



RUBIX
UNDERWRITING

Industrial and Commercial Strata Insurance

Policy Wording

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Important Information

About this Document

This is an important document that must be read carefully before making a decision in relation to this insurance (which is not compulsory). The **insurer** is responsible for the content of this document.

This document can help **you** to:

- decide whether this insurance will meet **your** needs; and
- compare it with other products **you** may be considering.

See the “General Definitions” section on page 19 for details of terms that have special meaning.

In some cases, a word with special meaning may be defined in a specific part of the **policy**.

About Rubix Underwriting

Rubix Underwriting Pty Ltd ABN 72 651 788 993 (Rubix Underwriting) has developed this Industrial and Commercial Strata Policy which is underwritten by the **insurer** referred to below.

Rubix Underwriting has an authority from the **insurer** to arrange, enter into/bind and administer this insurance (including handling and settling claims) for the **insurer**.

In providing any financial services Rubix Underwriting acts as an Authorised Representative (AR No 001308172) of Austagencies Pty Ltd ABN 76 006 090 464 AFSL 244 584.

This means that Rubix Underwriting will be acting as agent for Lloyd’s, not for **you**.

Our contact details are:

Level 14, 141 Walker Street
North Sydney NSW 2060
PO Box 1813
North Sydney NSW 2059
Telephone: (02) 8329 5000

About the Insurer

This insurance is underwritten by Certain Underwriters at Lloyd’s.

Lloyd’s has been insuring Australian risks for over 150 years and is licensed to write non-life insurance business under the Australian Insurance Act 1973. **You** or **your** representatives can obtain further details of the syndicate numbers and the proportions of this insurance for which each of the Underwriters at Lloyd’s is liable by requesting them from **us**. In the event of loss, each Underwriter (and their Executors and Administrators) is only liable for their own share of the loss.

You should contact Rubix Underwriting in the first instance in relation to this insurance.

Lloyd's contact details are:

Lloyd's Australia Limited
Suite 1603, Level 16, 1 Macquarie Place
Sydney NSW 2000
Telephone: (02) 8298 0783

Your Duty of Disclosure

Before the contracting **insured** enters into an insurance contract (referred to as **you** and **your** in this notice), **you** have a duty to tell **us** of anything that **you** know, or could reasonably be expected to know, which may affect **our** decision to insure **you** and on what terms. **You** have this duty until **we** agree to insure **you**.

You have the same duty before **you** renew, extend, vary, or reinstate an insurance contract.

You do not need to tell **us** anything that:

- reduces the risk **we** insure **you** for;
- is of common knowledge;
- **we** know or should know as an insurer; or
- **we** waive **your** duty to tell **us** about.

If you do not tell us something

If **you** fail with **your** duty of disclosure, and **we** would not have entered into the contract, for the same premium and on the same terms and conditions, had the failure not occurred, **we** may, subject to applicable law:

- be entitled to cancel **your** contract or reduce the amount **we** will pay **you** if **you** make a claim, or both; or
- if **your** failure to tell **us** is fraudulent, refuse to pay a claim and treat the contract as if it never existed.

Subject to applicable law or unless **we** state otherwise, a breach of the duty by one **insured** affects all **insureds** in these ways.

Avoiding misrepresentations

Under the Insurance Contracts Act 1984 (Cth) if **you** make a misrepresentation to **us** before the insurance contract is entered into (this includes before each renewal, extension, variation, replacement or reinstatement of an insurance contract) and **we** would not have entered into the contract, for the same premium and on the same terms and conditions, had the misrepresentation not occurred, **we** may, subject to applicable law:

- be entitled to cancel **your** contract or reduce the amount **we** will pay **you** if **you** make a claim, or both; or
- if **your** misrepresentation was fraudulent, refuse to pay a claim and treat the contract as if it never existed.

Subject to applicable law or unless **we** state otherwise, a breach of the duty by one **insured** affects all **insureds** in these ways.

A misrepresentation includes a statement that is in any way false, misleading, dishonest or which does not fairly reflect the truth. For example, a statement of fact that is not true, a statement of opinion that is not the subject of an honestly held belief or a statement of intent that never existed at the time provided. **We** will not treat something as a misrepresentation merely because **you** failed to answer a question or gave an obviously incomplete or irrelevant answer to a question.

Refer to the Insurance Contracts Act 1984 (Cth) for full details as this is only a summary.

Answering our questions

Answers to **our** questions help **us** decide whether to provide **you** with insurance and if so, on what terms. When answering **our** questions:

- take reasonable care to make sure **your** answers are true, honest, up to date and complete in all respects. **You** may breach the duty if **you** answer without any care as to its truth or if **you** only guess or suspect the truth. If in doubt, pause the application and obtain the true facts before answering; and
- if another person is answering for **you**, **we** will treat their answers as **yours**. In such a case, **you** should check the questions have been answered correctly on **your** behalf by them.

Please note that **you** have obligations beyond these pre contractual duty of disclosure and avoiding misrepresentation obligations once the contract is entered into, which are set out in the contract terms and applicable law.

Who We Cover

The **policy** covers the named **insured** as defined in the General Definitions section on page 19. They are the persons who enter into the contract with the **insurer**.

The **policy** also extends cover to **third party beneficiaries** as outlined in the Third Party Beneficiaries section. They are **third party beneficiaries** entitled to access cover by reason of section 48 of the Insurance Contracts Act 1984 (Cth) and not contracting parties.

No insurance is provided in relation to the interest of any persons not specified as being entitled to benefit under the **policy**.

For details on the rights and obligations of such **third party beneficiaries** see Third Party Beneficiaries on page 17.

General Advice Warning

Any advice about this insurance that **we** or Rubix Underwriting gives **you** is of a general nature. **We** do not consider **your** individual objectives, financial situation or needs. It is up to **you** to choose the cover **you** need, and **you** should carefully read this document and any other documents that form part of the **policy** before deciding whether this insurance is right for **you**.

Claims Made and Notified

Section 4 Office Bearers Liability, and Section 6 – Government Audit Costs, Workplace Health and Safety Breaches and Legal Expenses covers are issued on a Claims Made and Notified basis.

This means that the above sections of the **policy**, covers claims that are first made against **you** and notified to **us** during the **period of insurance**.

Where **your policy** has an extended or additional reporting period, subject to the terms of the **policy**, **you** may have:

- an additional period to tell **us** about claims first made against **you** during the **period of insurance**; and/or
- cover for claims first made against **you** during the extended reporting period and which **you** tell **us** about during the extended reporting period – provided the claim is based on an act, error, or omission alleged to have been committed during the extended reporting period.

The **policy** doesn't cover facts or circumstances of which **you** first became aware prior to the **period of insurance**, and which **you** knew or ought reasonably to have known had the potential to give rise to a claim against **you**, subject to any continuity of cover term which may, subject to its terms, provide an exception to this.

If a retroactive date is applied or shown on the **policy schedule**, the **policy** also doesn't cover claims arising directly or indirectly from any acts, errors, omissions, or events actually or allegedly occurring before that date.

The above is only a high-level overview. **You** must refer to the **policy** for full terms and conditions that apply.

Operation of section 40(3) of the Insurance Contracts Act 1984 (Cth)

This notice and explanation does not form part of and is not a term of the **policy**.

However, if, during the **period of insurance**, **you** become aware of facts that might give rise to a claim against **you**, section 40(3) of the Insurance Contracts Act 1984 (Cth) provides **you** with an option to notify **us** of those facts during the **period of insurance**. If **you** give **us** written notification of such facts during the **period of insurance** pursuant to section 40(3), as long as **you** were not aware of such facts prior to the commencement of the **period of insurance**, the **policy** will apply to a claim (arising from those facts) made against **you**, even if the claim is made against **you** after expiry of the **period of insurance**, subject to other terms, conditions and exclusions of the **policy**.

For **your** information, section 40(3) is detailed below:

“(3) Where the insured gave notice in writing to the insurer of facts that might give rise to a claim against the insured as soon as was reasonably practicable after the insured became aware of those facts but before the insurance cover provided by the contract expired, the insurer is not relieved of liability under the contract in respect of the claim, when made, by reason only that it was made after the expiration of the period of the insurance cover provided by the contract.”

Your Premium

Where **we** have agreed to issue cover, **we** do so in return for **you** paying or agreeing to pay **us** the **premium**. The **premium** and the time it needs to be paid by are specified in the **policy schedule**.

It depends on a number of factors (and can change on renewal) such as:

- **your** risk profile which includes where **you** live, the property being insured, the type and amount of cover **you** get, who is covered, the relevant claims experience of those covered;

- any applicable discounts;
- any compulsory government charges and any applicable fire services levy;
- any applicable **excess(es)**;
- other charges **you** are told by **us** of; and
- other factors that **we** consider relevant to the likelihood of a claim being made on **your policy**.

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

We may only ever refuse to pay or reduce the amount **we** pay under a claim to the extent permitted by applicable law.

Some situations in which **we** may refuse to pay or reduce the amount **we** pay under a claim under the **policy** (to the extent permitted by applicable law) include (but are not limited to):

- when **you** apply for cover (this includes new business, variations, extensions and reinstatements) and do not comply with Your Duty of Disclosure.
- if **you** do not comply with or meet a **policy** term or condition or **we** can rely on an exclusion or other limitation (all referred to as terms when used in the **policy**) – See Our rights regarding the operation of or breach of a term of the policy.
- if **you** make a fraudulent claim – See Fraudulent claims for more detail.
- where **you** have not or are not acting in accordance with **your** duty of utmost good faith under the Insurance Contracts Act 1984 (Cth) – See Duty of Utmost Good Faith for more detail.

We may also have cancellation rights in the above circumstances to the extent permitted by applicable law.

Subject to applicable law, the amount of any claim entitlement can also be affected and/or reduced by other things, including any limits (e.g. monetary or time limits) or **excess(es)**, any outstanding **premium** and recoveries **you** or **we** might make relevant to a loss as set out in the **policy** terms.

See Our rights regarding the operation of or breach of a term of the policy for more detail.

Our rights regarding the operation of or breach of a term of the policy

We will only rely on any rights **we** have regarding the operation of or breach of a term of the **policy** to the extent permitted by applicable law (including **our** right to refuse or reduce a claim if **you** do not comply with or meet a **policy** term or condition or where an exclusion or other limitation applies). The law can be complex and **we** provide a high-level summary below of some key examples on how the Insurance Contracts Act 1984 (Cth) may affect matters depending on the circumstances. To the extent of any inconsistency the Insurance Contracts Act 1984 (Cth) will prevail.

Other laws can apply beyond the Insurance Contracts Act 1984 (Cth) such as the Corporations Act 2001 (Cth) and the Australian Securities and Investment Commissions Act 2001 (Cth) and **you** need to seek **your** own advice regarding all relevant legal rights **you** may have.

If you do not comply with or meet any policy term

We will only rely on any rights **we** have regarding the operation of or breach of a term of the **policy** to the extent permitted by law (including **our** right to refuse or reduce a claim noted above). **We** provide some key examples below. **You** need to seek **your** own advice regarding all relevant legal rights **you** may have.

Terms allowing us to refuse to pay or reduce a claim (in whole or part) by reason of an act by you or some other person that occurred after the policy was entered into

Subject to **our** rights in relation to fraudulent claims explained below, by reason of section 54 of the Insurance Contracts Act 1984 (Cth), where the effect of the **policy** (this includes all terms or conditions, including any exclusion or other limitation) is to allow **us** to refuse to pay or reduce a claim (in whole or part) by reason of an act by **you** or some other person that occurred after the **policy** was entered into, **we** will exercise **our** rights under the **policy** as explained below.

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

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

How we exercise our rights where section 54 applies (unless there is a fraudulent claim)

- Where:
 - the act was necessary to protect the safety of a person or to preserve property;
 - it was not reasonably possible for **you** or the other person not to do the act; or
 - **you** prove no part of the loss that gave rise to the claim was caused by the act, **we** will not refuse to pay or reduce the claim by reason only of that act.
- Where the act:
 - could not reasonably be regarded as being capable of causing or contributing to a loss in respect of which insurance cover is provided by the **policy**; or
 - could reasonably be regarded as being capable of causing or contributing to a loss in respect of which insurance cover is provided by the **policy** but **you** prove that some part of the loss that gave rise to the claim was not caused by the act, so far as it concerns that part of the loss, **we** may not refuse to pay the claim, but **we** can reduce **our** liability in respect of the claim by an amount that fairly represents the extent to which **our** interests were prejudiced as a result of that act.
- Otherwise, where the act could reasonably be regarded as being capable of causing or contributing to a loss in respect of which insurance cover is provided by the **policy**, **we** may refuse to pay the claim.

Terms allowing us to refuse to pay or reduce a claim because of pre-existing defects or imperfections existing before the policy was entered into

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

- where a claim is made in respect of a loss that occurred as a result, in whole or in part, of a defect or imperfection in a thing; and
- at the time when the contract was entered into **you** were not aware of, and a reasonable person in the circumstances could not be expected to have been aware of, the defect or imperfection, **we** may not rely on any provision included in the **policy** that has the effect of limiting or excluding **our** liability under the **policy** by reference to the condition, at a time before the **policy** was entered into, of the thing. This does not apply if the **policy** is in an excluded class to which section 46 does not apply.

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

Fraudulent claims

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

- the **policy**; or
- the Insurance Contracts Act against **us** by a person who is not the **insured**,

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

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

Duty of Utmost Good Faith

The following can also (where applicable) affect **our** and **your** rights and obligations regarding the operation of, reliance on, or breach of a term of the **policy**:

- section 13 of the Insurance Contracts Act 1984 (Cth) requires each party to the **policy** to act towards the other party, in respect of any matter arising under or in relation to it, with the utmost good faith. The obligation also extends to third party beneficiaries as defined in the Act but only applies to them after the contract is entered into.
- section 14 of the Insurance Contracts Act 1984 (Cth) provides that if reliance by a party to the **policy** on a provision of the **policy** would be to fail to act with the utmost good faith, the party may not rely on the provision.

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

Terms Apply to Extent Enforceable

A term (or part of a term) of the **policy** will be applied to the extent it is not unenforceable under applicable law.

Your and Our Representatives

If **you** want to appoint a representative to act on **your** behalf **you** must provide **us** with reasonable details, including the authority **you** wish to provide to them but **we** need to consent (such consent not to unreasonably be withheld).

If someone is acting as **our** representative and not **yours**, **we** require them to tell **you** this.

Remuneration may be paid by **us** to **our** representatives and referrers and in some cases to **your** representatives who arrange insurance for **you**. **You** can ask **us** and them for details.

Privacy Statement

In this Privacy Statement the use of **we**, **our** or **us** means Rubix Underwriting, Austagencies and the **insurers** unless specified otherwise.

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

We are committed to protecting the privacy of the personal information that **you** provide to **us**.

The Privacy Act 1988 contains the Australian Privacy Principles which require **us** to tell **you** that **we** collect, handle, store and disclose **your** personal and sensitive information for the specific purpose of:

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

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

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

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

You have given **us your** consent to collect, use and disclose **your** personal information in order to provide **you** with the relevant services and/or products.

