



Community Association

insurance plan



Policy 10

Lot Owners Homes



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Product disclosure statement and insurance policy wording

Important Information and Notices

The information contained in this document is a stand-alone version of **Policy 10** of our **Community Association Insurance Plan**.

This document is a Product Disclosure Statement (PDS) and is also our insurance policy wording for **Policy 10 - Homes**. Please note that it operates as a PDS under the Corporations Act 2001 (Cth). Other documents may comprise our PDS and we will specifically tell you if this is the case in the relevant document.

This document contains important information to help you understand this insurance and it is up to you to choose the cover you need. This document contains information which can help you decide. Any advice in this document is of a general nature only and has not considered your objectives, financial situation or needs. You should carefully consider the information provided having regard to your personal circumstances to decide if this insurance is right for you.

Insurer

The Policy is underwritten by QBE Insurance (Australia) Limited, ABN 78 003 191 035 (QBE), AFS Licence No. 239545, of 82 Pitt Street, Sydney 2000.

We have authorised the information contained in this PDS and it is operative from 01 March 2011.

Authority to act on our behalf

We have given CHU Underwriting Agencies Pty Ltd ABN 18 001 580 070 (CHU) a binding authority to market, underwrite, settle claims and administer this Policy on our behalf.

Any matters or enquiries you may have should be directed to them in your State. The contact details of their offices are shown on the back cover of this document.

Under the terms of this binding authority CHU act as our agent, and not yours, but liability within the terms and conditions of this Policy remains at all times with us.

About CHU

CHU Underwriting Agencies Pty Ltd is a specialist strata and community title insurance intermediary and holds an Australian Financial Service Licence (AFS Licence No. 243261) to issue and advise on general insurance products.

What you should read

To understand the features, benefits and risks of this insurance and to determine if it is appropriate for you, it is important that you read:

- ◆ all of the Product Disclosure Statement - this information is designed to help you understand this insurance and your rights and obligations under it;
- ◆ the Community Association Insurance Plan (**Policy 10**) part which commences on page 12. It tells you about:
 - ◇ what makes up the insurance (i.e. your contract with us which we call a Policy);
 - ◇ important definitions that set out what we mean by certain words;
 - ◇ the cover we can provide (see **Part A to D of Policy 10**);
 - ◇ what excesses you may have to pay (see 'Payment of excesses' below for guidance);
 - ◇ when you are not insured (see **General Exclusions** and other exclusions under **Policy 10**);
 - ◇ what you and we need to do in relation to claims (see pages 8, 23, 38, 47 and 50);
 - ◇ your and our cancellation rights (see page 25).
- ◆ the relevant proposal form you need to complete to apply for cover (if applicable);
- ◆ any Schedule (refer to the definition of Schedule on page 18) when it is issued to you; and
- ◆ any other documents we may give you which vary our standard terms of cover set out in this document.

These documents should be read carefully together. It is important that they are kept in a safe place.

Summary of cover and significant benefits and risks

The following is a summary only and does not form part of the terms of your insurance. We give examples of some of the significant benefits and risks but you need to read the Community Association Insurance Plan (**Policy 10**) part of this document which sets out the terms and conditions of this insurance to make sure it matches your expectations.

What you are covered / not covered for

Policy 10 – Homes

Part A – Homes

Homes are covered for accidental loss or damage that occurs during the period of insurance.

This cover also includes additional and special benefits up to specified limits, for example:

- ◆ architects and professional fees, removal of debris (see **Additional Benefit 1 of Policy 10**);
- ◆ storm damage to gates and fences (see **Additional Benefit 5 of Policy 10**);
- ◆ tsunami damage to your insured property (see **Additional Benefit 7 of Policy 10**);
- ◆ up to 15% of your home sum insured for temporary accommodation costs and loss of rent (see **Special Benefits 1a and 1b of Policy 10**);
- ◆ up to \$2,000 for contributions, levies, maintenance and other fees if your home becomes unfit for its intended purpose by an insured event (see **Special Benefit 1f of Policy 10**);
- ◆ up to \$1,500 a home for emergency accommodation of resident home owners if their home becomes unfit for its intended purpose by an insured event (see **Special Benefit 7 of Policy 10**);
- ◆ fusion of electric motors up to 5 kilowatts (see **Special Benefit 4 of Policy 10**);

Some events we do not cover include:

- ◆ damage caused by flood, or by the sea, high water or tidal wave other than if caused by a tsunami (see **Exclusions 1a and 1f of Policy 10**);
- ◆ damage to retaining walls by storm or rainwater (see **Exclusion 1b of Policy 10**);
- ◆ damage caused by the invasion of trees, plants or their roots or the cost of cleaning pipes or drains they block (see **Exclusion 1i of Policy 10**).

Part D – Catastrophe

Part D covers the unexpected increase in the replacement cost of a home following the happening of a catastrophe from an event for which the Insurance Council of Australia issues a catastrophe code.

Other benefits include:

- ◆ extended period of cover for cost of temporary accommodation and loss of rent (see **Special Benefit 1 of Part D of Policy 10**);
- ◆ escalation in cost of temporary accommodation (see **Special Benefit 2 of Part D of Policy 10**);
- ◆ removal and storage of undamaged part of a home (see **Special Benefit 3 of Part D of Policy 10**);

We do not cover damage from any event that is not claimable under **Part A of Policy 10** (flood, for example).

See **Policy 10** for full details of covers, limits that apply and how we settle your claim for these covers.

Other policies

We can also cover:

- ◆ legal liability for accidental death or bodily injury to other persons as well as accidental damage to other person's property. The event causing liability must occur during the period of insurance (see **Part B of Policy 10**);
- ◆ breakdown of electrical, electronic and mechanical plant (see **Part C of Policy 10**);

See the appropriate policies under the Community Association Insurance Plan (**Policy 10**) part for details of the available cover, conditions, exclusions and limits that apply to them.

Other important information

In addition to the preceding covers, inclusions and exclusions there are other times when the insurance may or may not provide cover.

Please read the Community Association Insurance Plan (**Policy 10**) part of this document to make sure the cover we provide matches your expectations.

We may also refuse to pay or reduce the amount we pay under a claim:

- ◆ if you do not comply with the cover conditions (please read the Community Association Insurance Plan (**Policy 10**) part of this document for details of the conditions to make sure you understand your obligations);
- ◆ if you do not comply with the Duty of Disclosure (see the Duty of Disclosure notice below for details); or
- ◆ if you make a fraudulent claim.

We may also cancel your Policy in certain situations permitted by law. For example, if you breach your duty of disclosure or a condition of the insurance.

Some important things to remember are:

Keep receipts - You should keep receipts, invoices or other evidence of ownership and value of all property that is insured because, if you make a claim, you may be asked to prove ownership and value in order for us to pay the claim.

Total loss - When your home is a total loss and we have paid out the total sum insured, the insurance for that property ceases. If you rebuild or replace such property this requires a new insurance contract commencing at that time with an applicable premium.

Overdue Premium - You must pay your premium on time otherwise your insurance may not operate. If you have not paid by the due date or your payment is dishonoured we may cancel the Policy. CHU will do so by providing you with written notice.

Renewing your insurance - When renewing your insurance with us you must advise us of any changes to your claims or insurance history. CHU will notify you in writing of any effect a change may have on your insurance renewal.

Please read the Community Association Insurance Plan (**Policy 10**) part of this document which sets out details of the conditions to make sure you understand your obligations, as these are only some examples.

Monetary limits on the cover

We can insure you up to the amount of the sum insured or other specified limits for your home. These amounts are specified in the relevant clauses in the Community Association Insurance Plan (**Policy 10**) part or on the Schedule.

Covers for Liability to others and Machinery Breakdown insure you up to a set limit of liability which is shown on the Schedule.

You need to make sure you are happy with the relevant sum(s) insured and limits. If you do not adequately insure yourself you may have to bear the uninsured proportion of any loss yourself.

For example, if you don't have a sufficient sum insured to replace your home at new cost you will bear the shortfall. The cost of demolition and removal of debris from the site, and other costs such as the cost of employing an architect or surveyor, the replacement of other structures such as driveways, roadways, kerbing and above and below ground services should all be included in the sum insured. If you are unsure whether your insured property is insured for the correct amount, you should seek professional advice.

You should also advise CHU of any changes in the details of the information you have given us, otherwise your insurance may not be sufficient. Changes might include alterations to your insured property.

Excesses may apply. See payment of excesses section below.

Payment of excesses

Excesses may also apply to any claim under this insurance.

An excess is an amount you have to pay each time you make a claim. The excesses that are

applicable are noted on the Schedule, and under the clauses titled 'Excesses' in **Part A of Policy 10**. An excess will be applied for each incident where a claim is made.

We will tell you the amount of any excess when you apply for cover. They may vary according to a number of factors, such as your risk location and your insurance history.

Goods and services tax

The Policy has provisions relating to GST. In summary, they are as follows but please read the provisions in full. They can be found in the Community Association Insurance Plan (**Policy 10**) part under 'Goods and Services Tax – how it affects any payments we make'.

- ◆ The amount of premium payable by you for this Policy includes an amount on account of the GST on the premium (including any administration fee charged by CHU).
- ◆ The sum insured and other limits of insurance cover shown on your policy documentation are GST inclusive.
- ◆ When We pay a claim, your GST status will determine the maximum amount we pay you.

There may be other taxation implications affecting you, depending upon your own circumstances. We recommend that you seek professional advice.

