

Zurich Topview Strata Insurance

Product Disclosure Statement



Contents

About our Topview Strata Insurance	
About Zurich	3
How to apply for this insurance	3
Our Topview Strata Insurance	3
Benefits offered under each Cover Section	3
Building and Common Contents	3
Legal Liability	4
Fidelity Guarantee	4
Personal Accident (Voluntary Workers)	4
Machinery Breakdown	4
Office Bearer's Liability	4
Body Corporate Entity Liability	4
Our contract with you	5
Significant issues to consider	5
Duty of Disclosure	6
Cooling-off Period	6
How we calculate your premium	7
Taxation	7
How to make a claim	8
Privacy	8
General Insurance Code of Practice	8
Complaints and Disputes Resolution process	8
Financial Claims Scheme	9
Headings	9
Updating this PDS	9
Benefits of Cover Available	10
Topview Strata Insurance – Policy Wording	
Our Agreement	13
Definitions	13
General Exclusions	14
General Terms and Conditions	14
Additional Benefits to all Cover Sections	15
Building and Common Contents	
What you are insured against	16
Definitions specific to this Cover Section	16
How much we will pay and how	17
Additional Benefits within the Sum Insured	17
Additional Benefits above the Sum Insured	18
Special Terms and Conditions	21
Exclusions	21
Optional Extension of Cover	
Catastrophe Cover	22
Legal Liability	
What you are insured against	23
Definitions specific to this Cover Section	23
How much we will pay	23
Exclusions	23

Fidelity Guarantee	
What you are insured against.....	26
Definitions specific to this Cover Section.....	26
How much we will pay.....	26
Exclusions.....	26
Personal Accident (Voluntary Workers)	
What you are insured against.....	27
Definitions specific to this Cover Section.....	27
How much we will pay (capital and weekly benefits).....	27
Special Terms and Conditions.....	27
Exclusions.....	28
Machinery Breakdown	
What you are insured against.....	29
Definitions specific to this Cover Section.....	29
How much we will pay.....	29
Additional Benefits.....	29
Special Terms and Conditions.....	29
Exclusions.....	29
Office Bearer's Liability	
What you are insured against.....	31
Definitions specific to this Cover Section.....	31
How much we will pay.....	31
Special Terms and Conditions.....	31
Exclusions.....	32
Body Corporate Entity Liability	
What you are insured against.....	33
How much we will pay.....	33
Benefits of cover.....	33
Special Terms and Conditions.....	33
Exclusions.....	34

About our Topview Strata Insurance

About Zurich

The insurer of this product is Zurich Australian Insurance Limited (ZAIL), ABN 13 000 296 640, AFS Licence Number 232507, a subsidiary of Zurich Financial Services Australia Limited (ZFSA). In this document, ZAIL may also be expressed as 'Zurich', 'we', 'us' or 'our'.

ZFSA provides wealth protection and wealth creation solutions, offering general insurance for commercial customers, and life risk, investments and superannuation solutions for corporates and personal customers. Zurich's solutions and services are primarily accessible through insurance brokers, financial advisers and other intermediaries.

ZFSA is part of the worldwide Zurich Financial Services Group, an insurance-based financial services provider with a global network of subsidiaries and offices in North America and Europe as well as in Asia Pacific, Latin America and other markets. Founded in 1872, the Group is headquartered in Zurich, Switzerland. It employs approximately 60,000 people serving customers in more than 170 countries.

This Product Disclosure Statement (PDS) is an important document. You should read it carefully before making a decision to purchase this product.

This PDS will help you to:

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

The information contained in this PDS is general information only. It is important you read your policy to ensure you have the cover you need.

We sometimes capitalise or italicise terms in this document, to show that words are abbreviations or have a particular defined meaning. You should refer to the Definitions section of this document on page 13 and the Definitions included in each *cover section* on pages 16, 23, 26, 27, 29, 31 and 33 to obtain the full meaning of such terms.