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

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

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

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

If **you** do not provide the personal information requested and/or do not provide **us** with **your** consent to the use and disclosure of **your** personal information as set out in this Privacy Statement, **your** insurance **application** may not be accepted, or **we** may not be able to administer **your policy** or **you** may be in breach of **your** duty to take reasonable care not to make a misrepresentation, the consequences of which are set out under the heading Your Duty of Disclosure in this document.

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

If **you** would like a copy of **our** Privacy Policies, would like to seek access to or correct **your** personal information, opt out of receiving materials **we** send, complain about a breach of **your** privacy or **you** have any query on how **your** personal information is collected, stored or used, or any other query relating to **our** handling of **your** personal information, please contact **us**.

General Insurance Code of Practice

The Insurance Council of Australia Limited has developed the General Insurance Code of Practice (“the Code”), which is a self-regulatory code for use by all insurers. The Code aims to raise the standards of practice and service in the general insurance industry.

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

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

Complaints and Disputes Resolution Process

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

Complaints Officer

Rubix Underwriting

Level 14, 141 Walker Street

North Sydney NSW 2060

Telephone: (02) 8329 5000

Email: IDR@Austagencies.com.au

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

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

Lloyd's Australia Limited

Email: ldraustralia@lloyds.com

Suite 1603, Level 16, 1 Macquarie Place

Sydney NSW 2000

Telephone: (02) 8298 0783

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

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

Australian Financial Complaints Authority

GPO Box 3

Melbourne VIC 3001

Telephone: 1800 931 678

Email: info@afca.org.au

Website: www.afca.org.au

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

The **insurers** accepting this insurance agree that:

- a) if a dispute arises under the **policy**, the **policy** will be subject to Australian law and practice and the **insurers** will submit to the jurisdiction of any competent Court in the Commonwealth of Australia;
- b) any summons notice or process to be served upon the **insurers** may be served upon:

Lloyd's Underwriters' General Representative in Australia

Suite 1603, Level 16, 1 Macquarie Place

Sydney NSW 2000

who has authority to accept service on the **insurers'** behalf;

- c) if a suit is instituted against any of the **insurers**, all **insurers** participating in the **policy** will abide by the final decision of such Court or any competent Appellate Court.

In the event of a claim arising under the **policy** immediate notice should be given to Rubix Underwriting.

Governing Law

Your policy is governed by the law of the state of Australian State or Territory where the **policy** is issued.

Notices

You may choose to receive **your policy** documents and notices in relation to the **policy**:

- electronically (by email); or
- in hard copy (by post).

In the event that **you** choose to receive **your** documents electronically, **we** will send them to the email address that **you** provide **us**, not **your** mailing address. Any documents sent by email will be considered to have been received by **you** 24 hours from the time **we** sent them to **your** email address.

If **you** do not tell **us** to send **your** documents to **you** electronically, then **we** will send them to **you** by post to the mailing address that **you** have provided **us**.

It is **your** responsibility to make sure that both the email and mailing address **you** have provided **us** are up to date. This means **you** need to let **us** know if **you** change **your** email or mailing address as soon as reasonably possible (refer to Alteration).

Any communications to **us**, including notices as provided for or required under the **policy**, must be sent to Rubix Underwriting.

We will send all **policy** documents and notices in relation to the **policy** to:

- a) **your** nominated insurance intermediary of the **insured's** specified on the **policy schedule (insured)** until **we** receive written notice to the contrary from the **insured**; or
- b) if there is no nominated insurance intermediary, the **insured**, acting on behalf of **you**.

Any notice **we** give the **insured** will be in writing, and it will be effective:

- a) if it is delivered to the **insured** or their nominated insurance intermediary personally; or
- b) if it is delivered or posted to the **insured's** address or the **insured's** nominated insurance intermediary address last known to **us**.

It is important for the **insured** to tell **us** of any change of address as soon as possible.

Several Liability

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

The proportion of liability under this contract underwritten by an **insurer** (or, in the case of a Lloyd's syndicate, the total of the proportions underwritten by all the members of the syndicate taken together) is shown in the **policy schedule**.

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

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

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

Sanctions

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

Taxation Information

We show all taxes and charges as separate items on all Tax Invoices (e.g. stamp duty and **GST**).

When **we** pay a claim, **your GST** status will determine the amount of **GST we** pay on claims. Details are provided in the **policy** wording.

Third Party Beneficiaries

The named **insured** and the **insurer** are the only parties to the **policy**. No insurance is provided in relation to the interest of any persons not specified as being entitled to benefit under the **policy**.

The benefit of the cover under the **policy** is extended automatically to **third party beneficiaries** as defined see page 22 by reason of the operation of section 48 of the Insurance Contracts Act 1984 (Cth). They are not contracting parties. Other persons who are not contracting parties to the **policy** may be entitled to cover as **third party beneficiaries**, but only if specified as so entitled and limited only to the extent and interest specified.

Nothing in the **policy** is intended to give any such persons (including **third party beneficiaries**) any right to enforce any term of this **policy** which that person would not have had but for the Insurance Contracts Act 1984 (Cth).

Any person entitled to any benefit under the **policy** that is not the named **insured**:

- has, in relation to their claim, the same obligations to **us** as they would have if they were the named **insured**; and
- may discharge the named **insured's** obligations in relation to the loss.

We also have the same defences to an action by such persons as **we** would have in an action by the named **insured** including, but not limited to, defences relating to the named **insured's** conduct (whether the conduct occurred before or after the contract was entered into).

Such persons have no right to cancel or vary the **policy** or its cover – only the named **insured** (as the contracting party) and **we** can do this. If **we** cancel or vary the **policy** or its cover, **we** do not need to obtain such persons' consent to do so.

We also do not provide any notices in relation to this insurance to such persons as they are not a contracting party to the **policy**. **We** only send notices to the named **insured** which is the only entity **we** have contractual obligations to under the **policy**.

Neither **we** nor the named **insured** hold anything on trust for, or for the benefit or on behalf of any such persons under this insurance arrangement.

The named **insured**:

- does not act on **our** behalf in relation to the insurance;
- is not authorised to provide any financial product advice, recommendations or opinions about the insurance; or
- does not receive any remuneration or other benefits from **us**.

Any **third party beneficiary** needs to read this document and other documents forming the **policy** carefully to properly understand the benefits they have access to as non-contracting parties.

The insurance cover is subject to the terms, conditions, limitations and exclusions of the **policy**.

Any person who may be entitled to a benefit under the **policy** should consider obtaining advice as to whether the benefits are appropriate or useful for their personal needs from a person who is licensed to give such advice. No advice is provided by **us** or Rubix Underwriting that the benefits are appropriate or useful for any person's needs. Nothing prevents such persons from entering into other arrangements regarding insurance.

This Important Information Section Does Not Tell You All You Need to Know

This Important Information section only provides some important information to be aware of. **You** must read the **policy** for details of what **your**, and the **insurer's** obligations are under this insurance.

General Definitions

Wherever the words listed below are used in the **policy** and bolded, they mean what is set out below. Other words may have special meanings for particular sections. They will be defined in those sections or other documents forming the **policy**.

Act of Terrorism

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

Annual Rentable Value

Annual rentable value means:

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

Australia

The Commonwealth of Australia, its dependencies and territories.

Body Corporate Manager

A person or other entity either appointed in writing by **you**, or compulsorily appointed in accordance with **your strata act**, with delegated functions including the authority to act as an **office bearer**.

Business

The business described in the **policy schedule** including:

- a) ownership of the **common area** at the **location**;
- b) management of the strata scheme, individually owned **lots**, common property or the **common area**;
- c) the provision of services by **you** for the benefit, general use and enjoyment of **lot owners** and occupiers of **lots** at the **location**;

- d) the provision and management of canteens, social, sports and welfare organisations for the benefit of **your** employees, first aid, fire and ambulance services and the maintenance of **your** premises;
- e) the hiring out of sporting or recreational facilities (such as but not limited to tennis courts or swimming pools); and
- f) recreational or social activities arranged for and on behalf of **lot owners** and occupiers of **lots**.

Common Area

The area at the **location(s)** that is not part of any **lot**/unit or is identified as common.

Consumer Price Index

Inflation index released by the Australian Bureau of Statistics quarterly.

Covered Disease

The following diseases only:

- a) measles;
- b) meningococcal disease;
- c) gastroenteritis;
- d) legionnaires disease;
- e) salmonella infection (salmonellosis); or
- f) escherichia coli infection.

Excess/Excesses

The amount(s) described in the **policy** as an excess, payable by **you** on each and every claim.

Flood

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

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

Insurer

Certain Underwriters at Lloyd's acting through their agent Rubix Underwriting.

Limit of Liability

The applicable limit of liability shown in the **policy schedule**.

Location(s)

The place(s) listed in the **policy schedule**, or any other place(s) noted on the registered plans in accordance with the **strata act**.

Loss of Rent

As regards any **lot, stratum lot or volumetric lot** or part of **your common area** leased to a tenant, an amount of money for lost rent calculated on the basis of the **annual rentable value** that applied immediately prior to the **damage**.

Lot

The area shown on **your** strata title plan as a lot/unit registered in the Strata Plan in accordance with the **strata act**.

Lot Owner

A person, persons or other entity registered as a proprietor or owner of the **lot** in accordance with the **strata act**.

Lot Owner's Floating Floorboards

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

Named Cyclone

A cyclone named by the Bureau of Meteorology or a functionally similar authority.

Office Bearer

- a) Any person appointed (including any person appointed at any time in the past or future) by **you** to act as an office bearer or committee member of **yours** in terms of the **strata act**;
- b) any **body corporate manager** appointed as an office bearer as described in a) above, when acting in that capacity; and
- c) any person invited by any person described in a) above, in accordance with their delegated authority to assist in the management of **your** affairs.

Period of Insurance

The time during which the **policy** is in existence. It:

- a) starts from the beginning of the period of insurance specified in the **policy schedule**; and
- b) finishes 4:00pm on the last day of the end of that period of insurance, unless ending earlier in accordance with the **policy** terms or applicable law.

Each renewal results in a new contract and new **period of insurance**.

Policy

This document (i.e. the Policy Wording and Product Disclosure Statement), together with the **policy schedule**, and endorsements agreed with **you** and issued by **us** amending the PDS or **policy schedule** or part thereof.

Policy Schedule

This is the schedule **we** give **you** that attaches to and forms part of **your policy**. **You** may receive more than one schedule during the **period of insurance** if **you** and **we** agree to a **policy** variation. The schedule that applies will be the schedule that is expressed to be applicable at the time of and in relation to, the relevant covered event.

Storm

A violent disturbance of the atmosphere which can include strong winds, thunder, lightning, heavy falls of rain, hail or snow. Storm does not mean **storm surge** or a **named cyclone**.

Storm Surge

An abnormal rise in seawater level over and above the normal (astronomical) tide levels caused by the strong winds of a **storm** or **named cyclone**.

Strata Act

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

Stratum Lot or Volumetric Lot

An area or **lot** forming part of the **building** (as defined under Section 1) required to be covered by the insurance for a section of the **policy**, and not otherwise forming part of a **lot** in accordance with the **strata act**.

Stratum Lot Owner or Volumetric Lot Owner

A person, persons or other entity registered as a proprietor or owner of the **stratum lot or volumetric lot** and named in the **policy schedule**.

Sum Insured

The amount or amounts shown in the **policy schedule** under each section of the **policy**.

Temporary Accommodation

For any **lot, stratum lot or volumetric lot** occupied by the **lot owner, stratum lot owner or volumetric lot owner**, similar accommodation located in the vicinity of the **location**.

Third Party Beneficiary/ies

Persons who are not contracting parties to the **policy** but to whom the benefit of cover is extended by reason of section 48 of the Insurance Contracts Act (1984) that:

- a) are expressly specified in the **policy** as a person or type of person to which the benefit of cover is extended or as third party beneficiaries; or
- b) are listed in the **policy schedule** as Third Party Beneficiaries, unless otherwise excluded, but only to the extent of their interest specified. See Third Party Interests clause for information on the rights and obligations of third party beneficiaries.

Wear and Tear

Any physical deterioration to property occurring over time due to use and/or exposure to its environment.

We/Our/Us

The **insurer** acting through its agent Rubix Underwriting acting under a binder.

You/Your/Insured

The Owners Corporation, Strata Corporation, Community Title, Body Corporate or like entity stated in the **policy schedule**.

In addition, **You/Your/Insured** includes:

In respect of Section 1

Lot owners in respect of:

- a) Additional Benefits 5.1 to 5.9,6.7, 6.21 and 6.22; and
- b) Optional Covers 7.1 and 7.2.

In respect of Section 4

Office bearers.

In respect of Section 6

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

Section 1 – Property: Physical Loss, Destruction or Damage

1. Cover

This section covers **your insured property** for any **damage** occurring during the **period of insurance** and not otherwise excluded.

Unless stated otherwise in this Section 1, the most **we** will pay per **event** is the **sum insured**.

2. Definitions Applying to this Section

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

2.1 Accidental

something that is not intended or expected by **you** and would not be expected from the standpoint of a reasonable person in **your** position.

2.2 Building(s)

all buildings and outbuildings at the **location(s)** owned by **you** or for which **you** are responsible, including:

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

Buildings do not include any **lot owners' contents**.

2.3 Common Contents

all contents owned by **you** or for which **you** are responsible, while the contents are at the **location(s)** or are temporarily removed or are in transit anywhere in **Australia**, including but not limited to:

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

- d) computers, electronic equipment and office equipment;
- e) garden equipment including ride-on mowers, buggies or carts, and other similar appliances but only if they are not required to be registered;
- f) swimming pools or spas that are not in-ground, swimming pool or spa covers and accessories;
- g) pots, plants, shrubs, trees, rockwork and lawns up to a maximum amount of \$25,000 any one **event** unless specified otherwise in the **policy schedule**;
- h) money up to a maximum amount of \$10,000 any one **event** unless specified otherwise in the **policy schedule**;
- i) artwork/sculptures (other than fixed) up to a maximum amount of \$100,000 any one **event** unless specified otherwise in the **policy schedule**;
- j) any other fixture defined as being owned by **you** in the applicable **strata act**.

Common contents do not include any **lot owners' contents**.

2.4 Damage

any physical loss of, destruction of, or damage to **insured property** from any sudden and **accidental** cause not otherwise excluded by this Section 1. Damaged has a corresponding meaning.

2.5 Electronic Data

information, facts, concepts, code or any other information of any kind that is recorded or transmitted in a form to be used, accessed, processed, transmitted or stored by computer equipment.

2.6 Event

an occurrence or an incident not intended to happen which takes place during a particular interval of time that causes or results in **damage** happening that is not otherwise excluded by this Section 1.

In respect of earthquake, seismological disturbance, tsunamis, volcanic eruption, **named cyclone**, bushfire, **flood**, **storm** or **storm surge**, an **event** will be limited to any period of 72 consecutive hours.

2.7 Insured Property

- a) **buildings**;
- b) **common contents**; and
- c) other property shown Insured in the **policy schedule**.