Applying for cover

Based on the information you provide when applying for this insurance, we may be able to offer cover and terms specific to you. Once we have agreed to cover you we will issue you with a Schedule confirming this, including the following information:

- ◆ the sum(s) insured and situation of your insured property;
- ◆ excess(es) applicable;
- ◆ premium including taxes and charges and any administration fee charged by CHU.

The cost of this insurance

In order to calculate your premium, we take various factors into consideration, including:

- ◆ the sum(s) insured;
- ◆ the address of your insured property;
- ◆ your insurance history;
- ◆ the security features of your insured property.

The premium also includes amounts payable in respect of compulsory government charges including Stamp Duty, GST, any Fire Service Levy (where applicable) and CHU's administration fee (see their Financial Services Guide for details).

When you apply for this insurance, you will be advised of the premium. If you choose to effect cover, the amount will be set out on the Schedule.

21 day cooling off period

If you want to return your insurance after your decision to buy it, you may cancel it and receive a full refund. To do this we must receive your request either in writing or via email within 21 days of you receiving the Schedule.

This cooling off right does not apply if you have made or are entitled to make a claim. Even after the cooling off period ends you still have cancellation rights, however we may deduct certain amounts from any refund (see page 25 for details).

Confirming transactions

You may contact CHU in either writing, email or by phone to confirm any transaction under your insurance if you do not already have the required insurance confirmation details.

Your duty of disclosure

What you must tell us

Under the Insurance Contracts Act 1984 (the Act), you have a Duty of Disclosure. The Act requires that before a policy is entered into, you must give us certain information we need to decide whether to insure you and anyone else to be insured under the policy, and on what terms. Your Duty of Disclosure is different, depending on whether this is a new Policy or not.

New business

Where you are entering into this Policy for the first time (that is, it is new business and is not being renewed, varied, extended or reinstated) you must tell us everything you know and that a reasonable person in the circumstances could be expected to tell us, in answer to the specific questions we ask.

When answering our questions you must be honest.

◆ **Who needs to tell us**

It is important that you understand you are answering our questions in this way for yourself and anyone else whom you want to be covered by the Policy.

◆ **If you do not tell us**

If you do not answer our questions in this way, we may reduce or refuse to pay a claim, or cancel the Policy. If you answer our questions fraudulently, we may refuse to pay a claim and treat the Policy as never having been in force.

Renewals, variations, extensions and reinstatements

Once your insurance is entered into and is no longer new business then your duty to us changes. You are required before you renew, vary, extend or reinstate your Policy, to tell us everything you know and that a reasonable person in the circumstances could be expected to know, is a matter that is relevant to our decision whether to insure you, and anyone else to be insured under the Policy, and if so, on what terms.

◆ You do not have to tell us about any matter

- ◇ that diminishes the risk
- ◇ that is of common knowledge
- ◇ that we know or should know in the ordinary course of our business as an insurer, or
- ◇ which we indicate we do not want to know.

◆ If you do not tell us

If you do not comply with your Duty of Disclosure we may reduce or refuse to pay a claim or cancel your Policy. If your non-disclosure is fraudulent we may treat this Policy as never having been in force.

The General Insurance Code of Practice

QBE Insurance (Australia) Limited is a signatory to the General Insurance Code of Practice. The aims of this Code are fully supported by CHU.

The Code aims to:

- ◆ promote more informed relations between Insurers and their customers;
- ◆ improve consumer confidence in the general insurance industry;
- ◆ provide better mechanisms for the resolution of complaints and disputes between Insurers and their customers; and
- ◆ commit Insurers and the professionals they rely upon to higher standards of customer service.

You can obtain a copy of the Code from your local CHU office or from www.codeofpractice.com.au.

How to make a claim

Please contact CHU to make a claim. They also have an After Hours Emergency Claims Hotline that you can contact on 1800 022 444.

You should advise them as soon as possible of an incident which could lead to a claim.

Having the required documentation and possibly photographs of the items will assist in having your claim assessed and settled.

When you make a claim you must:

- ◆ provide details of the incident and when requested complete the claim form we send you;
- ◆ allow us to inspect your insured property and take possession of any damaged item(s);
- ◆ take all reasonable steps to reduce the damage or loss and prevent further loss or damage;
- ◆ inform the police immediately following theft, vandalism, malicious damage or misappropriation of money or property;
- ◆ not dispose of any damaged items without first seeking our approval; and
- ◆ not get repairs done, except for essential temporary repairs, until we give you authority and we reserve the right to choose the repairer or supplier.

These are only some of the things that you must do if making a claim. Please refer to page 23 which sets out claims information and what you must do if making a claim.

Dispute resolution

We will do everything possible to provide a quality service to you. However, we recognise that occasionally there may be some aspect of our service or a decision we have made that you wish to query or draw to our attention.

Both we and CHU have a Complaints and Dispute Resolution Service which undertakes to provide an answer to your complaint within 15 working days. If you would like to make a complaint or access this internal dispute resolution service please contact your nearest CHU office and ask to speak to a dispute resolution specialist.

If you are not happy with the answer provided, or you have not received a response from CHU or us within 15 working days, you may take your complaint to the Financial Ombudsman Service (FOS), an ASIC approved external dispute resolution body.

The FOS resolves certain insurance disputes between consumers and insurers and will provide an independent review at no cost to you. We are bound by the determination of the FOS but the determination is not binding on you.

CHU will provide the contact telephone number and address of the FOS office upon request.

Our privacy promise

Privacy legislation regulates the way private sector organisations can collect, use, keep secure and disclose personal information. We are bound by the Privacy Act 1988 (Cth.), when collecting and handling your personal information. Both we and CHU have a Privacy Policy which explains what sort of personal information we hold about you and what we do with it.

We will only collect personal information from or about you for the purpose of assessing your application for insurance and administering your insurance policy, including any claims you make. We will only use and disclose your personal information for a purpose you would reasonably expect.

We may need to disclose personal information to our reinsurers, (who may be located overseas), insurance intermediaries, insurance reference bureaux, credit reference agencies, our advisers and those involved in the claims handling process (including assessors and investigators), for the purpose of assisting us and them in providing relevant services and products, or for the purposes of litigation. We may disclose personal information to people listed as co-insured on your policy and to family members or agents authorised by you. We may also disclose information to organisations which conduct customer service surveys on our behalf. We will request your consent to any other purpose.

By providing your personal information to us, you consent to us making these disclosures. Without your personal information we may not be able to issue insurance cover to you or process your claim.

You also have the opportunity to find out what personal information we and CHU hold about you and, when necessary, correct any errors in this information. Generally we will do this without restriction or charge. For further information about our and CHU's Privacy Policy or to access or correct your personal information, please contact your nearest CHU office.

A copy of both Privacy Policy information brochures may be obtained from your local CHU office or from the respective websites www.chu.com.au and www.qbe.com.

Updating our Product Disclosure Statement

We may update the information contained in this PDS when necessary. A paper copy of any updated information is available to you at no cost by calling CHU. They will issue you with a new PDS or a supplementary PDS, where the update is to rectify a misleading or deceptive statement or an omission, which is materially adverse from the point of view of a reasonable person deciding whether to obtain or renew this insurance.

Contact details

If you have any questions or you would like any further information regarding this insurance please call your nearest CHU office (see the back cover of this document). If you need to contact us our address is shown under the 'Insurer' part of this PDS.

Financial Claims Scheme

This policy is protected under the Financial Claims Scheme (FCS), which protects certain insured's and claimants in the event of an insurer becoming insolvent. In the unlikely event of QBE becoming insolvent you may be entitled to access the FCS, provided you meet the eligibility criteria.

More information may be obtained from APRA - www.apra.gov.au or 1300 131 060.

Community Association Insurance Plan

Policy 10 – Lot Owners Homes

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It is very important that You read this Policy carefully and make sure You are satisfied with this insurance.

What makes up this policy?

This Policy and the Schedule must be read together as they form Your insurance contract.

Important: Sometimes We need to change the wording of Your Policy because the insurance varies depending on a number of factors. We do this by adding what is called an Endorsement.

This Policy sets out what You are insured for and those circumstances where You will not be insured.

Some words and expressions have been given a specific meaning in this Policy and You will find their meaning under Definitions herein. These specific meanings only apply to these words when they begin with a capital letter.

Payment of premium

Provided We receive the Premium, We will insure You as set out in this Policy and the Schedule in respect of an Event occurring during the Period of Insurance.

You must disclose all previous claims

You are asked at the time You take out this insurance to give Us full and correct details concerning any:

- ◆ renewal or insurance policy declined, cancelled or refused, or where any Excess was imposed;
- ◆ claim refused by an insurer;
- ◆ claim made;

in relation to You because any of these may affect the Premium and extent of insurance.

For example We may be entitled to:

- ◆ charge You an additional Premium;
- ◆ impose (back dated) restrictions declining Your insurance back to when this information should have been advised to Us;
- ◆ decline to insure You;
- ◆ refuse a claim.

When renewing Your Policy with Us You must also advise Us of any changes to Your claims or insurance history. We will notify You in writing of the effect a change may have on Your renewal.

General definitions – the meaning of some words

The words listed below have been given a specific meaning in this Policy and these specific meanings apply when the words begin with a capital letter.

There are other definitions which are specific to **Part C of Policy 10** and these appear in the appropriate Policy section.

