



RESIDENTIAL LANDLORDS
PROPERTY INSURANCE
PRODUCT DISCLOSURE
STATEMENT & POLICY WORDING

June 2017

CONTENTS

ABOUT THIS POLICY	1
PART A – PRODUCT DISCLOSURE STATEMENT (PDS)	3
PART B – POLICY TERMS AND CONDITIONS	11
SECTION 1: WHAT ‘HOME’ AND ‘CONTENTS’ MEAN	14
SECTION 2: COVER FOR YOUR HOME & CONTENTS	16
SECTION 3: COVER FOR YOUR LEGAL LIABILITY	19
SECTION 4: ADDITIONAL BENEFITS.....	22
SECTION 5: LOSS OF RENT AND RENT DEFAULT BY TENANT	28
SECTION 6: CONDITIONS & EXCLUSIONS.....	31

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ABOUT THIS POLICY

This Policy contains 2 separate sections:
Part A and Part B.

Part A – Product Disclosure Statement (PDS)

Part A of this Policy contains a Product Disclosure Statement (PDS). The PDS is designed to assist You to make informed choices about Your insurance needs. It gives a summary of the significant benefits and risks associated with this product (You should refer to Part B – Terms and Conditions for full details).

The PDS also contains information about costs, Our dispute resolution system, Your cooling off rights and other relevant information, including other rights, terms, conditions and obligations attaching to this product. Please read Parts A and B of this Policy carefully.

Part B – Policy Terms and Conditions

Part B of this Policy contains the Policy Terms and Conditions, which detail all the terms, conditions and exclusions relating to the Policy. It is Part B which forms part of Your legal contract with Us.

If We issue You with an insurance policy, You will be given a Policy Schedule. The Policy Schedule sets out the specific terms applicable to Your cover and should be read together with the Policy Terms and Conditions.

The Policy Terms and Conditions and the Policy Schedule We send to You form Your legal contract with Us so please keep them in a safe place for future reference.

If You require further information about this product, please contact JLT.

About Jardine Lloyd Thompson Pty Limited

Jardine Lloyd Thompson Pty Limited (JLT) is one of Australia's largest General Insurance Brokers, a group totally committed to service and the fulfilment of client needs. The group offers a diverse range of products and services to all areas of the industry and the wider community in all parts of Australia. JLT (ABN 69 009 098 864) holds an Australian Financial Services Licence No. 226827.

If You have any questions or would like further information regarding this insurance, You can contact Jardine Lloyd Thompson Pty Ltd (JLT) on:

Phone: 1300 850 299 or 1300 117 131
Fax: (02) 8824 1690
Email: landlords@jlta.com.au

About KEY

Key Underwriting Pty Ltd ABN 11 146 607 838 (KEY) is an underwriting agency and acts on behalf of QBE Insurance (Australia) Limited ABN 78 003 191 035 AFS Licence No 239545. KEY is an Authorised Representative (No. 403803) of Jardine Lloyd Thompson Pty Ltd (JLT) ABN 69 009 098 864 AFS Licence No. 226827 (JLT). KEY is a wholly owned subsidiary of Jardine Lloyd Thompson Australia Pty Limited ABN 24005 279 890 and a related company of JLT. KEY can be contacted at Level 37, Grosvenor Place, 225 George Street, Sydney NSW 2000.

Phone: +61 2 9290 8000

About QBE Australia

QBE Insurance (Australia) Limited ABN 78 003 191 035 AFSL 239545 is a member of the QBE Insurance Group ABN 28 008 485 014 (ASX: QBE). QBE Insurance Group is Australia's largest international general insurance and reinsurance group, and one of the top 25 insurers and reinsurers worldwide. The company has been operating in Australia since 1886 and continues to provide industry leading insurance solutions that are focused on the needs of intermediaries and their clients.

QBE is a household name in Australian insurance, backed by sizeable assets, and well known as a strong and financially secure organisation.

PART A – PRODUCT DISCLOSURE STATEMENT (PDS)

For Home and Contents Residential Landlords Policy

Insurer

The Policy is underwritten by QBE Insurance (Australia) Limited, ABN 78 003 191 035, AFS Licence No. 239545 of Level 5, 2 Park Street, Sydney NSW 2000.

Other documents may form part of the PDS. Any such documents will be dated and will include a statement identifying them as part of the PDS. If any major omissions, updates or corrections need to be made to the PDS a Supplementary PDS may be provided. In either case the relevant document will be provided to You with the PDS.

Significant benefits and features

We believe the most significant benefits of this Policy are that it protects:

- a) Your financial investment in Your home and contents on a new for old basis if they are lost or damaged due to malicious damage, accidental loss or damage and theft or malicious or purposeful damage by a Tenant. You can choose to cover Your home, Your contents, or both under this Policy,
- b) You for Your legal liability to third parties if they claim against You for compensation or expenses which You become legally liable to pay for:
 - the death of, or personal injury to, any person
 - the loss of, or damage to, property
- c) Your loss of rent due to damage to the home or covers rent default by your Tenant(s).

The Policy provides:

- a) Cover for Your home and contents up to their sums insured at the site, during the Period of Insurance, against:
 - malicious damage
 - accidental loss or damage (including events such as storm, flood, fire, earthquake, and theft)
 - malicious or purposeful damage or theft caused by Tenants (their families) or their visitors.
- b) Legal liability cover for \$30,000,000 which includes liability for You or any member of Your Family in respect of ownership or occupancy of Your home (where Your home is insured under this Policy or where Your home is a strata title residence and Your contents are insured under this Policy).
- c) Loss of rent for up to 52 weeks, where the home is so damaged by an insured event that it can't be let to Tenant(s) or rent default by Your Tenant(s).

This Policy also provides the following additional benefits:

- a) fees incurred directly in relation to repair or replacement of Your home
- b) removal of debris
- c) extra costs of reinstatement necessary to meet the requirements of any statutory authority in connection with rebuilding or repairing Your home

- d) fusion of an electric motor
- e) automatic reinstatement of sum insured following a claim other than a total loss
- f) costs for cleaning up and fumigating your home and contents following the death of a Tenant
- g) costs for cleaning up and fumigating your home and contents that suffer chemical contamination as a result of any illegal or controlled drug manufacturing at the home.

The Policy does not cover certain things

Claims may be refused in certain circumstances. Please refer to the Home and Contents Residential Landlords Policy Terms and Conditions which follows for full details of the terms and conditions of cover and exclusions.

The Policy will not cover loss or damage:

- a) intentionally caused by You or a member of Your Family or a person acting with Your consent or the consent of a member of Your Family
- b) resulting from or caused by:
 - inherent defects, structural defects, faulty workmanship, faulty design or any gradual process
 - wear, tear, rust, corrosion, depreciation or gradual deterioration, mildew, mould or algae
 - any consequential loss other than that specifically provided by this Policy
 - water entering the home through an opening made for the purpose of alterations, additions, renovations or repair
 - erosion, subsidence, landslide or earth movement other than as a direct result of some specified events
 - the action of the sea, high water, tidal wave.

The cover under this Policy will be limited to lightning, thunderbolt, riot and civil commotion, damage directly caused by impact by vehicle, waterborne craft, space debris, aircraft, rocket, satellite, a branch, or tsunami and earthquake for any period in excess of 100 consecutive days during which the home has been left unoccupied and You have not obtained Our written agreement.

The Policy will not insure You or Your Family against liabilities arising from:

- a) any agreement, unless liability would have attached to You or Your Family if that agreement did not exist
- b) death or personal injury to You or to any person who normally lives with You
- c) damage to property belonging to You or any person who normally lives with You or to Your or their employees
- d) the ownership, custody, or use of any lift, aerial device or aircraft (except model aircraft or toy kites), aircraft landing area, boat exceeding 4 meters in length (except canoes, surfboards, surf skis or sailboards) or motorised water craft in excess of 10 horsepower
- e) the conduct of any activity carried on by You or Your Family for reward except letting the home for domestic purposes or babysitting on a casual basis
- f) directly or indirectly, out of or in connection with the actual or alleged use or presence of asbestos

- g) building work, construction or demolition of a building, including the home if the value of the work exceeds \$100,000
- h) the ownership or use of any motor vehicle other than garden equipment that does not require registration, while it is at the site.

The Policy will not insure You or Your Family against fines, penalties, or punitive, aggravated, multiple or exemplary damages.

These are only some of the events that are not covered by this insurance. Please read the Home and Contents Residential Landlords Policy Terms and Conditions which follows this PDS for full details of all relevant Policy exclusions.

The amount of any claim made against the Policy may be reduced:

- a) where an excess applies (any applicable excesses will be shown in Your Policy Schedule).
- b) where You have not requested the insured value of any item to be specified in the Policy and where the value of that item exceeds any applicable sum insured sub limit. This Policy covers Your contents at the site, only.
- c) if You do not comply with any Policy condition and this contributes to any loss or damage.

You should refer to the General Conditions in Part B of this document for full details of all the General Conditions.