2.8 Lot Owners' Contents

all contents owned by the **lot owner** or for which the **lot owner** is responsible situated at the **location(s)** and including:

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

2.9 Lot Owners' Fixtures and Improvements

- a) any item or structure for the exclusive use of a **lot owner** and which is permanently attached to or fixed to the **buildings** so as to become legally part of it; or
- b) any improvements made to an existing part of the **buildings** by a **lot owner** for their exclusive use, provided that the **lot owners'** fixtures and improvements were newly acquired, installed or constructed within the three years prior to:
 - i. **your** most recent renewal; or
 - ii. **your** most recent insurance valuation,whichever is the earlier.

2.10 Records

Records, deeds, plans, drawings or documents of any kind, whether written, printed, filmed, taped or **electronic data** which are directly related to **your insured property**.

3. Exclusions Applying to this Section

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

The following only apply to the extent relevant and subject to applicable law which may restrict **our** rights in certain circumstances. For more detail on these restrictions see When We Can Refuse to Pay or Reduce the Amount We Pay Under a Claim.

3.1 We will not cover damage to:

- a) **lot owners' contents**;
- b) any living creature;
- c) any property in transit, other than as specified in Definition 2.3 Common Contents;
- d) boilers, other than boilers used for domestic purposes, resulting from their explosion;
- e) any installation or alteration of any kind to **your insured property** where that installation or alteration was required to be approved by council or relevant local authority, and such approval had not been provided;
- f) **insured property** if it is vacant and undergoing demolition unless **we** have agreed in writing to continue cover immediately upon the **insured property** is vacant and before the commencement of demolition.

3.2 We will not cover damage caused by or arising directly or indirectly from:

- a) any alterations or additions to the **insured property** when the contract value of work exceeds 20% of the **sum insured** or \$500,000, whichever is the lesser unless **we** agree otherwise in writing;
- b) the action of the sea, tidal wave, high water or high tide (other than that directly attributable to **damage** caused by tsunami);
- c) the removal or weakening of or interference with the support of land or **buildings** or any other **insured property**, vibration, erosion, subsidence, landslide, collapse or any other earth movement unless it occurs within 72 hours after the happening of:
 - i. bursting, leaking, discharging or overflowing from any tank, pipe, gutter, drain or other fixed plumbing apparatus;
 - ii. earthquake, tsunami or seismological disturbance, volcanic eruption;

- iii. **storm**, rainwater, or wind;
 - iv. explosion;
- d) **flood**;
- e) **storm surge** – but if **storm surge** is caused by and immediately follows a **named cyclone**, we will pay for **damage to your building** and **common contents** as a result of **storm surge**. The maximum we will pay is \$2,000,000 or the **sum insured** for **buildings** shown in **your policy schedule**, whichever is the lesser, any one **event** and in the aggregate for all **events** in the **period of insurance**;
- f) steam or condensation;
- g) normal settling, seepage, shrinkage, expansion, creeping, heaving in **buildings**, foundations/footings, walls, bridges, roadways, kerbing, driveways, paths, garden borders, retaining walls and other structural improvements;
- h) the invasion of roots from trees, plants, shrubs or grass, including the cost of clearing pipes or drains blocked by such invasion of roots. Provided that this exclusion does not apply to **damage** resulting from the escape of water or liquids from blocked pipes or drains which is caused by the invasion of roots;
- i) fraudulent or dishonest acts by **your** employees;
- j) **wear and tear**, fading, marring, gradual deterioration, developing flaws, normal up-keeping or making good, rust, gradual corrosion, oxidization, concrete or brick cancer, wet or dry rot. However, this exclusion does not apply to resultant **damage to insured property** not otherwise excluded by this Section 1;
- k) rats, mice, insects, termites, possums, birds, bats, vermin or other animals that peck, bite, chew or scratch. However, this exclusion does not apply to resultant **damage to insured property** not otherwise excluded by this Section 1;
- l) mildew, mould, fungi, pollution or contamination, change of colour, dampness of atmosphere or other variations in temperature, evaporation, or latent defect, loss of weight, change in flavour, texture or finish; but we will pay for resultant **damage** if any of these causes arise from:
- i. **storm**, rainwater or wind;
 - ii. liquid escaping from a fixed pipe or something attached to a pipe, fixed gutter, fixed tank or drain;
 - iii. **named cyclone**;
 - iv. **storm surge** but only if such **damage** occurs at the same time as other **damage to insured property** and was directly caused by a **named cyclone**. The maximum we will pay is \$2,000,000 or the **sum insured** for **buildings** shown in **your policy schedule**, whichever is the lesser, any one **event** and in the aggregate for all **events** in the **period of insurance**.
- Any **named cyclone excess** noted on **your policy schedule** will apply to all **damage** caused by **storm surge** and **named cyclone**;
- m) i. defect, error or oversight in design, plan or specification or failure of design; or
- ii. defective or faulty materials or faulty workmanship,
- however, this exclusion does not apply:
- iii. to resultant **damage to insured property** not otherwise excluded by this Section 1, provided that **you** were not aware of, or could not reasonably have been expected to be aware of, Exclusion m) i. or ii.; or
- iv. to the extent otherwise specified in the **schedule**;

- n) demolition ordered by any public or statutory authority as a result of **your** failure, or the failure of anyone acting on **your** behalf, to comply with any lawful requirement or due to the incorrect siting of **your insured property**;
- o) incorrect siting of **buildings** as a result of incorrect design or specification;
- p) machinery breakdown, electrical or electronic breakdown, but **we** will pay if the **damage** is due to:
 - i. fusion to the extent insured under Additional Benefit 6.15 Fusion;
 - ii. lightning;
 - iii. power surge if the **event** is confirmed by the supply authority.

4. Benefits which are Included in Your Building(s) Sum Insured

Following **damage** covered under this Section 1 of the **policy we** will also pay the following costs and expenses incurred in consequence of the **damage** up to the amount shown below, or the **building(s) sum insured** if no amount is specified below, per **event** and provided that the maximum amount **we** will pay in total for all claims under this Section 1 of the **policy** including any amounts under the following additional benefits caused by or resulting from any **event** is the **building(s) sum insured**.

4.1 Architects and Other Fees

Architects', surveyors', consulting engineers', legal and other professional fees, clerk of works salaries and bank imposed charges as necessarily and reasonably incurred in the reinstatement or replacement of loss, destruction or **damage** to **your insured property**.

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

4.2 Government Fees, Contributions or Imposts

Fees, contributions or imposts required to be paid to any public or statutory authority to obtain their permission to rebuild, repair or replace **your insured property**.

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

4.3 Loss of Land Value

The reduction in land value which will be the value certified by the Valuer General or other competent person or authority selected jointly by the **insured** and **us** or in the event of dispute by the President for the time being of the Real Estate Institute of NSW (or equivalent body in the other States), that results from the requirements of any legal authority that does not allow rebuilding or only partial rebuilding of **insured property** which is the subject of the damage at the **location(s)**.

Any reduction in land value will be calculated after reinstatement or replacement of the **building(s)** or after **we** have agreed that reinstatement or replacement of **building(s)** is not to be carried out.

4.4 Removal of Debris and Temporary Repairs

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

4.5 Exploratory or Re-Routing Costs

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

However, **we** will not pay if the bursting, leaking, discharging or overflowing is caused by anything excluded under this Section 1. For example, Section 1 Exclusions 3.2 j) **wear and tear**, fading, marring, gradual deterioration, developing flaws, normal up-keeping or making good, rust, gradual corrosion, oxidization, concrete or brick cancer, wet or dry rot.

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

Following **damage** covered under this Section 1 of the **policy**, **we** will also pay, in addition to the **sum insured**, the following amounts, costs and expenses incurred by a **lot owner** in consequence of the **damage**.

The combined total amount **we** will pay for Lot Owner Benefits 5.1 to 5.9 below is limited to whichever is the greater of i) or ii):

- i) 25% of the **sum insured** or \$500,000, whichever is the greater; or
- ii) any other amount or percentage shown in the **policy schedule**.

We will settle claims under this Additional Benefit directly with the **lot owner**.

5.1 Lot Owners' Fixtures and Improvements

Where **your building sum insured** has been exhausted, **we** will pay for **lot owners' fixtures and improvements** that **you** are required by the applicable **strata act** to insure.

However, **we** will not pay more for **lot owners' fixtures and improvements** than:

- i) \$300,000 for any one **lot**; or
- ii) 10% of the **sum insured** in total for all **lots**, whichever is the lesser.

The amount payable per **lot** affected will be calculated on a proportionate basis between the relevant **lot owners** based on their percentage share of the total amount of the loss incurred for all **lot owners' fixtures and improvements**.

5.2 Loss of Rent, and Temporary Accommodation

i) Loss of Rent

Where the **lot** is leased out or would have been leased out, the **loss of rent** incurred by the **lot owner** if the **lot** or **common area** is made unfit to be occupied for its intended purpose.

We will pay from the time of the **damage** until the time the **lot** is re-let following completion of reinstatement or replacement of **your insured property**, provided the **lot owner** takes reasonable action to obtain a new tenant.

ii) **Temporary Accommodation**

Where the **lot owner** occupies the **lot**, the reasonable cost of:

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

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

We will pay from the time of the physical loss, destruction or damage until the time the **lot owner** re-occupies the **lot**.

However, **our** maximum liability for **loss of rent** and **temporary accommodation** is limited to the amount or percentage of the **limit of liability** shown in **your policy schedule**.

5.3 Prevention of Access

If reasonable access to or occupancy of a **lot** is prevented by **damage** that would have been covered by this Section 1 happening to other property located within 1 (one) kilometre of **your insured property**:

- i) the reasonable cost of **temporary accommodation** necessarily incurred by the **lot owner** in accordance with clause b)ii); and
- ii) **loss of rent** incurred by the **lot owner** in accordance with clause b)i).

We will pay the costs from the time of the **damage** until the time when access to the **lot** is re-established.

5.4 Failure of Supply of Services

If a **lot** or **common area** is made unfit to be occupied for its intended purpose by the failure, for more than 24 consecutive hours, of electricity, gas, water or sewerage services resulting from **damage** that would have been covered by this Section 1 to property belonging to or under the control of the supply authority:

- i) the reasonable cost of **temporary accommodation** necessarily incurred by the **lot owner** in accordance with clause b)ii); or
- ii) the **loss of rent** incurred by the **lot owner** in accordance with clause b)i).

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

5.5 Cost of Re-Letting

Up to \$2,000 any one **event** for reasonable re-letting costs incurred by the **lot owner**, where the **lot** or **common area** is leased out and the tenant at the time of the **damage** subsequently advises they will not be reoccupying the **lot** or **common area** they previously leased.

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

5.6 Removal and Storage of Lot Owners' Contents

Costs reasonably incurred by the **lot owner** in:

- i) removing undamaged **lot owners' contents** to the nearest place of safe keeping;
- ii) storing undamaged **lot owners' contents** at that place or other equivalent place;
- iii) returning undamaged **lot owners' contents** to the **location(s)** when occupancy of the **lot** is permitted; and
- iv) insuring their undamaged contents during such removal, storage and return.

5.7 Pets, Security Dogs

Up to \$1,000 per **lot** for the reasonable costs necessarily incurred by the **lot owner** for boarding pets or security dogs when a **lot** is occupied solely for residential purposes, and the **lot** is rendered unfit for its intended purpose and the **lot owner's temporary accommodation** does not allow pets or security dogs.

5.8 Title Deeds

Up to \$5,000 for the reasonable costs the **lot owner** necessarily incurs in replacing title deeds to a **lot** of **your insured property**.

5.9 Travel Costs

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

We will not pay more than \$1,000 for any one **event** and \$5,000 in total any one **period of insurance** for these travel costs.

6. Additional Benefits

We also provide the following additional benefits in addition to the **sum insured**.

6.1 Rewriting of Records

Up to \$50,000 for the costs **you** necessarily incur in, rewriting or reproducing **records**, which are **damaged** while anywhere in **Australia**.

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

6.2 Modifications

Up to \$25,000 for the cost incurred in modifying the **building** to cater for the needs of a **lot owner** or a member of a **lot owner's** family permanently residing in the **lot** who is diagnosed as being paraplegic or quadriplegic as a direct result of **damage to your insured property**.

6.3 Mortgage Discharge Fee Contribution

Up to \$5,000 towards fees associated with the discharging of any mortgage over **your insured property** if it becomes a total loss and is not replaced and **we** have paid the **sum insured** under this Section 1.

6.4 Property of Others

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

6.5 Water Removal from Basement

Up to \$2,000 for the costs **you** necessarily incur in removing water from the basement or undercroft area of the **buildings** if the inundation is directly caused by a **storm** or downpour of rain in the **period of insurance**.

6.6 Maintenance Fees and Strata Levies

Up to \$2,000 for maintenance fees and strata levies required to be paid by the **lot owner** to **you** during the period the **lot** is unfit for occupation following **damage** to **your insured property**.

6.7 Funeral Expenses

Up to \$5,000 in any one **period of insurance** for the funeral costs for any **lot owner** or member of a **lot owner's** family permanently residing in the **lot**, where death occurs as a direct result of **damage** to **your insured property**.

6.8 Meeting Room Hire

Up to \$5,000 in any one **period of insurance** for the cost to hire temporary meeting room facilities for the purposes of holding annual general meetings or committee meetings where a designated meeting room within **your insured property** is unable to be occupied for its intended purpose.

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

6.9 Arson Reward

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

6.10 Removal of Trees

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

6.11 Improved Environmental Features

Following **damage** to **your insured property** covered by this Section 1 and if **you** elect to repair or replace **your insured property** (including part of **your insured property**), **we** will pay the additional costs for environmental improvements not previously installed that improve the energy and water efficiency of **your insured property**.

The most **we** will pay is \$20,000 for any one **event** less any governments subsidies to which **you** are entitled at the date of loss whether **you** claim these subsidies or not.

We will only pay these costs where the cost to repair or replace the **damaged** portion of **your insured property** is more than twenty five per cent (25%) of what the cost would have been had **your insured property** been totally destroyed.

6.12 Excess Electricity, Gas and Similar Charges

Up to \$2,000 for additional electricity, gas, sewerage, water and management charges **you** are required to pay as a direct result of **damage** to **your insured property**.

6.13 Security Guard/Temporary Protection

We will pay the necessary and reasonable cost of providing temporary protection and employment of security guards to safeguard **your insured property** and residents following **damage to your insured property** covered by this section.

The most we will pay for any one claim is \$5,000 unless **you** first obtain **our** written consent prior to **you** incurring costs in excess of this amount.

6.14 Inflationary Costs

Where **your insured property** suffers **damage** insured by this Section 1, **we** will increase the **sum insured** by the amount the **Consumer Price Index** (Housing Group) has increased since the start date of the current **period of insurance**.

6.15 Fusion

We will pay the reasonable cost to repair, reinstate or replace an electrical motor not exceeding 5 kilowatts, that forms part of the **buildings** or **common contents**, burnt out by electric current in the **period of insurance**.