Act of Terrorism

means any act, or preparation in respect of action, or threat of action designed to influence the government de jure or de facto of any nation or any political division thereof, or in pursuit of political, religious, ideological or similar purposes to intimidate the public or a section of the public of any nation by any person or group(s) of persons whether acting alone or on behalf of or in connection with any organisation(s) or government(s) de jure or de facto, and which:

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

Catastrophe

means an Event which is sudden and widespread and which causes substantial damage to property over a large area, and as a result of which the Insurance Council of Australia issues a catastrophe code.

Common Area

means the area at the Situation that is not part of any Lot.

Community Association

means the owner(s) of the Community Property and Common Area incorporated under the Community Titles Act, Body Corporate and Community Management Act, Community Land Management Act or similar legislation applying where the Community Property and Common Area is situated.

Community Association Manager/Agent

means a person or other entity appointed in writing by Your Community Association with delegated functions including the authority to act as an Office Bearer in terms of the Community Titles Act, Body Corporate and Community Management Act, Community Land Management Act or similar legislation applying where Your Community Property and Common Area is situated.

Community Property

means the building or buildings as defined by the Community Titles Act, Body Corporate and Community Management Act, Community Land Management Act or similar legislation applying where the Community Property is situated.

Contents

means (but not so as to limit the generality thereof) Your personal effects, furniture, furnishings, carpets, and floor rugs.

Cost of Evacuation

means costs necessarily incurred for road, rail, air or sea transport to the designated place of evacuation and returning to Your Situation from the place of evacuation to resume permanent residency after the deduction of any compensation payable by any Public or Statutory Authority.

Depreciation

means the reduction in the value of the item due to Wear and Tear.

Earth Movement

means heavage, landslide, land-slippage, mudslide, settling, shrinkage or subsidence.

Endorsement

means a written alteration to the terms, conditions and limitations of this Policy which is shown on the Schedule.

Electronic Data

means any facts, concepts and/or information converted to a form usable for communications and/or displays and/or distribution and/or processing by electronic and/or electromechanical data processing and/or electronically controlled equipment which includes but is not limited to programs and/or software and/or other coded instructions for such equipment.

Erosion

means being worn or washed away by water, ice or wind.

Escalation in the Cost of Temporary Accommodation

means the difference between:

- a the amount of money payable for rental of accommodation of substantially the same size, containing similar facilities and in an equivalent suburban environment as Your Home following a Catastrophe or loss from another Event claimable under **Part D of Policy 10** which occurs not later than sixty (60) days thereafter; and
- b the cost of Temporary Accommodation that would have applied had the Catastrophe or other loss not occurred.

Event, Events

means a happening or an incident not intended to happen which occurs during a particular interval of time and causes or results in loss or damage, or series of loss or damage happening from that one Event, that is claimable under this Policy.

Excess

means the amount You must pay towards a claim. You will find the amount of any excess shown on the Schedule or within the Policy.

Flood

means when water that is normally contained in a Water Catchment System increases because of rainfall or snow melt (whether in the immediate region or elsewhere) or is deliberately released by an authority, and the water overflows onto land that is not normally covered by water.

Fusion

means the process of fusing or melting together the windings of an electric motor following damage to the insulating material as a result of overheating caused by electric current.

Home, Homes

means a building, or buildings, which is occupied primarily for residential purposes, including

use as a home office or surgery including:

- a** outbuildings;
- b** fixtures and structural improvements;
- c** in-ground swimming pools and spas;
- d** marinas, wharves, jetties, docks, pontoons, swimming platforms, or similar type facilities (whether fixed or floating) which are used for non-commercial purposes and which do not provide fuel distribution facilities, unless We are advised and otherwise agree in writing;
- e** satellite dishes, radio, television and other antennas including their associated wiring, masts, footings, foundations, moorings and towers;
- f** underground and overhead services that are for the exclusive use of the Lot; that You own or have legal responsibility for at or adjacent to Your Situation.

Indemnity Value

means the cost to rebuild, replace or repair insured property to a condition which is equivalent to or substantially the same as but not better nor more extensive than its condition at the time of loss taking into consideration age, condition and remaining useful life.

Land Value

means the sum certified by the Valuer General as being the value of the land at the Situation after due allowance has been made for variations or other special circumstances affecting such value either before or after the damage and which would have affected the value had damage not occurred.

Lot, Lots

means an area shown on a plan as a lot in terms of the Community Titles Act, Body Corporate and Community Management Act, Community Land Management Act or similar legislation applying where the Community Property and Common Area is situated.

Occurrence

means an Event, including continuous or repeated exposure to substantially the same general conditions, which results in Personal Injury or Property Damage neither expected nor intended to happen by You.

Owners, Owners'

means a person, persons or other entity registered as a proprietor or owner of an estate in fee simple in a Lot in terms of the Community Titles Act, Body Corporate and Community Management Act, Community Land Management Act or similar legislation applying where their Lot is situated.

Period of Insurance

means the period for which You are insured. It commences at the time We agree to give You insurance and finishes at 4 pm on the day of expiry. The expiry date is shown on the Schedule.

Personal Injury

means:

- a** bodily injury (including death and illness), disability, fright, shock, mental anguish or mental injury;
- b** false arrest, wrongful detention, false imprisonment or malicious prosecution;
- c** wrongful entry or eviction or other invasion of the right of privacy;
- d** a publication or utterance of defamatory or disparaging material;
- e** assault and battery not committed by You or at Your direction unless committed for the purpose of preventing or eliminating danger to person or property;

which happens during the Period of Insurance anywhere in Australia.

Policy

means Your insurance contract which consists of this policy wording and the Schedule.

Pollutants

means 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.

Premium

means any amount We require You to pay under the Policy and includes Government charges.

Property Damage

means:

- a** physical damage to or destruction of tangible property including its loss of use following such physical damage or destruction; or
- b** loss of use of tangible property which has not been physically damaged or destroyed provided that the loss of use has been caused by an Occurrence;

which happens during the Period of Insurance anywhere in Australia.

Rainwater

means the rain which falls naturally from the sky. It includes Rainwater run-off over the surface of the land but not Flood.

Rent

means, as regards any Home or any part thereof leased to a tenant, an amount of money calculated on the basis of the annual rentable value (including any 'outgoings' payable by a tenant or lessee) that applied immediately prior to the happening of loss or damage.

Replacement

means:

- a** the reasonable cost of rebuilding, replacing or repairing to a condition which is equivalent to or substantially the same as but not better nor more extensive than when it was new; and
- b** the extra costs necessarily incurred to alter or upgrade damaged insured property to comply with Public, Statutory or Environmental Protection Authority requirements, but does not include:
 - i** any costs that would have been incurred in complying with orders issued prior to the happening of the loss;
 - ii** any extra costs to alter or upgrade any portion of Your undamaged insured property if the cost to rebuild, replace or repair the damaged portion is less than twenty-five percent (25%) of what the cost would have been had Your insured property been totally destroyed.

Schedule

means one of the following

- a** the policy Schedule sent to You;
- b** the renewal notice You have paid;
- c** the Endorsement sent to You.

Situation

means the land at the address(es) shown on the Schedule where Your Home is situated.

Storm

means a violent wind sometimes combined with thunder, heavy falls of rain, hail or snow.

Sum Insured, Limit of Liability

means the amount shown on the Schedule for each **Part** of **Policy 10** We have agreed to cover and is the maximum amount We will pay, inclusive of claimant's costs and expenses recoverable from You, for all claims under each **Part** of **Policy 10** during the Period of

Insurance, unless otherwise stated in a Policy.

Temporary Accommodation

means, as regards any Home occupied by You, an amount of money calculated on the basis of the annual rentable value (including any 'outgoings' that would have been payable by a tenant or lessee) that would have applied immediately prior to the happening of loss or damage.

Tsunami

means a sea or ocean wave caused by an earthquake, earth tremor or seismological disturbance under the sea.

Vehicle, Vehicles

means:

- a** any type of machine on wheels or self-laid tracks made or intended to be propelled by other than manual or animal power and any trailers or other attachments made or intended to be drawn by any of those machines; and
- b** which is or should be registered and/or insured under legislation in the State or Territory of Australia in which it is being used.

Water Catchment System

means:

- a** a river, creek, other natural watercourse or lake, whether they are in their original state or have been modified, are named or unnamed, or normally dry that only run during periods of rain;
- b** a dam, reservoir, storm water channel or canal.

Watercraft

means any vessel, craft or thing made or intended to float on or in or travel through water.

Wear, Tear

means damage or a reduction in value through age, ordinary use or lack of maintenance.

We, Our, Us

means QBE Insurance (Australia) Limited ABN 78 003 191 035.

You, Your, Yours

means:

a-d (Not applicable to **Policy 10**).

e in respect of **Policy 10**:

the Owner or Owners' of the Home at the Situation shown on the Schedule.

General conditions

1 Acts or omissions of your Community Association Manager/Agent

We will not deny liability for a claim, or reduce the amount thereof, if Our right of denial or reduction is solely caused by an act, error or omission of Your Community Association Manager/Agent while acting on Your behalf.

2 Alteration of risk

You must promptly advise Us of any changes in the details of the information You have given Us, or if the nature of the occupation or other circumstances affecting Your Home is changed in such a way as to increase the risk of loss or damage or the likelihood of liability losses.

If You do not do so We may not be liable for any loss, damage or liability caused or contributed to by any such change or alteration.

3 Claim preparation costs and fees

We will pay up to \$10,000 for the reasonable cost of fees and other expenses You necessarily incur with Our written consent in the preparation of a claim under this Policy.

4 Excess

You must pay or contribute the amount of any Excess shown in this Policy or on the Schedule for each claim made. Payment of the Excess may be requested when the claim is lodged, or may be deducted from Our payment.