Some General Conditions include:

- You must tell Us about changes that increase the risk of this insurance
- You must tell Us as soon as possible if circumstances occur, or if changes or alterations are intended or made which increase the risk of loss, damage or injury.

This Policy is issued on the basis that You let the home to Tenants and it is not used as a holiday home.

If You use the home as a holiday home, You must tell Us beforehand. Should this occur during the Period of Insurance, We will offer You an alternative Home and Contents Policy.

If You use Your home as a holiday home and You do not tell us, We will not insure You.

- You must take reasonable care to:
 - protect and maintain the property insured under this Policy
 - prevent damage or injury to others or their property
 - minimise the cost of any Claim under this Policy, or
 - comply with all statutory obligations and by-laws or regulations relating to the safety of person or property.

If You do not, We will not pay for loss, damage, liability or injury to which this failure to take reasonable care contributes.

Significant risks

This product may not match Your expectations

This product may not match Your expectations (for example, because an exclusion applies). You should read Part A of this document and the Policy Terms and Conditions (Part B of this document) carefully. Please ask JLT if You are unsure about any aspect of this product.

Policy suitable for landlords

This Policy is not suitable for insuring owner occupiers or for holiday homes whether they are casually let or not.

Your sum insured may not be adequate

The Policy provides replacement or reinstatement conditions for home and contents which means that Claims are settled without contribution for age, depreciation or wear and tear. It is important that the sums insured You select cover the cost of replacing Your home and contents on a new for old basis. The sums insured that You select must make allowance for structural improvements (such as sheds, pergolas, and fencing), GST and any additional benefits that are included in the sum insured (for example: costs of removal of debris, architect's fees).

Over-insurance

If Your home or contents are damaged beyond economic repair, We will pay no more than the reasonable cost of replacement when new even if You have insured for an amount greater than the reasonable cost of replacement when new. Therefore, there is no benefit to You in over-insuring Your property.

Overdue premium

You must pay Your premium on time otherwise Your Policy may not operate.

If You have not paid by the due date or Your payment is dishonoured, this Policy will not operate and there will be no cover.

For more detailed information regarding payment options refer to the section headed 'How You can pay Your premium' in Part B (Terms and Conditions).

A Claim may be refused

We may refuse to pay or reduce the amount We pay under a Claim if You do not comply with the Policy Conditions, if You do not comply with Your Duty of Disclosure, or if You make a fraudulent Claim.

The cost of this Policy

The total premium is the amount We charge You for this Policy. It includes the amount which We have calculated will cover the risk, and any taxes and government charges. The premium and any taxes and government charges will be shown on Your Policy Schedule.

When calculating Your premium We take a range of rating factors into account, such as the geographical location and sum insured.

Premium payments can be made annually. You should arrange Your method of payment through JLT. A quote for cover and premium may be obtained from JLT.

Privacy

KEY and QBE each have a privacy policy which sets out personal information they collect and how they collect, disclosure, store and use it.

KEY

KEY is committed to the protection of Your privacy and is bound by the Australian Privacy Principles for the handling of Your information.

KEY's Privacy Policy can be examined by accessing our website (<https://www.au.jlt.com/privacy-policy>) or by obtaining a copy from the KEY Privacy Officer (Level 37, 225 George Street, Sydney, NSW, 2000: or on telephone number (02) 9290 8000).

When You give us personal or sensitive information about other individuals, we rely on You to have made or make them aware that You will or may provide that information to us, the purposes we may use it for, the types of third parties that we disclose it to and how they can access it. If it is sensitive information we rely on You to have obtained their consent on these matters. If You have not done either of these things, You must tell us before You provide the relevant information.

QBE Australia

We'll collect personal information when You deal with Us, Our agents, other companies in the QBE group or suppliers acting on Our behalf. We use Your personal information so We can do business with You, which includes issuing and administering Our products and services and processing Claims. Sometimes we might send Your personal information overseas. The locations We send it to can vary but include the Philippines, India, Ireland, the UK, the US, China and countries within the European Union.

Our Privacy Policy describes in detail where and from whom We collect personal information, as well as where We store it and the full list of ways We could use it. To get a free copy of it please visit qbe.com.au/privacy or contact QBE Customer Care.

It's up to You to decide whether to give Us your personal information, but without it We might not be able to do business with You, including not paying Your Claim.

The General Insurance Code of Practice

QBE Australia is a signatory to the General Insurance Code of Practice.

The Code aims to:

- commit Us to high standards of service
- promote better, more informed relations between Us and You
- maintain and promote trust and confidence in the general insurance industry
- provide fair and effective mechanisms for the resolution of complaints and disputes between Us and You
- promote continuous improvement of the general insurance industry through education and training

How to make a claim

Please contact Echelon Claims Services to make a Claim. We will only accept responsibility for repairs or payments to third parties under a Claim where You have advised Us beforehand and We have accepted Your Claim. Full details of what You must do for Us to consider Your Claim are provided in the 'Claims' section in part B of this Policy.

In the event of a Claim, please contact:

Echelon Claims Services
GPO Box 1693
Adelaide SA 5001
Phone: 1800 640 009
Fax: (08) 8235 6450

Resolving complaints and disputes

At QBE We are committed to providing You with quality products and delivering the highest level of service.

We also do everything We can to safeguard Your privacy and the confidentiality of Your personal information.

Something not right?

We know sometimes there might be something You are not totally happy about, whether it be about Our staff, representatives, products, services or how We are handled Your personal information.

Step 1 – Talk to us

If there's something you'd like to talk to Us about, or if you'd like to make a complaint, speak to one of Our staff. When You make Your complaint please provide as much information as possible. They're ready to help resolve Your issue.

You can also contact Our Customer Care Unit directly to make Your complaint. Our aim is to resolve all complaints within 15 business days.

Step 2 – Escalate your complaint

If We haven't responded to Your complaint within 15 days, or if you're not happy with how we've tried to resolve it, You can ask for Your complaint to be escalated for an Internal Dispute Resolution (IDR) review by a Dispute Resolution Specialist.

The Dispute Resolution Specialist will provide QBE's final decision within 15 business days of Your complaint being escalated, unless they've requested and you've agreed to give Us more time.

Step 3 – Still not resolved?

If you're not happy with the final decision, or if we've taken more than 45 days to respond to You from the date You first made Your complaint, You can contact the Financial Ombudsman Service Australia (FOS Australia). FOS Australia is an ASIC approved external dispute resolution body.

FOS Australia resolves insurance disputes between consumers and insurers, at no cost to You. QBE is bound by FOS Australia's decisions – but you're not. You can contact FOS Australia directly and they'll advise You if your dispute falls within their Terms of Reference.

Disputes not covered by the FOS Australia Terms of Reference

If Your dispute doesn't fall within the FOS Australia Terms of Reference, and you're not satisfied with Our decision then You may wish to seek independent legal advice.

Privacy complaints

If you're not satisfied with Our final decision and it relates to Your privacy or how we've handled Your personal information, You can contact the Office of the Australian Information Commissioner (OAIC).

HOW TO CONTACT QBE CUSTOMER CARE	
Phone	1300 650 503 (Monday to Friday from 9am to 5pm, Sydney time, except on public holidays). Calls from mobiles, public telephones or hotel rooms may attract additional charges.
Email	complaints@qbe.com , to make a complaint. privacy@qbe.com , to contact us about privacy or your personal information. customercare@qbe.com , to give feedback or pay a compliment.
Post	Customer Care, GPO Box 219, PARRAMATTA NSW 2124
HOW TO CONTACT FOS AUSTRALIA	
Phone	1800 367 287 (Monday to Friday from 9am to 5pm, Melbourne time, except on public holidays)
Email	info@fos.org.au
Online	www.fos.org.au
HOW TO CONTACT THE OAIC	
Phone	1300 363 992 (Monday to Friday from 9am to 5pm, Sydney time, except on public holidays). Calls from mobiles, public telephones or hotel rooms may attract additional charges.
Email	enquiries@oaic.gov.au
Online	www.oaic.gov.au

Financial claims scheme

Your Policy is a protected policy under the Financial Claims Scheme (FCS), which protects certain insureds and claimants in the event of an insurer becoming insolvent. In the unlikely event of QBE becoming insolvent You may be entitled to access the FCS, provided You meet the eligibility criteria.

More information may be obtained from the Australian Prudential Regulation Authority (APRA).

HOW TO CONTACT APRA	
Phone	1300 558 849 (Monday to Friday from 9am to 5pm, Sydney time, except on public holidays). Calls from mobiles, public telephones or hotel rooms may attract additional charges.
Online	www.fcs.gov.au

Other taxation implications

There may be taxation implications affecting You, depending upon Your own circumstances. We recommend that You seek professional advice.

Cancelling Your Policy

How You may cancel this Policy

- You may cancel this Policy at any time by telling Us in writing that You want to cancel it. You can do this by giving the notice to JLT.
- Where 'You' involves more than one person, We only need a request to cancel the Policy from one of You.