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

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

6.16 Fire Extinguishment Costs

We will pay the costs and expenses necessarily and reasonably incurred for the purpose of:

- a) extinguishing a fire at the **location**, or in the vicinity of **your location** that is threatening to cause **damage to your insured property**;
- b) replenishment of fire fighting appliances, replacing sprinkler heads, and resetting fire, smoke and security alarm systems following their use in extinguishing a fire at the **location**; and
- c) shutting off the supply of water or other substances at the **location** which are accidentally discharged from any fire protective equipment.

6.17 Replacement of Locks and Keys

If the keys to any locks in **your insured property** are stolen in the **period of insurance**, **we** will pay up to \$5,000 for the reasonable cost of replacing or re-keying or re-coding those locks and replacing the keys.

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

6.18 Unauthorised Occupancy

If **your insured property** or a **lot** is occupied without **your** consent in the **period of insurance**, **we** will pay:

- a) up to \$2,000 for legal fees incurred by **you** or a **lot owner** with **our** prior consent, not to be unreasonably withheld, to repossess **your insured property** or a **lot**; and
- b) up to \$2,000 during any one **period of insurance** for the unauthorised use of metered electricity, gas, oil, water or other utilities by the unauthorised occupants.

We may reduce or refuse to pay a claim under this additional benefit if **you** or the **lot owner** have not taken reasonable steps to prevent or terminate any unauthorised occupancy including by way of regular monitoring and inspection of the **insured property** or **lot**.

6.19 Damage by Emergency Services

We will pay the reasonable costs of repair to or reinstatement of **your insured property** damaged by Police, Fire Brigade, Ambulance or other lawfully constituted emergency services in the course of their duty in the **period of insurance**.

6.20 Capital Additions

We will increase the **sum insured** by the total value of additions, alterations and improvements to **your insured property** during the **period of insurance** but only on completion of the additions, alterations or improvements and provided **you** notify **us** within 60 days of the completion, or as soon as practicable thereafter.

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

6.21 Purchaser's Interest

If a purchaser has signed an agreement to buy **your lot, stratum lot or volumetric lot** then, pursuant to Section 1, **we** will cover a purchaser's legal interest in **your lot, stratum lot or volumetric lot** under that agreement, until that agreement completes or is terminated.

6.22 Restrictions on the Use of the Location

We will pay for the **loss of rent** incurred by the **lot owner** and the reasonable cost of **temporary accommodation** necessarily incurred by the **lot owner** if the **lot owner** or tenant of the **lot** is not permitted to occupy the **lot** or **common area** in consequence of:

- a) closure or evacuation of the whole or part of the **location(s)** by order of a government, local government or other statutory authority as a direct result of an occurrence or outbreak of a **covered disease** as defined in this **policy**; or
- b) any occurrence of murder or suicide, occurring at the **location(s)** in the **period of insurance**, provided that:
 - i. **we** shall not be liable for the first 24 hours of any restrictions on the use of, or interference with, the **location(s)** as determined by the date and time at which the order for closure or evacuation takes effect in the case of clause a), or the first 24 hours after the date and time of the occurrence in the case of clause b);
 - ii. **we** shall only be liable for loss and expenses covered under this Lot Owner Benefit arising from restrictions on the occupation of the **lot** or **common area** at the **location(s)**, which are directly affected by the occurrences or outbreak in clauses a) and b);
 - iii. **we** shall not be liable under this Lot Owner Benefit for any costs incurred in the cleaning, repair, replacement, recall or checking of the **location(s)** or any **insured property**;
 - iv. **our** maximum liability for **loss of rent** and **temporary accommodation** is \$500,000 in the aggregate for all **lot, stratum lot or volumetric lot owner/s** in any one **period of insurance**.

This maximum liability applies for all losses related to or arising out of the restrictions placed on the use of the **location(s)** as covered under this Lot Owner Benefit irrespective of whether cover is also triggered under any other additional benefit(s), coverage extension(s) or other coverage grant(s);

- v. **we** will not pay any claim relating to closure or restrictions on the use of the **location(s)** due to Legionnaires Disease unless **you** have taken steps to arrange the carrying out of appropriate inspections and tests at the required intervals and met control requirements and management of risk requirements for legionella and Legionnaires Disease in accordance with the applicable legislation, regulations and Australian Standards with satisfactory results;
- vi. the amount payable to each **lot owner** will be reduced by any sum saved in respect of such charges and expenses of the relevant **location(s)** as may cease or be reduced in consequence of the enforcement action and any amount awarded as compensation within the terms of applicable legislation; and
- vii. **we** will pay up until the time re-occupancy is permitted to a maximum indemnity period of 30 days, or up to the maximum liability limit set out at clause iv. above, whichever is the lesser.

7. Optional Covers

The following optional covers are only covered when stated in the **policy schedule** as Insured.

7.1 Internal Paint and Wallpaper Within Lot Owners' Lots

Where the **strata act** excludes paint and wallpaper within **lot owners' lots** from the definition of **building**, and this optional cover is specified in **your policy schedule** as included, **we** will cover paint and wallpaper as if they were **building**.

Section 1 Exclusion 3.1a) does not apply to this optional cover.

7.2 Lot Owner's Floating Floorboards

Where **you** have included this optional cover, and it is specified in **your policy schedule** as included, **we** will cover **lot owner's floating floorboards** as if they were part of the **buildings**.

Section 1 Exclusion 3.1a) does not apply to this optional cover.

7.3 Catastrophe Cover

Where **you** have included this optional cover and it is specified in **your policy schedule** as included and the **damage to your insured property** under this Section 1 is caused by a **catastrophe**, or another insured **event** occurring within 72 hours after a **catastrophe**, which occurs during the **period of insurance**:

- a) **we** will pay up to the amount or percentage noted in **your policy schedule** for Catastrophe Cover for **increased costs you** incur directly associated or attributable to the **catastrophe**.

This optional cover extends the **sum insured** or other limits under this Section 1 by the amount or percentage noted in **your policy schedule** for:

- i. **building(s)**;
- ii. **common contents**; and
- iii. Lot Owner Benefits – Costs of Losses Incurred by the Lot Owner 5.1 to 5.9, but only if **your insured property** is reinstated or replaced.

We will not pay more than the **increased costs** actually incurred by **you**.

We will not pay any amount under this optional cover until the relevant **sum insured** or other applicable limits shown next to **buildings** and **common contents** under this Section 1 as shown in the **policy schedule** has been exhausted.

- b) where a **lot** that is destroyed or damaged due to the **catastrophe** is occupied as a residence by the **lot owner**, **we** will pay for the **cost of evacuation** necessarily incurred by the **lot owner**, or any person permanently residing with the **lot owner** immediately prior to the happening of the **catastrophe**, following an order for evacuation issued by a public or statutory authority, entity or person empowered by law to issue such an order due to the happening of the **catastrophe**.

The amount payable will be reduced by any compensation payable by any public or statutory authority. The most **we** will pay for the **cost of evacuation** is 1% of the **sum insured** in total for all **lot owners** per **catastrophe**.

For the purpose of this optional cover only, the following additional definitions apply:

- **Catastrophe** means any occurrence that gives rise to the declaration by the relevant authority of a state of emergency affecting the area or where the Insurance Council of Australia issues a catastrophe code in which the **buildings** are situated.
- **Cost of Evacuation** means the costs incurred for any form of transport to the designated place of evacuation and subsequent return to the **location** to resume permanent residency.
- **Increased Costs** means:
 - i) for **building(s)** and **common contents** – the difference between the cost of reinstatement or replacement actually incurred in accordance with 8. How We Settle Your Claims provisions of this Section 1 and the cost of reinstatement or replacement that would have applied had the **catastrophe** not occurred.
 - ii) for Lot Owner Benefits – Costs of Losses Incurred by the Lot Owners 5.1 to 5.9 – the difference between the amount payable for the costs, expenses, fees or other charges covered by the additional benefits and that which would have been payable had the **catastrophe** not occurred.

This additional benefit applies provided that the **sum insured** under Section 1 represents no less than 80% of the cost of reinstatement or replacement immediately prior to the **catastrophe**.

8. How We Settle Your Claims

Unless otherwise shown in the **policy schedule** and subject to applicable law, claims will be settled on the basis of Reinstatement or Replacement and Extra Cost, as follows.

8.1 Reinstatement or Replacement

Means:

- a) Buildings
- When **damage** not excluded by this section occurs to **your buildings**, **we** will pay the reasonable and necessary cost of rebuilding or replacing **your buildings** or repairing the **damaged** portions to a condition, equal to but not better or more extensive than its condition when new.
- b) where **your insured property** other than **buildings** is **damaged**, the repair of the **damage** and the restoration of the **damaged** portion of **your insured property** to a condition substantially the same as but not better or more extensive than its condition when new.

Claims for the cost of reinstating or replacing **your insured property damaged** are subject to the following provisions:

- i) the work of rebuilding, or replacement, or repairing as the case may be (which may be carried out upon another site and in any manner suitable to **your** requirements but subject to **our** liability not being increased), must be commenced and carried out as soon as practicable, failing which **we** may be entitled to reduce or refuse a claim to the extent that **we** are prejudiced by any delay. The claim will not be affected to the extent that the **insurer** and/or its agents caused or contributed to the delay.
- ii) when any **insured property** to which this clause applies or **damaged** in part only, **we** will not pay more than the **sum insured**.
- iii) if **you** are unable to rebuild any **damaged buildings you** may purchase alternative buildings to replace those **damaged**. This replacement will be deemed to constitute reinstatement for the purpose of this insurance, but **we** will not under any circumstances be liable to make any payment beyond the cost that would have been incurred in rebuilding the **damaged building**.
- iv) **we** will pay **common contents** up to a maximum of 1% of the **sum insured** or any other amount shown in the **policy schedule** whichever is the greater.

8.2 Extra Cost

We will also pay the extra cost of reinstatement including demolition or dismantling of **your insured property** necessarily incurred to comply with the requirements, operative at the time of reinstatement, of:

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

provided in either case that:

- i) the work of reinstatement (which may be carried out wholly or partially upon another site if the Act, by-law or regulation so necessitates and subject to **our** liability not being increased) must be commenced and carried out as soon as practicable, failing which **we** may be entitled to reduce or refuse a claim to the extent that **we** are prejudiced by any delay. The claim will not be affected to the extent that the **insurer** and/or its agents caused or contributed to the delay; and
- ii) the amount recoverable will not include the additional cost incurred in complying with any Act, by-law or regulation which **you** had been required to comply with prior to the happening of the **damage**; and
- iii) where Buildings with flammable cladding – Extra Cost of Reinstatement is specified as applicable in the **policy schedule**, if the cost of reinstating or replacing **your insured property** under 8.1 Reinstatement or Replacement is less than fifty per cent (50%) of what would have been the cost of reinstatement or replacement of **your insured property** had such property been totally destroyed, the amount recoverable will be limited to the extra cost necessarily incurred in reinstating or replacing only that portion **damaged** excluding extra costs in relation to any portion of **your insured property** not damaged. In any event the loss will not exceed the amount **we** would have been called upon to pay if **your building** had been wholly destroyed.

8.3 Earthquake

You have to pay or contribute the lesser of \$20,000 or one percent (1%) of the total **sum insured** in respect of **damage** caused by or arising from earthquake, subterranean fire or volcanic eruption occurring during any one period of seventy-two (72) consecutive hours.

8.4 Undamaged Foundations

When **your insured property** is **damaged** and due to the exercising of statutory powers or delegated legislation or authority by any government department, local government or other statutory authority, reinstatement of **your insured property** is carried out upon another site or sites, **we** will pay for the value of any undamaged part of **your insured property**, including foundations and footings, as if it had been destroyed. If the presence of the undamaged parts increases the sale value of the original site, then the increase will be regarded as salvage and will be payable to **us** under the **policy**.

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

8.5 Floor Space Ratio Index (Plot Ratio)

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

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

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

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

8.6 Replacement with Similar Property

We will try to match any material used to repair or replace **your insured property** with the original materials. If **we** cannot, **we** will use the nearest equivalent available to the original materials.

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

8.7 Undamaged Insured Property

Except as otherwise provided below, where **your insured property** is **damaged** in part only, and **we** have agreed to pay **your** claim, **we** will only pay for the part or parts of the **insured property** that actually sustained damage. **We** do not pay to replace any undamaged **insured property**.

Where it is not possible to replace the **damaged insured property** with the same or similar materials that reasonably match the undamaged part or parts to a similar extent as immediately prior to the **damage** occurring, and the amount of the **damaged insured property** that cannot be matched to the undamaged **insured property** is more than fifty percent (50%) of the total part or parts that would have to be replaced if all the matching **damaged** and undamaged **insured property** was replaced, then **we** will replace both the **damaged** and undamaged **insured property** subject to the following conditions:

- a) **we** will not repair or replace any undamaged **insured property** if the reason is solely due to colour matching which has resulted from normal aging, **wear and tear**, or fading;

- b) where **you** have included the Optional Cover, **lot owner’s floating floorboards we** will not pay to replace undamaged **lot owner’s floating floorboards** unless it is impossible to source the same interlocking system as it is no longer available. In this instance **we** may also agree to increase the percentage of undamaged floating floorboards that **we** will replace but always subject to d);
- c) where **we** have agreed to replace undamaged parts of kitchen cabinets, cupboards or benchtops **we** will limit the replacement of undamaged parts to those parts continuously joined to the **damaged** parts, that are made of the same materials, and are on the same level;
- d) **we** will only replace undamaged **insured property** up to the **room area boundary**.

For the purposes of this clause **Room Area Boundary** means the nearest walls, nearest doorway, archway, or similar opening width, or where there is a change in the floor or wall covering. If there is a combined lounge-dining room and there is a shared doorway, archway or similar opening which is wider than 82cm and the floor or wall coverings are the same in both rooms then **we** will consider this to be the one room area boundary.

9. Conditions Applying to this Section

The following conditions apply to Section 1 in addition to the General Conditions and Claims Conditions.

9.1 Automatic Reinstatement of Sum Insured

If **we** are liable for a claim (other than a total loss) under this Section 1, **we** will reinstate the **sum insured** to the amount shown in **your policy schedule** at the time of the **damage** in the following manner:

- a) for all claims for less than 5% of the **sum insured**, **we** will reinstate each **sum insured** for each claim at no additional **premium**;
- b) for any claims for more than 5% of the **sum insured**, **we** may ask **you** to pay any additional **premium** that applies. The **sum insured** will not be reinstated if **you** choose not to pay **us** the additional **premium**.

9.2 Claims Preparation Fees

We will pay in addition to the **sum insured** up to \$50,000 or any higher amount shown in the **policy schedule** for professional fees and other expenses for preparation of claims that **you** reasonably and necessarily incur with **our** consent, such consent not to be unreasonably withheld, and which are not otherwise recoverable under the **policy**.

10. Claims Examples

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

Example 1

Your building has a **sum insured** of \$650,000. **You** are not registered for GST. **Your excess** is \$2,000. There is a fire that starts from a heater in one of the units. The fire destroys the **building**, and **we** assess that it is a total loss. **We** assess the cost to rebuild is \$750,000 including GST.