Throughout this document 'you', 'your', 'insured' means the *body corporate* or Corporation named in the *schedule of insurance*, or if there is no strata title, the person or company named.

How to apply for this insurance

Throughout this document when we are referring to your adviser, we may simply refer to them as your intermediary.

If you are interested in buying this product or have any inquiries about it, you should contact your intermediary who should be able to provide you with all the information and assistance you require.

If you are not satisfied with the information provided by your intermediary you can contact us at the address or telephone number shown on the back cover of this document. However, we are only able to provide factual information or general advice about the product. We do not give advice on whether the product is appropriate for your personal objectives, needs or financial situation.

Our Topview Strata Insurance

The Zurich Topview Strata Insurance product is designed to cover the insurance requirements of Body Corporates for residential Strata Title properties and combines cover for Building and Common Contents, Property Owner's Liability, Fidelity Guarantee, Voluntary Workers Personal Accident, Machinery Breakdown, Office Bearer's Liability and Body Corporate Entity Liability.

Benefits offered under each Cover Section

Building and Common Contents

This provides cover against physical loss or damage to your *building* and *common contents* occurring during the *period of insurance*, up to the *sum insured*. Provided the *sum insured* has not been exhausted, the following cover is also provided (refer to the Additional Benefits within the Sum Insured from page 17):

- reduced floor-space ratio index;
- loss of land value;
- reasonable costs of repairing or replacing electric motors damaged by fusion;
- additional costs incurred by complying with requirements of any lawful authority;
- bursting, leaking, discharging or overflowing of water tanks, water apparatus or water pipes including exploratory costs;
- loss of money;
- meeting rooms;
- water removal from car park;
- costs incurred to restore security to the *property* as a result of loss of locks and keys;
- excess public utilities charges.

The following cover is provided in addition to your *sum insured* (refer to the Additional Benefits above the Sum Insured from page 18):

- architects, surveyors and consulting engineers costs;
- emergency mitigation costs;
- bonus cover;
- loss of rent;
- rewriting or reconstruction of your records;
- temporary costs incurred including boarding out of pets normally domiciled at the premise, including removal and storage of *property*;
- modification expenses;
- arson reward;
- mortgage discharge;
- unit owner's fixtures and improvements;
- Environmental Upgrade – Better Green™ Coverage.

Specific limits apply to either Additional Benefits within the Sum Insured and Additional Benefits above the Sum Insured – see the Building and Common Contents *cover section*.

The cover is subject to specific Definitions and Exclusions and your *sum insured*, which are set out in the policy (refer to the Building and Common Contents *cover section* from page 16 and your *schedule of insurance*).

Legal Liability

This provides cover for claims for compensation or expenses, which you become legally liable to pay in respect of:

- *personal injury*, or
- *property damage*,

happening as a result of an *occurrence* arising in connection with the ownership of the *property*.

The cover is subject to specific Definitions and Exclusions and your *sum insured*, which are set out in the policy (refer to the Legal Liability *cover section* from page 23 and your *schedule of insurance*).

Fidelity Guarantee

This provides cover for the *body corporate* group *funds* which are lost as a result of theft, embezzlement, misappropriation, conversion or fraud that occurs during the *period of insurance*.

The cover is subject to specific Definitions and Exclusions and your *sum insured*, which are set out in the policy (refer to the Fidelity Guarantee *cover section* from page 26 and your *schedule of insurance*).

Personal Accident (Voluntary Workers)

This provides cover for any *unit owner* or other *voluntary worker* for a:

- capital benefit payment for an accident causing an injury as listed in the *cover section* on page 27;
- weekly benefit payment for total or partial disablement following an accident.

Weekly benefits are limited to the maximum number of 104 weeks, but the maximum total amount that we will pay for a claim under weekly benefits is your *sum insured* less any capital benefits paid. Please note that the excess applicable for this *cover section* is expressed in days. This period is shown in your *schedule of insurance* and is usually the first seven (7) days after any disablement.