How We may cancel this Policy

- We may cancel this Policy in any of the circumstances permitted by law by informing You in writing.
- We will give You this notice in person or send it to Your address (including an electronic address) last known to Us.

If You have paid Your premium in advance, We will refund to You the proportion of the premium for the remaining Period of Insurance, less and administration costs.

Cooling-off information

If You want to return Your Policy after Your decision to buy it, You may cancel it and receive a full refund. To do this You may notify JLT electronically or in writing within 30 days from the date the Policy commenced.

This cooling-off right does not apply if You have made or are entitled to make a Claim. Even after the cooling-off period ends, You still have cancellation rights however JLT may deduct certain amounts from any refund for administration costs or any non-refundable taxes.

PART B – POLICY TERMS AND CONDITIONS

For Home and Contents Residential Landlords Policy

Insurer

The Policy is underwritten by QBE Insurance (Australia) Limited, ABN 78 003 191 035, AFS Licence No. 239545 of Level 5, 2 Park Street, Sydney NSW 2000.

Our agreement with you

This Policy is a legal contract between You and Us. You pay Us the premium, and We provide You with the cover You have chosen as set out in the Policy, occurring during the Period of Insurance shown on Your Policy Schedule or any renewal period.

The excesses set out in the section headed 'What You must pay if You make a claim – Excess' apply to all claims except where otherwise stated. The amount of any excess that applies to Your Policy will be shown on Your Policy Schedule.

The exclusions in the section(s) headed 'When You are not covered' and conditions in the section headed 'General Conditions' apply to all types of cover.

Your Policy

Your Home and Contents Accidental Damage Policy consists of Part B (Terms and Conditions) of this Policy and the Policy Schedule We give You. Please read Your Policy carefully, and satisfy yourself that it provides the cover You require. If You want more information about any part of Your Policy, please ask Us, or JLT. You should keep Your Policy and Policy Schedule together in a safe and convenient place for future reference.

How You can pay Your premium

You can pay Your premium in one annual payment by cheque, credit card or BPay.

You must pay Your annual premium by the due date. If We do not receive Your premium by this date or Your payment is dishonoured this Policy will not operate and there will be no cover.

Preventing Our right of recovery

If You have agreed not to seek compensation from another person who is liable to compensate You for any loss, damage or liability which is covered by this Policy, We will not cover You under this Policy for that loss, damage or liability.

Words with special meanings

Some key words and terms used in this Policy have a special meaning.

If words and terms are used in one Section of the Policy, We will describe their special meaning in that Section.

Wherever the following words or terms are used in the Policy, they mean what is set out below:

Bond Money - any money paid by or on behalf of the Tenant held as security against any damage to the home and/or contents, rent owed, reletting costs or any other expenses. This Policy will operate and all Claims will be paid on the basis that four (4) weeks' rent has been paid as Bond Money.

Claim - each separate and distinct instance of loss or damage which is insured by this Policy.

Excess – the first amount of any claim, which is your responsibility to contribute. We deduct the excess shown in the Policy Schedule or PDS from the amount of your claim. When a sublimit is applicable, the excess will be applied to the claim prior to applying the sublimit.

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

- a lake (whether or not it has been altered or modified)
- a river (whether or not it has been altered or modified)
- a creek (whether or not it has been altered or modified)
- another natural watercourse (whether or not it has been altered or modified)
- a reservoir
- a canal
- a dam

Insured – the person whose name is set out in the Policy Schedule as the Member / Insured.

Lease Agreement - the written and enforceable agreement between You and Your Tenant to rent Your home and which is subject to and compliant with the Residential Tenancies Act or similar in Your State or Territory, whether the agreement is for a fixed term, periodical or a Tenancy at Will immediately following a Lease Agreement.

Malicious Damage by Tenants, Tenant's visitors or family

A wrongful act by a Tenant or Tenants, Tenant's visitors or family motivated by malice, vindictiveness or spite with the intention of damaging the property.

This does not include;

- damage occurring during or as a result of any maintenance, repairs or attempted repairs carried out by the Tenant or anyone acting on their behalf,
- damage caused by the failure of Your Tenant to control their children
- damage caused by pets belonging to Your Tenants, their visitors or children of the Tenants or their visitors,
- accidental damage or accidental loss or any scratching, denting, chipping, rubbing or chaffing,
- any neglect, carelessness, poor housekeeping or unhygienic living habits

Model Aircraft

Model Aircraft means a small sized, unmanned replica of an existing or imaginary aircraft which is flown solely for toy, hobby, leisure, sporting or recreational purposes.

Model Aircraft does not include:

- balloon or kite,
- any aircraft used for a purpose other than the purpose for which it was originally designed (for example, it is not a model aircraft if it is used as a weapon),
- any aircraft that has a wingspan that exceeds 150 centimetres,
- any aircraft that has a total weight in excess of 2 kilograms, including anything in, on or attached to the aircraft (for example, a camera or gimbal),
- any aircraft that costs more than \$1,500 when new, including anything in, on or attached to the aircraft,

- any aircraft that is ever used in connection with or in relation to any commercial purpose or earning any income,
- any aircraft that is being used illegally, in breach of any CASA or other laws or regulations, or safety requirements (for example, if it is used in breach of any council safety rules, or any model aircraft club safety rules then it is not covered by this Policy).

Period of Insurance - the period shown in the Policy Schedule

Pet - Pet means any domestic animal that the tenant keeps in Your home or at Your home.

Pet Bond – additional bond money paid by the Tenant as prescribed by legislation relating to residential tenancies in your state or territory, which can be held as a security deposit against loss or damage caused by a Pet.

Policy – the agreement between You and Us to provide insurance cover according to the terms, conditions and exclusions contained in this document, the application form (if applicable), the Policy Schedule, any attachments to the Policy Schedule, and any other document or endorsement issued by Us affecting the cover.

Policy Schedule - the schedule of insurance or any endorsement schedule We give You

Purposeful Damage by Tenants, Tenant’s visitors or family

An act done by a Tenant or Tenants, Tenant’s visitors or family without the owner’s permission and with the full knowledge that the action will alter the current state of the property, but done without any malice, vindictiveness or spite.

This does not include;

- Tenant neglect, carelessness, poor housekeeping, or unhygienic living habits,
- damage occurring during or as a result of any maintenance, repairs or attempted repairs carried out by the Tenant or anyone acting on their behalf,
- damage caused by failure of Tenants or their visitors to control their children,
- damage caused by pets belonging to Your Tenants, their visitors or children of the Tenants or their visitors,
- theft, or damage caused by theft
- accidental damage or accidental loss or any scratching, denting, chipping, rubbing or chaffing

Rent - the amount of money payable under the Lease Agreement to rent Your home at the time of any Claim

Site - the address shown on Your Policy Schedule where Your home is located or Your contents are kept

Tenancy at Will – the Lease Agreement that will continue to apply where a fixed term lease period expires and the tenant holds over as a tenant after the expiration of the lease, where the terms of termination may or may not differ to the fixed term portion of the agreement.

Tenant, Tenants, Tentant’s - the person or persons renting the home named in the current Lease Agreement and any partner, children, pets or other persons permanently living at the site

We, Our, Us - QBE Insurance (Australia) Limited, ABN 78 003 191 035

You, Your, Yours - the person(s), companies or firms named on the current Policy Schedule as the 'Member/Insured'

Your Family - any member of Your Family who lives permanently with You, including Your partner.

SECTION 1: WHAT 'HOME' AND 'CONTENTS' MEAN

Home

Your Policy Schedule indicates whether Your home is insured and the sum insured.

What 'home' means

Your 'home' is the dwelling used entirely or primarily as a place of residence at the site shown on the Policy Schedule.

'Home' includes the following:

- a) outbuildings, fixtures and structural improvements including solar panels, in-ground swimming pools, tennis courts, in-ground spas, saunas, hot water system, jetties and pontoons all of which are used for domestic purposes
- b) fixed light fittings, fixed wall coverings, fixed ceiling coverings and fixed floor coverings
- c) services (whether underground or not) that are Your property or which You are liable to repair or replace or pay the cost of their repair or replacement,
- d) domestic fixtures and fittings, such as inbuilt air conditioners and heaters, plumbed-in dishwashers and garbage disposal units
- e) landscaping, paved pathways and paved driveways, retaining walls, fences and gates entirely or partly on the site.
- f) a residential flat, home unit, town house or any other type of multiple occupancy residence or attached dwelling that is non-strata or where the legislation allows it, not required to be jointly insured.

What 'home' does not mean

'Home' does not include:

- a) carpets (whether fixed or not), curtains or internal blinds unless You regularly lease out the home on an unfurnished basis
- b) earth or gravel pathways or driveways or other unpaved surfaces
- c) a hotel, motel, nursing home, boarding house, buildings of flats, strata title units, company title units or community title units or a caravan (whether fixed to the site or not)
- d) any building used for any business or trade, except a dwelling used principally as a place of residence that also contains an office or surgery
- e) a building in the course of construction
- f) a building in the course of being demolished or that is vacant pending demolition
- g) a temporary building or structure
- h) trees, shrubs and any other plant life including grass or lawns, or soil, sand, gravel, bark or mulch.