Your sum insured is not enough to cover the cost to rebuild. Accordingly, **we** will settle up to the **building sum insured**.

How Much We Pay:

Building sum insured:	= \$ 650,000
GST:	= \$ 65,000
Less excess:	= \$ 2,000
Total claim:	= \$ 713,000

Please note that if **you** are entitled to any benefits which are included in **your building(s) sum insured**, they will be covered within the **building sum insured**, any Lot Owner Benefits – Costs of Losses Incurred by the Lot Owner will be covered in addition to the **building sum insured**, and additional benefits will be covered where applicable.

Example 2

Your building has a **sum insured** of \$800,000. **You** are registered for GST and have an Input Tax Credit Entitlement of 100%.

A leaking pipe in the **building** causes damage to the ceiling in one of the units. **We** assess repairing the damage to the ceiling will cost \$11,000 including GST. The cost to repair the leaking pipe is \$1,100 including GST.

Your excess is \$2,000.

How Much We Pay:

Cost of ceiling repairs including GST:	= \$ 11,000
GST:	= \$ 1,000
Cost of ceiling repairs less GST:	= \$ 10,000
Cost to repair the pipes including GST:	= \$ 1,100
GST:	= \$ 100
Cost to repair the pipes less GST:	= \$ 1,000
Cost of ceiling repairs less GST:	= \$ 10,000
Cost to repair the pipes less GST:	= \$ 1,000
Less excess:	= \$ 2,000
Total claim:	= \$ 9,000

Please note that if **you** are entitled to any benefits which are included in **your building(s) sum insured** they will be covered within the **building sum insured**, any Lot Owner Benefits – Costs of Losses Incurred by the Lot Owner will be covered in addition to the **building sum insured**, and Additional Benefits will be covered where applicable.

Section 2 – Public Liability

1. Cover

This section covers **you** against any claim for **compensation** or expenses that **you** become legally liable to pay for:

- a) **personal injury**; or
- b) **property damage**,
happening during the **period of insurance** and caused by an **occurrence** in connection with **your business**.

2. Definitions Applying to this Section

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

2.1 Aircraft

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

2.2 Compensation

Monies paid or payable by judgment or settlement together with any liability on the **insured's** part to pay legal costs and expenses (other than **defence costs**).

2.3 Defence Costs

All reasonable legal costs and expenses incurred by **us** or by the **insured** with **our** written consent (**our** consent is not to be unreasonably withheld).

2.4 Occurrence

An event which results in **personal injury** or **property damage**, neither expected nor intended from **your** standpoint. All **personal injury** or **property damage**, arising out of continuous or repeated exposure to substantially the same general conditions, will be construed as arising out of one **occurrence**.

The **occurrence** will be determined by reference to the date on which the **personal injury** or **property damage** from the one source or originating cause first occurred.

2.5 Personal Injury

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

2.6 Pollutant

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

2.7 Property Damage

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

2.8 Vehicle

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

2.9 Watercraft

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

3. Basis of Settlement

3.1 Limit of Liability

We will not pay more than the **limit of liability** for all **compensation** payable in respect of any one **occurrence**.

The costs as described in 3.2 below are payable in addition to the **limit of liability**.

3.2 Defence of Claims

In addition to the cover in 3.1, **we** will pay:

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

The maximum amount that **we** will pay under 3.2 Defence of Claims is \$250,000 any one claim for **compensation**.

3.3 Contribution to Costs

If a payment exceeding the **limit of liability** has to be made to dispose of claims relating to an **occurrence**, **our** liability to pay costs and expenses under Clause 3.2 is limited to the proportion the **limit of liability** bears to the amount required to be paid to dispose of the claims relating to the **occurrence**.

4. Exclusions Applying to this Section

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

The following only apply to the extent relevant and subject to applicable law which may restrict **our** rights in certain circumstances. For more detail on these restrictions see When We Can Refuse to Pay or Reduce the Amount We Pay Under a Claim.

We will not cover liability in respect of:

4.1 Employment Liability

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

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

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

4.2 Property in Custody or Control

property damage to property owned by or leased or rented to **you**, or in **your** physical and legal control.

4.3 Aircraft, Watercraft and Hovercraft

claims arising out of the ownership, maintenance, operation or use by **you** of:

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

4.4 Vehicles

personal injury or **property damage** arising out of the ownership, possession, operation, maintenance or use by **you** of any **vehicle** owned by **you** or in **your** physical or legal control that is registered or required to be registered by law.

This Exclusion 4.4 does not apply to:

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

4.5 Contractual Liability

any liability assumed by **you** under any agreement except to the extent that:

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

4.6 Professional Liability

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

This Exclusion 4.6 does not apply to the rendering of, or the failure to render, first aid.

4.7 Defamation

the publication of defamatory or disparaging material and/or the utterance of defamatory or disparaging statements:

- a) made prior to the commencement of the **period of insurance**;
- b) made by or at **your** direction with knowledge of its falsity; or
- c) related to advertising, broadcasting, or telecasting activities conducted by or on **your** behalf.

4.8 Pollution

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

4.9 Territorial Limits

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

Provided that:

- i) this Exclusion 4.9 does not apply to claims and actions arising from the presence outside **Australia** of any person who is normally resident in **Australia** and who is not undertaking manual work or supervision of work of any kind whilst in the United States of America or Canada; and

- ii) the **limit of liability** in respect of coverage provided under Clause 4.9 i) is inclusive of all costs, expenses and interest as set out in Clause 3.2 of this Section 2.

4.10 Asbestos

any claim directly or indirectly caused by, arising out of or in any way connected with asbestos or any material containing asbestos in any way.

4.11 Fines, Penalties or Liquidated Damages

fines, penalties or liquidated damages.

4.12 Punitive Damages

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

4.13 Assault and Battery

personal injury or **property damage** caused by or arising from assault and battery committed by **you** or at **your** direction, unless reasonably necessary for the protection of persons or property.

4.14 Information Technology Hazards, Computer Data, Program and Storage Media

personal injury or **property damage** arising directly or indirectly out of or in any way involving **your internet operations**.

This Exclusion 4.14 does not apply to **personal injury** or **property damage** arising out of any material which is already in print by the manufacturer in support of its product, including but not limited to product use and safety instructions or warnings, and which is also reproduced on its site.

Internet Operations means the following:

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

4.15 Alteration, Additions and Construction

personal injury or **property damage** caused by or arising directly or indirectly out of or in connection with the construction, erection, demolition, underpinning, weakening or removal of support, alteration or installation work by **you** or on **your** behalf, except to a building owned or occupied by **you** for the purpose of **your business** where the total cost of all work is not greater than \$500,000 or 20% of the **sum insured** in Section 1 of the **policy** whichever is the lesser.

4.16 Nuclear Energy

this insurance does not apply to any damages, loss, cost or expense arising out of any:

- a) ionising radiation or contamination by radioactivity from any nuclear fuel or from any nuclear waste from the combustion of nuclear fuel; or
- b) radioactive, toxic, explosive or other hazardous properties of any explosive nuclear assembly or nuclear component thereof.

Section 3 – Fidelity Guarantee

1. Cover

This **section** covers **you** against loss of **funds** as a result of theft, embezzlement, misappropriation or fraud in the **period of insurance**.

The most **we** will pay for all losses during the **period of insurance** is the **sum insured** shown in the **policy schedule** for this Section 3.

2. Excess

You must pay or bear the **excess** shown in the **policy schedule** in respect of each individual act of theft, embezzlement, misappropriation, conversion or fraud or series of related acts.

If **you** don't pay the **excess(es)** to **us** or as **we** direct, **we** may deduct the **excess(es)** from the amount **we** pay in relation any claim.

3. Definition Applying to this Section

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

Funds means money, negotiable instruments, securities or tangible property received by **you**, or collected on **your** behalf, which has been or was to be set aside for the financial management of **your** affairs.

Funds do not include the personal money, securities or tangible property of **lot owners**.

4. Additional Benefit

4.1 Auditors' Fees

Subject to the **sum insured** not otherwise being exhausted, **we** will also reimburse **you** for fees payable by **you** to external auditors that are reasonably and necessarily incurred to support a valid claim under this Section 3. The maximum amount **we** will pay for auditors' fees is \$2,500 per **period of insurance**.

4.2 Claims Preparation Fees

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

5. Exclusions Applying to this Section

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

The following only apply to the extent relevant and subject to applicable law which may restrict **our** rights in certain circumstances. For more detail on these restrictions see When We Can Refuse to Pay or Reduce the Amount We Pay Under a Claim.

We will not pay for:

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

6. Conditions Applying to this Section

The following conditions apply to Section 3 in addition to the General Conditions and Claims Conditions.

6.1 Reinstatement of Sum Insured

If **we** have agreed to pay a claim (other than a claim where **we** pay the full **sum insured**) under this Section 3, **we** will reinstate the **sum insured** to the amount shown in **your policy schedule** at the time of the loss. **We** will automatically reinstate the **sum insured** once only during each **period of insurance** for no additional premium. For any other reinstatement, **you** must apply for a reinstatement and if **we** agree to it, pay or agree to pay **us** any additional premium that applies.

Section 4 – Office Bearers’ Liability

1. Cover

This Section covers:

- a) **office bearers** against **loss** arising from any **claim** by reason of any **wrongful act** while acting in their capacity as **office bearers** which is:
 - i) first made against them jointly or severally during the **period of insurance**; and
 - ii) notified to **us** as soon as reasonably practicable during the **period of insurance**; and
- b) **you** against **loss** for which **you** may become vicariously liable or for which **you** grant indemnity to any **office bearer** as permitted or required by law arising from any **claim** by reason of any **wrongful act** committed by any **office bearer** while acting in their capacity as **office bearer** where the **claim** is:
 - i) first made against **you**, or any **office bearer** jointly or severally, during the **period of insurance**; and
 - ii) notified to **us** as soon as reasonably practicable during the **period of insurance**.

The most **we** will pay for all **losses** in respect of any one **period of insurance** is the **limit of liability** shown in the **policy schedule**.

2. Definitions Applying to this Section

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

2.1 Claim(s)

- a) any writ, summons, application or other originating legal or arbitral process, complaint, charge, cross claim, or counter-claim issued against or served upon **you** or any **office bearer** alleging any **wrongful act**; or
- b) any written demand alleging any **wrongful act** against **you** or any **office bearer**.

2.2 Defence Costs

costs, charges and expenses (other than **your** fees, salaries or salaries of **your employees**) incurred by **us** or with **our** written consent (**our** consent is not to be unreasonably withheld) in the investigation, defence, monitoring or settlement of any **claim** or proceedings and appeals arising from them together with the costs of appeal.

2.3 Employee

any person who was, is or may become under a contract of service with **you**.

2.4 Loss

- a) legal liability to pay damages, judgments, settlements, awards or orders for costs; and
- b) **defence costs**.

2.5 Representation Costs

all reasonable and necessary legal fees, costs and expenses incurred by **us** or with **our** prior written consent (**our** consent is not to be unreasonably withheld) solely for any legally compellable attendance by an **office bearer** at any official investigation into the affairs of the **owners corporation, strata corporation, community title, body corporate** or like entity stated in the **policy schedule**.

2.6 Wrongful Act

any actual or alleged breach of duty, breach of trust, neglect, error, misstatement, misleading statement, failure to act, breach of warranty or authority or other act wrongfully made, committed, attempted, or allegedly made, committed or attempted by any **office bearer** in the discharge of his or her duties in their capacity as:

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

3. Exclusions Applying to this Section

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

The following only apply to the extent relevant and subject to applicable law which may restrict **our** rights in certain circumstances. For more detail on these restrictions see When We Can Refuse to Pay or Reduce the Amount We Pay Under a Claim.

We will not cover liability under this Section 4 arising out of or in connection with:

3.1 Bodily Injury or Property Damage

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

but this Exclusion 3.1 will not apply to:

- i) loss or damage to documents which are the **office bearer's** property or entrusted to the **office bearer**, or costs and expenses incurred by the **office bearer** in replacing or restoring the documents; or
- ii) liability of the **office bearer** arising from the **office bearer** failing to obtain public liability insurance for **you**.

3.2 Dishonesty

any **claim** brought about or contributed to by any dishonest, fraudulent, criminal or malicious act or failure to act of any **office bearer**.

However, this Exclusion 3.2 will not apply to:

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

3.3 Asbestos

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

3.4 Fines and Penalties

any fine, penalty or punitive, exemplary, additional or like damages but this Exclusion 3.4 will not exclude fines and penalties of a compensatory nature.

3.5 USA/Canada Legal Action

any matter where action for damages or compensation is brought against **you** or an **office bearer** in a court of law within the jurisdiction of the United States of America or Canada or territories or protectorates of them, or to enforce a judgment of their courts.

3.6 Prior Claims and Circumstances

- a) any **claim** made or threatened or in any way intimated before the commencement of the **period of insurance**;
- b) any **wrongful act** committed prior to the retroactive date specified in the **policy schedule**;
- c) any facts or circumstances existing prior to or at the inception of this Section 4 and which **you** or the **office bearer** knew, or a reasonable person in the circumstances could be expected to know, prior to the inception date of this Section 4, might give rise to a **claim**;
- d) any notice of facts or circumstances given under any other policy that expired prior to the inception of this Section 4; or
- e) any facts or circumstances disclosed by **you** or any **office bearer** or on **your** or his or her behalf in applying for this insurance.

For the purpose of this Exclusion 3.6 no fact pertaining to or knowledge possessed by any **office bearer** shall be imputed to any other **office bearer**.

3.7 Improper Gain

any profit or advantage gained by an **office bearer** where the **office bearer** was not legally entitled to the profit or advantage or where the **office bearer** may be held accountable to **you** for the profit or advantage.

3.8 Unauthorised Payments

any **office bearer** being given or taking money or a gratuity without **your** authorisation where **your** authorisation is necessary pursuant to **your** constitution or other governing rules.

3.9 Conflict

any conflict of duty or interest of an **office bearer**.

3.10 Abuse of Power

any intentional exercise of power by any **office bearer** where the exercise of that power is for a purpose other than that for which the power was conferred.

3.11 Publishers Liability

- a) infringement of copyright or trademark, unauthorised use of title, plagiarism or misappropriation of ideas; or
- b) publication of content, information or material that libels or slanders a person or organisation.

4. Additional Benefits

4.1 Advance Payment of Defence Costs

Where indemnity has been granted and confirmed in writing by **us** in relation to any **claim**, **we** will pay all reasonable **defence costs** arising from the **claim** as and when they are incurred and prior to the finalisation of the **claim** provided that **you** obtain **our** written consent prior to incurring **defence costs**, such consent not to be unreasonably withheld.

We reserve the right to recover any **defence costs** advanced in the event and to the extent that it is agreed or subsequently established by judgment or other final adjudication that **you** were not entitled to be indemnified under this Section 4.

4.2 Representation Costs

We agree to pay **representation costs** provided that notice of the investigation is first received by the **office bearer** or **you**, and notified to **us**, during the **period of insurance**. The maximum amount **we** will pay under this Additional Benefit is \$100,000 any one **claim**.