The cover is subject to specific Definitions and Exclusions and your *sum insured*, which are set out in the policy (refer to the Personal Accident (Voluntary Workers) *cover section* from page 27 and your *schedule of insurance*).

Machinery Breakdown

This provides cover for your *machinery* as a result of *breakdown* that occurs during the *period of insurance*.

The cover is subject to specific Definitions and Exclusions and your *sum insured*, which are set out in the policy (refer to the Machinery Breakdown *cover section* from page 29 and your *schedule of insurance*).

Office Bearer's Liability

This provides cover for your *officers* against *claims* arising out of any actual or alleged *wrongful acts* occurring during the *period of insurance*, in managing the *body corporate* affairs.

The cover is subject to specific Definitions and Exclusions and your *sum insured*, which are set out in the policy (refer to the Office Bearer's *cover section* from page 31 and your *schedule of insurance*).

Body Corporate Entity Liability

This provides cover to the *body corporate* against legal defence costs or taxation audit costs occurring during the *period of insurance*.

The cover is subject to specific Definitions and Exclusions and your *sum insured*, which are set out in the policy (refer to the Body Corporate Entity Liability *cover section* from page 33 and your *schedule of insurance*).

Our contract with you

Your policy is a contract of insurance between you and Zurich and contains all the details of the cover that we provide.

Your policy is made up of:

- the policy wording, which tells you what is covered, sets out the claims procedure, exclusions and other terms and conditions of cover;
- the proposal, which is the information you provide to us when applying for insurance cover;
- your most current policy *schedule of insurance* issued by us. The *schedule of insurance* is a separate document unique to you, which shows the insurance details relevant to you. It includes any changes, exclusions, terms and conditions made to suit your individual circumstances and may amend the policy; and
- any other written change otherwise advised by us in writing (such as an endorsement or a supplementary PDS). These written changes vary or modify the above documents.

Please note, only those *cover sections* shown as covered in your *schedule of insurance* are insured.

This document is also the PDS for any offer of renewal we may make, unless we tell you otherwise. Please keep your policy in a safe place.

We reserve the right to change the terms of this product where permitted to do so by law.

Significant issues to consider

Insurance contracts contain policy exclusions, policy terms and conditions and policy limits and sub-limits that you should be aware of when deciding to purchase our product. These things may affect the amount of the payment that we will make to you if you have a claim.

We may express some policy terms, policy limits or sub-limits as being either a dollar amount or a percentage of your *sum insured* shown in your *schedule of insurance* or some other amount, factor or item specified in the relevant clause of this document.

You should be aware of the following matters in considering whether this product is suitable for your needs.

Excesses can apply

For each of the available covers, an excess may apply. An excess is not an additional fee charged by us at the time of making a claim. Rather, it is the uninsured first portion of a loss for which you are otherwise covered, i.e. the amount that you must contribute towards each claim.

Details of the excess amounts and circumstances in which they will be applied are set out in the Definition of excess on page 13 and the relevant *cover section*.

If a single event results in claims in more than one *cover section*, you will only be required to pay one amount of basic excess – that which is the greater of the applicable excesses.

The amounts of basic excesses you will be required to pay will appear on your *schedule of insurance*.

Exclusions

In some circumstances, this policy contains a number of exclusions, some of which are common in insurance policies. For example, we may not pay for loss or damage arising out of:

- *flood*;
- radioactivity or any radioactive substances;
- failure to keep your *property* in good condition.

Some of the exclusions may be less common, and as such may be unexpected. For example, the Legal Liability coverage in this policy excludes cover for Information Technology Hazards such as damage to your computer programs as a result of a computer virus. Please refer to page 25 for the details of this exclusion.

The above are some of the events that are not covered by this policy. Before making a decision about whether to purchase this policy, you should read the full details of all relevant exclusions, which are contained in the wording. Some may not be relevant to you, however you should make yourself aware of all the exclusions that apply in all *cover sections*.