Contents

Your Policy Schedule indicates whether Your unspecified contents are insured and the sums insured.

What 'contents' means

'Contents' means, items (a) to (d) below, while they are at the site, and which belong to You or Your family or for whose loss or damage You or Your family are legally liable.

Contents are:

- a) household goods including but not limited to carpets whether fixed or not, floating floorboards, white goods, portable domestic appliances,
- b) swimming pools, saunas and spas that are not built in and their accessories ,
- c) if You own a unit in a strata title building, the internal paintwork, wallpaper and any fixture or structural improvement within or attached to that residence which You own that the Body Corporate is not required by law to insure,
- d) garden equipment if it does not require registration.

What contents does not mean

'Contents' does not include:

- a) fish, birds or animals of any description,
- b) trees, shrubs and any other plant life including grass or lawns, or soil, bark or mulch (other than pot plants),
- c) any caravan or trailer,
- d) cash, any negotiable instruments,
- e) clothing, personal effects, jewellery, furs, watches, any gold or silver objects, computers or any equipment, software or consumables associated with a computer, mobile or portable phones, photographic or video equipment or associated consumables of any kind, any portable battery powered appliance, musical instruments, sporting goods or equipment, stamps, coins, medals or documents of any kind,
- f) bicycles, motor vehicles of any kind other than garden equipment only as in point (d) of 'What 'contents' means' (including but not limited to any motor cycles, motor scooters, caravans or trailers), watercraft or aircraft or the accessories or spare parts of any of bicycles, motor craft, watercraft or aircraft,
- g) any property belonging to a tenant, tenant's family or tenant's guest or any property owned by You but not intended for the use of any tenant,
- h) any property:
 - illegally in Your possession,
 - stored in a dangerous and illegal way, or
 - any equipment connected with growing or creating any illegal substance,
- i) any tools of trade or any commercial or retail trade stock,
- j) Your home or any part of Your home.

SECTION 2: COVER FOR YOUR HOME & CONTENTS

What You are insured against, and what You are not

You are insured against malicious damage, accidental loss or damage (including the Specified Events listed below) to Your home, contents or both at the site during the period of insurance.

Specified Events

'Specified Events' means loss or damage directly caused by the following events (a) to (r):

- a) fire
- b) lightning
- c) thunderbolt
- d) explosion
- e) implosion
- f) earthquake or tsunami
tsunami means a sea wave caused by a disturbance of the ocean floor or by seismic movement
- g) subterranean fire
- h) volcanic eruption
- i) impact ('impact' means a collision of two or more objects)
- j) aircraft and/or other aerial devices and/or articles dropped from them
- k) sonic boom
- l) theft (including attempted theft)
- m) accidental breakage of fixed glass, shower bases, basins, sinks, baths or toilets
- n) the acts of persons taking part in riots or civil commotion or of strikes or of locked-out workers or of persons taking part in labour disturbances which do not assume the proportions of or amount to an uprising
- o) falling objects
- p) water and/or other liquids and/or substances discharged and/or overflowing and/or leaking from any apparatus and/or appliance and/or pipes
- q) storm, tempest, rainwater, wind, hail, tornado, cyclone or hurricane, freeze or weight of snow and flood
- r) power surge

Whether You have selected cover for Your home, contents or both is shown on Your Policy Schedule.

There are some limits and exclusions described under 'How We will pay' and 'When You are not covered', which You must read.

How We will pay

Home

a) At Our option we:

- repair the home, or
- replace the home to a condition substantially the same as, but not better than when new, or
- pay the reasonable cost of its repair or replacement to a condition substantially the same as when new, or
- pay up to the sum insured shown on Your Policy Schedule.

If you are entitled to use bond money following the finalisation or termination of the Lease Agreement, then claims will be reduced by the balance of any bond money that You can legally use to reduce or pay for any loss or damage after You have deducted any other expenses that You are legally entitled to deduct from the bond money such as clean-up costs, rent owing or re-letting expenses.

If Your home is damaged beyond economic repair, We will pay no more than the reasonable cost of replacement when new even if You have insured for an amount greater than the reasonable cost of replacement when new. When We pay Your claim for Your home being damaged beyond economic repair, the Policy is exhausted and comes to an end.

- b) You may choose to have the home replaced at another site, but We do not pay more than the sum insured.
- c) If Your home is damaged beyond economic repair and You do not commence rebuilding within 6 months of the damage occurring, (or any other period which We agree with You in writing) You may have to pay any increase in cost caused by Your delay.
- d) If part of Your home is damaged and We agree to pay Your claim, We pay only for the part or parts of the home that actually sustained damage. We do not pay to replace any undamaged materials.

However, if:

- it is impossible to acquire new material to replace the damaged material that reasonably matches the undamaged portion to a similar extent as immediately prior to the damage occurring, and
- the amount of damaged material that cannot be matched to the undamaged material is more than 40% of the total material that would have to be replaced if all the matching damaged and undamaged material was replaced,

then We will replace both the damaged and undamaged material.

Example 1

There are 300 matching white, wall tiles in the bathroom. As a result of a burst pipe, 8 bathroom wall tiles are damaged. We would pay only the reasonable cost to repair or replace the 8 damaged tiles to a condition substantially the same as when new.

(In addition, We would pay for damage sustained in locating the leak (Additional benefit 19).

Example 2

There are 300 superseded matching, wall tiles in the bathroom. As a result of a burst pipe, 140 bathroom wall tiles are damaged. It is impossible to locate tiles that reasonably match the remaining 160 tiles. Over 40% of the matching wall tiles have been damaged. Therefore, We

would pay only the reasonable cost to repair or replace all 300 tiles (140 damaged and 160 undamaged) to a condition substantially the same as when new. We would be entitled to keep the 160 undamaged wall tiles by way of salvage. We would not pay to replace any tiles located in a room other than where loss or damaged occurred.

(In addition, We would pay for damage sustained in locating the leak (Additional benefit 19).

- e) Where materials that are required to settle a claim that We agree to pay are not commercially available in Australia, at Our option, we:
- replace the materials with the nearest equivalent or similar new materials available in Australia or overseas, or
 - pay the cost to replace the materials with the nearest equivalent or similar new materials available in Australia or overseas.

Contents

- a) At Our option we:
- repair the damaged items, or
 - replace the items with items substantially the same as, but not better than, when new, or
 - pay the reasonable cost of repair or reinstatement to a condition substantially the same as, but not better than, when new, or
 - pay up to the sum insured shown on Your Policy Schedule.

If you are entitled to use bond money following the finalisation or termination of the Lease Agreement, then claims will be reduced by the balance of any bond money that You can legally use to reduce or pay for any loss or damage after You have deducted any other expenses that You are legally entitled to deduct from the bond money such as clean-up costs, rent owing or re-letting expenses.

If Your contents are damaged beyond economic repair, We will pay no more than the reasonable cost of replacement when new even if You have insured for an amount greater than the reasonable cost of replacement when new. When We pay Your claim for all Your contents being damaged beyond economic repair, the Policy is exhausted and comes to an end. We will not pay more than the total contents sum insured for all contents lost or damaged.

- b) Where an item required to settle a claim that We agree to pay is not commercially available in Australia, at Our option, we:
- replace the item with the nearest equivalent or similar new item available in Australia or overseas, or
 - pay the cost to replace the item with the nearest equivalent or similar new item available in Australia or overseas.

- c) Floor and Wall Coverings, Blinds and Curtains

For wall coverings, and carpets and other floor coverings, curtains and internal blinds, We pay only for items in the room, hall or passage, where the damage occurred.

- d) Pairs and Sets

A 'pair or set' means 2 or more articles the collective value of which exceeds the sum of their individual values.

If any item lost or damaged is part of a pair or set, We pay no more than the actual value of the item. We do not give any allowance for any special value it may have as forming part of a pair or set, or for any reduction in value of the remaining part or parts.

SECTION 3: COVER FOR YOUR LEGAL LIABILITY

What You are covered against

If this Policy covers Your home

If this Policy covers Your home or, if the home is a strata titled residence and Your contents are insured under this Policy, We insure You and any member of Your family against any claim for compensation or expenses which You or the member of Your family become legally liable to pay for:

- a) the death of, or personal injury to, any person
- b) the loss of, or damage to, property

resulting from an occurrence during the Period of Insurance, arising out of the ownership of the home or occupancy of the home.

In this section We include land, trees, shrubs and other plant life on the site as part of Your home.

If this Policy covers Your contents

If this Policy covers Your contents and, the home is Your primary residence, We insure You and any member of Your family against any claim for compensation or expenses which You or the member of Your family become legally liable to pay for:

- a) the death of, or personal injury to, any person
- b) the loss of, or damage to, property

resulting from an occurrence during the Period of Insurance, anywhere in the world that is not related to the ownership of Your home.