With the exception of the Earthquake Excess of **Part A** of **Policy 10**, should more than one Excess be payable for any claim arising from the one Event, such Excesses will not be aggregated and the highest single level of Excess only will apply.

5 Joint insured's

When more than one party is named on the Schedule as an insured We will treat each as a separate and distinct party.

The words You, Your, Yours will apply to each party in the same manner as if a separate Policy had been issued to each party, provided Our liability for any Sum Insured or other Policy limit for any one Event or Occurrence is not thereby increased.

Any act, breach or non-compliance with the terms and conditions of this Policy committed by any one such party:

- a shall not be prejudicial to the rights and entitlements of the other insured party(ies); provided that
- b the other insured party(ies) upon becoming aware of any such act, breach or non-compliance which increases the risk of loss, damage or liability give Us written notice within a reasonable time.

6 Reinstatement of sum insured

After We have admitted liability for a claim We will automatically reinstate the Sum Insured and/or Special Benefit limits to their pre-loss amount without any additional Premium having to be paid.

This condition does not apply:

- a when We pay a total loss;
- b when We pay the full Sum Insured;
- c **Special Benefits 6 and 20 of Part A of Policy 10.**

General exclusions

We will not pay for any loss, damage, benefit, legal liability, compensation, or any other loss, costs, fees, charges or expenses of whatsoever kind, arising directly or indirectly from or in any way connected with:

1 Act of Terrorism

Any Act of Terrorism where such act is directly or indirectly caused by, contributed to, resulting from, or arising out of or in connection with biological, chemical, or nuclear weapons, pollution or contamination.

2 Asbestos

Liability to pay for Personal Injury or Property Damage caused by or arising directly or

indirectly out of or in connection with the actual or alleged use or presence of asbestos.

3 Electronic Data

Losses to Electronic Data. However cover is otherwise provided by these Policies for losses to Electronic Data arising out of fire, lightning, thunderbolt, explosion, implosion, earthquake, subterranean fire, volcanic eruption, impact, aircraft and/or other aerial device and/or articles dropped therefrom, sonic boom, theft which is a consequence of theft of any computer and/or computer hardware and/or firmware and/or microchip and/or integrated circuit and/or similar device containing such Electronic Data, breakage of glass, the acts of persons taking part in riots or civil commotions or of strikers or of locked out workers or of persons taking part in labour disturbances which do not assume the proportions of or amount to an uprising, Storm, Rainwater, water and/or other liquids and/or substances discharged and/or overflowing and/or leaking from any apparatus and/or appliance and/or pipes.

4 Intentional damage

Any deliberate or intentional damage or liability or omission caused or incurred by You, or by any person acting with Your express or implied consent.

5 Nuclear

Ionising radiation from, or contamination by radio-activity from, any nuclear fuel or nuclear waste from the combustion of nuclear fuel.

6 War, expropriation

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

Goods and Services Tax – how it affects any payments we make

The amount of premium payable by You for this Policy includes an amount on account of the Goods and Services Tax (GST) on the premium.

When We pay a claim, Your GST status will determine the amount We pay.

When You are:

- a** not registered for GST:
We will pay up to the sum insured, limit of indemnity or other policy limit including GST.

b registered for GST:

- i** and We settle direct with the builder, repairer or supplier We will pay up to the sum insured, limit of indemnity or other policy limit including GST; or
- ii** when We settle direct with You We will pay up to the sum insured, limit of indemnity or other policy limit and where You are liable to pay an amount for GST in respect of an acquisition relevant to Your claim We will pay for the GST amount but We will reduce the GST amount We pay by the amount of any Input Tax Credits to which You are or would be entitled.

In these circumstances, the Input Tax Credit may be claimable through Your Business Activity Statement (BAS).

You must advise Us of Your correct Australian Business Number & Taxable Percentage. Any GST liability arising from Your incorrect advice is payable by You.

Where the settlement of Your claim is less than the Sum Insured or the other limits of insurance cover, We will only pay an amount for GST (less Your entitlement for Input Tax Credit) applicable to the settlement. This means that if these amounts are not sufficient to cover Your loss, We will only pay the GST relating to Our settlement of the claim.

GST, Input Tax Credit (ITC), Business Activity Statement (BAS) and Acquisition have the same meaning as given to those expressions in A New Tax System (Goods and Services Tax) Act 1999 and related legislation as amended from time to time.

Taxable Percentage is Your entitlement to an Input Tax Credit on Your Premium as a percentage of the total GST on that Premium.

Claims information

1 What you must do

As soon as You discover that an Event likely to result in a claim has occurred, You must:

- a** take all reasonable steps to reduce the loss or damage and to prevent any further loss or damage;
- b** inform the police immediately following theft, vandalism, malicious damage or misappropriation of money or property.

2 What you must not do

Whatever the circumstances You must not:

- a admit guilt or fault (except in court or to the Police);
- b offer or negotiate to pay a claim;
- c admit or deny liability;
- d dispose of any damaged items without first seeking Our approval.

3 How to make a claim

When You make a claim You must:

- a promptly inform CHU Underwriting Agencies Pty Ltd by telephone, in writing or in person. You may have to contribute towards Your claim if Your notification is late and results in higher costs for Us or harms Our investigation opportunities;
- b provide details of the Event and when requested complete and return Our claim form promptly together with all letters, documents, valuations, receipts or evidence of ownership that You have been asked to provide;
- c provide written statements under oath if We require it;
- d be interviewed about the circumstances of the claim, if We require this;
- e allow Us to inspect Your Home and take possession of any damaged item to deal with it in a reasonable way;
- f provide Us as soon as possible with every notice or communication received concerning a claim by another person or concerning any prosecution, inquest or other official inquiry arising from the Event.

4 Our approval needed for repairs

Except for essential temporary repairs permitted under **Additional Benefit 2 of Policy 10**, You are not authorised to commence repairs without Our approval.

5 Repairs or replacement

We have the right to nominate the repairer or supplier to be used. If after We have assessed Your claim, You are required to enter into a contract with a third party to replace or reinstate lost or damaged insured property that We have agreed to pay You will enter into that agreement with the third party as Our agent unless We otherwise advise in writing.

6 You must assist us

Before We will pay anything under this Policy, You must:

- a comply with all the requirements of this Policy; and
- b give Us all information and assistance which We reasonably require in relation to the claim and any proceedings.

7 False or misleading information

We may deny part or all of Your claim if You are not truthful and frank in any statement You make in connection with a claim or if a claim is fraudulent or false in any respect.

We may also report any suspected fraudulent act to the Police for further investigation.

8 Claim administration and legal proceedings

When a claim is admitted under this Policy, We have the right at Our discretion to exercise all Your legal rights relating to the Event and to do so in Your name.

We will take full control of the administration, conduct or settlement of the claim including any recovery or defence that We may consider is necessary.

9 Salvage value

We are entitled to any salvage value on recovered items and damaged items that have been replaced.

10 Contribution

Where the Event insured by this Policy is also insured elsewhere and We have paid more than Our reasonable share of Your claim, We may exercise Our right to seek contribution from the other insurer or insurers.

Cancellation – how your policy may be cancelled

1 Cancellation by you

You may cancel all or part of this Policy at any time by giving Us notice in writing.

2 Cancellation by us

We may cancel this Policy on any of the grounds set out in the Insurance Contracts Act 1984 and We will always tell You of this in writing.

3 Refund of premium

On cancellation, a refund of Premium will be calculated equal to the unexpired period of this Policy less any administration fee and any non-refundable Government charges.

4 No refund of premium

Where We have paid the total Sum Insured on a claim Your Policy with Us is deemed to have been fulfilled and there is no refund of any Premium.

Part A - Homes

Part A is a 'broad form' accidental loss and damage insurance contract in terms of the Insurance Contracts Act, 1984.

What we insure

We insure You up to the Sum Insured shown on the Schedule for **Part A** of **Policy 10** against ACCIDENTAL LOSS or DAMAGE to Your Home which occurs during the Period of Insurance.

Additional benefits

When Your Sum Insured for **Part A** of **Policy 10** is not otherwise expended in respect of any one Event We will pay for:

1 Architects and professional fees, removal of debris

- a the cost of architects fees, surveyors fees and other professional fees;
- b the cost of removal, storage and/or disposal of debris, being the residue of Your damaged Home and its Contents (including debris required to be removed from adjoining or adjacent public or private land), and of anything which caused the damage;
- c the cost of dismantling, demolishing, shoring up, propping, underpinning, or other temporary repairs;
- d the cost of demolition and disposal of any undamaged portion of Your Home including undamaged foundations and footings in accordance with a demolition order issued by a Public or Statutory Authority;

You necessarily incur in the Replacement of Your Home as a result of loss or damage that is admitted as a claim under **Part A** of **Policy 10**.

2 Emergency cost of minimising losses

Reasonable emergency repair costs You necessarily incur in pursuance of Your duty to minimise insured loss and avoid further losses.

We will not pay more than \$2,000 unless You first obtain Our written consent prior to You incurring costs in excess of this amount.

3 Government fees, contributions or imposts

Fees, contributions or imposts required to be paid to any Public or Statutory Authority to obtain their authority to rebuild, replace or repair Your Home as a result of loss or damage that is admitted as a claim under **Part A** of **Policy 10** but We will not pay for any fine or penalty imposed by any such Authority.

4 Legal fees

Legal fees You necessarily incur in making submissions and/or applications to any Public or Statutory Authority, Builders Licensing Board, or Land and Environment Courts as a result of loss or damage to Your Home that is admitted as a claim under **Part A of Policy 10**.