Please refer to General Exclusions on page 14 and Exclusions to the individual *cover sections* as follows:

- Building and Common Contents from page 21;
- Legal Liability from page 23;
- Fidelity Guarantee on page 26;
- Personal Accident (Voluntary Workers) on page 28;
- Machinery Breakdown on page 29;
- Office Bearer's Liability on page 32;
- Body Corporate Entity Liability on page 34.

General Terms and Conditions

General Terms and Conditions applicable to all *cover sections* set out your obligations with which you need to comply. Please refer from page 14. You should read the *cover sections* and make yourself aware of all the terms and conditions that apply. If you do not meet them, we may decline or reduce the claim payment or cancel your policy.

Special Terms and Conditions are applicable in the following *cover sections*:

- Building and Common Contents refer to page 21;
- Personal Accident (Voluntary Workers) refer to page 27;
- Machinery Breakdown refer to page 29;
- Office Bearer's Liability refer to page 31;
- Body Corporate Entity Liability refer to page 33.

Make sure you have the cover you need

You should discuss with your intermediary the appropriate amounts and risks for which you need to be insured. If you do not adequately insure for the relevant risks you may have to bear any uninsured losses yourself.

You should also advise your intermediary to notify us as soon as possible when your circumstances change if are relevant to your policy. For instance, if you purchase new additional *common contents* for your Strata. If you do not tell your intermediary of these changes, in the event of you suffering accidental damage, your *sum insured* may not be adequate to cover your loss, or you may not even have any cover under your policy.

Duty of Disclosure

Before you enter into this contract of insurance with us, the Insurance Contract Act 1984 requires you to tell us everything which you know, or could be reasonably expected to know, is relevant to our decision whether to accept the risk of the insurance and, if so, on what terms. The duty of disclosure is different depending on whether it 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, or could be reasonably expected to know, 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 that 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 being in force.

Renewals, variations, extensions and reinstatements

Once your policy is entered into and is no longer new business then your duty of disclosure to us changes. You are required before you renew, vary, extend or reinstate your policy, to tell us everything you know, or could be reasonably expected to know, which is relevant to our decision whether to renew, vary, extend or reinstate the contract of insurance 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 being in force.

Cooling-off Period

After you apply for a Zurich product and you have received the policy document, you have 21 days to check that the policy meets your needs. Within this time you may cancel the policy and receive a full refund of any *premiums* paid, unless:

- you have made a claim or become entitled to make a claim under your policy; or
- you have exercised any right or power you have in respect of your policy or the policy has ended.

Your request will need to be in writing and forwarded to us via your intermediary or to the address shown on the back cover of this document.

You can cancel your policy at any time after the cooling-off period. Please refer to 'Cancellation' under the General Terms and Conditions on page 15.

How we calculate your premium

The amount of your *premium* is determined by taking a number of different matters into account. You can seek a quote at any time.

It is important for you to know in particular that the *premium* varies depending on the information we receive from you about the risk to be covered by us. The higher the risk is, the higher the *premium* will be. Based on our experience and expertise as an insurer, we decide what factors increase our risk and how they should impact on the *premium*. Each insurer can do this differently.

In this product the factors including the following are taken into consideration:

- your nominated *sum insured*;
- the *location* of the *property*;
- the materials used in the construction of your *property*;
- the number of lots that make up your Strata Title;
- your prior claims history;
- security measures (eg. alarms, deadlocks);
- our basic excess. This means that when you purchase a policy you may elect to take a higher excess in the event of a claim, which will reduce the cost of your *premium*. If you are interested in this, you should ask your intermediary to supply you with quotes based on differing amounts of excesses.

Your intermediary can arrange for you to be provided with a quote for a *premium*. You will need to give your relevant personal details to your intermediary at this time to enable us to calculate your *premium*.

Another important thing to know is that your *premium* also includes amounts that take into account our obligation to pay any relevant compulsory government charges, taxes or levies (e.g. Stamp Duty, GST and Fire Services Levy) in relation to your policy. These amounts will be set out separately on your *schedule of insurance* as part of the total *premium* payable.

