relevant to **Your** claim, or to which **You** would have been entitled were **You** to have made a relevant acquisition,
- the GST exclusive amount of any supply made by **Your** Business which is relevant to **Your** claim.

If **Your Sum Insured** is not sufficient to cover **Your** loss, **We** will only pay an amount for GST (less any relevant **Input Tax Credit** that relates to **Our** proportion of **Your** loss. **We** will pay that GST amount in addition to **Your Sum Insured**.

'GST', '**Input Tax Credit**', 'acquisition' and 'supply' have the meaning given in A New Tax System (Goods and Services Tax) Act 1999 (Cth).

GENERAL DEFINITIONS

In all sections of this policy, the following capitalised words below have the following meanings:

Accidental

Something **You** did not intend or expect to happen.

Act of Terrorism

Includes any act, or preparation in respect of action, or threat of action designed to influence the government de jure or de facto of any nation or any political division thereof, or in pursuit of political, religious, ideological or similar purposes to intimidate the public or a section of the public of any nation by any person

or group(s) of persons whether acting alone or on behalf of or in connection with any organisation(s) or government(s) de jure or de facto, and which:

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

Aircraft

Any vessel, craft or thing made or intended to fly, glide or move in or through the atmosphere or space, or over water, and includes **Hovercraft**.

Body Corporate

Body Corporate means proprietors, members, owners or shareholders from time to time and is limited to the interest of proprietors, members, owners or shareholders in respect of the ownership of the Building and **Common Contents** defined under the terms of the Strata Schemes Management Act, Strata Titles Act, Community Titles Act or similar legislation where the **Insured Property** is situated.

Buildings

All buildings as defined under the terms of the Strata Schemes Management Act, Strata Titles Act, Community Titles Act or similar legislation that **You** own or are liable for, and including:

- > Anything permanently built, constructed or installed on **Your** Property.
- > Awnings and blinds that are fixed externally.
- > Boat jetties, pontoons, marinas, docks, wharves.
- > In ground swimming pools and spas.
- > Outbuildings and the structural improvements.
- > Paint, wallpaper and temporary wall, floor and ceiling coverings inside any Unit.
- > Roads, paths, driveways, walls, gates, fences, elevators, escalators.
- > Tennis courts.
- > Underground and aboveground services.
- > Unfixed building materials and uninstalled fittings to an amount not exceeding 10% of

the **Sum Insured** for **Buildings**, or \$100,000, whichever is the lesser.

But **Buildings** do not include:

- > Fixtures that can be removed by the lessee or tenant at the end of a tenancy.
- > Mobile or fixed air conditioning units servicing a particular Unit, if the Strata laws applicable in **Your** State or Territory say they are not part of **Your Buildings** for **Body Corporate** insurance purposes.
- > Plants, lawns, trees, shrubs, pebbles, rocks, stones, soil, sand, bark or mulch other than as covered under Additional Benefit Landscaping.
- > Carpets, carpet underlay, **Floating Floors**, curtains, blinds, awnings inside any Unit.

Catastrophe

An **Event** causing damage to **Your Buildings** and **Common Contents** which is declared by an Australian Federal or State Government Authority to be a natural disaster or a catastrophe.

Common Area

The area at **Your** Situation that is not part of any Unit.

Common Contents

Your unfixed property and carpets that **You** own or are liable for that are contained in the **Common Areas**, and include:

- > Documents of title but only for their value as stationery.
- > Garden tools and equipment including lawn mowers, golf carts, or golf buggies or similar items but only if those items are not required to be registered.
- > **Money** up to \$5,000.
- > Office, electronic and computer equipment.
- > Paintings, curios, work of art, tapestries, 'Persian' or similar rugs or contents up to \$10,000 for any one item, pair, set or collection.
- > Furniture, finishings, household goods, portable domestic appliances, light fittings, internal blinds and awnings.

But **Common Contents** do not include:

- > Animals, livestock, fish, birds or any other living organism.
- > Growing crops, trees or plants other than pot-plants.

- > Jewellery, furs, bullion, or articles containing gold or silver.
- > Mobile plant, motor Vehicles or trailers, caravans or motorcycles, including their accessories or spare parts whether fitted or not.
- > Personal property of Committee Members, **Unit Owners** or tenants.
- > **Watercraft, Hovercraft, Aircraft.**

Event

An incident insured by this Policy, neither expected nor intended to happen by You, and which results in loss or damage, or series of loss or damage happening from that one **Event**.

Excess or Excesses

This is the first amount of any loss that **You** must pay before **We** pay **Your** claim. This amount, expressed as an Excess on the current **Policy Schedule** or elsewhere in the policy, will be deducted from the amount payable in respect of **Your** claim.

Flood

The covering of normally dry land by water that has escaped or been released from the normal confines of any lake, or any river, creek or other natural watercourse whether or not altered or modified, or any reservoir, canal or dam.

Floating Floors

Timber flooring that are not permanently installed with glue, bolt, screws or nails and that can be easily removed or replaced.

Fusion

The fusing or melting of the windings of an electric motor as a result of damage to the insulation due to overheating by electric current.

Green

Use of environmentally friendly, sustainable materials, products or services of accredited **Green Standard**.

Green Standard

Accreditation of environmental friendly standards by agencies or organisations recognised by the Australian government and approved by **Us** as listed in the **Policy Schedule**.

Hovercraft

Any vessel, craft or device made or intended to float on or in or travel on or through the atmosphere or water on a cushion of air provided by a downward blast.

Indemnity Value

The cost to rebuild, repair or replace **Your Insured Property** to a condition which is equal to or the same as but not more extensive than its condition prior to the loss.

Input Tax Credit

The amount **You** can claim as a credit against the Goods and Services Tax (GST) **You** have paid.

Insured Property

The **Buildings** and/or **Common Contents** at the Situation.

Land Value

The value of **Your** land ascertained by reference to the sum certified by the Valuer General or other competent persons selected by **Us**.

Money

Current coin, bank notes, currency notes, cheques, credit card sales vouchers, securities, postal orders, money orders, negotiable and non-negotiable securities and other like documents of value.

Office Bearer

A **Unit Owner** or a nominee of a **Unit Owner** appointed as a member of **Your** executive committee. It does not include **Your** managing agent, strata manager or their employees in their capacity as **Your Body Corporate** managers or any contractor maintaining or managing **Your Buildings**.

Period of Cover

The time from which cover commences to the time cover expires. The dates are shown on the current **Policy Schedule**. Unless stated otherwise, cover shall expire at 4.00pm local time at the place where **You** arranged the cover.

Personal Injury

- > Assault and battery not committed by **You** or at **Your** direction;
- > Bodily injury, death, sickness, disease, illness, shock, fright, mental anguish and mental injury;

- > False arrest, false imprisonment, wrongful detention, malicious prosecution or humiliation;
- > Libel, slander or defamation;
- > Wrongful entry or wrongful eviction or other invasion of privacy.

Policy Schedule

The most current schedule of insurance or any future renewal schedule, including any endorsements issued by **Us** in connection with this policy.

Pollution or Contamination

The discharge, dispersal, release or escape of smoke, vapours, soot, fumes, acids, alkalis, toxic chemicals, liquids or gases, waste materials or other irritants, contaminants or pollutants into or upon any property, land atmosphere, or any watercourse, or body of water (including ground water). Waste materials include material to be recycled, reconditioned or reclaimed.

Property Damage

Physical loss, destruction of or damage to tangible property including the loss of use thereof at any time resulting therefrom.

Rent

An amount of money calculated on the basis of the annual rentable value of a **Unit** or any part of the **Common Area**, including any outgoings payable by a tenant or lessee that applied immediately prior to the happening of the damage.

Rewriting of Records

The cost of rewriting, restoration or reconstruction of computer records, documents, manuscripts, securities, deeds, specifications, plans, drawings, designs, business books and other records of every description.

Sexual Abuse

Any assault or abuse of a sexual nature, sexual molestation, indecent exposure, sexual harassment or intimidation, whether such act is the subject of criminal investigation or not.

Situation

The **Situation** stated in the current **Policy Schedule**.

Storm Surge

An increase in the sea level caused by an atmospheric disturbance.