An 'occurrence' includes continuous or repeated exposure to substantially the same general conditions. We regard all death, personal injury or loss or damage to property arising from one original source or cause as one occurrence.

Bodily injury means physical bodily harm including sickness or disease, and any resultant required care, loss of services, loss of consortium or death.

Personal injury means bodily injury, shock, mental anguish or mental injury, including death. Personal injury does not include the publication or utterance of a libel or slander, any defamation of character nor invasion or breach of privacy.

Liability cover for the site continues following a home total loss

If Your home is a total loss as the result of an insured event and Your Policy comes to an end, We will continue to provide you with this liability cover in relation to the site that your home formerly occupied until the earliest of;

- any construction commencing at the site,
- the sale of the site or any part of it,
- another Policy that includes liability cover being taken out in relation to the site,
- the commencement of construction of a home to replace the insured home at another site, or
- six (6) months from the date of the damage that caused the total loss.

What You are NOT covered against – Legal Liability

When We do not insure You or Your family

We do not insure You or Your family:

- a) against any liability caused by or arising directly or indirectly, out of or in connection with the actual or alleged use or presence of asbestos
- b) against fines, penalties, or punitive, aggravated, multiple or exemplary damages.

We do not insure You or Your family against liabilities arising from:

- a) any agreement, unless liability would have attached to You or Your family if that agreement did not exist,
- b) death of or personal injury to You or to any person who normally lives with you.

In this exclusion We consider that a person normally lives with you, if that person:

- has lived with You in Your home, or
- has lived with You in Your home and intends or intended to use Your home

as their primary residence for 60 days or more out of any 90 consecutive day period (irrespective of the commencement date of the Policy) during which there is an occurrence.

- c) death of or personal injury to anyone employed by You or by someone who lives with You if the death or injury arises out of their employment
- d) damage to property belonging to You or any person who normally lives with You or to Your or their employees,
- e) any workers' compensation legislation, industrial award or agreement, or statutory accident compensation scheme,
- f) the ownership, custody, or use of any lift (other than a lift that exclusively services your home, provided that Your home is freestanding), aerial device or aircraft (except model aircraft or toy kites), aircraft landing area, boat exceeding 4 metres in length (except canoes, surfboards, surf skis or sailboards) or motorised watercraft in excess of 10 horsepower,
- g) the conduct of any activity carried on by You or Your family for reward except for letting the home for domestic purposes or babysitting on a casual basis.

Babysitting cannot be considered to be on a casual basis where:

- the babysitting is not of a casual nature,
- any licence or other permission is required by any Government body or public authority in order to legally conduct the babysitting,
- the income derived from babysitting is the primary or only source of the household's income,
- there is a registered business associated with the babysitting.

- h) vibration or the weakening of, removal of or interference with support to land, buildings or other property,
- i) building work, construction or demolition of a building, including the home if the value of the work exceeds \$100,000,

- j) death or personal injury to any person arising out of pregnancy or the transmission of any communicable disease by You or Your family,
- k) the ownership of land, buildings or structures other than the home insured by this Policy,
- l) loss, damage or injury intentionally caused by You or a member of Your family or a person acting with Your consent or the consent of any member of Your family,
- m) the lawful seizure, confiscation, nationalisation or requisition of the property insured,
- n) destruction of or damage to property by any Government or public or local authority,
- o) other ownership or use of any motor vehicle, other than garden equipment that does not require registration, at the site,
- p) any act or omission that is knowingly illegal, dishonest, fraudulent, wilful, malicious or done with reckless disregard for their consequences by you, Your family or a person acting with the consent of You or Your family.

What We will pay

- a) We pay up to \$30,000,000 for any one occurrence.
- b) We do not pay more than this amount in total under all Policies We have issued to You which cover the same liability.
- c) In addition to this amount, We pay legal costs for which We have provided prior written approval.

SECTION 4: ADDITIONAL BENEFITS

We give You the following additional benefits. For any additional benefits to be payable, You must suffer or incur the relevant loss, liability or damage during the Period of Insurance.

We pay additional benefits 1 to 12 as part of the sums insured for home or contents:

1. Damage by Tenants (including theft)

You are insured against loss or damage or theft caused by Tenants or Tenant's visitors or a Tenant's family.

2. Damage by Pets

You are insured against damage caused by a domestic Pets up to maximum combined home and contents amount of \$750 during any one Period of Insurance, provided that:

- a) The Pet is owned by the Tenant,
- b) You have agreed for the Pet to be at the home,
- c) The Pet is noted on the Tenant's lease
- d) Where You are legally able to collect a Pet Bond, then that bond must be collected and be applied to any Pet damage costs prior to making a claim.
- e) That You or Your representative inspect the home within 6 months of the commencement of the initial lease, and then at least annually thereafter.

3. Fusion of an electric motor:

You are insured against fusion of an electric motor. Fusion is the process of fusing or melting together of the windings of an electric motor following damage to their insulating material as a result of overheating caused by an electric current.

We will pay the cost of rewinding the motor or at Our option, replacing it.

For refrigerators and air conditioning units, We pay for the replacement of refrigerant gas and refrigerant driers, only if replacement of the refrigerant gas or drier is made necessary because of fusion.

But You are not covered for:

- a) motors more than 15 years from the date of purchase when new or more than 15 years from the date of rewinding.
- b) the cost of repair or replacement of additional parts or service items, including worn or broken bearings or switches.
- c) leakage of refrigerant gas and maintenance of refrigerant driers.
- d) lighting elements (for example, light bulbs or fluorescent tubes) or heating elements, solenoids, fuses or protective devices (for example a fuse or circuit breaker).
- e) electrical contact points where sparking or arcing occurs during ordinary use.
- f) the cost of retrieving, removing or replacing the pump section of pool or pressure pumps or the cost of retrieving submersible pumps or their driving motors.
- g) electronic controllers or other electronics

4. Scorching

You are insured against scorching caused by cigarettes, irons or hot cooking pots and/or pans up to a maximum combined home and contents amount of \$1,000 during any one Period of Insurance, provided that;

- a) cover applies to carpet and restricted to the room where the loss or damaged occurred; or
- b) cover applies to the bench and/or vanity top and restricted to the section of the bench and/or vanity top that was damaged; and
- c) the scorching is not considered malicious damage.

5. Extra costs of reinstatement

If this Policy insures Your home, and it is damaged as a result of an event insured under this Policy, and We agree to pay a claim, We pay the extra costs necessary to meet the requirements of any statutory authority in connection with rebuilding or repairing Your home at the site.

If only part of Your home is damaged, We pay only the extra costs You incur in repairing that part.

We do not pay any extra costs which resulted from any notice which a statutory authority served on You before Your home suffered loss or damage.

6. Replacement of locks and keys

We pay up to \$3,000 to replace or alter locks and/or keys if:

- a) the locks to Your home are damaged by someone other than the tenant or their family breaking into the home, or
- b) the Tenant is evicted by Statutory Authority (Bailiff, Sheriff, and the like), and damage is caused in such process or the Statutory Authority has ordered locks to be changed, or
- c) the Tenant has not returned the keys following the Tenant absconding or the successful eviction of the Tenant, or
- d) the keys to Your home are lost, damaged or stolen except by the Tenant, Tenants family or Tenants visitors.

7. Change of site

If this Policy insures Your contents and You are moving into a new home in Australia, We insure Your contents at both sites for a maximum of sixty (60) days. The maximum We pay at each site will be the proportion of the sum insured that the value of the contents at that site bears to the total value of the contents at both sites.

You must tell Us of Your new address within sixty (60) days of first moving to it. If You wish to insure Your contents at Your new address after sixty (60) days We must agree to insure them at the address.

You must pay Us any additional premium We ask for and comply with any conditions We impose.

8. Trees, shrubs and plants

We pay up to \$750 for loss or damage to any one tree, shrub or plant up to \$3,000 in total in any one Period of Insurance caused directly by an insured event other than storm, or other events connected to the weather or any event that is not sudden and unforeseen. We do not insure grass or lawn. We

only repair or replace trees, plants or shrubs that as a direct result of the insured event, are so damaged that they die, are permanently disfigured or not recovered after being stolen.

9. Floor space ratio

If the rebuilding or repair of the home is limited by Government or local authority by-laws that reduce the floor area of the home, We will:

- a) pay the actual cost of rebuilding or repairing the reduced floor area of the home; and
- b) pay the difference between the actual costs of rebuilding or repairing the reduced floor area of the home and the estimated costs of rebuilding or repairing had the limit not applied.

10. Loss of land value

Provided Your sum insured is not totally used for a claim, We will also pay for any loss of land value following Your claim. This loss must be as a result of Government or local authority legislation that reduces the floor area of Your home. Loss of land value is the difference between the value of the land just before the damage or loss occurred and the value of the land just after the damage or loss occurred. We will reduce the amount We pay You for the loss of land value by any amount that You receive as compensation for this loss. The most We will pay is the unused portion of Your sum insured.

Where You are entitled to use bond money to pay for, or reduce the costs of any loss or damage, You must do so and the amount of that entitlement will be deducted from Your claim.