How and when you pay your premium and what happens if you don't pay?

Premiums are charged and are payable on a yearly basis. Your intermediary can also tell you what other methods are available to make your *premium* payments.

Your intermediary should send you an offer of renewal of your insurance once a year, before your current *period of insurance* expires. If you do not pay your *premium* when due, your policy may lapse after 30 days and you will not be covered. You may be able to reinstate your policy after it lapses, but you must submit an application to us, which is subject to our reassessment of your personal circumstances at the time of application.

Taxation

The following taxation information is a guide only and is based on the current law and its interpretation. Your individual circumstances will be important to and may affect the tax treatment of any *premiums* you pay or benefits you receive. You should consult your tax adviser regarding your individual circumstances.

Income Tax

If you choose to receive *weekly benefits* only, the *premium* you pay will be tax deductible. *Premium* will also be deductible for any policy you have taken out for a revenue purpose, for instance, to cover your expenses or lost profits in the event of an injury to your employees. However, if you choose to receive *capital benefits* only, and you do not have a revenue purpose, the *premium* you pay will not be tax deductible.

If you choose to receive both *weekly benefits* and *capital benefits*, you will be entitled to a deduction for the portion of the *premium* you pay to receive *weekly benefits*. Contact your intermediary to discuss what portion of your *premium* you will be able to deduct.

Any *weekly benefits* you receive will be assessable to you and will be subject to tax at your marginal income tax rate. Any benefits received under a policy you took out for a revenue purpose will also be assessable. However, any *capital benefits* you receive, or payment for accidental death received by your estate, will generally not be taxable. No tax will be payable on a *capital benefit* received by your relatives, or on a payment for accidental death received by a person who is your beneficiary under the policy, provided that person did not acquire the rights under the policy for money or other consideration.

Goods and Services Tax

Generally, you will not be required to pay Goods and Services Tax (GST) on any benefits you receive under your policy. However, you must advise us if you are entitled to claim an input tax credit in relation to any GST payable on your *premium* and the extent of that entitlement. If you do not provide this information to us, you may be liable to pay an amount of GST on benefits you receive.

If you are registered for GST, any payment we make for Funeral expenses, Overseas medical expenses, Modification expenses or Accommodation expenses will be reduced by the amount of any input tax credit you or another person are entitled to for those expenses.

How to make a claim

If you need to make a claim against this policy, please refer to 'Claims procedures' on page 15. If you have any queries, please contact your intermediary as soon as possible, or call us on 132 687.

Privacy

Zurich is bound by the National Privacy Principles and the Privacy Act 1988 (Cth).

We may need to collect personal information ('Information') from you for the primary purpose of providing you with insurance products, services, processing and assessing claim(s).

If you do not wish to provide us with the Information, we may not be able to process your application or assess your claim(s).

By providing us with your Information, you consent to us disclosing your Information to other insurers, our service providers, our business partners or as required by law.

For further information about Zurich's Privacy Policy, a list of service providers and business partners that we may disclose your Information to, or details of how you can access the Information we hold about you, please refer to the Privacy link on our homepage – www.zurich.com.au, contact us by telephone on 132 687 or email us at Privacy.Officer@zurich.com.au.

General Insurance Code of Practice

As a member of the Insurance Council of Australia Limited, we subscribe to the General Insurance Code of Practice.

The purpose of the Code is to raise the standards of practice and service in the general insurance industry.

The Code aims to:

- constantly improve claims handling in an efficient, honest and fair manner;
- build and maintain community faith and trust in the financial integrity of the insurance industry; and
- provide helpful community information and education about general insurance.

Complaints and Disputes Resolution process

If you have a complaint about an insurance product we have issued or service you have received from us, please contact your intermediary to initiate the complaint with us. If you are unable to contact your intermediary, you can contact us directly on 132 687.