Sum Insured

The maximum amount **We** will pay for the benefit or the part of the benefit as shown in the **Policy Schedule** or otherwise in the policy and subject to the limits, terms, conditions and exclusions of the policy.

Temporary Accommodation Costs

An amount of money calculated on the basis of the annual rentable value of a **Unit** including any outgoings payable by a tenant or lessee, that applied immediately prior to the happening of the damage.

Tsunami

An ocean wave, caused by an undersea earthquake or volcanic eruption.

Unit

An area shown as a Unit/Lot on the registered strata plan.

Unit Owner

The registered owner of a Unit.

Unit Owner's Improvements

Any improvements undertaken by a **Unit Owner** for their exclusive use and that are permanently attached to or fixed to **Your Insured Property** so as to become legally part of it.

Vehicle

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

Watercraft

Any vessel, craft or thing made or intended to float on or in or travel through water, other than model boats.

We

The insurer of this policy, being certain underwriters at Lloyd's, and "**Us**", "**Our**" and "certain underwriters at Lloyd's" have corresponding meanings.

You

The entity or entities insured by this policy, as identified by name and/or number in the **Policy Schedule**, and “**Your**” has a corresponding meaning.

CLAIMS PROCEDURES APPLICABLE TO ALL SECTIONS OF THIS POLICY

You must follow the following procedures if something happens that causes loss or damage or injury which may lead to a claim. If **You** do not, **We** may refuse **Your** claim or reduce the amount **We** pay **You**.

When such an **Event** occurs, **You** must:

- Take all reasonable steps to reduce the loss or damage and to prevent further damage or liability.
- Immediately advise the nearest police station if **Your** property has been stolen, lost, vandalised or maliciously damaged.
- Not make any admission of liability, offer, promise or payment in connection with any **Event**.
- Not authorise the repair or replacement of anything without **Our** agreement.
- Keep any **Property Damaged** or recovered from theft for inspection by **Us** or **Our** agent.
- At **Your** own expense, provide **Us** as soon as possible with any invoices, bills, demand letters or notices, other documentation or information together with a statutory declaration for the purpose of verifying and investigating **Your** claim.
- Allow **Us** or **Our** agent to enter **Your** property for inspections and to take and keep possession of or deal with the damaged property in a reasonable manner. **You** cannot abandon it to **Us**.

NOTIFICATION OF CLAIM

If **You** wish to make a claim **You** must:

- Immediately contact CSI.
 - > phone CSI +61 2 9419 2777
 - > fax CSI on +61 2 9419 7877
 - > write to CSI at PO Box 178, Chatswood NSW 2057.
 - > email CSI on info@csiuw.com.au

- Give CSI all the information and documentation **We** require.
- Immediately send CSI any court documents or other communication **You** receive.
- Otherwise comply with all **Your** obligations under the policy.

PROCEEDINGS AND NEGOTIATIONS

- **We** have the right to make admissions, investigate, settle or defend a claim on **Your** behalf.
- **We** require **You** give **Us** all information and assistance as **We** may reasonably require.
- **We** have the right to take legal action in **Your** name against another person to recover any amount (or part of any amount) **We** have paid for a claim under this policy.

WHEN WE MAY REFUSE A CLAIM

We may refuse to pay a claim or **We** may pay a lesser amount if:

- **You** do not follow the above claims procedures.
- **You** do not do what **Your** duty of disclosure requires **You** to do (see page 4).
- **You**:
 - > are not truthful;
 - > have not given **Us** full and complete details; or
 - > have not told **Us** something when **You** should have.
- **You** do any of the following without **Us** agreeing to it first:
 - > make or accept any offer or payment or in any other way admit **You** are liable;
 - > settle or attempt to settle any claim; or
 - > defend a claim.
- **You** are in breach of any of the Policy conditions.

SPECIAL CONDITIONS

FRAUDULENT CLAIMS

- If **You** or someone acting on **Your** behalf makes a fraudulent claim, **We** will:
- > refuse to pay the claim;

- > cancel the policy; and
- > take any necessary legal action against You.

OTHER INSURANCES

When **You** make a claim **You** must notify **Us** of any other insurance that covers or may cover the same loss or damage or injury.

SECTION 1 – BUILDINGS AND COMMON CONTENTS

WHAT YOU ARE COVERED FOR

We will cover **You** against **Accidental** loss or damage to **Your Buildings** and **Common Contents** which occurs during the **Period of Cover** up to the **Sum Insured** shown in the **Policy Schedule**.

WHAT WE SHALL ALSO PAY

Provided **Your Buildings** and **Common Contents Sum Insured** is not exhausted.

- **ACT OF TERRORISM**

We will cover you against loss or damage to Your Buildings and Common Contents caused by an Act of Terrorism, if the Building and Common Contents Sum Insured under Section 1 as shown on the Policy Schedule is less than \$50,000,000, provided that such Act of Terrorism is not directly or indirectly caused by, contributed to by, resulting from, arising out of or in connection with biological, chemical, radioactive or nuclear pollution or contamination or explosion, notwithstanding the exclusion of Terrorism in General Exclusions.

- **GOVERNMENT FEES**

We will pay any fee, contribution or other impost payable to any Government, Local Government or other Statutory Authority where payment of the fee, contribution or impost is necessary to obtain a permit to reinstate the **Insured Property**. This does not include any fines or penalties imposed upon **You** by any such authorities.

- **PROFESSIONAL FEES**

We will pay the reasonable fees of architects, surveyors and consulting engineers incurred to rebuild or repair **Your Buildings** and **Common Contents** where such rebuilding or repair is otherwise covered by this policy. This includes all incidental costs for estimates, plans, specifications, quantities, tenders and supervision necessarily incurred. This does not include costs, fees and or other expenses for preparing any claim made under this section.

- **REMOVAL OF DEBRIS**

We will pay the reasonable costs incurred for the demolition, dismantling, necessary

temporary repairs, cleaning up and/or removal, storage and disposal of debris if required as a result of any **Event** for which **You** are covered. Additional Benefits **Your** legal liability for the cost of removal of debris from adjoining primary property, services, roadways and waterways as well as on the site.

- **UNIT OWNER'S IMPROVEMENTS**

We will, at **Our** discretion, either replace, repair, or cash settle **Unit Owner's Improvements** that are destroyed or damaged. The replacement or repair must be carried out without unreasonable delay.

The most **We** will pay is \$250,000 any one Unit.

ADDITIONAL BENEFITS

Following an **Event** **We** will extend **Your** Policy to include the following Additional Benefits over and above **Your** Building and **Common Contents Sum Insured**.

- **ALTERATIONS AND ADDITIONS**

We will pay for loss or damage to alterations, additions and improvements **You** have made to **Your Buildings** and **Common Contents** during the **Period of Cover**, provided the value of such works does not exceed \$250,000 unless **We** have given **Our** written consent after **We** have been notified.

We will not pay where the builder is required to take insurance to cover such works.

- **ARSON REWARD**

We will pay a reward for information which leads to a conviction in connection with damage covered by this policy. The way **We** pay the reward to such person or persons providing this information will be at **Our** discretion.

The most **We** will pay is \$10,000.

- **CAPITAL ADDITIONS**

We will amend **Your Sum Insured** by the amounts **You** have incurred when **You** have carried out additions, alterations and improvements to **Your Buildings** and **Common Contents** during the **Period of Cover**.

The most **We** will increase **Your Sum Insured** is by \$250,000.

- **CATASTROPHE COVER**

We will pay up to 15% over and above **Your Buildings** and **Common Contents** Sum insured if

Your Buildings and **Common Contents** are totally damaged or destroyed as a result of a **Catastrophe**.

We will not pay this additional amount if **You** do not reinstate **Your Buildings** and **Common Contents**.

- **CLAIM PREPARATION EXPENSES**

We will pay for the costs necessarily and reasonably incurred for the preparation of a claim for which **We** agree to indemnify **You** under this policy provided before **You** incur these costs **You** have obtained **Our** written approval to incur such costs.

The most **We** will pay is \$100,000.

- **COMMON CONTENTS IN THE OPEN AIR**

We will pay for **Common Contents** in the open air. The most **We** will pay is \$5,000 any one **Event** for which **You** are covered.