4.3 Continuous Cover

Should a **claim**, fact or circumstance arise which should have been or could have been notified to **us** under a prior office bearers liability insurance policy issued by **us**, **we** will accept notification of the **claim**, fact or circumstance under this Section 4, subject to the following:

- a) **we** have continuously been the **insurer** under an office bearers legal liability insurance policy between the date when the notification should or could have been given and the date when the notification was in fact given;
- b) there was no fraudulent non-compliance with **your** duty to take reasonable care not to make a misrepresentation or fraudulent misrepresentation by **you** in respect of the **claim**, fact or circumstance; and
- c) the terms and conditions applying to any **claim**, fact or circumstances will be the terms and conditions, including the **limit of liability** and **excess**, applicable to the office bearers liability insurance policy in force at the date upon which the notification could or should have been given.

4.4 Extended Reporting Period

If **we** refuse to offer any renewal terms for the **policy** at the end of the **period of insurance** for any reason other than non-payment of premium or fraudulent misrepresentation, and provided **you** have not obtained any other replacement policy providing substantially the same cover as the **policy** then should a **claim**, fact or circumstance arise within 30 days following the expiry date of the **policy** **we** will accept notification of the **claim**, fact or circumstance being made within that 30 day period and in accordance with the provisions of this Section 4. The terms and conditions applicable to the notification will be the terms and conditions, including the **limit of liability** and **excess** that apply under this Section 4.

5. Conditions Applying to this Section

The following only apply to the extent relevant and subject to applicable law which may restrict **our** rights in certain circumstances. For more detail on these restrictions see When We Can Refuse to Pay or Reduce the Amount We Pay Under a Claim.

The following conditions apply to Section 4 in addition to the General Conditions and Claims Conditions.

5.1 Claims

- a) **You** must give Sedgwick notice as soon as practicable and in writing of:
- i) any **claim** made against **you** or any **office bearer**; or
 - ii) any circumstances of which **you** or any **office bearer** becomes aware which might subsequently give rise to a **claim** against **you** or any **office bearer**.
- b) More than one **claim** involving the same **wrongful act** will be deemed to constitute a single **claim** and the **claim** will be deemed to have been made against **you** or an **office bearer** on the first of the following dates:
- i) the date the first **claim** involving the **wrongful act** was made against **you** or an **office bearer**;
 - ii) the date upon which **you** or an **office bearer** first became aware of any intention to hold **you** or an **office bearer** responsible for the results of a **wrongful act**; or
 - iii) the date upon which **you** or an **office bearer** first became aware of any circumstances which might subsequently give rise to a **claim**.
- c) Where the one **wrongful act** results in more than one **claim** which is the subject of indemnity under this Section 4, all of the **claims** will jointly constitute one **claim** under this Section 4.
- d) **You** and any **office bearer** must give **us** any information relevant to the **claim** and co-operation as **we** may reasonably require.
- e) **You** and any **office bearer** must not admit liability for or settle any **claim** or incur any costs, charges or expenses without **our** written consent which shall not be unreasonably withheld, delayed, or conditioned.

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

You and any **office bearer** will not be required to contest any legal proceedings unless legal counsel (to be mutually agreed upon by **you** and **us**) advises that the proceedings should be contested.

- f) **We** will not settle any **claim** without **your** consent. If, however, **you** refuse to consent to any settlement recommended by **us** and which is acceptable to the claimant, and elect to contest or continue any legal proceedings in connection with the **claim**, then **our** liability for the **claim** will not exceed the amount for which the **claim** could have been settled, plus the costs, charges and expenses incurred with **our** consent up to the date of **your** refusal, and then only up to the amount of the **limit of liability**.
- g) In the event of any payment under this Section 4, **we** will be entitled, to the extent of the payment, to all rights of recovery that **you** or any **office bearer** may have and **you** and the **office bearers** must execute all papers required and do everything that is reasonably necessary and within **your** power to secure and preserve these rights, including the execution of any documents that are necessary to enable **us** to effectively bring a suit in **your** name.

We agree not to exercise any of these rights against any **office bearer** or **employee** unless the **claim** is brought about by or contributed to by the dishonest, criminal or malicious act (including failure to act) of the **office bearer** or **employee**.

- h) Notice of a **claim** under this Section will be deemed given to **us** if given to:

Sedgwick

Telephone: (02) 8075 0430 / +61 2 8075 0430

Email: rubixclaims@sedgwick.com

5.2 Excess

We will be liable under the Cover Clauses 1a) and 1b) of this Section 4 to pay only amounts over and above the **excess**.

The **excess** applies to each and every **claim** and the amount of the **excess** is to be paid or borne by **you**.

If **you** don't pay the **excess(es)** to **us** or as **we** direct, **we** may deduct the **excess(es)** from the amount **we** pay in relation any claim.

5.3 Non-imputation and Severability

Where this Section 4 insures more than one party, any conduct on the part of any one party or parties where the party or parties:

- a) failed to comply with the duty to take reasonable care not to make a misrepresentation in accordance with the Insurance Contracts Act 1984 (Cth);
- b) made a misrepresentation to **us** before the contract was entered into; or
- c) failed to comply with any terms or conditions of this Section 4,

will not prejudice the right of the other party or parties to indemnity as may be provided by this Section 4, subject to the following:

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

5.4 Cross Liability

We will insure the **office bearer** for their liability to another **office bearer** as if that other **office bearer** were not a party to the **policy** under this Section 4. Provided that **our limit of liability** and any Additional Benefits will apply as though there were not separate policies issued to each **office bearer**.

5.5 Liability Not to be Admitted

Neither **you** nor any **office bearer** may admit liability for or settle any claim or incur any **defence costs** in connection with any claim without **our** written consent which shall not be unreasonably withheld, delayed or conditioned.

5.6 Our Right to Take Over Legal Proceedings

We shall be entitled to take over and conduct, in **your** name or in the name of any **office bearer**, any proceedings arising out of or relating to any **claim** covered under this Section 4.

5.7 Claims Preparation Fees

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

Section 5 – Voluntary Workers Personal Accident

1. Cover

This section covers **accidental death** or **injury** to **insured persons** in the **period of insurance** while engaged in **voluntary work** on **your** behalf.

Should any of the Events set out in the Table of Benefits happen to the **insured person** as the result of an **injury** we will pay the benefit set out next to that Event. The following Table of Benefits sets out the Events covered and the amount of the benefits. The amount of the benefit shown applies to each **insured person**.

Table of Benefits

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

2. Definitions Applying to this Section

Wherever the words listed below are used in this Section 5 and are bolded, they mean what is set out below.

2.1 Accident

A sudden, external, and identifiable event that happens by chance and could not have been expected from the perspective of the **insured person**. The word **accidental** shall be construed accordingly.

2.2 Accidental Death

Death occurring as a result of an **injury**.

2.3 Injury

Bodily injury resulting from an **accident**, which is not an illness and:

- a) within 12 months of the bodily injury results, solely and independently of any other cause, in any one or more of the Events listed in the Table of Benefits;
- b) includes any condition resulting from exposure to the elements as a result of the bodily injury; and
- c) is not a **pre-existing medical condition**.

2.4 Insured Person

Any person engaged in **voluntary work** on **your** behalf.

2.5 Loss

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

2.6 Partial Disablement

Disablement as a result of **injury** that prevents an **insured person** from carrying out a substantial part of all the normal duties of their usual occupation, business or profession.

2.7 Permanent

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

2.8 Pre-Existing Medical Condition

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

2.9 Total Disablement

Disablement as a result of **injury** that entirely prevents an **insured person** from:

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

2.10 Voluntary Work

Work or duties performed without promise of reward or remuneration from **you** or any other person or entity other than an honorarium for duties associated with the position of **office bearer**.

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

3. Basis of Settlement of Claims

If an Event in Column A in the Table of Benefits happens to an **insured person** as a result of **injury** then **we** will pay to the **insured person** the corresponding amount in Column B.

We will only pay the amounts corresponding to Events 6 and 7 in the Table of Benefits up to the maximum limit shown or 100% of salary whichever is the lesser but only where the **insured person** is in paid employment at the time of the **injury**.

Where the **insured person** dies as a result of **accidental death**, **we** will pay the **insured person's** executor or administrator.

4. Exclusions Applying to this Section

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

The following only apply to the extent relevant and subject to applicable law which may restrict **our** rights in certain circumstances. For more detail on these restrictions see When We Can Refuse to Pay or Reduce the Amount We Pay Under a Claim.

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

4.1

- i) illness or disease (except illness or disease resulting directly from medical or surgical treatment rendered necessary by any bodily **injury**);
- ii) suicide or intentional self-injury;
- iii) the **insured person's** criminal or illegal act;
- iv) the **insured person** being under the influence of alcohol or a drug other than a drug prescribed by a qualified medical practitioner;
- v) any **injury** suffered in an **accident** which occurred before this cover commenced; or
- vi) pregnancy or childbirth (except for unexpected medical complications of emergencies arising from **injury**).

4.2

or liability that is covered by:

- a) Medicare (in part or whole); and
- in relation to all benefits or Events, other than Events 1-5 in the Table of Benefits, any liability that is covered by:
- b) any workers compensation legislation;
 - c) any transport accident legislation;
 - d) any common law entitlement;
 - e) any government sponsored fund, plan or medical benefit scheme; or
 - f) any other insurance policy required to be effected by or under law;
- but only to the extent to which the loss, damage, liability, Event, bodily **injury** or sickness is in fact covered by one or more of these schemes.

4.3

a **pre-existing medical condition**.

5. Additional Benefits

Where an **insured person** suffers an **injury** covered by this Section 5 while engaged in **voluntary work**, **we** will also pay the reasonable costs and expenses set out below where they arise following the **injury**, up to the limit set out below:

	Additional Benefits	Limit any one Injury
1	Travel expenses (other than ambulance services) in obtaining medical treatment	\$2,000
2	Cost of domestic assistance	\$5,000
3	Cost of home tutorial expenses if the voluntary worker is a full time student at a school or other registered education provider – up to \$250 per week	\$2,500
4	Costs of burial or cremation	\$5,000

6. Conditions Applying to this Section

The following only apply to the extent relevant and subject to applicable law which may restrict **our** rights in certain circumstances. For more detail on these restrictions see When We Can Refuse to Pay or Reduce the Amount We Pay Under a Claim.

The following conditions apply to Section 5 in addition to the General Conditions and Claims Conditions.

6.1 Insured Person to Obtain Medical Advice

The **insured person** must obtain appropriate medical advice as soon as practicable after sustaining the **injury**.

Failure to follow proper medical treatment or advice in accordance with the above may result in **us** reducing **our** liability under the **policy** to the extent allowed by applicable law and to which **we** have suffered any prejudice due to such failure.

6.2 Cost of Medical Examinations

We may require the **insured person** to undergo any reasonable medical examination or provide **us** with a medical report or other information requested by **us** in relation to a claim under this Section 5, in which case **we** will bear the cost of the examination, or of obtaining the report or other information.

6.3 Claims Preparation Fees

We will pay up to \$30,000 or any higher amount shown in the **policy schedule** for professional fees and other expenses for preparation of claims under this Section 5 that **you** reasonably and necessarily incur with **our** consent, such consent not to be unreasonably withheld, and which are not otherwise recoverable under this Section 5.

Section 6 – Government Audit Costs, Workplace Health and Safety Breaches and Legal Expenses

This section covers **you** against costs and expenses as described in Covers 6A, 6B and 6C.

Cover 6A – Taxation and Audit Costs

1. Cover

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

2. Limit of Liability

The most **we** will pay in total for all claims during the **period of insurance** is the greater of \$30,000 or the **limit of liability** shown in the **policy schedule** for this Cover 6A.

3. Definitions Applying to this Cover 6A

Wherever the words listed below are used in this Cover 6A and are bolded, they mean what is set out below.

3.1 Costs

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

4. Exclusions Applying to this Cover 6A

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

The following only apply to the extent relevant and subject to applicable law which may restrict **our** rights in certain circumstances. For more detail on these restrictions see When We Can Refuse to Pay or Reduce the Amount We Pay Under a Claim.

We will not be liable under this Cover 6A:

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

- d) for any claim arising from circumstances that **you** knew of prior to the inception of this Cover 6A;
- e) for any claim arising from **your** improper, unwarranted or unjustified refusal or failure to comply with any lawful request made by a Federal or State Commissioner of Taxation for the production of documents or the supply of information.

We will not deem refusal or failure to comply to be improper, unwarranted or unjustified if **you** refuse or fail to comply upon the written advice of **your** accountant or tax agent;

- f) for any claim arising out of fraud or any fraudulent act or failure to act committed by **you** or on **your** behalf; or
- g) for any claim arising from audits or investigations which result from **you**, or any person acting on **your** behalf, becoming aware of any error or deficiency in any return of income or other documentation supplied to a Federal or State Commissioner of Taxation and failing to notify the Commissioner of Taxation as soon as practicable once **you** become so aware.

5. Conditions Applying to this Cover 6A

The following only apply to the extent relevant and subject to applicable law which may restrict **our** rights in certain circumstances. For more detail on these restrictions see When We Can Refuse to Pay or Reduce the Amount We Pay Under a Claim.

The following conditions apply to Cover 6A in addition to the General Conditions and Claims Conditions.

5.1 Returns

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

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

5.2 Claims

In the event of a claim:

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

6. Excess Applying to this Cover 6A

6.1 Excess

We will reduce the amount **we** pay for each claim by the amount of the **excess** shown in the **policy schedule**.

Cover 6B – Workplace Health and Safety Breaches

1. Cover

1.1 **We** will cover **you** for legal fees, costs, expenses and disbursements reasonably incurred by **you** in appealing against any:

- a) imposition of an improvement or prohibition notice; or
- b) determination by any review committee, arbitrator, tribunal or court, made under any workplace, occupational health and safety or similar legislation in the **period of insurance**.

1.2 **We** will only cover **you**:

- a) if the imposition of an improvement or prohibition notice or determination arises from **your** failure to provide or maintain so far as is reasonable:
 - i. a safe working environment or system of work;
 - ii. plant and equipment in a safe condition; or
 - iii. adequate facilities for the welfare of **your** employees;
- b) if **you** have obtained **our** prior written consent, not to be unreasonably withheld, to the lodgement of the appeal. **We** will only agree to the appeal if **our** legal adviser considers that there are reasonable prospects of the appeal being successful; and
- c) if the improvement or prohibition notice or determination by any court or tribunal is first made or brought against **you** during the **period of insurance** and **you** report it to **us** during the **period of insurance** or within 30 days after the expiry of the **period of insurance**.

2. Limit of Liability

The most **we** will pay in respect of all legal fees, costs, expenses and disbursements **you** incur in connection with an appeal covered by this Cover 6B, is the **limit of liability** specified in the **policy schedule** any one **period of insurance**.