We will respond to your complaint within 15 working days. If you are not satisfied with our response, you may have the matter reviewed through our internal dispute resolution process, which is free of charge.

If you are not satisfied with the outcome of the dispute resolution process and would like to take the complaint further, you may refer the matter to the Financial Ombudsman Service (FOS), an independent and external dispute resolution scheme.

The FOS is free of charge to you but can only be accessed after you have gone through our internal disputes resolution process.

FOS contact details are:

The Financial Ombudsman Service
Freecall: 1300 78 08 08
Post: GPO Box 3, Melbourne, Victoria 3001
Website: www.fos.org.au
Email: info@fos.org.au

Financial Claims Scheme

Zurich is an insurance company authorised under the Insurance Act 1973 to carry on general insurance business in Australia. As such, we are subject to prudential requirements and standards, regulated by the Australian Prudential Regulation Authority (APRA).

This policy may be a protected policy under the Federal Government's Financial Claims Scheme, (FCS) which is administered by APRA.

The FCS may apply in the event that a general insurance company becomes insolvent. If the FCS applies, a person who is entitled to make a claim under this insurance policy may be entitled to a payment under the FCS. Access to the FCS is subject to eligibility criteria.

Further information about the FCS can be obtained from the APRA website at <http://www.apra.gov.au> and the APRA hotline on 1300 13 10 60.

Headings

Headings have been included for ease of reference, but do not form part of the policy.

Updating this PDS

Certain information in this PDS may change from time to time. If the updated information is not materially adverse from the point of view of a reasonable person deciding whether or not to purchase this product, a paper copy of the updated information will be available free of charge upon request, by contacting your intermediary or us by using our contact details on the back cover of this PDS. Please note that we may also choose to issue a new PDS or a supplementary PDS in other circumstances.

Benefits of Cover Available

The following is a summary of the major benefits of covers available under the policy. Please refer to each *cover section* for full details of coverage and applicable terms and conditions.

Types of covers available	Benefits of cover available	Page no.
Building and Common Contents	Cover against physical loss or damage to your <i>building</i> and <i>common contents</i> occurring during the <i>period of insurance</i> up to the <i>sum insured</i>	16
Legal Liability	Cover for claims for compensation or expenses, which you become legally liable to pay in respect of <i>personal injury</i> or <i>property damage</i> , happening as a result of an <i>occurrence</i> arising in connection with the ownership of the <i>property</i>	23
Fidelity Guarantee	Cover for the <i>body corporate funds</i> which are lost as a result of an <i>event</i> where theft, embezzlement, misappropriation, conversion or fraud occurs during the <i>period of insurance</i>	26
Personal Accident (Voluntary Workers)	Following an accident causing an injury to a <i>voluntary worker</i> we will pay a capital benefit payment or weekly benefit payment	27
Machinery Breakdown	Covers the <i>body corporate's machinery</i> as a result of <i>breakdown</i> that occurs during the <i>period of insurance</i>	29
Office Bearer's Liability	Cover for your <i>officers</i> against <i>claims</i> arising out of any actual or alleged <i>wrongful act(s)</i> occurring during the <i>period of insurance</i> , in managing the <i>body corporate</i> affairs	31
Body Corporate Entity Liability	Cover for the <i>body corporate</i> against legal defence costs or taxation audit costs occurring during the <i>period of insurance</i>	33
Additional Benefits for all Cover Sections		
Approved claim preparation costs	We will pay up to \$30,000 for reasonable professional fees and such other expenses incurred by you for the preparation of a claim	15
Emergency mitigation costs	Reasonable costs in preventing further damage	15
Building and Common Contents	Additional Benefits within the Sum Insured	
Reduced floor-space ratio	We will pay the difference between the actual costs of replacement to comply with the reduced floor-space ratio	17
Loss of land value	Up to \$500,000 or 50% of your <i>sum insured</i> , whichever is the greater	17
Extra cost of reinstatement	We will pay additional costs incurred to comply with requirements of any lawful authority imposed to the proportion of the <i>building</i> actually damaged	17
Motors damaged by fusion	Reasonable costs of repairing or replacing electric motors damaged by fusion	17
Exploratory costs	Reasonable costs in locating the cause of the damage and overflowing of water tanks, for any loss or damage caused in locating the leak. We will also pay up to \$1,000 for the repair or replacement of the defective part or parts of such tanks, apparatus, pipes or other installations giving rise to the loss or damage and \$1,000 to rectify any contamination caused	18
Money	We will pay up to \$10,000 any one loss or series of losses arising out of any one event for the loss of money	18
Meeting rooms	We will pay up to \$5,000 for the cost to hire temporary meeting room facilities for this purpose of holding annual general meetings or committee meetings in the event of physical loss or damage to your designated meeting room	18
Locks and keys	We will pay up to \$5,000 any one event for costs incurred to restore security to the <i>property</i> as a result of loss of locks and keys	18
Excess public utilities charges	We will pay up to \$2,000 any one event for additional electricity, gas, sewerage, water and management costs you are required to pay following loss or damage	18