- **COST OF HIRING MEETING VENUE**

We will pay the reasonable cost of hiring a temporary meeting venue for **You** to conduct **Your** annual general meeting or committee meeting if **You** are unable to occupy **Your** usual meeting venue at **Your Situation** as a result of Insured damage to **Your Buildings** and **Common Contents**. The most **We** will pay is \$5,000.

- **DISCHARGE OF MORTGAGES**

We will pay the reasonable legal costs to discharge a mortgage or mortgages on **Your Buildings** and **Common Contents** following settlement of a claim on the basis of a total loss, whether actual or constructive.

The most **We** will pay is \$5,000.

- **DOMESTIC PETS**

Temporary accommodation of a domestic pet owned by a **Unit Owner** where their unit is unable to be occupied as a result of loss or damage to the Unit.

The most **We** will pay is \$5,000.

- **ELECTRICITY, GAS, WATER CHARGES**

We will pay for any additional electricity, gas, water, sewage and similar charges **You** have to pay following loss or damage to **Your Buildings** and **Common Contents**.

The most **We** will pay is \$2,000

- **EMERGENCY ACCOMMODATION COSTS**

We will pay for the reasonable cost of emergency accommodation that the owner of a residential **Unit** may incur in the event the **Unit** becomes uninhabitable for its intended purposes as a result of damage to the **Unit** or to other property near the **Unit** which prevents access to the Unit.

The most **We** will pay is \$2,000 any one Unit.

- **EXPLORATORY COSTS**

a) **We** will pay the reasonable costs incurred to identify and locate the source of water damage caused by water bursting, leaking, discharging or overflowing from pipes, water mains, tanks, apparatus or any other systems used to hold or carry water.

b) **We** will also pay the costs of repairing or replacing the defective part or parts. The most **We** will pay is \$1,000.

c) **We** will pay the costs of repairing the area of **Your Buildings** damaged by such exploratory work

- **FALLEN TREES**

We will pay for the cost of removing and disposing of fallen trees or branches that have caused damage to **Your Insured Property**. **We** will not pay the cost of removing and disposing of tree stumps or roots.

The most **We** will pay is \$5,000.

- **FUSION**

We will pay the costs of replacing or repairing **Your** electric motors which have been damaged as a result of overheating caused by an electric current.

We will not pay such costs when the electric motor has an output in excess of 5 kilowatts or 6.7 HP or more than 20 years old.

We will pay for the cost of replacing gas if the motor forms part of a sealed **Unit**

- **GREEN UPGRADE**

If **You** repair or replace **Your Buildings** that are lost, destroyed or damaged during the **Period of Cover** from non-**Green** materials or products to **Green** environment improvements such as rainwater tanks, solar panels, with the result that the energy and water efficiency of **Your Buildings** is improved, **We** will pay **You** up to 25% more than the amount **We** would otherwise have paid to repair or replace the items that have been upgraded.

The most **We** will pay is \$25,000.

- **LANDSCAPING**

We will pay for the reasonable costs to replace damaged trees, shrubs, plants, lawns or rock work belonging to **You** at the **Situation** that are lost, damaged or destroyed as a result of fire, vandalism, burglary, theft or impact by a Vehicle.

The most **We** will pay is \$25,000.

- **LOSS OF RENT, TEMPORARY ACCOMMODATION COSTS, REMOVAL COSTS**

We will pay the following benefits upon the happening of the following types of **Events** if **Your Unit** or **Common Area** cannot be occupied for its intended purposes or when reasonable access to or occupancy of **Your Unit** or **Common Area** is prevented as a result of damage to other property near **Your Unit** or **Common Area**.

The combined total amount **We** will pay under this Additional Benefit during any one **Period of Cover** is limited to 15% of the **Buildings and Common Contents Sum Insured** unless any other amount has been agreed to in writing and has been noted on the **Policy Schedule**.

Types of Benefits

- > Loss of **Rent** (for Leased Units only)

Where a **Unit** or **Common Area** is leased out or **You** can demonstrate by means of a signed agreement that it would have been leased out.

- > **Temporary Accommodation Costs** (for owner-occupied Units only).

Reasonable **Temporary Accommodation Costs** until such time access to the **Unit** is regained and the **Unit** is fit to be reoccupied.

- > Cost of Reletting

Costs necessarily incurred in reletting the **Unit** or **Common Area** where a lease agreement is terminated as a result of damage to the **Unit** or **Common Area**. The most **We** will pay is \$1,500 any one **Unit** and any one **Event**.

- > Removal and Storage Costs

Reasonable costs incurred to remove, store and return undamaged Contents of the **Unit Owner** or **Unit** occupier and **Common Contents**.

Types of Events and Payments

- > Loss or damage to **Your Unit** or no reasonable access to or occupancy of **Your Unit** or **Common Area** due to damage to other property near **Your Unit** or **Common Area**.

We will pay for either Loss of **Rent** or **Temporary Accommodation Costs**.

We will also pay for the Cost of Reletting and Removal and Storage Costs.

- > Failure of Public Supplies

Failure of electricity, gas or water supply systems following damage to property belonging to the service providers.

We will pay for either Loss of **Rent** or Temporary Accommodation Cost provided the failure of services extends for more than 48 hours.

The most **We** will pay for is for a period of 30 days during any one **Event**.

- > Government Order – bomb threat, murder and suicide, infectious disease

When **Your Unit** or **Common Area** is unable to be occupied by order of a competent Government, Public or Statutory Authority as a result of:

- Bomb threat, vermin, pests or defects in the drains or other sanitary arrangements at the **Situation**; or

- Murder or suicide occurring at or in the immediate vicinity of the **Situation**.

- An outbreak of an infectious or contagious human disease occurring within a 20 kilometers radius of the **Situation**.

NO cover for highly pathogenic Avian influenza or any other diseases under the Quarantine Act 1908 and subsequent amendments irrespective of whether discovered at the **Situation** or elsewhere.

We will pay for either Loss of **Rent** or **Temporary Accommodation Costs**. **We** will start paying from the date the order is invoked.

The most **We** will pay for is for a period of 30 days during any one **Event**.

- **MODIFICATIONS**

When an **Owner**/occupier of a **Unit** is physically injured and becomes a paraplegic or quadriplegic caused by the same **Event** causing loss or damage to **Your Buildings** and **Common**

Contents, **We** will pay the reasonable cost to modify the Unit.

The most **We** will pay is \$25,000.

- **PREVENTION OF IMMINENT DAMAGE**

We will pay for necessary costs **You** incur to extinguish a fire on or near **Your Buildings** and **Common Contents** which causes or threatens **Property Damage** or for necessary costs to prevent or diminish imminent damage to **Your Buildings** and **Common Contents** by any other insured peril.

The most **We** will pay is \$50,000.

- **PROPERTY OF OTHERS**

We will pay the **Indemnity Value** of property of others in **Your** physical or legal control that is not otherwise insured which is lost, damaged or destroyed.

The most **We** will pay is \$10,000 any one **Event**.

- **PURCHASER'S INTEREST**

We will cover a Purchaser's legal interest in **Your Buildings** and **Common Contents** when the Purchaser has signed an agreement to purchase part or all of **Your Buildings** and **Common Contents**.

The most **We** will pay is \$50,000.

- **REWRITING OF RECORDS**

We will pay **You** for Rewriting of Records or other documentation if they are lost or damaged by an **Event** for which **You** are covered.

The most **We** will pay is \$50,000.

- **REPLACEMENT OF KEYS AND LOCKS**

We will pay the cost of replacing locks, keys or combinations if the keys are lost or stolen or if there are reasonable grounds to suspect that keys have been stolen or copied or combinations have been obtained.

The most **We** will pay is \$10,000 during any one **Period of Cover**.

- **STRATA LEVIES/MAINTENANCE FEES**

We will pay the maintenance fees or strata levies owed by **Unit Owners** but which **You** are unable to collect despite using all reasonable measures due to their Units being unfit for habitation as a result of damage covered under this policy.

The most **We** will pay is \$2,000 any one Unit.

- **TEMPORARY PROTECTION AND SECURITY GUARD**

Subject to **Our** prior written consent, **We** will pay the cost of temporary protection, including employment of security guards to safeguard **Your Buildings** and **Common Contents** pending repair or replacement following loss, destruction or damage for which **You** are covered.