3. Extension of Cover to this Cover 6B

3.1 Continuous Cover

Should a notice, determination, fact or circumstance arise which should have been or could have been notified to **us** under a prior workplace health and safety breaches insurance policy issued by **us**, **we** will accept notification of the notice, determination, fact or circumstance under this Cover 6B, subject to the following:

- a) **we** have continuously been the **insurer** under a workplace health and safety breaches insurance policy between the date when the notification should have been given and the date when the notification was in fact given;
- b) there was no fraudulent non-compliance with **your** duty to take reasonable care not to make a misrepresentation or fraudulent misrepresentation by **you** in respect of the notice, determination, fact or circumstance; and
- c) the terms and conditions applying to any notice, determination, fact or circumstances will be the terms and conditions, including the **limit of liability** and **excess**, applicable to the workplace health and safety breaches insurance policy in force at the date upon which the notification could or should have been given.

4. Exclusions Applying to this Cover 6B

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

The following only apply to the extent relevant and subject to applicable law which may restrict **our** rights in certain circumstances. For more detail on these restrictions see When We Can Refuse to Pay or Reduce the Amount We Pay Under a Claim.

We will not cover **you** under this Cover 6B for:

- a) any legal fees, costs, expenses or disbursements in respect of or in connection with or arising from any:
 - i. the defence or opposition by **you** of the imposition of any improvement or prohibition notice; or
 - ii. the defence or opposition by **you** of any determination by any review committee, arbitrator, tribunal or court; or
 - iii. any imposition or determination made under any workplace, occupational health and safety or similar legislation; or
 - iv. any imposition or determination that **you** knew of prior to the commencement of the **period of insurance**, except to the extent provided under 3. Extension of Cover to this Cover 6B;
- b) any legal fees, costs, expenses or disbursements in respect of or in connection with any notice or determination in any way connected with asbestos or materials containing asbestos.

5. Excess Applying to this Cover 6B

5.1 Excess

We will reduce the amount **we** pay for each claim by the amount of the **excess** shown in the **policy schedule**.

Cover 6C – Legal Defence Expenses

1. Cover

We will cover **you** for **legal expenses** incurred with **our** written consent, not to be unreasonably withheld, in connection with a **claim** first made or brought against **you** in the **period of insurance** and notified to **us** during the **period of insurance** or within 30 days after the expiry of the **period of insurance**, provided the **claim**:

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

2. Limit of Liability

The most **we** will pay for any one **claim** and in the aggregate in any the **period of insurance** is the **limit of liability** specified in the **policy schedule**.

3. Definitions Applying to this Cover 6C

Wherever the words listed below are used in this Cover 6C and are bolded, they mean what is set out below:

3.1 Claim

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

3.2 Contribution

the proportion of **legal expenses** incurred above the **excess**, specified as a percentage in **your policy schedule**, which is payable by **you**.

3.3 Legal Expenses

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

4. Exclusions Applying to this Cover 6C

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

The following only apply to the extent relevant and subject to applicable law which may restrict **our** rights in certain circumstances. For more detail on these restrictions see When We Can Refuse to Pay or Reduce the Amount We Pay Under a Claim.

We will not cover **legal expenses** in connection with any **claim**:

- a) caused by, arising out of, in respect of or in any way connected with asbestos or materials containing asbestos;
- b) arising from an act, failure to act, liability or event for which cover is provided under Section 2 Public Liability or Section 4 Office Bearers' Liability, whether or not **you** have taken out insurance under those sections;
- c) arising from facts or circumstances that **you** knew of prior to the commencement of the **period of insurance**, except to the extent provided under 5. Extension of Cover to this Cover 6C;
- d) arising from a deliberate act, including a deliberate act of fraud or dishonesty, on **your** part if a **judgment** or other final adjudication adverse to **you** establishes that the act was committed or attempted by **you** with actual dishonest purpose or intent and was material to the cause of action so adjudicated; or
- e) between **you** and **us**.

5. Extension of Cover to this Cover 6C

5.1 Continuous Cover

Should a **claim**, fact or circumstance arise which should have been or could have been notified to **us** under a prior government audit costs and legal expenses insurance policy issued by **us**, **we** will accept notification of the **claim**, fact or circumstance under this Cover 6C, subject to the following:

- a) **we** have continuously been the **insurer** under a legal defence expenses insurance policy between the date when the notification should have been given and the date when the notification was in fact given;
- b) there was no fraudulent non-compliance with **your** duty to take reasonable care not to make a misrepresentation or fraudulent misrepresentation by **you** in respect of the **claim**, fact or circumstance; and
- c) the terms and conditions applying to any **claim**, fact or circumstance will be the terms and conditions, including the **limit of liability** and **excess**, applicable to the legal defence expenses insurance policy in force at the date upon which the notification could or should have been given.

6. Excess Applying to this Cover 6C

6.1 Excess

We will reduce the amount **we** pay for each **claim** by the amount of the **excess** shown in the **policy schedule**.

6.2 Contribution

In addition to the **excess** applicable to Cover 6C, **you** are also required to pay a **contribution** for each **claim**. The **contribution** applies to any amount left after the **excess** has been deducted from the amount of **your claim**.

The following are examples of how a **contribution** may affect a **claim** under this Cover 6C.

Claim Example 1

Claim for breach of Competition and Consumer Act 2010 (Cth) (First **claim** in the **period of insurance**).

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

Therefore, the balance of the **limit of liability** is \$6,000 for any subsequent **legal expenses claims** in the same **period of insurance**.

Claim Example 2

Claim for breach of Competition and Consumer Act 2010 (Cth) second loss in the same **period of insurance** as Claim Example 1 above.

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

Therefore, as the **limit of liability** is exhausted **you** will have no cover available for **legal expenses** in connection with any subsequent **claims** made or brought against **you** in the same **period of insurance**.

7. Conditions Applying to this Cover 6C

The following only apply to the extent relevant and subject to applicable law which may restrict **our** rights in certain circumstances. For more detail on these restrictions see When We Can Refuse to Pay or Reduce the Amount We Pay Under a Claim.

The following conditions apply to Cover 6C in addition to the General Conditions and Claims Conditions.

7.1 Appeal Procedure

If **you** are dissatisfied with any decision made by a court or tribunal and wish to appeal against that decision **you** must advise **us** in writing of **your** intention to appeal at least five (5) business days prior to the expiry of the time for instituting an appeal or as soon as practicable if the time allowed by law to appeal is less than five (5) business days. **You** must obtain **our** written consent to the appeal, such consent not to be unreasonably withheld, if **you** want **us** to cover any of those **legal expenses** under this Cover 6C.

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

7.2 Insurer Consent and Specialist Advice

We will only cover **legal expenses** in connection with any **claim** which **you** have pursued or defended:

- a) if **you** obtain **our** prior written consent, such consent not to be unreasonably withheld; and
- b) **you** follow the advice of the solicitor, barrister, assessor, consultant, investigator or other person acting on **your** behalf.

Section 7 – Equipment Breakdown

1. Cover

This section covers loss or damage to **plant and equipment**, and to other **insured property**, directly damaged by a **breakdown of plant and equipment** during the **period of insurance**.

The most **we** will pay for all losses during the **period of insurance** is the **sum insured** shown in the **policy schedule** for this Section 7.

2. Definitions Applying to this Section

Wherever the words listed below are used in this Section 7 and bolded, they mean what is set out below.

2.1 Boilers, Pressure Vessels and Pressure Pipe Systems

Any boiler, fired or unfired pressure vessel normally subject to vacuum or internal pressure other than static pressure of contents, any piping connected thereto and its accessory equipment.

2.2 Breakdown

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

2.3 Electrical and Mechanical Equipment

Any mechanical or electrical equipment used for the generation, transmission or utilisation of mechanical or electrical power.

2.4 Electronic Equipment

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

2.5 Hazardous Substance

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

2.6 Insured Property

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

2.7 Plant and Equipment

Electrical and mechanical equipment, boilers, pressure vessels and pressure pipe systems and electronic equipment owned by **you**, or for which **you** are legally responsible, installed and ready for use at the **location**, after completion of successful initial commissioning.

3. Additional Benefits

3.1 Expediting Expenses

Where there is a **breakdown** of **plant and equipment** covered by this Section 7, **we** will pay the reasonable extra cost to:

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

of the **plant and equipment** or **insured property** which is directly damaged by the **breakdown**.

The maximum **we** will pay for all claims during the **period of insurance** is \$25,000 under this additional benefit.

3.2 Service Interruption

We will cover **you** under Section 7 Additional Benefit 3.5 following breakdown of equipment during the **period of insurance** located at or within one thousand (1,000) metres of **your location** and which is not owned or operated by **you**.

This additional benefit only applies if the equipment:

- a) is of a type described in the definition of **plant and equipment**, except it is not installed at the **location**;
- b) would have been covered under this Section 7 if it was **plant and equipment** installed at the **location**;
- c) is owned by a utility company at its location; and
- d) is used to supply telecommunication, electricity, air conditioning, heating, gas or water services to **your location**.

3.3 By-laws

Where there is in force a law, by-law, ordinance, regulation, rule or ruling regulating or restricting repair, alteration, use, operation, construction or installation of **insured property** prior to a **breakdown** of **plant and equipment** covered by this Section 7, **we** will pay the increase in cost of repair or replacement of both damaged and undamaged property (including any demolition and site clearing costs) which is necessary to meet the minimum requirements of the law, by-law, ordinance, regulation, rule or ruling.

The maximum **we** will pay for all claims during the **period of insurance** is \$25,000 under this additional benefit.

3.4 Hazardous Substances

If a **hazardous substance** is involved in or released by a **breakdown** of **plant and equipment** covered by this Section 7, **we** will pay the increase in cost to repair, replace, clean up or dispose of, affected **insured property**.

The maximum **we** will pay for all claims during the **period of insurance** is \$10,000 under this additional benefit.

3.5 Loss of Rent and/or Temporary Accommodation

Following a **breakdown** of **plant and equipment** covered by this Section 7, **we** will cover **loss of rent** of any **lot, stratum lot or volumetric lot** and/or **temporary accommodation** of any **lot**, which becomes un-tenantable as a result of the **breakdown**.

We will only pay for **loss of rent** and/or **temporary accommodation** (for **lot owners** only) during the time reasonably necessary due to the **breakdown**, but not exceeding 24 months.

Where **your lot, stratum lot or volumetric lot** is rented and **you** agree to a rental rebate as a direct result of such **breakdown**, **we** will pay **you** the amount of that rebate. The **annual rentable value** will be the basis of calculation.

Our liability for **loss of rent** or **temporary accommodation** will be limited to 15% of the **sum insured**, unless otherwise stated in the **policy schedule**.

We will settle claims under this additional benefit directly with **you** or any **lot owner** (as applicable).

3.6 Claims Preparation Fees

We will pay up to a maximum of \$30,000 or any higher amount shown in the **policy schedule** for professional fees and other expenses for preparation of claims under this Section 7 that **you** reasonably and necessarily incur with **our** consent, not to be unreasonably withheld, and which are not otherwise recoverable under the **policy**.

4. Basis of Settlement

- a) For damage to **plant and equipment** or **other property** covered by this Section 7, **we** will pay **you**, the lesser of the cost at the time of the **breakdown**:
- i) to repair; or
 - ii) to replace with similar property (not necessarily new) of like kind, capacity, size, quality and function.

We will not pay:

- i) for cost of repairing any part or parts of a piece of equipment which is greater than the cost of repairing or replacing the entire piece of equipment;
- ii) more than the cost for **you** to replace the property with other property of like kind, capacity, size, quality and function;
- iii) more than the cost for **you** to replace the property at the same or adjacent **location**; or
- iv) loss or damage to property which was useless or obsolete to **you** prior to the **breakdown** occurring.

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

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

- b) **We** will reduce the amount **we** pay for each claim by the amount of the **excess** shown in the **policy schedule**.

5. Exclusions Applying to this Section

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

The following only apply to the extent relevant and subject to applicable law which may restrict **our** rights in certain circumstances. For more detail on these restrictions see When We Can Refuse to Pay or Reduce the Amount We Pay Under a Claim.

We will not pay for:

5.1 Section 1:

- i) any loss covered by Section 1 of the **policy** including under any optional covers or additional benefits in Section 1 of the **policy**.

5.2 Loss or damage caused by or arising from:

- i) **flood**;
- ii) fire, smoke or soot;
- iii) extinguishing a fire including subsequent demolition or repair work;
- iv) lightning;
- v) chemical explosion (other than explosion of flue gas in boilers);
- vi) impact of land borne vehicles, **aircraft** or water borne craft;
- vii) earthquake, subterranean fire or volcanic eruption;
- viii) landslip or subsidence;
- ix) **storm**, tempest, windstorm or **named cyclone**;
- x) water escaping, discharged or leaking from any source which is external to the **plant and equipment** insured;
- xi) theft or attempted theft;
- xii) intentional or malicious damage;
- xiii) depletion, deterioration, corrosion or erosion of material;
- xiv) **wear and tear**;
- xv) vibration or misalignment;
- xvi) the functioning of any safety device or protective device;
- xvii) the failure of a structure or foundation supporting the equipment or a part of the equipment.

5.3 Loss or damage to:

- a) in relation to Section 7, 2.1 Boilers, Pressure Vessels and Pressure Pipe Systems:
 - i. any boiler setting, any refractory or insulating material;
 - ii. any part of a boiler or fired pressure vessel that does not contain steam or water; or
 - iii. any buried piping, drainage piping, sprinkler piping and its accessory equipment.
- b) in relation to Section 7, 2.3 Electrical and Mechanical Equipment:
 - i. any vehicle or mobile machinery;
 - ii. any lift or elevator, moving walkway (travelator) or escalator; or
 - iii. mobile and fixed air-conditioning units servicing a **lot**, or **volumetric lot** in Queensland.

However, i. and ii. do not apply to any gearbox, electrical or **electronic equipment** used with such apparatus.

6. Conditions Applying to this Section

The following only apply to the extent relevant and subject to applicable law which may restrict **our** rights in certain circumstances. For more detail on these restrictions see When We Can Refuse to Pay or Reduce the Amount We Pay Under a Claim.

The following conditions apply to Section 7 in addition to the General Conditions and Claims Conditions.

6.1 General Conditions

On the happening of any occurrence which might give rise to a claim under this Section 7 **you** must, in addition to complying with the General Conditions (Claims):

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

6.2 Engineering Repair Practices

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

6.3 Reinstatement of Sum Insured

If **we** agree to pay a claim (other than a claim where **we** pay the full **sum insured**) under this Section 7, **we** will reinstate the **sum insured** to the amount shown in **your policy schedule** at the time of the **breakdown**.

We will automatically reinstate the **sum insured** once only during each **period of insurance**. For any other reinstatement, **you** must apply for a reinstatement and if **we** agree to it, pay or agree to pay **us** any additional **premium** that applies.

General Exclusions

The following only apply to the extent relevant and subject to applicable law which may restrict **our** rights in certain circumstances. For more detail on these restrictions see When We can Refuse to Pay or Reduce the Amount We Pay Under a Claim.

These general exclusions apply to all sections of this **policy**.