11. Building Materials

If this Policy insures Your home We will pay up to \$5,000 in any one Period of Insurance if Your unfixed building materials are lost or damaged at the site due to an event covered by this Policy. Cover only applies to building materials intended to be used for repairs, alterations or additions to Your home at the site. (We do not insure soil, sand, gravel, bark or mulch or any similar materials.) We do not cover any gas or electrical appliances unless they are in a locked and fully enclosed building where those items are not visible from the outside of the building.

12. Fumigation Costs

- a) We pay up to \$30,000 in total in any one Period of Insurance for the reasonable and necessary costs of cleaning up and fumigating Your Home and Contents following the death of a Tenant at the Situation
- b) We pay up to \$30,000 in total in any one Period of Insurance for the reasonable and necessary costs of cleaning up and fumigating Your Home and Contents that chemical contamination as a result of any illegal or controlled drug manufacturing, distribution or storage at the site during the Policy Period if the home is rendered unfit for occupation.

We will only pay for cleaning and fumigating if:

- i. You or Your representative immediately report the manufacturing, distribution or storage of drugs to the Police for investigation (unless the Police discover it before You or Your representative); and
- ii. a professional assessment confirms contamination that requires cleaning and fumigation. We will pay the assessment costs if it is found that cleaning and fumigation is required, but the cost of the assessment forms part of our maximum \$30,000 limit of liability for this benefit;
- iii. the property is subject to a signed Lease Agreement;

- iv. You or Your representative inspect the home within 6 months of the commencement of the initial lease, and then at least annually thereafter.

We will not pay if:

- a) There is no valid Lease Agreement in force;
- b) The drugs are not reported to police immediately after they are discovered;
- c) You were aware or should have been aware that the manufacture, distribution or storage of drugs was occurring at the site.

We pay additional benefits 13 to 21 over and above Your sum insured for home or contents:

13. Fees

If this Policy insures Your home, and

- it is damaged as a result of an event insured under this Policy, and
- We agree to pay a claim,

We pay any reasonable fees which We have approved and which are incurred directly in relation to repair or replacement of Your home in addition to the sum insured (up to a limit of 10%) of Your building and or contents sum insured.

14. Removal of debris

If this Policy insures Your home, and

- it is damaged as a result of an event insured under this Policy, and
- We agree to pay a claim,

We will pay up to 10% of the home sum insured for the costs of demolition and removal of debris from the site to the nearest authorised facility.

If the damage for which We agree to pay a claim is caused by a fallen tree, which as a result becomes debris, We will remove the tree from the site. We will remove a standing tree or branch that formed part of the tree that caused the insured damage only if;

- We agree that the remaining tree or branch is unsafe,
- the remaining tree or branch only became unsafe as a direct result of the event covered under this Policy causing damage to the tree, and
- all necessary approvals have been obtained and removal of the tree or branch would not result in a breach of any laws, by-laws, regulations or contractual obligations.

We will remove a stump that formed part of the tree that caused the insured damage only if;

- all necessary approvals have been obtained and removal of the stump would not result in a breach of any laws, by-laws, regulations or contractual obligations, and
- not removing the stump would interfere with repairing or replacing the damaged part of the home required to settle Your claim.

If this Policy insures Your contents, and

- they are damaged as a result of an event insured under this Policy, and
- We agree to pay a claim,

We will pay up to 10% of the home sum insured for the costs of removal of Contents debris from the site to the nearest authorised facility.

15. Forced Evacuation by Government Authority

If this Policy insures the home that You let to tenants, and if Your home cannot be lived in because a government authority prohibits You from using it, We pay any resultant rent lost. We pay up to a maximum of 20% of the sum insured for Your home for loss of rent or rentable value if the home is tenanted or is between tenants at the time the loss or damage occurred.

The prohibition must be as a direct result of damage to neighbouring premises that would be classed as insured damage under this Policy. We do not cover loss due to cancellation of a lease or agreement including if a tenant decides to leave without giving proper notice.

Under this additional benefit We do not pay for;

- a) loss of rent if the home has been untenanted for 100 consecutive days immediately before the loss,
- b) any rent lost outside the period of untenability,
- c) any rent lost later than twenty four (24) months after the damage occurs.

16. Automatic reinstatement of sum insured

This benefit applies to the sums insured for home and unspecified contents as shown on Your Policy Schedule.

Following payment of a claim other than a claim for total loss the sums insured will be reinstated, unless;

- You request otherwise
- We tell You otherwise.

17. Inflation adjustment

This benefit only applies to Your home sum insured as shown on the Policy Schedule.

At each renewal date We increase the home sum insured shown on the Policy Schedule by 3% for the next Period of Insurance.

18. Mortgage Discharge legal costs

If this Policy insures Your home, We pay the reasonable legal costs incurred in discharging Your mortgage following settlement of a claim for total loss.

19. Location costs - escaping liquid

If this Policy insures Your home and We pay for damage caused by liquid escaping from any fixed basin, shower base, or other fixed apparatus, fixed tanks, or fixed pipes used to hold or carry liquid, We will also pay the reasonable costs of locating the cause of the damage, and of reinstating the property damaged or disturbed in the course of work.

Whilst We pay for the search, locate and rectification, We will not pay to replace or repair the defective part.

20. Environmental Upgrade Benefit

Applicable only when this Policy insures your home

If We agree that Your home is a total loss as the result of an insured event, and We have agreed to rebuild Your home, We will pay up to a maximum of \$5,000 of the cost to You, after deduction of any rebate to which You are entitled under any government or council scheme to install any of the following:

- rain water tank,
- solar power system (solar hot water heating system or photo-voltaic electricity system),
- hot water heat exchange system,
- grey water recycling system.

A rain water tank includes the tank and necessary pump, wiring, foundations, stand, pipes and installation costs.

A solar power system includes any photo-voltaic or solar panels and necessary water tank, pump, wiring, supporting framework, inverter, electricity meter, ducting, pipes and installation costs.

A hot water heat exchange system includes the heat exchange system and necessary wiring, stand, pipes and installation costs.

A grey water recycling system includes the recycling system, wiring, pipes and installation costs.

Applicable only when this Policy insures Your contents

If We agree to pay a claim for one (1) of the following items;

- refrigerator,
- freezer,
- washing machines (but not clothes dryers),
- dishwashers,

and it is beyond economic repair, and it had an energy star rating of less than three (3) stars, then We will replace the item with an equivalent item that has an energy rating of at least three (3) stars.

If We agree to pay a claim for a clothes dryer and it is beyond economic repair, and it had an energy star rating of less than two (2) stars, then We will replace the item with an equivalent item that has an energy rating of at least two (2) stars.

21. Accountants Fees following a Tax Audit

We will pay for the fees that You must pay to an accountant. We will pay these fees when Your personal financial affairs in relation to Your home insured by this policy, are audited by the Australian Tax Office. You must advise Us of any such audit. We will only pay claims notified to Us during the Period of Pnsurance shown on Your most recent Policy Schedule.

We will not pay claims for:

- Any audit that relates to any criminal activity, fraudulent act or omission, or fraudulent, false or misleading statement made wilfully or recklessly,
- Fees where the final assessment of Your taxable income for the period being audited is 25% higher than Your original declaration,
- Fees for work performed outside the time limits allowed by the Australian Tax Office,
- Any fees incurred before the Australian Tax Office notifies You of an audit,
- Any fees incurred before the Period of Insurance,
- Any fines, penalties or adjustments of taxation.

The maximum amount that We pay is \$3,000 any one Audit.

SECTION 5: LOSS OF RENT AND RENT DEFAULT BY TENANT

Rent Default by Tenant clauses B to E are optional and will be shown on Your Policy Schedule if selected.

What You are insured against

A. Loss of Rent (including prevention of access)

If the home (or buildings or other property in the immediate vicinity) or contents are so damaged by an event for which We agree to pay a claim that Your property cannot be let to Tenants, We pay:

- The lesser of:
 - the amount of rent payable under the lease at the time of loss; or
 - the amount shown on Your Policy Schedule.

We will pay this for up to 52 weeks, or until Your property is fit for habitation, or access to the property is re-established.

B. Rent Default

Rent Default means Your Tenant fails to pay rent in accordance with the Lease Agreement.

We will pay Your rent lost by reason of Rent Default if Your Tenant;

- absconds from Your home before the end of the tenancy period stated in the Lease Agreement and does not give You or Your agent notice, or
- ceases to pay rent owed to You or Your agent, or
- is legally evicted from Your home.

The maximum amount that We will pay per week is the lesser of the amount of rent payable under the lease at the time of loss or the amount shown on Your Policy Schedule up to a maximum of 15 weeks, or if the Tenant is legally evicted from Your home up to 28 weeks.

C. Death, Murder or Suicide at the site

We will pay Your rent lost because Your home could not be lived in as a result of:

- death of the Tenant, or
- attempted or actual murder or suicide at the site.