The most **We** will pay is \$25,000.

- **TEMPORARY REMOVAL**

We will cover **Your Common Contents** while temporarily removed from **Your Situation** within the Commonwealth of Australia. **We** will also cover **Your Common Contents** whilst in transit during such temporary removal.

The most **We** will pay is \$5,000.

- **WATER REMOVAL**

We will pay the reasonable costs of removal of water from basements caused by rain, storm, or bursting or leaking of pipes.

The most **We** will pay is \$5,000 for any one **Event**.

OPTIONAL COVER

- **FLOATING FLOOR**

When specifically noted in the **Policy Schedule**, **We** will pay the cost of replacing or repairing the **Unit Owners' Floating Floor** as if they were part of **Unit Owners' Improvement**.

- **FLOOD**

When specifically noted in the **Policy Schedule**, **We** will cover **You** against physical loss or damage or destruction to **Your Buildings** and **Common Contents** caused by **Flood**.

The most **We** will pay for all claims arising from or caused by **Flood** in any one **Period of Cover** will be as shown on **Policy Schedule**.

HOW WE WILL PAY YOUR CLAIM

REINSTATEMENT OR REPLACEMENT

We will pay the cost of rebuilding, replacing or repairing any damaged part of **Your Buildings** and **Common Contents** to the same condition as when they were new.

You may rebuild at another location provided the amount **We** pay is not increased.

When **Your Buildings** possess any architectural features or structural materials having an ornamental, antiquarian or historical character for which the original materials are not readily available and the features are outdated, **We** will rebuild or restore using the nearest equivalent materials and the original design.

For **Buildings** awaiting demolition, **We** will pay the salvage value of the building materials.

The necessary work of rebuilding, replacing or repairing must be commenced and carried out without unreasonable delay.

We will not pay for any extra costs resulting from **You** causing unreasonable delays in commencing or carrying out replacement, rebuilding or repairing.

EXTRA COST OF REINSTATEMENT

We will pay the extra costs of reinstatement of **Your** damaged **Buildings** necessarily incurred to comply with the requirements of any Act of Parliament or Local Authority or Municipality By Laws.

If the damage is less than 50% of the Replacement Cost of **Your Buildings**, **Our** liability shall be limited to the extra costs necessarily incurred in reinstating the damaged portions only.

We will not pay any of these extra costs incurred to comply with any such Act or By Laws with which **You** were required to comply prior to the damage.

LOSS OF LAND VALUE

We will pay **You** for the reduction in **Land Value** that results from the requirements of any Statutory Authority that reduces the floor area of **Your Buildings**. Loss of **Land Value** is the difference between the **Land Value** after rebuilding and the **Land Value** before the damage. **We** will deduct any sum payable by way of compensation by any such Authority.

UNDAMAGED FOUNDATION

Where **Your Buildings** are damaged but the foundations are not and any Government or Statutory Authority requires rebuilding to be carried out on another site, the abandoned foundations will be considered as destroyed. However, if the resale value of the original building is increased due to the presence of the

abandoned foundations, the increase in resale value will be deducted from the final amount of the claim.

FLOOR SPACE RATIO

When **Your Buildings** are damaged so as to constitute a total loss or constructive total loss and reinstatement of such damage is limited or restricted by any Government or Statutory Authority, **We** will pay the difference between:

- a) The actual costs incurred in reinstatement subject to the reduced floor space ratio; and
- b) The cost of reinstatement which would have been incurred had the reduced floor space ratio not applied.

The costs in (a) and (b) above include any costs necessarily incurred to comply with the requirements of any legislation or regulations.

WHAT YOU ARE NOT COVERED FOR

Unless otherwise specified in the **Policy Schedule**, **We** will not cover **Your Buildings** and **Common Contents** for loss or damage arising from or caused by:

- Alteration or addition where the value of such work exceeds \$500,000 or which interferes with the structural integrity of any building, load-bearing wall or structure unless **We** have been notified and given **Our** prior written consent before the commencement of such work.
- Any process of cleaning, involving the use of chemicals other than domestic household chemicals.
- Consequential loss of any kind; other than as provided for under this policy.
- Demolition ordered by government or public or local authorities due to failure by **You** or **Your** agents to obtain any necessary permit.
- Erosion, collapse or any other earth movement.
- **Flood**, unless optional cover for **Flood** has been taken.
- Action of the sea, tidal wave, high water, **Storm Surge**.
- Heating or any process involving the direct application of heat. This exclusion shall be limited to the item or items immediately affected and shall not extend to other **Property Damaged** as a result of such heating process involving the application of heat.
- Incorrect siting of **Buildings**.

- Inherent defects, structural defects, faulty materials or faulty workmanship, error in, omission of, or wrong design.
- Landslide or subsidence except when such loss or damage is directly caused by, and occurs within 72 hours of the following:
 - > storm, **Tsunami**, rainwater, snow or wind;
 - > earthquake;
 - > explosion; or
 - > escaping liquid.
- Legal liability of any nature **You** incur to pay compensation, fines, damages, penalties, interest or costs.
- Mechanical or electrical breakdown other than an electric motor burning out.
- Mildew, mould, rotting, pollutants, atmospheric or climatic conditions.
- Mice, birds, insects, rats or other vermin.
- Roots from trees, plants shrubs or grass.
- Vibration, heaving, creeping, shrinking, settling or expansion of foundations or supports of **Your Buildings**.
- Water entering **Your Buildings** as a result of structural defects, faulty design or faulty workmanship in the **Buildings**.
- Water entering **Your Buildings** through an opening in the wall or roof made for the purpose of alterations, additions, renovations or repairs.
- Wear, tear, concrete cancer, rust, corrosion, oxidation, fading or gradual deterioration.

SPECIAL CONDITIONS

SPRINKLER INSTALLATIONS

In regards to **Your Buildings**, in which an automatic sprinkler system is installed and which is owned by **You** or for which **You** are responsible for its operation and maintenance, **You** must:

- > Ensure that the **Buildings** are protected as required by law by an approved installation of automatic sprinklers, automatic external alarm, signal and automatic alarm connected with a fire brigade.
- > Ensure that due diligence is used so that the same shall at all times be maintained in good working order.

- > Ensure that the automatic sprinkler installations are regularly maintained in accordance with Australian Standard AS1851 (Part 3).
- > Notice of all alterations and additions to the automatic sprinkler installation shall be given to **Us** as soon as reasonably practicable.

REINSTATEMENT OF SUMS INSURED

Following a claim for partial loss under this section, the **Sum Insured** will be reinstated by **Us** from the date of the loss provided **You** pay or agree to pay any additional premium that may be required by **Us**.

HAZARDOUS GOODS STORAGE

Hazardous goods stored at **Your Situation** by any person as part of that person's business must be stored in quantities and in a manner that are in compliance with any relevant laws or regulations.

INDEXATION

We will increase **Your Sum Insured** by the amount of which the Consumer Price Index has increased since **You** last renewed **Your** policy.

SPECIAL CLAUSES

EARTHQUAKE, SUBTERRANEAN FIRE, VOLCANIC ERUPTION EXCESS

Your Excess will be increased by \$200 in the event of a claim for loss or damage to **Your Buildings** and **Common Contents** caused by earthquake, subterranean fire, volcanic eruption, or fire resulting from any of the above occurring during any period of 72 consecutive hours.

OTHER EXCESSES

You will bear any Excess shown in the **Policy Schedule**.

RELEASE CLAUSE

When **You** are required by contractual agreement to release any Government or Public or Local Authority or other Statutory Authority from liability for loss, destruction, damage or legal liability insured against under this policy,

such release is allowed without prejudice to this insurance.

SECTION 2 – PUBLIC LIABILITY

WHAT YOU ARE COVERED FOR

We will pay all amounts **You** shall become legally liable to pay for:

- **Personal Injury**; and/or
- **Property Damage**

happening during the **Period of Cover** resulting from an **Occurrence** arising out of the ownership and management of the **Insured Property** and **Common Area**.

The most **We** will pay is the Limit of Indemnity shown on the **Policy Schedule** for any one **Occurrence**.

DEFINITIONS FOR THIS SECTION

Employee or Employees

Any person

- ▶ Engaged by **You** under a contract of service or apprenticeship, or
- ▶ Supplied to **You** pursuant to a contract of labour hire.