1. War

We will not cover any loss, damage, claim, cost, expense or other sum whatsoever, directly or indirectly arising out of, or in any way attributable or related to, connected with or occurring concurrently or in any sequence with:

- a) war, invasion, act of foreign enemy, hostilities (whether war be declared or not), civil war, rebellion, revolution, insurrection, military or usurped power;
- b) confiscation, nationalisation, requisition or damage to property by or under the order of any government or public or local authority; or
- c) permanent or temporary dispossession of any building resulting from the unlawful occupation of such building by any person.

2. Terrorism

We will not cover loss, damage, cost or expense of whatsoever nature directly or indirectly caused by, resulting from or in connection with:

- a) any **act of terrorism** regardless of any other cause or event contributing concurrently or in any other sequence to the loss;
- b) any action taken in controlling, preventing, suppressing or in any way relating to any **act of terrorism**; or
- c) any **act of terrorism** including any action taken in controlling, preventing, suppressing or in any way relating to an act that includes the release of germs, disease or other contagion or contaminants or detonation of any device employing atomic or nuclear fission and/or fusion or other like reaction or radioactive force or matter including but not limited to the use of any device, whether or not a weapon of war, which disperses or releases radioactive matter.

3. Biological or Chemical Materials

We will not cover loss, damage, cost or expense of whatsoever nature directly or indirectly caused by, resulting from or in connection with the actual or threatened malicious use of pathogenic or poisonous biological or chemical materials regardless of any other cause or event contributing concurrently or in any other sequence.

4. Radioactivity

We will not cover loss, damage, disablement or liability directly or indirectly caused by or contributed to by or arising from ionising radiation from, or contamination by radio-activity from, any nuclear fuel or nuclear waste from the combustion of nuclear fuel.

5. Intentional Damage

We will not cover damage or liability intentionally caused or incurred by:

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

6. Property Cyber and Data

- a) **We** do not cover any:
 - i) **cyber loss**, other than as described in clause b);
 - ii) loss, damage, liability, claim, cost, expense directly or indirectly caused by, contributed to by, resulting from, arising out of or in connection with any loss of use, reduction in functionality, repair, replacement, restoration or reproduction of any **data**, including any amount pertaining to the value of such **data**, unless subject to the provisions of clause c);regardless of any other cause or event contributing concurrently or in any other sequence.
- b) **We** cover physical loss or physical damage to property insured under this **policy** caused by any ensuing fire or explosion which directly results from a **cyber incident**, unless that **cyber incident** is caused by, contributed to by, resulting from, arising out of or in connection with a **cyber act** including, but not limited to, any action taken in controlling, preventing, suppressing or remediating any **cyber act**.
- c) Where **data processing media** owned or operated by the **insured** suffers physical loss or physical damage insured by this **policy**, then **we** will cover the cost to repair or replace the **data processing media** itself plus the costs of copying the **data** from back-up or from originals of a previous generation.
- d) If such media is not repaired, replaced or restored the basis of valuation shall be the cost of the blank **data processing media**.

We do not cover:

- e) costs for or related to research and engineering nor any costs of recreating, gathering or assembling the **data**.
- f) any amount pertaining to the value of such **data**, to the **insured** or any other party, even if such **data** cannot be recreated, gathered or assembled.
- g) in the event any portion of this exclusion is found to be invalid or unenforceable, the remainder shall remain in full force and effect.
- h) this exclusion supersedes and, if in conflict with any other wording in the **policy** having a bearing on **cyber loss, data** or **data processing media**, replaces that wording.

Definitions applying to this exclusion:

- i) **Cyber Loss** means any loss, damage, liability, claim, cost or expense directly or indirectly caused by, contributed to by, resulting from, arising out of or in connection with any **cyber act** or **cyber incident** including, but not limited to, any action taken in controlling, preventing, suppressing or remediating any **cyber act** or **cyber incident**.
- j) **Cyber Act** means an unauthorised, malicious or criminal act or series of related unauthorised, malicious or criminal acts, regardless of time and place, or the threat or hoax thereof involving access to, processing of, use of or operation of any **computer system**.
- k) **Cyber Incident** means:
 - i) any error or failure to act or series of related errors or failures to act involving access to, processing of, use of or operation of any **computer system**; or
 - ii) any partial or total unavailability or failure or series of related partial or total unavailability or failures to access, process, use or operate any **computer system**.
- l) **Computer System** means any computer, hardware, software, communications system, electronic device (including, but not limited to, smart phone, laptop, tablet, wearable device), server, cloud or microcontroller including any similar system or any configuration of the aforementioned and including any associated input, output, data storage device, networking equipment or back up facility, owned or operated by the **insured** or any other party.
- m) **Data** means information, facts, concepts, code or any other information of any kind that is recorded or transmitted in a form to be used, accessed, processed, transmitted or stored by a **computer system**.
- n) **Data Processing Media** means any property insured by this **policy** on which **data** can be stored but not the **data** itself.

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

We will not cover loss of occupancy of a **lot, stratum lot or volumetric lot** directly or indirectly arising from closure or evacuation of the whole or part of **your location(s)** by the order of a competent public authority consequent upon:

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

This exclusion does not apply to the extent cover is provided under Section 1, Additional Benefits 6.22 Restrictions on the Use of the Location.

8. Transmission and Distribution Lines

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

However, this exclusion does not apply in respect of the overhead transmission and distribution lines (and their supporting structures) that extend from the public highway to the **location** and are the responsibility of **you**. It is understood and agreed that any public utilities extension and/or suppliers extension and/or contingent business interruption coverages are not subject to this exclusion, provided that these are not a part of the transmitters' or distributors' policy.

9. Communicable Diseases

- a) **We** will not cover any loss, damage, claim, cost, expense or other sum, directly or indirectly arising out of, or in any way attributable or related to, connected with or contributing concurrently or in any sequence with:
- i. a **communicable disease**; or
 - ii. the fear or threat (whether actual or perceived) of a **communicable disease**.
- b) For the purposes of this exclusion, loss, damage, claim, cost, expense or other sum, includes, but is not limited to, any cost to clean-up, detoxify, remove, monitor or test:
- i. for a **communicable disease**, or
 - ii. any **location(s)** that is or may be affected either directly or indirectly by a **communicable disease**.
- c) For the purposes of this exclusion, a **Communicable Disease** means any:
- i. physical distress, illness, or disease caused or transmitted directly or indirectly by any virus, bacterium, parasite, fungus or other organism or any variation thereof, whether deemed living or not, and regardless of the means of transmission or whether it was discovered at the **location(s)**, or whether it was, or is, occurring at the **location(s)**, or in respect of which there is an occurrence or an outbreak elsewhere. This sub-clause of this definition does not apply to an illness that is a **covered disease**; or
 - ii. virus, bacterium, parasite, or other organism or any variation thereof, whether deemed living or not which causes, or is likely and/or expected to cause, physical distress, illness or disease. This sub-clause of this definition does not apply where such an organism causes a **covered disease**; or
 - iii. any disease (including a **covered disease**) which is a quarantinable disease or a listed human disease under the *Biosecurity Act 2015* (Cth), as may be amended from time to time and any replacement, successor or functionally similar legislation of the Commonwealth of Australia (or of the applicable state or territory of the Commonwealth of Australia in which the **location(s)** are located), including delegated legislation and irrespective of whether it was discovered at the **location(s)**, or was, or is, occurring at the **location(s)** or in respect of which there is an occurrence or outbreak elsewhere; or
 - iv. any disease (including a **covered disease**) determined by the World Health Organisation to be a Public Health Emergency of International Concern (PHEIC); or
 - v. any physical distress, illness or disease, or **covered disease**, that gives rise to an **epidemic** or **pandemic** (or which is likely or expected to give rise to an **epidemic** or **pandemic**) regardless of the means of transmission or whether it was discovered at the **location(s)**, or whether it was, or is, occurring at the **location(s)** or in respect of which there is an occurrence or outbreak elsewhere; or
 - vi. any mutation of the illnesses, diseases or organisms described in clauses c)i., c)ii., c)iii., c)iv. and c)v..

d) For the purposes of clause c)v.:

- i. **Epidemic** means the occurrence in a community, region, state or nation of cases of an illness, specific health-related behaviour, or other health-related events exceeding normal expectancy or recorded averages or seasonal variances in that community, region, state or nation.
- ii. **Pandemic** means the widespread outbreak of a disease including but not limited to outbreaks which cross international boundaries and that affect a large number of people.

General Conditions

The following only apply to the extent relevant and subject to applicable law which may restrict **our** rights in certain circumstances. For more detail on these restrictions see When We Can Refuse to Pay or Reduce the Amount We Pay Under a Claim.

These general conditions apply to all sections of the **policy**.

1. Your Obligations

You must:

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

2. Alteration

During the **period of insurance** **you** must tell **us** as soon as reasonably possible after **you** become aware (or a reasonable person in **your** circumstances would become aware of) of any changes to:

- a) any information contained in the **policy schedule**;
- b) the most recent information provided by **you** to **us** in relation to the **policy** which **you** know, or could reasonably be expected to know, may affect the risks insured by **us**.

Except to the extent the **policy** expressly provides otherwise and subject to applicable law, where the change:

- a) reduces the risk **we** insure **you** for **we** may (if applicable) provide **you** with a refund of a portion of the **premium** paid by **you** where the change affects the **premium** payable; or
- b) increases the risk **we** insure **you** for **we** may:
 - i. refuse to accept the change;
 - ii. agree to the change in writing subject to terms acceptable to **us**, provided that **you** pay or agree to pay **us** any additional **premium** **we** may require;
 - iii. cancel the **policy**; or
 - iv. choose not to renew the **policy**.

No change to the **policy** will be valid unless **we** agree in writing nor will the requirements of any section be deemed to be waived unless **we** agree in writing (which will not be unreasonably withheld).

3. Cancellation

Cancellation by You

You may cancel the **policy** at any time by contacting **us** in writing at the address provided in About Rubix Underwriting. Cancellation will take effect from 4:00pm on the day **we** receive **your** notice of cancellation, or such other time otherwise agreed between **us** and **you**.

Cancellation by Us

Subject to applicable law, **we** may cancel the **policy** as set out in the Insurance Contracts Act 1984 (Cth) by giving **you** (the **insured**) written notice to that effect. This includes where:

- a) **you** failed to comply with the duty of utmost good faith;
- b) **you** failed to comply with the duty to take reasonable care not to make a misrepresentation to **us** before entering into, varying, extending or renewing the **policy**, where this duty applies to **you**;
- c) **you** failed to comply with a provision of the **policy**, including a provision with respect to payment of the **premium**;
- d) **you** have made a fraudulent claim under the **policy** or under some other policy of insurance (whether with **us** or some other insurer) that provides insurance cover during any part of the period during which the **policy** provides insurance cover;
- e) **you** failed to notify **us** of any specific act or omission or failure that has occurred after the **policy** is entered into where notification is required under the terms of the **policy**; or
- f) the effect of the **policy** is to authorise **us** to refuse to pay a claim, either in whole or in part, by reason of an act or omission or failure of the **insured** or of some other person and, after the **policy** was entered into, such an act or omission has occurred.

When **we** cancel the **policy** it will have effect from whichever of the following times is the earliest (unless **we** tell **you** otherwise in **our** cancellation notice and subject to applicable law):

- a) the time when another policy of insurance replacing the **policy** is entered into by **you** with **us** or another insurer; or
- b) 4:00pm of the third (3rd) business day after the day on which notice was given to **you** unless the **policy** is in force because of section 58 of the Insurance Contracts Act 1984 in which case the cancellation will have effect from 4:00pm of the fourteenth (14th) business day after the day on which notice was given to **you**.

Subject to applicable law, the **policy** with **us** ends from the time of cancellation. However, cancellation by **us** or **you** does not affect any rights that **you** had under the **policy** when it was in force.

4. Transfer of Interest

No interest in this **policy** can be transferred without **our** written consent, not to be unreasonably withheld.

5. Jurisdiction

The **policy** will be governed in accordance with the laws of the Commonwealth of Australia. Any disputes arising out of the **policy** will be subject to determination by any Court of jurisdiction within the State or Territory in which the **policy** was issued and according to the laws applicable to that jurisdiction.

6. Joint Insureds

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

Nothing in this condition will result in an increase of **our** liability in respect of any occurrence or **period of insurance**.

7. Notices

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

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

Any notice given in writing by **us** to the **insured** shown in the **policy schedule** will be treated as notice to each of the parties **you** comprise. Service of notices by **us** will be effective immediately on receipt by **you** of a letter or electronic communication sent from **us** or in the case of notices by post, three business days after having been posted by **us**.

8. Rights of Recovery

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

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

9. Inspection of Property and Records

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

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

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

We will not deny liability for a claim, or reduce the amount of a claim, if **our** right of denial or reduction is solely caused by an act, error or failure to act of **your body corporate manager** while acting on **your** behalf.

Claims Conditions

The following only apply to the extent relevant and subject to applicable law which may restrict **our** rights in certain circumstances. For more detail on these restrictions see When We Can Refuse to Pay or Reduce the Amount We Pay Under a Claim.

These claims conditions apply to all sections of this **policy**.

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

When circumstances occur that may lead to a claim under the **policy you** must:

- a) take reasonable steps to reduce the loss or damage and to prevent further damage;
- b) where possible, make a full report to the Police as soon as practicable if **you** know or suspect that:
 - i) property has been stolen;
 - ii) someone has broken into **your** premises; or
 - iii) someone has caused malicious damage to **your** property;
- c) not make any admission of liability, offer, promise or payment in connection with any event;
- d) inform **us** as soon as possible;
- e) preserve any damaged property and make it available for inspection by **our** representative or agent (including a loss adjuster) at a time agreed upon by **you** and **us**; and
- f) not authorise the repair or replacement of anything without **our** agreement (such agreement not to be unreasonably withheld).

2. If You Want to Make a Claim You Must

If **you** want to make a claim **you** must:

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

3. Paying Your Excess

You must pay or bear the **excess(es)** that apply to claims under the **policy** including any Contribution applicable under Section 6 Cover 6C.

If more than one **excess** is payable under the **policy** for any claim or series of claims arising from the one event or occurrence, the **excesses** will not be cumulative and the highest single level of **excess** only will apply unless specified in the **policy schedule**.

If **you** don't pay the **excess(es)** to **us** or as **we** direct, **we** may deduct the **excess(es)** from the amount **we** pay for any claim. The relevant limits or **sums insured we** pay up to are less any applicable **excess(es)**, unless **we** expressly state otherwise.

4. Progress Payments

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

5. Inspection and Salvage

You must give **us** access to **your** property and the **location** at a time to be mutually agreed or make them available to **us** for inspection if **you** make a claim.

You must allow **us** to take possession of any lost, destroyed or damaged property for the purposes of validating, substantiating or recouping losses. If **we** do not take possession of the lost, destroyed or damaged property, **you** will not be entitled to abandon **your** responsibilities for the property.

6. Other Insurance

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

7. False Claims

If **you**, or someone acting on **your** direction or with **your** knowledge makes a false claim, or causes loss or damage deliberately **we** may, subject to applicable law:

- a) refuse to pay all or part of the claim;
- b) cancel the **policy** in accordance with General Conditions 3. Cancellation in the **policy**; or
- c) take legal action against **you**.

New South Wales

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