5 Storm damage to fences and gates

Loss or damage to fences and gates as a result of Storm, but We will not pay:

- a if gradually operating causes (such as but not limited to Wear, Tear, gradual corrosion, gradual deterioration, wet or dry rot, rust, vermin or insects) primarily contribute towards the loss or damage;
- b unless We are notified and given a reasonable time to inspect the loss or damage before any repair or Replacement is commenced.

6 Temporary protection

Reasonable cost of temporary protection and safety of Your Home and resident persons You necessarily incur as a result of loss or damage to Your Home that is admitted as a claim under **Part A of Policy 10**.

We will not pay more than \$5,000 unless You first obtain Our written consent prior to You incurring costs in excess of this amount.

7 Tsunami damage

Loss or damage to Your Home caused by a Tsunami.

8 Welfare concern

Loss or damage to Your Home caused by emergency services such as police, fire brigade, ambulance or others acting under their control, in gaining access to Your Home in the lawful pursuit of their duty.

Special benefits

Special Benefits are included in addition to Your Sum Insured for **Part A of Policy 10**.

1 Temporary accommodation / rent / contributions / storage

a Temporary accommodation

When You occupy Your Home We will pay the reasonable cost of Temporary Accommodation You necessarily incur if Your Home is made unfit to be occupied for its intended purpose by:

- i loss or damage that is admitted as a claim under **Part A of Policy 10**; or

- ii reasonable access to or occupancy of Your Home being prevented by damage from an Event claimable under **Part A** of **Policy 10** happening to other property in the immediate vicinity.

We will pay:

- ◆ under **a i** from the time of the Event until the time You reoccupy Your Home following completion of rebuilding, repairs or replacement; and
- ◆ under **a ii** from the time of the Event until the time when access to Your Home is re-established.

b Rent

When You have leased out or can substantiate by means of a signed agreement that You would have leased out Your Home We will pay the actual Rent You lose or would have lost if Your Home is made unfit to be occupied for its intended purpose by:

- i loss or damage that is admitted as a claim under **Part A** of **Policy 10**; or
- ii reasonable access to or occupancy of Your Home being prevented by damage from an Event claimable under **Part A** of **Policy 10** happening to other property in the immediate vicinity.

We will pay:

- ◆ under **b i** from the time of the Event until the time Your Home is relet following completion of rebuilding, repairs or replacement provided You demonstrate You have taken all reasonable actions to obtain a new tenant; and
- ◆ under **b ii** from the time of the Event until the time when access to Your Home is re-established.

c Disease, murder and suicide

We will pay for:

- i the cost of Temporary Accommodation You necessarily incur;
- ii the actual Rent You lose;

if You are not permitted to occupy Your Home by order of the police, a public or statutory authority, other body, entity or person so empowered by law, due to:

- ◆ the discharge, release or escape of legionella or other airborne pathogens from water tanks, water systems, air-conditioning plant cooling towers and the like;
- ◆ a human infectious or contagious disease;

- ◆ murder or suicide;

occurring at Your Situation.

We will pay from the time the order is invoked until the time the order is revoked, or for a period of thirty (30) days, whichever first occurs.

d Failure of supply services

We will pay for:

- i the cost of Temporary Accommodation You necessarily incur;
 - ii the actual Rent You lose;
- if Your Home is made unfit to be occupied for its intended purpose by the failure of electricity, gas, water or sewerage services resulting from loss or damage by an Event claimable under **Part A of Policy 10** happening to property belonging to or under the control of any such supply authority.

Provided the failure of services extends for more than forty-eight hours We will pay from the time of the failure until the time such services are reinstated, or for a period of thirty (30) days, whichever first occurs.

e Cost of reletting

When You have leased out Your Home We will pay reasonable reletting costs up to \$1,500 if Your Home is made unfit to be occupied for its intended purpose by:

- i loss or damage that is admitted as a claim under **Part A of Policy 10**; and
- ii Your tenant at the time of the Event subsequently advises they will not be reoccupying Your Home they previously leased.

f Community Association contributions and fees

We will pay up to \$2,000 for contributions, levies, maintenance and other fees You are required to pay to Your Community Association during the period Your Home is made unfit to be occupied for its intended purpose by loss or damage that is admitted as a claim under **Part A of Policy 10**.

g Removal, storage - contents

We will pay the costs You necessarily incur in:

- i removing Your undamaged Contents to the nearest place of safe keeping;
- ii storing Your undamaged Contents at that place or an equivalent alternate place;
- iii returning Your undamaged Contents to Your Situation when occupancy of

Your Home is permitted;

- iv insuring Your undamaged Contents during such removal, storage and return; following loss or damage to Your Home that is admitted as a claim under **Part A of Policy 10** that makes it unfit to be occupied for its intended purpose.

The combined total amount We will pay under **Special Benefit 1** arising out of any one Event that is admitted as a claim under **Part A of Policy 10** is limited to fifteen percent (15%) of the amount shown on the Schedule for **Part A of Policy 10** or such other percentage as We may agree in writing.

2 Alterations / additions

When You make alterations, additions or renovations to Your Home during the Period of Insurance We will:

- a during the construction period:
 - pay up to \$100,000 for loss or damage to such alterations, additions or renovations by an Event claimable under **Part A of Policy 10** provided:
 - i the value of such work does not exceed that amount; or
 - ii unless You notify Us and We otherwise agree in writing before the commencement of such work;

but We will not pay if, under the terms and conditions of the contract You have signed with the builder, contractor or similar entity, such party is required to effect cover under a Contract Works or similar insurance policy that insures material damage and liability risks.

- b upon practical completion:
 - pay up to \$250,000 for loss or damage to the completed works by an Event claimable under **Part A of Policy 10** provided:
 - i You notify us within sixty (60) days of the practical completion of such alterations, additions or renovations; and
 - ii if requested pay any extra premium We may charge.

3 Arson reward

We will pay 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 provided such damage is claimable under **Part A of Policy 10**.

We will pay the reward to the person or persons providing such information or in such other manner as We may decide.

4 Electric motors

We will pay for the cost of repairing or replacing an electric motor forming part of Your Home which has been burnt out by electric current.

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

If the motor in a sealed unit cannot be repaired or replaced because of the unit's inability to use a different type of refrigerant (a new gas as required by regulation) or parts are no longer available then We will only pay the cost that would have been incurred in repairing a sealed unit in an equivalent modern day appliance. If an equivalent modern day appliance is not available, then one as close as possibly equivalent will be the basis of any claim.

We will not pay for:

- a motors under a guarantee or warranty or maintenance agreement;
- b motors with an output in excess of five (5) kilowatts;
- c other parts of any electrical appliance nor for any software;
- d lighting or heating elements, fuses, protective devices or switches;
- e contact at which sparking or arcing occurs in ordinary working.

5 Electricity, gas, water and similar charges – excess costs

We will pay up to \$2,000 for the cost of:

- a increased usage of metered electricity, gas, sewerage, oil and water;
- b accidental discharge of metered electricity, gas, sewerage, oil and water;
- c additional management charges;

You are required to pay following loss or damage to Your Home by an Event that is admitted as a claim under **Part A of Policy 10**.

6 Electricity, gas and water charges – unauthorised use

We will pay up to \$2,000 in any one Period of Insurance for the cost of metered electricity, gas, sewerage, oil and water You are legally required to pay following its unauthorised use by any person taking possession or occupying Your Home without Your consent.

We will not pay unless all practical steps are taken to terminate such unauthorised use immediately You become aware of it.

7 Emergency accommodation

When You occupy Your Home We will pay up to \$1,500 for the reasonable cost of emergency accommodation You necessarily incur if Your Home is made unfit to be occupied for its intended purpose by:

- a loss or damage to Your Home that is admitted as a claim under **Part A** of **Policy 10**; or
- b if reasonable access to or occupancy of Your Home is prevented by damage from an Event claimable under **Part A** of **Policy 10** happening to other property in the immediate vicinity.

8 Environmental improvements

If Your Home is:

- a damaged by an Event claimable under **Part A** of **Policy 10**; and
- b the cost to rebuild, replace or repair the damaged portion is more than twenty-five percent (25%) of what the cost would have been had Your Home been totally destroyed;

We will, in addition to the cost of environmental improvements claimable under **Part A** of **Policy 10**, also pay up to \$2,000 for the cost of additional environmental improvements not previously installed such as rainwater tanks, solar energy and grey water recycling systems.

9 Exploratory costs, replacement of defective parts

We will pay for the reasonable exploratory costs You necessarily incur in locating the source of bursting, leaking, discharging or overflowing of tanks, apparatus or pipes used to hold or carry liquid of any kind.

We will also pay for reasonable costs incurred in:

- a repairing the area of Your Home damaged by such exploratory work;
- b repairing or replacing the defective part or parts of such tanks, apparatus or pipes, to a limit of \$1,000;
- c rectifying contamination damage or pollution damage to land at Your Situation caused by the escape of liquid, to a limit of \$1,000.

We will not pay for any of these costs if the bursting, leaking, discharging or overflowing is caused by a building defect, building movement, faulty workmanship, rust, oxidation, corrosion, Wear, Tear, gradual corrosion, gradual deterioration, Earth Movement or by trees, plants or their roots.

10 Fallen trees

We will pay up to \$5,000 for the reasonable professional costs You necessarily incur for the removal and disposal of trees or branches that have fallen and caused damage to Your Home or landscaped gardens.