Occurrence

An event, including continuous or repeated exposure to substantially the same general conditions, which results in **Personal Injury** and/or **Property Damage** neither expected nor intended to happen by **You**.

ADDITIONAL BENEFITS

- **CAR PARK**

We will pay for all amounts **You** shall become legally liable to pay for damage to Vehicles that are not owned or being used by **You** or on **Your** behalf, where such damage occurs in a car park that **You** own at the **Situation**.

- **COURT ATTENDANCE**

If **We** require **You** to attend court in connection with a claim **We** will pay **You** up to \$300 per day for the duration of **Your** attendance.

- **LEGAL COSTS**

We will pay, with **Our** prior written consent, reasonable legal costs incurred, in addition to

the limit specified in the **Policy Schedule**, in the investigation, defence or settlement of a claim for which cover is provided under this Section 2 of the policy.

- **MORE THAN ONE INSURED**

When the Insured is made up of more than one party, each party will be granted indemnity as if they had a separate policy provided **Our** liability is not increased.

- **RECREATIONAL ACTIVITIES**

We will pay for all amounts **You** shall become legally liable to pay for **Personal Injury** and/or **Property Damage** resulting from an **Occurrence** during the **Period of Cover** arising from social or recreational activities arranged for and on behalf of **Unit** Owners or **Unit** occupiers excluding the following activities unless specifically agreed by endorsement to this policy:

motor races, motor rallies, motorspeed tests, canyoning, caving, rifle/firearms, shooting, **Aircraft**, hang gliding, parachuting, paragliding, white water canoeing/ kayaking/rafting (above class 2 rapids), scuba diving, dune buggies, vertical and horizontal bungee jumping, hot air ballooning, gladiator games, unsupported rock climbing, go karts, motocross, martial arts or boxing activities.

WHAT YOU ARE NOT COVERED FOR

We will not pay any claim in respect of:

- Any agreement or contract **You** enter into. **We** will pay for **Your** liability if **You** would have been liable without the agreement or contract.
- Damage to or loss of property that belongs to **You** or any person **You** employ and that damage or loss arises from his employment with **You**.
- Construction, erection, alterations or additions of any building or part of a building or any construction, maintenance, repair or remediation work which interferes with the structural integrity of any building, load-bearing wall or structure.
- Demolition of buildings.
- Fines or other penalties, compensation of awards of aggravated, exemplary or punitive damages which **You** may be ordered to pay.
- Libel or slander made by **You** or at **Your** direction where **You** knew the relevant statement or representation to be false.

- **Personal Injury** to any **Employee**, if the **Personal Injury** arises out of their employment with **You**.
- Any liability imposed on or any sum sought to be recovered from **You** by the provision of any workers' compensation legislation, accident compensation legislation, or industrial award agreement or determination, including any claim against **You** for recovery of any payments made pursuant to or in respect of workers' compensation legislation where such payments or recovery are or were in respect of or concerning **Employees**.
- **Personal Injury** to any person who is NOT **Your Employee** but has been engaged to perform work for **You** or for **Your** benefit where the total contract price or value of the contract works irrespective of being carried out by one or more person/s exceeds \$ 25,000 during the **Period of Cover**.
- **Personal Injury** to any person whether an **Employee** or otherwise, who is engaged to perform building, demolition or construction work irrespective of the total contract price or the value of the contract works.
- **Personal Injury** or **Property Damage** arising from the ownership, custody or use of any Vehicle which is registered or required to be registered by law.
- **Personal Injury** or **Property Damage** intentionally caused by **You** or on **Your** behalf.
- The use, removal of or exposure to any asbestos product or products containing asbestos.
- The ownership, custody or use of any aerial device or **Aircraft**, boats exceeding four meters in length and **Watercraft**.
- **Personal Injury** and/or **Property Damage** directly or indirectly caused by **Pollution or Contamination**.
This exclusion shall not apply where such **Pollution or Contamination** is sudden, identifiable, unexpected and unintended and has taken place in its entirety at a specific time and location.
- Any costs incurred in the prevention, removal, nullifying or cleaning-up of such **Pollution or Contamination**.
- Vibration or weakening of, removal of or interference with support to land, buildings or other property.
- **Your** car park being operated as a commercial car park.

SPECIAL CLAUSE

RELEASE CLAUSE

When **You** are required by contractual agreement to release any Government or Public or Local Authority or other Statutory Authority from Liability for loss, destruction or damage or legal liability insured against under this policy, such release is allowed without prejudice to this insurance.

SECTION 3 – FIDELITY GUARANTEE

WHAT YOU ARE COVERED FOR

We will pay **You** for any loss **You** incur in respect of fraudulent misappropriation of **Your Funds** that occurs during the **Period of Cover** up to the **Sum Insured** stated in the **Policy Schedule**.

DEFINITIONS FOR THIS SECTION

Funds

Money, securities or tangible property received by **You** or collected on **Your** behalf, which has been or was to be set aside for the financial management of **Your** affairs.

WHAT YOU ARE NOT COVERED FOR

We will not pay **You** for:

- Any loss discovered by **You** prior to the commencement of the **Period of Cover**.
- Any further loss that **You** incur in respect of any fraudulent misappropriation of **Your Funds** committed by the same person or persons after **You** have discovered the first loss, regardless of when the first loss was discovered.
- Losses that **You** can recover under any other fidelity bond, fund or insurance policy.
- Losses that **You** discover more than 9 months after the expiry of this policy by cancellation or non-renewal.

SPECIAL CONDITIONS

You must agree to withhold, but only to the extent **You** are allowed by law, moneys or assets that are the property of that person or persons who have or whom **You** reasonably believe have caused **You** a loss as a result of fraudulent misappropriation of **Your Funds**.

We will reduce the amount of the loss **We** pay **You** by the amounts withheld or retained.

SECTION 4 – OFFICE BEARER’S LIABILITY

THIS SECTION IS ON A CLAIMS MADE BASIS

Any Claim first made against **You** must be notified to **Us** during the **Period of Cover**.

WHAT YOU ARE COVERED FOR

We will indemnify **You** for **Loss** resulting from any Claim first made against **You** during the **Period of Cover** and notified to **Us** during the **Period of Cover** as a result of a Wrongful Act that occurs after the commencement date of the **Period of Cover**.

The maximum amount **We** will pay during any one **Period of Cover** is the **Sum Insured** shown on the **Policy Schedule** regardless of the number of **Claims** made or reported during that **Period of Cover**.

DEFINITIONS FOR THIS SECTION

Claim

Any writ, summons, legal proceedings or written or verbal demand issued or served upon **You**, or a **Committee Member** and alleging a Wrongful Act.

Committee Member

- > A member or former member of the committee of the governing body of the **Buildings** appointed to act as an **Office Bearer**.
- > Includes a strata manager, director, partner, representative or employee of a strata management company, who is or was appointed as a **Committee Member** (as defined above) but only to the extent to which they are acting as an appointed member of the committee.

Loss

The amount of money payable in respect of:

- > A judgment ordered by a court.
- > Reasonable legal costs incurred by a **Committee Member**, with **Our** prior written consent, in the investigation, defence or settlement of a **Claim** or circumstances that may give rise to a **Claim**.

- > Reasonable legal costs awarded against a **Committee Member**.

Wrongful Act

Includes an omission, and means any actual or alleged:

- > making of an incorrect or misleading statement.
- > Failure to comply with that person’s duty or not carrying that person’s duty properly.
- > Breach of duty.
- > Failure to act as required.

You And Your

The Insured name shown on the **Policy Schedule** and also includes a **Committee Member**.

ADDITIONAL BENEFITS

• CONTINUOUS COVER

We will also indemnify **You** for **Loss** resulting from any **Claim** first made against **You** that should or could have been notified to **Us** in a previous **Period of Cover**, provided:

- > **You** have continuously maintained the **Office Bearer’s Liability** cover with **Us** since the time when such notification should have been given and up to and including the time such notification is given;
- > the applicable terms, conditions and exclusions including the limit of liability will be those applicable to **Our Office Bearer’s Liability** insurance under which the **Claim** should have or could have been made.