The maximum amount that We will pay per week is the lesser of the amount of rent payable under the lease at the time of loss or the amount shown on Your Policy Schedule up to a maximum of 15 weeks.

D. Failure of a Tenant to give vacant possession

We will pay Your rent lost where Your Tenant refuses to pay rent/and refuses to vacate the home after an order for eviction or possession has been served on them by a legal authority such as a bailiff, court or tribunal.

The maximum amount that We will pay per week is the lesser of the amount of rent payable under the lease at the time of loss or the amount shown on Your Policy Schedule up to a maximum 28 weeks rent.

E. Release from Lease Obligation due to Hardship

We will pay Your rent lost because a court or tribunal has released Your Tenant from their obligation to pay rent due to hardship. The maximum amount that We will pay per week is the lesser of the amount of rent payable under the lease at the time of loss or the amount shown on Your Policy Schedule up to a maximum of 6 weeks rent. We do not pay for any bond money that the court or tribunal awards to the tenant on the grounds of hardship.

If more than one event B to E occurs, We will pay for only one event. We will pay the event that pays the highest amount.

Legal costs We pay when You make a claim for Rent Default

We will also pay legal costs You incur;

- to legally evict tenants, or
- to recover amounts owed to You by Your tenants, or
- to otherwise mitigate a loss under Rent Default events B to E.

We will not pay legal costs to recover any amount owed to You solely for the payment or recovery of any excess applicable to any claim under this Policy.

The most We will pay for Your legal costs is \$7,500. We will only pay Your legal costs if they are incurred with Our prior written consent.

Representation Costs

We will also pay the costs You incur for Your property manager to represent You in court or a tribunal for the purpose of obtaining a court order against the Tenant and/or the costs of engaging a bailiff/sheriff for the purpose of evicting Your Tenant.

The most We will pay for these Representation Costs is \$500 during any one Period of Insurance.

We will not pay for costs charged by the property manager for:

- Representation costs associated with the release of bond monies, or
- Court or tribunal filing fees, or
- Lodgement or application fees, or
- Preparing an insurance claim.

Reletting costs in excess of the Bond Money

We will also pay for reletting costs that exceed the Bond Money up to \$500 during any one Period of Insurance. We will only pay if the Bond Money has been fully exhausted.

Removal of Tenant Property in excess of the Bond Money

We will also pay for the removal and storage (in accordance with the Act) of the Tenant's property if the tenant absconds or is evicted up to \$300 during any one Period of Insurance. We will only pay if the Bond Money has been fully exhausted.

Other Conditions Applicable to Rent Default event B to E

We will only pay when You and Your tenant have a valid lease agreement. We will only pay for rent default if the Tenant breaches the lease agreement.

We will not pay You for any Rent Default events B to E, if the rent is in arrears on or before the commencement of the Period of Insurance. Cover for Rent Default will not commence until any rent arrears have been paid in full, and the Tenant has paid rent in accordance with the lease agreement for a period of not less than 4 consecutive weeks.

Any claim for a rent default event B to E and/or associated legal costs, reletting costs or removal of Tenant property cost will be reduced by the balance of any bond money that You can legally use to reduce or pay for any loss or damage after You have deducted any other expenses that You are legally entitled to deduct from the bond money such as clean-up costs, rent owing or re-letting expenses.

If a Tribunal orders the refund of the bond money to the Tenant, on the grounds of hardship, an excess equal to 4 weeks rent will apply to Your claim.

We will only pay a claim when You have taken all reasonable steps legally available to You under the Residential Tenancies Act or similar legislation or any other legal avenue available to You to mitigate any loss and evict the tenant.

We will not pay any lost rent if You have failed to rectify a Notice of Remedy breach, issued by the Tenant to You or Your agent.

SECTION 6: CONDITIONS & EXCLUSIONS

What You must pay if You make a claim – Excess

'Excess' means the first amount You must contribute to any claim You make under this Policy.

We deduct the excess shown in the Policy document or on the current Policy Schedule from the amount of Your claim. The excess will be applied to each and every claim whether or not separate instances of loss or damage are submitted at the same time or on the same Claim Form. When a sublimit is applicable, the excess will be applied to the claim prior to applying the sublimit.

When You are not covered

General exclusions applying to this Policy

This Policy excludes 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:

1. War, invasion, acts of foreign enemies, hostilities or war-like operations (whether war be declared or not), civil war, rebellion, revolution, insurrection, civil commotion assuming the proportions of or amounting to an uprising, military or usurped power, or
2. any act(s) of terrorism that is directly or indirectly caused by, contributed to by, or in any way involves or is connected with biological, chemical, radioactive, or nuclear pollution or contamination.

For the purpose of this exclusion, an act of terrorism includes any act, or preparation in respect of action, or threat of action designed to influence the Government of the day 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) of the day 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.
3. Radioactivity or the use, existence or escape of any nuclear fuel, nuclear material, or nuclear waste or action of nuclear fission or fusion.

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

Sanction limitation and exclusion clause

You're not insured under any section of this Policy where a claim payment breaches any sanction, prohibition or restriction under United Nations resolutions or the trade or economic sanctions, laws or regulations of Australia, the European Union, United Kingdom or United States of America.

Additional exclusions applying to this Policy

These additional exclusions apply to cover for Your home, contents and additional benefits.

This Policy does not cover:

- a) loss or damage intentionally caused by You or a member of Your family or a person acting with Your consent or the consent of any member of Your family
 - b) loss or damage resulting from or caused by:
 - the lawful seizure, confiscation, nationalisation or requisition of the property insured
 - destruction of or damage to property by any government or public or local authority
 - storm, rainwater or wind to fences, gates and retaining walls unless located in Queensland or Western Australia, or they are constructed of:
 - brick, concrete, masonry, stone or metal
 - timber, but are twenty (20) years old or less, or
 - other construction materials, provided the construction is in accordance with manufacturer's specifications
 - erosion, subsidence, landslide or earth movement other than as a direct result of:
 - storm
 - earthquake
 - explosion
 - escaping liquid
- and occurring no more than seventy two (72) hours after the event
- the action of the sea, high water, or tidal wave. This exclusion does not apply to tsunami
 - 'tsunami' means a sea wave caused by a disturbance of the ocean floor or by seismic movement
 - water seeping through a wall or floor
 - water entering the home through an opening made for the purpose of alterations, additions, renovations or repair
 - inherent defects, structural defects, faulty workmanship, faulty design. We will pay for any subsequent damage caused by a specified event that is not otherwise excluded.
 - wear, tear, rust, corrosion, depreciation or gradual deterioration or any gradual process
 - fungus, mildew, mould, algae, atmospheric or climatic conditions (other than storm)
 - settling, shrinkage or expansion in buildings, foundations, walls or pavements
 - the removal or weakening of supports or foundations for the purpose of alterations additions, renovations or repair
 - damage to swimming pools or similar structures caused by hydrostatic pressure
 - mechanical, electrical or electronic breakdown with the exception of fusion to electric motors as described under Section 4 Additional Benefits 3, 'Fusion of an Electric Motor' or if a claim is payable as the result of a lightning strike
 - any consequential loss other than that specifically provided by this Policy
 - any process of cleaning involving the use of chemicals other than household cleaning chemicals

- rodents, vermin, birds, wildlife or insects gnawing, biting, chewing, pecking, clawing, scratching or in any way polluting or contaminating Your home or contents, other than that specifically provided by this Policy

For example: If a mouse was to chew through an electrical wire, which led to a fire, the damage caused directly by the fire would be covered by this Policy, however any damage caused by the mouse's chewing would not be covered by this Policy.

- an animal kept by You or Your family, other than as specifically provided by this Policy
- any accidental loss or damage caused by Tenants or Tenant's visitors or a Tenant's Family or Tenants' or visitors pets scratching, denting, chipping or scuffing any surface, other than as specially provided by this Policy
- the deliberate application of heat (for example, this would include where an element under or forming part of a ceramic cooktop causes damage to the cooktop), other than as specifically provided by this Policy
- tree roots

However, this exclusion applies only to the damage caused directly by tree roots. For example, if tree roots damage and block a pipe, We will pay for the resultant damage to the home caused by water overflowing in the home. We will not pay for the damage to the pipe.

c) loss or damage to:

- items for sale on consignment
- electronic data unless the loss or damage is caused by a Specified Event (a) through to (r) listed under 'What You are insured against, and what You are not'.

For the purposes of this exclusion, electronic data means any facts, concepts or information converted to a form usable for communication, display, distribution, processing by electronic, or electromechanical data processing, or electronically controlled equipment which includes but is not limited to programs, software or other coded instructions for such equipment.

For example: You are not covered for any damage to any information including any program caused by a virus, trojan horse, worm, back door, trap door, logic bomb, bacteria, rabbit programmes, or hacking.

General Conditions

Changing Your Policy

If You want to make a change to this Policy, the change becomes effective when:

- We agree to it , and
- We give You a new Policy Schedule detailing the change.

Other interests

You must not transfer any interests in this Policy without Our written consent.