We will not pay for removal or disposal of:

- a** trees or branches that have fallen and not damaged Your Home or landscaped gardens;
- b** tree stumps or roots.

11 Fire extinguishing

We will pay for the reasonable costs and expenses You necessarily incur in:

- a** extinguishing a fire at Your Situation, or in the vicinity of Your Situation and threatening to involve Your Home or for the purpose of preventing or diminishing damage including the costs to gain access to any property;
- b** replenishing fire fighting appliances, replacing used sprinkler heads, and resetting fire, smoke and security alarm systems;
- c** shutting off the supply of water or any other substance following the accidental discharge or escape of such substances from fire protective equipment.

12 Funeral expenses

When You occupy Your Home We will pay up to \$5,000 for funeral expenses if You, or a family member who permanently resides with You, dies as the direct consequence of loss or damage to Your Home that is admitted as a claim under **Part A** of **Policy 10**.

13 Keys, lock replacement

We will pay up to \$5,000 for the reasonable costs You necessarily incur in:

- a** re-keying or re-coding locks together with replacement keys; or
- b** replacing locks with locks of a similar type and quality if they cannot be re-keyed or re-coded;

if the keys to Your Home are stolen as a consequence of forcible entry into or out of:

- i any building forming part of Your Home;
- ii the premises of a keyholder; or
- iii during the hold-up of a person who normally has the keys in their possession.

We will not pay if there are reasonable grounds to believe the keys or codes have been stolen or duplicated by any occupant or previous occupant of Your Home, or by their family or friends.

14 Landscaping

We will pay up to \$10,000 for the reasonable costs You necessarily incur in replacing or repairing damaged trees, shrubs, plants, lawns or rockwork at Your Situation that are lost or damaged by an Event claimable under **Part A of Policy 10**.

15 Modifications

When You occupy Your Home We will pay up to \$25,000 for modifications to Your Home if You are physically injured and become a paraplegic or quadriplegic as a direct consequence of loss or damage to Your Home that is admitted as a claim under **Part A of Policy 10**.

This benefit only applies if the paraplegia or quadriplegia has continued for a period of not less than six (6) months from the date of event and is substantiated by a legally qualified medical practitioner.

16 Mortgage discharge

We will pay up to \$5,000 to discharge any mortgage over Your Home if it becomes a total loss, is not replaced and We have paid the amount due under **Part A of Policy 10**.

17 Pets, security dogs

When you occupy Your Home We will pay up to \$1,000 for the reasonable costs You necessarily incur for boarding pets or security dogs if Your Home is rendered unfit for its intended purpose by loss or damage that is admitted as a claim under **Part A of Policy 10** and Temporary Accommodation does not allow pets or security dogs.

18 Purchaser's interest

We will cover a purchaser's legal interest in Your Home, in the terms of **Part A of Policy 10**, when the purchaser has signed an agreement to buy such property.

19 Removal, storage costs

We will pay up to \$10,000 for the reasonable costs You necessarily incur in:

- a removing any undamaged portion of Your Home to the nearest place of safe keeping;
- b storing such undamaged portion at that place or an equivalent alternate place;
- c returning such undamaged portion to the Situation when restoration work is completed;
- d insuring the undamaged portion of Your Home during such removal, storage and return;

following loss or damage to Your Home that is admitted as a claim under **Part A** of **Policy 10**.

20 Removal of squatters

We will pay up to \$1,000 in any one Period of Insurance for legal fees You necessarily incur to repossess Your Home if squatters are living in it.

We will not pay unless You first obtain Our consent to incur such legal fees.

21 Title deeds

We will pay up to \$5,000 for the reasonable costs You necessarily incur in replacing Title Deeds to Your Home if they are lost or damaged by an Event claimable under **Part A** of **Policy 10**, while anywhere in Australia.

22 Water removal from basement

We will pay up to \$2,000 for the reasonable costs You necessarily incur in removing water from the basement or undercroft area of Your Home if such inundation is directly caused by Storm or Rainwater.

We will not pay if the inundation is caused by Flood or by any other Event that is not claimable under **Part A** of **Policy 10**.

Exclusions – what we do not insure

1 We will not pay for loss or damage:

- a caused by Flood.
- b to retaining walls resulting from Storm or Rainwater.
- c caused by lack of maintenance, rust, oxidation, corrosion, Wear, Tear, fading, gradual corrosion or gradual deterioration, concrete or brick cancer, developing flaws, wet or dry rot, or failure to maintain Your Home in a reasonably good state of repair.
- d caused by non-rectification of a defect, error or omission in Your Home that You were aware of, or should reasonably have been aware of.
- e caused by overwinding, mechanical breakdown or derangement, electrical breakdown

or derangement, or failure caused by electric current.

However We will pay if the loss or damage is due to:

- i** Fusion of electric motors as covered under **Special Benefit 4**;
- ii** lightning;
- iii** power surge when such Event is confirmed by the supply authority; or
- iv** resulting fire damage.

f caused by any action of the sea, high water or high tide, storm surge or tidal wave.

However We will pay if the loss or damage is due to Tsunami.

g caused by vibration or from the removal or weakening of or interference with the support of land or buildings or any other property, Erosion or Earth Movement.

However We will pay if the loss or damage is due to:

- i** earthquake or seismological disturbance, Tsunami, explosion, physical impact by aircraft;
- ii** bursting, leaking or overflowing of water tanks, pipes, drains, gutters or other water or liquid carrying apparatus (but not Flood).

h caused by underground (hydrostatic) water.

However We will pay if the loss or damage is due to bursting, leaking or overflowing of water tanks, pipes, or drains.

i caused by the invasion of tree or plant roots nor for the cost of clearing pipes or drains blocked by any such invasion.

However We will pay for water or liquid damage resulting from blocked pipes or drains.

j caused by inherent vice, latent defect, vermin, mice, rats, termites, insects, mildew, or by pecking, biting, chewing or scratching by birds or animals.

However We will pay if any of these causes directly result in loss or damage from any other Event claimable under **Part A** of **Policy 10** such as fire or glass breakage.

- k** caused by the movement of swimming pools or spas or the accidental breakage, chipping or lifting of tiles of swimming pools or spas or their surrounds.
- l** to water in swimming pools, spas or water tanks.
- m** due to normal settling, creeping, heaving, seepage, shrinkage, or expansion in buildings, foundations / footings, walls, bridges, roadways, kerbing, driveways, paths, garden borders and other structural improvements.
- n** due to smut or smoke from industrial operations (other than sudden or unforeseen damage resulting therefrom).
- o** caused by any process involving the application of heat being applied directly to any part of Your Home.

However We will pay if any other part of Your Home is damaged or destroyed by fire.

- p** to glass caused by artificial heat, during installation or removal, which has a crack or imperfection, or is required to be insured by any other party in terms of an occupancy agreement.
- q** to carpets and other floor coverings resulting from staining, fading or fraying.

However We will pay if the loss or damage directly results from any other Event claimable under **Part A of Policy 10**.

- r** to boilers (other than boilers used for domestic purposes), economisers or pressure vessels and their contents resulting from the explosion thereof.
- s** to Your Home if it is vacant and undergoing demolition unless Our written consent to continue cover has been obtained before the commencement of demolition.
- t** to Your Home directly resulting from construction, erection, alteration or addition where the value of such work exceeds \$250,000 unless Our written consent to continue cover has been obtained before the commencement of such work.

However We will pay if the loss or damage directly results from any other Event claimable under **Part A of Policy 10**.

2 We will not be liable for:

- a** 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 Home;
- b** the cost of rectifying faulty or defective materials or faulty or defective workmanship;

- c consequential loss, loss of use or Depreciation other than as specifically provided under an operative **Additional Benefit** or **Special Benefit**.

Claims – how we will settle your claim

1 Replacement

If Your Home is damaged, We may choose to either rebuild, replace, repair or pay the amount it would cost to rebuild, replace or repair.

The amount We pay under **Part A** of **Policy 10** will be the cost of Replacement at the time of Replacement subject to the following provisions:

- a the necessary work of rebuilding, replacing or repairing (which may be carried out upon another site or in any manner suitable to Your requirements provided Our liability is not increased), must be commenced and carried out without unreasonable delay;
- b where Your Home contains any architectural or structural feature of an ornamental, heritage or historical character or where materials used in the original construction are not readily available We will use the nearest equivalent available to the original materials;
- c if it is lawful, and with Our prior written consent, You will not be required to actually rebuild any building destroyed but may purchase an alternative existing building or part thereof to replace all or part of the one destroyed. Such Replacement will be deemed to constitute Replacement for the purpose of this insurance provided Our liability is not increased;
- d if You cause unreasonable delays in commencing or carrying out Replacement, We will not pay any extra costs that result from that delay;
- e when We wish to rebuild, replace or repair and You do not want this to occur We will only pay Indemnity Value.

We will not pay for the cost to:

- i rebuild or replace any undamaged part of Your Home;
- ii rebuild, replace or repair illegal installations.

For each and every claim You have to pay the amount of any Excess shown in **Part A** of **Policy 10** or on the Schedule.

2 Undamaged part of foundations and footings

If Your Home is damaged and any Public or Statutory Authority requires replacement to be carried out on another site We will pay for the value of any undamaged part of Your

Home, including foundations and footings, as though they had been destroyed.

If the sale value of the original Situation with such undamaged part is greater than without them We will deduct the amount of such difference from any settlement otherwise payable by Us.