• RETROACTIVE COVER

We will indemnify **You** for **Loss** resulting from any **Claim** first made against **You** during the **Period of Cover** and notified to **Us** during the **Period of Cover** or within 30 days thereafter as a result of a Wrongful Act that occurs prior to the commencement date of this insurance, provided:

- > **You** first become aware of the **Claim** during the **Period of Cover**; and
- > **You** have maintained the same **Office Bearer’s Liability** insurance as that which **You** held on the date of the relevant Wrongful Act.

WHAT YOU ARE NOT COVERED FOR

We will not pay for any **Loss** in connection with any **Claim** resulting from or arising out of:

- Any action against **You** initiated, threatened or intimidated before this policy commenced.
- Any action brought against **You** in a court of law outside Australia.
- Any Money or gratuity given to **You** without authorisation by the **Body Corporate** where such authorisation is necessary pursuant to **Your** Memorandum of Articles or as prescribed by law.
- Any profit or advantage gained by **You** to which **You** were not legally entitled to or for which **You** may be held accountable to the **Body Corporate** or any member thereof.
- Any circumstances of which **You** had become aware prior to the commencement date of this policy and which a reasonable person could be expected to know to be the circumstances that may give rise to a **Claim** under this policy.
- Conflict of **Your** duty or **Your** interest.
- Defamation, libel and slander.
- Any dishonest, fraudulent, criminal or malicious act or omission but this exclusion does not apply to costs incurred in successfully defending such a **Claim**.
- Any notification of circumstances which has been given under another policy that expired before this policy commenced.
- Any **Personal Injury** or **Property Damage** including **Loss** of use or consequential **Loss**.
- Any punitive, exemplary or aggravated damages, fines or penalties.
- The use, removal of or exposure to any asbestos product or products containing asbestos.
- **Your** failure to first notify **Us** of a **Claim** against **You** in the current **Period of Cover**, except as specifically provided in this Section of the policy.
- **Your** intentional decision not to effect and maintain insurances as required by the Strata Schemes Management Act, Strata Titles Act, Community Titles Act, Company Titles Act or similar legislation applying where **Your Insured Property** is situated.

SECTION 5 – VOLUNTARY WORKERS (PERSONAL ACCIDENT)

WHAT YOU ARE COVERED FOR

If any of the events 1 to 7 set out in the Table of Cover below, happens to a Voluntary Worker as a result of bodily injury, **We** will pay the Voluntary Worker or their legal representative the corresponding Benefit to that **Event**.

TABLE OF COVER

EVENTS	BENEFIT
1 Death	\$200,000
2 Total and Permanent loss of 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	\$100,000
5 Total and Permanent loss of sight in one eye	\$100,000
6 Temporary Total disablement from engaging or attending to usual occupation (per week)	\$2,000
7 Temporary Partial disablement from engaging or attending to usual occupation (per week)	\$1,000

We will only pay one benefit for any injury, except as described below:

Where a payment is made for events 1, 2 or 3, it will be reduced by any payment made for **Event** 4 and 5 for the same injury.

Where a payment is made for events 1, 2, 3, 4 or 5, it will be reduced by any payment made for **Event** 6 and 7 for the same injury.

We will only pay if the injury has occurred during the **Period of Cover** while the Voluntary Worker is actually engaged in voluntary work on **Your** behalf.

The most **We** will pay under this section is specified on the **Policy Schedule**.

DEFINITIONS FOR THIS SECTION

VOLUNTARY WORKER

A **Unit Owner**, a nominee of a **Unit Owner** or an **Office Bearer** who voluntarily does work or

perform duties in or around **Your Buildings** and the **Common Areas**, other than in respect of the **Unit Owner's** own Unit.

An employee or contractor or any person who receives financial reward or remuneration is not deemed to be a Voluntary Worker.

TEMPORARY TOTAL DISABLEMENT

Disablement which entirely prevents **You** from attending to **Your** business or occupation.

TEMPORARY PARTIAL DISABLEMENT

Disablement which entirely prevents **You** from attending to a substantial part of **Your** business or occupation.

ADDITIONAL BENEFITS

We will also pay the following costs if a Voluntary Worker is injured in circumstances covered by this Policy:

- **FUNERAL EXPENSES**

Funeral expenses due to death following bodily injury. The most **We** will pay is \$5,000.

- **DOMESTIC ASSISTANCE**

Reasonable cost of domestic assistance following injury. The most **We** will pay is \$5,000.

- **TRAVEL EXPENSES**

Travel expenses in obtaining necessary medical treatment following bodily injury. The most **We** will pay is \$2,000.

- **OTHER COSTS INCURRED**

Costs which the Voluntary Worker incurs that are not recoverable from any other sources. The most **We** will pay is \$2,000.

WHAT YOU ARE NOT COVERED FOR

We will not pay for any claim:

- For childbirth or pregnancy, miscarriage or any complications with pregnancy.
- To persons under the age of 12.
- For any pre-existing injury or mental illness.
- For self-inflicted injury, suicide or any attempt thereat.
- If the Voluntary Worker is intoxicated or under the influence of alcohol or drugs including prescription drugs.

- For events 6 and 7 no more than 104 weeks for the same injury.
- For events 6 and 7 if the Voluntary Worker is not in paid employment at the time of the injury.
- For any amount the Voluntary Worker can recover from any registered health fund, Medicare or any other insurance.
- If the injured Voluntary Worker does not obtain and follow medical advice from a qualified practitioner as soon as possible after any bodily injury has occurred.

SPECIAL CONDITIONS

We may, at **Our** own expense, request the injured Voluntary Worker to have a medical examination.

We may, at **Our** own expense, request a post-mortem examination in the event of death.

SECTION 6 – LEGAL COSTS

THIS SECTION IS ON A CLAIMS MADE BASIS

Any Claim first made against **You** must be notified to **Us** during the **Period of Cover**.

WHAT YOU ARE COVERED FOR

We will pay **Your Legal Costs You** necessarily and reasonably incur for defence of actions brought or threatened against **You** within the Commonwealth of Australia during the **Period of Cover** and that are notified to **Us** during the **Period of Cover** in connection with or arising out of:

- The ownership and management of the **Insured Property and Common Area**.
- The terms of a contract or alleged contract of employment with an employee, ex-employee or a prospective employee or discrimination legislation with an employee, ex-employee or a prospective employee.
- The operation of the Competition and Consumer Act 2010 (Cth).

Provided **You** have obtained **Our** prior consent in writing and **You** satisfy **Us** that there are reasonable prospects of success which warrant **You** pursuing or defending the legal proceedings. The onus of providing sufficient information to enable **Us** to make a decision as to whether the prospects warrant pursuing or defending the proceedings (and the costs of providing such information) lies with **You**.

The most **We** will pay under this section is specified on the **Policy Schedule**.

DEFINITIONS FOR THIS SECTION:

LEGAL COSTS

The reasonable legal fees, charges and expenses **We** have accepted and approved in writing for the investigation, defence, monitoring or settlement of any claim.

WHAT YOU ARE NOT COVERED FOR

We will not pay for **Legal Costs** in connection with any actual or threatened claim in respect of or arising from or relating to:

- A conflict or **Your** duty or interest.

- A deliberate act including a deliberate act of fraud or dishonesty committed by **You** or on **Your** behalf.
- A dispute which occurred prior to the commencement of the **Period of Cover**.
- An act, omission, liability or Event for which indemnity is otherwise provided under the terms and conditions of Section 2 (Public Liability) and Section 4 (Office Bearers' Liability Policy) or would have been provided if Section 2 and Section 4 were operative;
- A dispute which **You** knew or ought reasonably to have known was likely to give rise to a claim or legal proceedings brought against **You**.
- Fines or other penalties, compensation or awards of aggravated, exemplary or punitive damages **You** may be ordered to pay.
- Libel, slander or defamation.
- The pursuit or defence of a claim or legal proceedings without **Our** prior written consent or contrary to or in a different manner from that advised by any solicitor appointed by **You** or by **Us** (and in the event of a discrepancy, the view of **Our** appointed solicitor shall prevail).
- Any proceedings brought by **Us** or brought by **You** or on **Your** behalf.