Any person whose interests You have told Us about and We have noted on Your Policy Schedule is bound by the terms of this Policy.

Other party's interests

You must tell Us of the interest of all parties (eg: financiers, lessors or owners) who'll be covered by your Policy. We'll protect their interests only if you've told Us about them and We have noted them on Your Policy Schedule.

Cancelling Your Policy

How You may cancel this Policy

- You may cancel this Policy at any time by telling Us in writing that You want to cancel it.
- Where 'You' involves more than one person, We only need a request to cancel the Policy from one of You.

How We may cancel this Policy

- We may cancel this Policy in any of the circumstances permitted by law by informing You in writing.
- We will give You this notice in person or send it to Your address (including an electronic address) last known to Us.

If You have paid Your premium in advance, We will refund to You the proportion of the premium for the remaining Period of Insurance, less any administration costs.

Notices

Any notice We give You will be in writing, and it will be effective:

- if it is delivered to You personally, or
- if it is delivered or posted to Your address last known to Us.

It is important for You to tell Us of any change of address as soon as possible.

Changes to your circumstances

You must tell Us as soon as possible if circumstances occur, or if changes or alterations are intended or made which increase the risk of loss, damage or injury.

Examples of circumstances where the risk of loss, damage or injury may increase include where:

- You no longer let the home to Tenants, because You now are the owner occupier of the home or use the home as a holiday home
- You are having renovations undertaken
- the home is left vacant or unoccupied for a period exceeding 100 days
- the home falls into a state of disrepair
- Your home is opened up to the public for an exhibition or similar event (including if it is not for reward), or
- You are participating in a public exhibition (including if it is not for reward).

You must have a lease agreement

For any claim to be payable, You must have a Lease Agreement in force between You and the Tenant.

You must collect Bond Money

If loss or damage to Your home or contents is caused by Your Tenant, or You claim for rent default, the bond money will be used to mitigate Your loss. If bond money has not been collected or if You have returned bond money to the Tenant that could have been used to mitigate any loss, then We will reduce any amount that We pay by the amount that We are prejudiced.

If You ever use the home as a Holiday Home

This Policy is issued on the basis that You let it to Tenants and it is not used as a holiday home. If You use the home as a holiday home, You must tell us.

If You self-manage Your home

You must tell Us if Your home is not managed by a professional property manager and is being self-managed.

We will agree to cover You if the following conditions are satisfied;

- The home is occupied by a Tenant with a valid written Lease Agreement between You and Your Tenant that is subject to and compliant with the Residential Tenancies Act or similar in your State or Territory; and
- Bond money has been collected equivalent to a minimum of 4 weeks and held by the relevant State or Territory Authority as per Residential Tenancies and Rooming Accommodation Act (2008) or any equivalent legislation; and
- Annual site inspections of Your home are conducted by You in accordance with the Lease Agreement terms and conditions; and
- You have an acceptable claims / loss history prior to inception of cover.

Unoccupancy

If Your home is unoccupied for more than 100 consecutive days, You must tell Us and obtain Our written agreement for cover to continue.

If You do not do so, the cover for home and contents is limited to lightning, thunderbolt, riot and civil commotion, damage directly caused by impact by a vehicle, waterborne craft, space debris, aircraft, rocket, satellite, a branch, or tsunami and earthquake for the period in excess of 100 consecutive days during which the home has been left unoccupied. However, We do not insure You against any subsequent resultant damage such as rain water entering any opening made by impact or looting subsequent to a riot.

The period of 100 consecutive days is calculated from the date when the home was last occupied regardless of the commencement or renewal date of the Policy.

'Occupied' means that the home tenanted.

To be occupied the home must:

- contain at least one usable bed/mattress
- contain at least one dining table or bench, a chair and some other furniture
- contain a functioning refrigerator
- be connected to the electricity, and
- be connected to hot and cold running water.

Care and maintenance

If You do not take reasonable care to:

- protect and maintain the property insured
- prevent damage or injury to others or their property

- minimise the cost of any claim under this Policy, or
- comply with all statutory obligations and by-laws or regulations relating to the safety of person or property

we will not pay for loss, damage, liability or injury to which this failure to take reasonable care contributes.

Adjustment of premium on renewal

If a claim occurs in the previous Period of Insurance and You do not notify Us until after the premium for the current Period of Insurance was calculated, then You must pay any additional premium that would have been calculated had You told Us about the claim on the day that the claim occurred. This condition does not affect any other rights that We have, including the rights that We have under 'Your Duty of Disclosure'.

Assistance and co-operation

At all times when You deal with Us, You must:

- Provide us with all reasonable assistance we may need
- Be truthful and frank
- Not behave in a way that's abusive, dangerous, hostile, improper or threatening
- Co-operate fully with Us, even after We have paid a claim.

General Conditions Claims

What You must do

If an event happens which may give rise to a claim You must:

- take all reasonable precautions to prevent further loss, damage or liability
- notify the police immediately if any of Your property is lost, stolen, or maliciously or intentionally damaged
- tell Echelon as soon as possible. You will be provided with a claim form and advice on the procedure to follow
- supply Echelon with all information required to settle or defend the claim
- notify Echelon of any other insurance covering the same loss, damage or liability
- co-operate with Us fully in any action We take if We have a right to recover any money payable under this Policy from any other person.

Please contact Echelon Claims Services to make a claim. We will only accept responsibility for repairs or payments to third parties under a claim where You have advised Us beforehand and We have accepted Your claim. Full details of what You must do for Us to consider Your claim are provided in the 'Claims' section in part B of this booklet.

In the event of a claim, please contact:

Echelon Claims Services
 GPO Box 1693
 Adelaide SA 5001
 Phone: 1800 640 009
 Fax: (08) 8235 6448

What You must not do

You must not:

- authorise repairs to or arrange replacement of any of the property insured in connection with any claim without Our consent, other than emergency repairs necessary to prevent further loss. If We agree to pay Your claim, We will pay for these repairs, but You must retain all receipts
- admit liability if an accident occurs which is likely to result in someone claiming against you.

What We do

We may take over and conduct the defence or settlement of any claim or issue legal proceedings for damages. If We do this We will do it in Your name. We have full discretion in the conduct of any legal proceedings and in the settlement of any claim. You must co-operate by giving Us any statements, documents or assistance We require. This may include giving evidence in any legal proceedings.

What can affect a claim

We will reduce the amount of a claim by the excess shown in the Policy Terms and Conditions or on the Policy Schedule.

We may refuse to pay a claim if You are in breach of Your Duty of Disclosure or any of the conditions of this Policy, including any endorsements noted on or attached to the Policy Schedule.

We pay only once for loss or damage from the same event covered by this Policy even if it is covered under more than one section of the Policy.

We may be entitled to refuse to pay or to reduce the amount of a claim if:

- it is in any way fraudulent, or
- any fraudulent means or devices are used by You or anyone acting on Your behalf to obtain any benefits under this Policy.

Contribution

If at the time of any loss, damage or liability there's any other insurance (whether effected by You or by any other person) which covers the same loss, damage or liability You must provide Us with any reasonable assistance we require to make a claim for contribution from any other insurer(s).

GST

If You are a business you must tell us if You are registered, or are required to be registered, for GST. When You do this, We need you to give Us:

- Your ABN
- The percentage of any input tax credit You will claim, or will be entitled to claim, on Your premium.

When We pay a claim, Your GST status will determine the amount We pay You. Your claim settlement amount will be adjusted to allow for any ITC entitlement.

There may be other taxation implications affecting You, depending upon Your own circumstances. We recommend You seek professional advice.

Other Insurance

You must notify Us of any other insurance which will or may, whether in whole or in part, cover any loss insured under Your Policy.

Preventing or right of recovery

If You have agreed not to seek compensation from any person liable to compensate You for loss, damage or liability covered by Your Policy, We won't cover You for that loss, damage or liability.

Providing Proof

You must be able to prove to Us, You have suffered a loss covered by Your Policy before We will pay You for it. We may ask You for this proof if You make a claim under Your Policy. So Your claim can be assessed quickly, make sure you keep the following:

- Receipts or other confirmation of purchase;
- Valuations; and
- Photographs of items in the home.

Salvage

We are entitled to obtain and retain any items or materials that are salvaged or recovered after You make, and We agree, to pay a claim by replacing or paying to replace any items or materials. We may sell the items or materials and keep the proceeds. We may choose to sell the items or materials to You, if You agree to pay the market price for the items or materials.

Subrogation, recovery action & uninsured loss

We may at any time, at Our expense and in Your name, use all legal means available to You of securing reimbursement for loss or damage arising under Your Policy. In the event We do so, You agree to give all reasonable assistance for that purpose.

If You have suffered loss that wasn't covered by Your Policy as a result of the incident, We may offer to attempt to recover this. You may also specifically ask Us to recover this for You. You will need to give Us documents supporting Your loss. Before We include any uninsured loss in the recovery action We will also ask You to agree to the basis on which We will handle Your recovery action. You may need to contribute to legal costs in some circumstances.