3 Floor space ratio

If Your Home is damaged and Replacement is limited or restricted by any Public or Statutory Authority requirement which results in the reduction of the floor space ratio index, We will pay:

- a the difference between:
 - i the actual costs incurred in Replacement in accordance with the reduced floor space ratio index; and
 - ii the estimated cost of Replacement at the time of damage had the reduced floor space ratio index not applied;

or alternatively We will pay:

- b
 - i the actual costs incurred in Replacement in accordance with the reduced floor space ratio index; plus
 - ii the cost of purchasing an existing building or part thereof equivalent in size to the area by which the floor space ratio index has been reduced; or
 - iii the cost of purchasing a block of land and the cost of Replacement thereon of Your Home equivalent in size to the area by which the floor space ratio index has been reduced;

provided that Our Liability does not exceed the estimated cost of Replacement at the time of damage had the reduced floor space ratio index not applied.

4 Land value

We will pay the difference between Land Value before and after loss or damage if any Public or Statutory Authority refuses to allow Your Home to be replaced or only allows partial Replacement, less any sum paid by way of compensation by any such Authority.

Special provisions

- 1 Under **Clauses 2, 3** and **4** above, Our liability is limited to the extent to which the amount shown on the Schedule for Your Home is not otherwise expended.
- 2 Under **Clauses 2** and **4** above, any differences relating to value may by agreement between us be referred to the President of the Australian Property Institute Inc. who will

appoint a registered and qualified valuer whose decision will, if we so agree, be final and binding and who will at the same time decide as to payment of the costs of such referral.

Special conditions

Uninhabited building

If Your Home becomes uninhabited We will only pay for loss of damage caused by:

- a** Earthquake;
- b** Impact by vehicles, aircraft; and
- c** Storm and Rainwater;

unless Our prior written agreement to continue full cover during the uninhabited period has been obtained.

Uninhabited means that in the ninety (90) day period before loss or damage no person resided in Your Home overnight on at least one occasion.

Excesses

Earthquake excess

You have to pay or contribute in relation to earthquake or seismological disturbance the first \$250 of the cost of loss or damage which occurs during any one period of seventy-two (72) consecutive hours.

Other excesses

Whenever an Excess is shown on the Schedule, You have to pay or contribute the stated amount for each loss arising out of or consequent upon that numbered Event.

Part B - Liability to others

What we insure

We insure You up to the Limit of Liability shown on the Schedule for **Part B** of **Policy 10** if You become legally responsible to pay compensation for:

- ◆ Personal Injury; or
- ◆ Property Damage;

resulting from an Occurrence in connection with:

- ◆ the ownership (but not occupancy) of Your Home; or
- ◆ an operative **Additional Benefit**;

that happens during the Period of Insurance.

Additional benefits

We will pay up to the Limit of Liability for **Part B** of **Policy 10** for:

1 Bridges, roadways, kerbing, footpaths, services

Compensation You become legally responsible to pay for Personal Injury or Property Damage arising from bridges, roadways, kerbing, footpaths, underground and overhead services You own at the Situation.

2 Fertiliser, pesticide, herbicide application

Compensation You become legally responsible to pay for Personal Injury or Property Damage arising from the application of any fertiliser, pesticide or herbicide to Your Lot.

We will not pay:

- a unless the fertiliser, pesticide or herbicide has been applied in conformity with any Public or Statutory Authority requirement or, in the absence of any such requirement, in conformity with the manufacturer's recommendations;
- b for loss or damage to Your Lot or Home, or its improvements including gardens and lawns, to which the fertiliser, pesticide or herbicide was being applied.

Special benefits

1 Cost of defending a claim

We will pay:

- a** all legal costs and expenses incurred by Us;
- b** reasonable cost of legal representation You necessarily incur with Our written consent at a coronial inquest or inquiry into any death which may be the subject of a claim for compensation under **Part B of Policy 10**;
- c** other reasonable expenses You necessarily incur that We have agreed to reimburse; and
- d** all interest accruing after judgment has been entered against You until We have paid, tendered or deposited in court the amount that We are liable to pay following judgment;

in addition to the Limit of Liability shown on the Schedule for **Part B of Policy 10**.

2 Court appearance

We will pay compensation of \$250 per day if We require You to attend a Court as a witness in connection with a claim under **Part B of Policy 10**.

Exclusions – what we do not insure

We will not pay for any claim:

- 1** In connection with any liability for Personal Injury to any employee arising out of or in the course of their employment with You.
This exclusion does not apply to an 'eligible person' as defined under the WorkCover Queensland Act.
- 2** In respect of liability imposed by the provisions of any workers' compensation, accident compensation or similar legislation applying where Your Home is situated.
- 3** In respect of:
 - a** damage to property belonging to, rented by or leased by You or in Your physical or legal control;
 - b** damage to property belonging to any person who is deemed a worker or employee within the provisions of any workers' compensation, accident compensation or similar legislation applying where Your Home is situated;
 - c** injury to or death of animals, other than domestic animals, on Your Lot;
 - d** Personal Injury or Property Damage caused by animals, other than domestic animals, kept at Your Lot.

- 4 Arising out of the rendering or failure to render professional advice by You or any error or omission connected therewith.
- 5 Arising out of the publication or utterance of a defamation, libel or slander:
 - a made prior to the commencement of **Part B of Policy 10**;
 - b made by You or at Your direction when You knew it to be false.
- 6 Arising out of the ownership, possession or use by You of any Vehicle, Watercraft, hovercraft, aircraft or aircraft landing areas.
- 7 Arising out of or in connection with the ownership of marinas, wharves, jetties, docks, pontoons or similar type facilities (whether fixed or floating) if such facilities are used for commercial purposes or provide fuel distribution facilities, unless We otherwise agree in writing.
- 8 Arising out of construction, erection, demolition, alterations or additions to Your Home where the cost of such work exceeds \$250,000, unless You advise Us and obtain Our written consent to continue cover before commencement of such works.
- 9 Arising from vibration or from the removal or weakening of or interference with the support of land or buildings or any other property.
- 10 Arising under the terms of any agreement unless liability would have attached to You in the absence of such agreement.
This exclusion does not apply to liability assumed by You under any contract or lease of real or personal property.
- 11 Arising out of or caused by the discharge, dispersal, release of or escape of Pollutants into or upon property, land, the atmosphere, or any water course or body of water. This exclusion does not apply if such discharge, dispersal, release or escape is sudden, identifiable, unexpected and unintended and takes place in its entirety at a specific time and place during the Period of Insurance.
- 12 Arising out of or incurred in the prevention, removing, nullifying or clean-up of any contamination or pollution.
This exclusion does not apply to clean-up, removal or nullifying expenses only which are incurred after a sudden, identifiable, unexpected and unintended happening which takes place in its entirety at a specific time and place during the Period of Insurance.
- 13 For fines or penalties or for punitive, aggravated, exemplary or additional damages (including interest and costs) imposed against You.
- 14 Arising out of the occupancy of Your Home or any other activity that earns You money or income other than rental or lease monies received as owner of Your Home.
- 15 In respect of Personal Injury to any family members normally residing with You.
- 16 In respect of damage to property:
 - a owned by You or family members normally residing with You;

b not owned by You but in Your care, custody or control or of a family member normally residing with You;

17 Made or actions instituted:

a outside Australia;

b which are governed by the laws of a foreign country.

Part C – Machinery breakdown

What we insure

We insure You against Insured Damage provided that the Insured Item is within Your Situation and is in the ordinary course of working at the time damage occurs.

The amount We pay will:

- ◆ be calculated in accordance with the clause herein titled 'Claims - how we will settle your claim';
- ◆ be subject to the application of any Excess shown on the Schedule; and
- ◆ not exceed the Sum Insured stated on the Schedule for **Part C of Policy 10**.

Additional benefits

Additional Benefits are included when Your Sum Insured for **Part C of Policy 10** is not otherwise expended in respect of any one Event.

We will pay for the reasonable cost of:

- 1 expediting repair including overtime working;
- 2 express or air freight;
- 3 replacing oil and refrigerant gas from air-conditioning units or refrigeration units;

These costs must be incurred as the result of Insured Damage.

Exclusions – what we do not insure

We will not pay for:

- 1 Damage caused by:
 - a Wear and Tear;
 - b chipping, scratching or discolouration of painted, polished or finished surfaces;
 - c the deterioration of any pre-existing crack, fracture, blister, lamination, flaw or grooving which had not previously penetrated completely through the entire thickness of the material of the Insured Item, notwithstanding that repair or renewal of the part affected may be necessary either immediately or at some future time, except where caused by Insured Damage and You did not know or should not reasonably have known of the pre-existing condition;

- d** the wearing away or wasting of material caused by or naturally resulting from atmospheric conditions, rust, Erosion, corrosion, oxidation or ordinary use;
- e** the tightening of loose parts, recalibration or adjustments;
- f** the carrying out of tests involving abnormal stresses or the intentional overloading of any Insured Item.

2 Damage to:

- a** glass or ceramic components;
- b** defective tube joints or other defective joints or seams;
- c** any valve fitting, shaft seal, gland packing joint or connection except where caused directly by Insured Damage;
- d** foundations, brickwork, and refractory materials forming part of an Insured Item;
- e** television, video or audio equipment other than security system equipment;
- f** expendable items, including electrical and electronic glass bulbs, tubes, lamps, x-ray tubes, electrical contacts, fuses, heating elements, commutators, slip rings, conducting brushes, thermal expansion (TX) valves, thermostats, protective and controlling devices, over-loads, chains, belts, ropes, tyres, pressure switches, bearings, valves, valve plates, filters and dryers;
- g** computers, telecommunication transmitting and receiving equipment, electronic data processing equipment, electrical office machines, coin operated machines, gaming machines, storage tanks and vats, stationary and mobile pressure vessels containing explosive gases, mobile machinery, ducting, reticulating electrical wiring, water and gas piping and all other plant and equipment not owned by You;
- h** plant which has been hired or is on loan unless We specifically agree in writing.