SPECIAL CONDITIONS

• APPEAL PROCEDURE

If **You** are dissatisfied with any decision made by a court and tribunal and wish to appeal against this decision **You** must advise **Us** in writing and state the reasons for making an appeal at least five clear business days prior to the expiry of the time for instituting an appeal or as soon as possible if the time allowed by law is less than the five clear business days. **You** must obtain **Our** prior written consent to the appeal.

If **We** are dissatisfied with any decision made by a court or tribunal and wish to appeal that decision **You** must reasonably co-operate with **Us** in lodging such an appeal.

• BILL OF COSTS

You must forward **Us** all bills of costs or other communications **You** received relating to fees and expenses as soon as practicable. If requested by **Us**, **You** will instruct the Appointed Representative to submit the bill of costs for adjudication by any relevant professional body, Court or Tribunal. **You** must not without **Our** written approval enter into any agreement with

the Appointed Representative as to the level of fees and expenses to be charged. Further **You** must not represent to the Appointed Representative that all fees and expenses charged to **Your** account are insured by this Policy.

- **CONSENT**

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

- **INFORMATION TO BE GIVEN TO THE APPOINTED REPRESENTATIVE**

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

- **JURISDICTION**

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

- **NOMINATION OF APPOINTED REPRESENTATIVE**

You may request **Us** to nominate a solicitor to act as **Your** Appointed Representative or if **You** elect to nominate **Your** own solicitor to act as the Appointed Representative, **You** must submit the name and address of that solicitor to **Us**. **We** may accept or refuse such nomination without giving a reason. If agreement cannot be reached on the appointment the President of the Law Society within **Your** State will be requested to nominate an Appointed Representative. During this period **We** will be entitled but not bound to instruct an Appointed Representative on **Your** behalf if **We** consider it necessary to do so to safeguard **Your** immediate interests. In all cases the Appointed Representative will be appointed in **Your** name and will act on **Your** behalf.

- **OFFER OF SETTLEMENT**

You must inform **Us** immediately if **You** receive an offer to settle a Claim. If such offer of settlement is, in our judgment, considered to be fair and reasonable and **You** withhold **Your** agreement to such a settlement and elect to continue legal proceedings **Our** liability will not exceed the amount of **Legal Costs** incurred up to the date of such settlement offer. Further if **You** refuse a recommendation by the Appointed Representative to settle a Claim and elect to continue legal proceedings, **Our** liability will not exceed the amount of **Legal Costs** incurred up to the date of such refusal.

- **OUR ACCESS TO THE APPOINTED REPRESENTATIVE**

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

- **RECOVERY OF LEGAL COSTS**

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

SECTION 7 – OCCUPATIONAL HEALTH & SAFETY BREACHES

THIS SECTION IS ON A CLAIMS MADE BASIS

Any Claim first made against **You** must be notified to **Us** during the **Period of Cover**.

WHAT YOU ARE COVERED FOR

We will pay **Your Legal Costs** **You** necessarily and reasonably incur in the pursuit of an appeal against any improvement, prohibition notice or determination imposed on **You** pursuant to any workplace occupational health and safety legislation or similar legislation by any court or tribunal during the **Period of Cover** and which is notified to **Us** during the **Period of Cover**.

Provided **You** have obtained **Our** prior consent in writing and **You** satisfy **Us** that there are reasonable grounds of success for pursuing or defending the legal proceedings.

The most **We** will pay under this section is specified on the **Policy Schedule**.

DEFINITIONS FOR THIS SECTION

Legal Costs

The reasonable legal fees, charges and expenses **We** have accepted and approved in writing for the investigation, defence, monitoring or settlement of any claim.

SPECIAL CONDITIONS

• APPEAL PROCEDURE

If **You** are dissatisfied with any decision made by a court and tribunal and wish to appeal against this decision **You** must advise **Us** in writing and state the reasons for making an appeal at least five clear business days prior to the expiry of the time for instituting an appeal or as soon as possible if the time allowed by law is less than the five clear business days. **You** must obtain **Our** prior written consent to the appeal.

If **We** are dissatisfied with any decision made by a court or tribunal and wish to appeal that decision **You** must reasonably co-operate with **Us** in lodging such an appeal.

WHAT YOU ARE NOT COVERED FOR

We will not pay for **Legal Costs** in connection with any actual or threatened claim in respect of or arising from or relating to:

- A conflict of **Your** duty or **Your** interest.
- A deliberate act including a deliberate act of fraud or dishonesty committed by **You** or on **Your** behalf.
- Fines or other penalties, compensation or awards of aggravated, exemplary or punitive damages **You** may be ordered to pay.
- Libel, slander and defamation.
- A proceeding, improvement or prohibition notice which occurred prior to the commencement of the **Period of Cover**.
- A proceeding which **You** knew or ought reasonably to have known was likely to give rise to a claim or legal action brought against **You** or an improvement or prohibition notice which **You** knew or ought reasonably to have known was likely to be issued against **You**.
- The pursuit or defence of a claim or legal proceedings without **Our** prior written consent or contrary to or in a different manner from that advised by any solicitor appointed by **You** or by **Us**.
- Any proceedings brought by **Us** or brought by **You** or on **Your** behalf against **Us**.

SECTION 8 – TAX PROBE

WHAT YOU ARE COVERED FOR

We will pay the Professional Fees incurred by **You** in connection with an Audit of **Your** Business financial or tax affairs by the Australian Taxation Office, or by a Commonwealth, State or Territory department body or agency, if the Audit was commenced and is notified to **Us** during the **Period of Cover**.

Provided **You** have obtained **Our** written consent before those fees were incurred.

The most **We** will pay under this section is specified on the **Policy Schedule**.

DEFINITIONS FOR THIS SECTION

AUDIT

The audit of a Return, submitted by **You** or by others on **Your** behalf, by the Australian Tax Office or by any Australian Commonwealth State or Territory department, body or agency or authority which is duly authorised to conduct such an audit.

AUDITOR

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

BUSINESS

Your ownership of the **Insured Property**.

CONCLUDED DECISION

Written notification of the Auditor's concluded views in connection with a return and includes any written statement which is intended by the Auditor to be its findings in connection with a Return or the basis upon which it proposes to act in connection with a return.

PROFESSIONAL ADVISER

An accountant who is a member of a nationally recognised accounting body, a registered tax agent or a tax consultant.

PROFESSIONAL FEES

Reasonable and necessary fees, costs and disbursements incurred in connection with an Audit that would be payable by **You** to **Your** Professional Adviser for work undertaken in connection with an Audit.

RETURN

Any Return legally required to be and actually lodged with an Australian Commonwealth, Federal or State government or government authority by **You** or on **Your** behalf.

WHAT YOU ARE NOT COVERED FOR

We will not pay in respect of any Audit where a return has been lodged:

- more than three months after the lodgment date prescribed; or
- after the date prescribed by an authorised extension.

In respect of any Audit where a return has been prepared, lodged or submitted dishonestly or fraudulently and where the supporting documents have been falsely created or collected for any:

- amounts sought by any amended notice of assessment;
- additional tax, duty government imposed or the like;
- fines or penalty imposed; or
- costs in legally pursuing or defending any legal actions against **You** or initiated by **You**.

SPECIAL CONDITIONS

You must comply with the following conditions before **We** may pay **You** Professional Fees:

- All taxation and other returns must be lodged and all taxes paid within the three months of the time limits prescribed by statute or, within the date prescribed if an extension is granted.
- **You** must make full and complete declaration of all assessable income, including capital gains.
- The Audit commences at the time **You** or **Your** Professional Adviser first receive notice that the Auditor proposes to conduct an audit and is completed when:
 - > The Auditor has given notice to that effect;
 - > The Auditor notifies **You** that it has made a Concluded Decision about **Your** Returns;
 - > When the Auditor has issued an assessment or amended assessment of **Your** Returns;
 - > In the absence of the above where **Your** Professional Adviser declares in writing that such an Audit has been completed.

SECTION 9 –BREAKDOWN OF MECHANICAL AND ELECTRONIC EQUIPMENT

WHAT YOU ARE COVERED FOR

You can choose between two options of cover:

- **Blanket Cover**
- **Specified Items Cover**

The cover selected and the most **We** will pay under this section for either **Blanket Cover** or **Specified Items Cover** is specified on the **Policy Schedule**

We will cover **You** the following events happening during the **Period of Cover**:

- 1) **Breakdown of Your Mechanical Equipment at Your Situation**, including lifts, elevators and inclinators provided they are subject to a current comprehensive maintenance agreement.
- 2) Explosion of boilers and pressure vessels
Sudden and violent rending of boilers and pressure vessels at **Your Situation** by force, explosion of flue gas in such boilers, internal fluid pressure or collapse of such vessels as a result of abnormal vacuum and/or weakening of their structure through wear and tear.
- 3) Impact by flying fragments
Damage to **Mechanical Equipment** at **Your Situation** caused by flying fragments following **Breakdown** of surrounding **Mechanical Equipment**.
- 4) **Breakdown of Electronic Equipment at Your Situation** after completion of successful initial commissioning and testing of the equipment.

DEFINITIONS FOR THIS SECTION

Blanket Cover

The maximum amount **We** will pay for any one claim is the limit any one loss specified in the **Policy Schedule** and applies irrespective of the type of Electronic or **Mechanical Equipment** involved.

Breakdown

Any internal electronic, electrical or mechanical component malfunction or failure which is sudden and unforeseen which stops the

function of any **Electronic Equipment** or **Mechanical Equipment** and which requires immediate repair or replacement to enable the **Electronic Equipment** or **Mechanical Equipment** to function normally. **Breakdown** includes sudden and unforeseen:

- > explosion of boilers and pressure vessels;
- > violent bursting of motors, compressor and equipment subject to centrifugal force with or without ejection of parts and contents..

Electronic Equipment

All electronic audio-visual, computer, communication, surveillance, recording, signaling or similar equipment at **Your Situation**.

It does not include **Mechanical Equipment** or electronic components of any **Mechanical Equipment**.

Mechanical Equipment

All electrical and/or mechanical machinery including their interconnecting cabling and piping, boilers and pressure vessels and any other machinery or equipment at **Your Location** which generates, contains, transmit, receives, transforms or utilizes any form or source of energy or power. It does not include **Electronic Equipment**

Specified Items Cover

The maximum amount **We** will pay for a **Breakdown** is the relevant **Sum Insured** stated opposite each item specified in the **Policy Schedule**.

ADDITIONAL BENEFITS

• CLAIMS PREPARATION EXPENSES

We will pay for the costs necessarily and reasonably incurred for the preparation of a claim for which **We** agree to indemnify **You** under this Section of the Policy provided before **You** incur these costs **You** have obtained **Our** written approval to incur such costs.

The most **We** will pay is \$100,000

• LOSS OF RENT AND TEMPORARY ACCOMMODATION

We will pay for Loss of **Rent** or Alternative Accommodation of any **Unit** which cannot be occupied for its intended purposes for more than 48 hours continuously as a result of

Breakdown of Your Mechanical and Electronic Equipment .

The most **We** will pay under this Additional Benefit during any one **Period of Cover** is limited to 15% of the **Buildings and Common Contents Sum Insured** unless another amount has been agreed in writing and has been noted on the **Policy Schedule**.

At **Our** option **We** will settle claims directly with **You** or any **Unit Owner**.

HOW WE WILL PAY YOUR CLAIM

Following an **Event 1 to 4** described in this Section, **We** will at **Our** option pay **You**, up to the Sum specified on the **Policy Schedule** less the applicable Excess:

- The cost of repairs necessary to return the damaged item or part of the item to its former state of serviceability including any necessary dismantling and re-erection; or
- The additional expenditure reasonably and necessarily incurred by **You** for:
 - > Temporary repairs;
 - > Labour, overtime and work on public holidays incurred in expediting the repairs;
 - > Freight within Australia, including transportation as freight by any recognised airlines' scheduled service;
 - > Removing, storing and disposing of debris being residue of Damaged **Insured Property**.
 - > Hire of alternative equipment; (Event 1 to 3 only)
 - > Customs duties and dues, if any, to the extent that such expenses have been included in the **Sum Insured** for the item shown in the **Policy Schedule**. (Event 4 Only)

We will not pay:

- More than the cost of repairing or replacing the Damaged part of an item of equipment including any necessary costs of dismantling and re-erection when Damage is confined to that part;
- More than the **Sum Insured** for the item of equipment, if any, shown in the **Policy Schedule**;
- More than the Limit of Liability for any one item of equipment shown in the **Policy Schedule**
- More than the pre-**Breakdown** market value of the item of **Mechanical and Electronic Equipment** where the **Mechanical and**

Electronic Equipment is not able to be repaired because any replacement part/s for the equipment cannot be purchased or manufactured. Where necessary, the estimated cost of unavailable parts will be based on the cost of available parts for similar equipment which are still in production;

- For any additional expenditure exceeding more than 25% of the Replacement Value of the damaged equipment or the Limit of Liability for anyone item of equipment shown in the **Policy Schedule**, whichever is the lesser.
- For any costs to remove Pollutants beyond the boundaries of **Your Situation**.
- For any **Breakdown** of cooling towers or chillers unless such equipment have been specified under the **Specified Items Cover**.
- Anything to extent **You** are entitled to recover the costs of labour or parts under a maintenance agreement, warranty, guarantee or indemnity in **Your** favour.

WHAT YOU ARE NOT COVERED FOR

In addition to the 'General Exclusions', **We** will not cover **You** under events 1 to 3 as described in this Section for:

- **Breakdown of:**
 - > Any equipment which was known by **You** to be defective or required repair or rectification of a defect before the Damage to such equipment occurred;
 - > Electro-medical and diagnostic research equipment;
 - > Bore pumps, including well casings, turbine pumps or helical rotor pumps;
 - > Vehicles;
 - > **Electronic Equipment** other than electronic components of the **Mechanical Equipment**;
 - > Hand dryers, mobile or portable machinery, portable hand held tools and vacuum cleaners;
 - > Vending or amusement machines or any coin operated machine;
 - > Lawn maintenance equipment;
 - > Mobile equipment;
 - > Any **Mechanical Equipment** which happens outside **Your Situation**;
 - > Any **Mechanical Equipment** being intentionally subjected to abnormal stresses

or overloading or any other testing or experimentation,

unless **We** have given prior written consent and specifically listed in the **Policy Schedule** as covered.

- Loss or Damage for which **You** are covered under Section 1 or 3 of this policy;
- Damage to :
 - > Lighting or heating elements, fuses or protective devices;
 - > Electrical contacts at which sparking or arcing occurs in ordinary working;
 - > Electrical wiring due to ageing and normal use;

In addition to the 'General Exclusions', **We** will not cover **You** under events 4 as described in this Section for:

- **Breakdown of Electronic Equipment:**
 - > Which was known by **You** to be defective before damage to such equipment occurred;
 - > Not belonging to You, or which is leased or hired in or hired out by **You** while it is out of **Your** possession, care, custody or control on hire, rental, lease or loan;
 - > From causes for which cover is not provided for **Mechanical Equipment** under Part A of this section;
 - > Due to atmospheric moisture or temperature unless directly resulting from damage to or malfunction of air-conditioning equipment;
 - > Due to computer virus;
- The cost of replacement of consumable parts of equipment such as batteries, belts, chains, tapes, ribbons, filters, fuses, electric heating elements or electrical contacts worn through normal use or operation, unless replacement of such consumable part is necessary due to damage covered by this Part B;
- The cost of replacing damaged data media material or lost or corrupted electronic data or programs and restoring the lost information onto the data media;
- The cost of:
 - > Preventative maintenance work;
 - > Alterations, additions, improvements or overhauls whether carried out in the course of indemnifiable repairs or as a separate operation;

- > Replacement or restoration of equipment or parts of equipment following normal wear and tear or gradual deterioration unless the wear and tear or gradual deterioration results in **Breakdown** of the **Electronic Equipment**;
- > Temporary repairs unless such repairs constitute part of the final repairs and do not increase the total repair costs.

WORKERS COMPENSATION – YOU NEED ANOTHER POLICY

This policy provides NO COVER for Workers Compensation.

Where it is compulsory for any employee to be insured for Workers Compensation, a separate policy must be arranged in accordance with the Law in the State or Territory where the **Situation** is located.

We recommend that **You** contact **Your** Insurance Advisor to arrange this policy.



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