- 3** Consequential loss of any kind other than that which is specifically stated.
- 4** Damage caused by the application of any tool or process in the course of maintenance, inspection, repair, alteration, modification or overhaul.
- 5** Damage occurring during installation or erection other than the dismantling, movement and re-erection for the purpose of cleaning, inspection, repair or installation in another position within the Situation.
- 6** Damage which is claimable from any manufacturer, supplier, engineer or other person under the provisions of any maintenance or warranty agreement.
- 7** Loss of oil, liquid or gas resulting from leakage from glands, seals, gaskets, joints or from corroded, pitted or deteriorated parts.
- 8** the cost of converting refrigeration/air-conditioning units from the use of CFC (chlorofluorocarbon) refrigerant gas to any other type of refrigerant gas.

Claims – how we will settle your claim

We will at Our option repair or replace the Insured Item or pay for the cost of same to a condition equal to but not better or more extensive than its condition immediately before the Insured Damage.

We will not make any deduction for Depreciation in respect of parts replaced.

We will not pay for the cost of any alterations, additions, improvements, modifications or overhauls.

Where components or manufacturers' specifications are no longer available due to obsolescence, the basis of settlement will be the cost of providing alternative suitable components equal to but not better or more extensive than the original component being substituted.

Special definitions

The words listed below have been given a specific meaning and these specific meanings apply to **Part C** of **Policy 10** when the words begin with a capital letter.

Insured Damage

means sudden and accidental physical loss or damage which occurs during the Period of Insurance and requires repair or replacement to allow continuation of use, other than by a cause:

- a** which is covered under **Part A** of **Policy 10**; or
- b** which is not claimable under **Part C** of **Policy 10**.

Insured Item

means:

- a** lifts, elevators, escalators and inclinators provided they are subject to a current comprehensive maintenance agreement;
- b** all other electrical, electronic and mechanical machinery, boilers and pressure vessels and similar plant;
that forms part of Your Home.

Part D – Catastrophe

What we insure

We insure You up to the Sum Insured shown on the Schedule for **Part D** of **Policy 10** against the Escalation in the cost of Replacement of Your Home if it is destroyed, or We declare it a constructive total loss, following a loss which occurs during the Period of Insurance:

- 1
 - a due to a Catastrophe; or
 - b other Event which occurs not later than sixty (60) days after a Catastrophe, provided Your Home has been continuously insured with Us for that period;and
- 2 the Event giving rise to the loss is admitted as a claim under **Part A** of **Policy 10**.

Special benefits

Special Benefits are included in addition to Your Sum Insured for **Part D** of **Policy 10**.

1 Temporary accommodation / rent – extended period of cover

a Temporary accommodation

When You occupy Your Home We will pay the reasonable cost of Temporary Accommodation You necessarily incur if Your Home is made unfit to be occupied for its intended purpose:

- ◆ due to the happening of a Catastrophe, or other Event referred to in **Clause 1b** of 'What we insure'; and
- ◆ the loss or damage to Your Home is admitted as a claim under **Part A** of **Policy 10**.

We will pay from the time indemnity provided under **Special Benefit 1a** of **Part A** of **Policy 10** is expended until the time You reoccupy Your Home following completion of rebuilding, repairs or replacement.

b Rent

When You have leased out or can substantiate by means of a signed agreement that You would have leased out Your Home We will pay the actual Rent You lose or would have lost if Your Home is made unfit to be occupied for its intended purpose:

- ◆ due to the happening of a Catastrophe, or other Event referred to in **Clause 1b** of 'What we insure'; and
- ◆ the loss or damage to Your Home is admitted as a claim under **Part A** of **Policy 10**.

We will pay from the time indemnity provided under **Special Benefit 1b** of **Part A** of

Policy 10 is expended until the time Your Home is relet following completion of rebuilding, repairs or replacement provided You demonstrate You have taken all reasonable actions to obtain a new tenant.

2 Temporary accommodation – escalation in cost

When You occupy Your Home We will pay for Escalation In The Cost Of Temporary Accommodation You necessarily incur if Your Home is made unfit to be occupied for its intended purpose:

- ◆ due to the happening of a Catastrophe, or other Event referred to in **Clause 1b** of 'What we insure'; and
- ◆ the loss or damage to Your Home is admitted as a claim under **Part A of Policy 10**.

We will pay from the time Temporary Accommodation is obtained until the time You reoccupy Your Home following completion of rebuilding, repairs or replacement.

3 Removal, storage

We will pay for the costs You necessarily incur in:

- a removing any undamaged portion of Your Home to the nearest place of safe keeping;
- b storing the undamaged portion at that place or an equivalent alternate place;
- c returning the undamaged portion to the Situation when occupancy of Your Home is permitted;
- d insuring the undamaged portion of Your Home during such removal, storage and return.

We will pay if the loss or damage to Your Home is due to:

- ◆ the happening of a Catastrophe, or other Event referred to in **Clause 1b** of 'What we insure'; and
- ◆ is admitted as a claim under **Part A of Policy 10**.

The amount We pay will be reduced by any amount payable for such costs under **Part A** of **Policy 10**.

4 Cost of evacuation

When You occupy Your Home for residential purposes We will pay for the Cost of Evacuation You or any person or persons permanently residing with You at the time immediately prior to such a happening, necessarily incurred following an order issued by a Public or Statutory Authority, Body or entity or person so empowered by law, to evacuate Your Home:

- ◆ due to the happening of a Catastrophe; and
- ◆ the loss or damage to Your Home is admitted as a claim under **Part A of Policy 10**.

Any Cost of Evacuation so payable will be reduced by any amount paid or payable by way of compensation by any Public or Statutory Authority.

The combined total amount We will pay under **Special Benefits 1 to 4** arising out of any one Event claimable under **Part D of Policy 10** is limited to fifteen percent (15%) of the amount shown on the Schedule for **Part D of Policy 10** or such other percentage as We may agree in writing.

Claims – how we will settle your claim

The basis upon which the amount payable as Escalation in the cost of Replacement is to be calculated as the difference between:

- a** the actual cost necessarily incurred to rebuild, repair or replace Your Home following a Catastrophe, or other Event referred to in **Clause 1 b** of ‘What we insure’; and
- b** the greater of either:
 - i** the cost that would have applied to rebuild, repair or replace Your Home in terms of **Part A of Policy 10** immediately prior to the Catastrophe; or
 - ii** the amount shown on the Schedule for **Part A of Policy 10** at the time of the Catastrophe, or other Event referred to in **Clause 1b** of ‘What we insure’.

Special provisions

- 1** No payment will be made under **Part D of Policy 10** until such time as the greater amount determined in accordance with the provisions of **Clause b** of ‘Claims – how we will settle your claim’ has been fully expended in Replacement of Your Home.
- 2** In certifying the cost of Replacement of Your Home at the time immediately prior to a happening giving rise to a claim under **Part D of Policy 10** the Qualified Valuer, Loss Adjuster or other suitably qualified person will use as the basis of certification:
 - a** the accepted building industry cost standards or recognised cost of materials guide in force on the day immediately prior to the happening of the Catastrophe or a day as close as practicable thereto;
 - b** any extra cost necessarily incurred to comply with any Public or Statutory Authority requirements but will not include any cost that would have been incurred in complying with orders issued prior to the happening of the loss or damage;

- c** Architects fees, surveyors' fees and any other professional fees;
 - d** legal fees necessarily incurred in making submissions or applications to any Public or Statutory Authority, Builders Licensing Board, or Land and Environment Courts as a result of loss or damage to Your Home;
 - e** fees, contributions or imposts payable to any Public or Statutory Authority to obtain consent to rebuild, replace or repair Your Home.
- 3** Any differences relating to the cost of Replacement at the time immediately prior to a happening giving rise to a claim under **Part D** of **Policy 10** may by agreement between Us be referred to the President of the Australian Property Institute Inc. who will appoint a registered and qualified valuer whose decision will, if we both so agree, be binding and who will at the same time decide as to payment of the costs of such referral.

Special condition

Part D of **Policy 10** is subject to the same terms, conditions and exclusions as **Part A** of **Policy 10** and **General Exclusions** except as they may be expressly varied herein.





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New South Wales / ACT

1 Northcliff Street
Milsons Point 2061
PO Box 507, Milsons Point 1565
Phone: 1300 361 263
Fax: 1300 361 269
info_nsw@chu.com.au

Victoria / Tasmania

Level 30, 459 Collins Street
Melbourne 3000
Phone: 03 8695 4000
Fax: 03 9620 0606
info_vie@chu.com.au

Queensland

Level 6, 445 Upper Edward Street
Spring Hill 4000
PO Box 255, Spring Hill 4004
Phone: 07 3832 4880
Fax: 07 3832 0367
info_qld@chu.com.au

Western Australia

1050 Hay Street
West Perth 6005
PO Box 686, West Perth 6872
Phone: 08 9322 1722
Fax: 08 9481 6017
info_wa@chu.com.au

South Australia

12 Tucker Street
Adelaide 5000
Phone: 08 8232 2922
Fax: 08 8232 2924
info_sa@chu.com.au

www.chu.com.au