Types of covers available	Benefits of cover available	Page no.
Water removal from car park	We will pay up to \$2,000 any one event for costs incurred in removing water from the car park / basement of the <i>property</i> directly caused by a storm or downpour of rain	18
Building and Common Contents Additional Benefits above the Sum Insured		
Architects, surveyors and consulting engineering fees and costs	We will pay any costs reasonably incurred in the process of replacement or reinstatement following loss or damage to the <i>property</i>	18
Additional costs	We will pay additional costs and expenses necessarily and reasonably incurred for the purpose of extinguishing a fire, temporary protection, removing and storage, removal of debris, demolition and removal of any <i>property</i> damaged under an insured event. We will also pay for the removal and disposing of fallen trees including the costs of treating the stump to prevent re-growth	18
Bonus cover	Your <i>sum insured</i> shall be regarded as automatically increased at midnight on the last day of each month of the <i>period of insurance</i> by 0.50 of 1%	19
Loss of rent	We will pay the relevant <i>unit owner</i> for insured loss of rent where loss or damage renders a unit or units unfit to be occupied for their intended purpose. The maximum we will pay in total is 15% of your <i>sum insured</i>	19
Rewriting or reconstruction of your records	Reasonable costs up to \$50,000 for the rewriting or reconstruction of your records and books of accounts	19
Temporary costs	Following loss or damage rendering a unit or units unfit for habitation we will pay maintenance fees and levies payable up to \$2,000 per unit; boarding out of pets normally domiciled at the premises being owned by the <i>unit owners</i> to a maximum of \$1,000 per unit; temporary accommodation costs of your <i>unit owners</i> including the removal and storing of their personal property up to and in the aggregate 15% of the <i>sum insured</i>	19
Modification expenses	We will pay up to \$25,000 if a <i>unit owner</i> become a paraplegic or quadriplegic directly as a result of an insured event to modify your <i>building</i> to cater for the needs of the <i>unit owner</i>	19
Arson reward	We will pay up to \$10,000 for information which leads to a conviction for arson, theft, vandalism or malicious damage in connection with an event covered by this <i>cover section</i>	19
Mortgage discharge	We will pay up to \$50,000 to discharge any mortgage over your <i>building</i> , if it becomes a total loss	19
Unit owner's fixtures and improvements	In the event of loss or damage, we will include the <i>unit owner's fixtures and improvements</i> . The maximum we will pay in total is 15% of your <i>sum insured</i>	20
Environmental Upgrade – Better Green™ Coverage	In the event of physical loss or damage to your <i>building</i> and <i>common contents</i> by any event insured, we will pay the reasonable and necessary additional costs you incur to repair, replace, or rebuild the damaged <i>building</i> in order to comply with the 'green standards' that are applicable at the time of the loss or damage. This coverage also includes Air Quality Management; Building Commissioning Expenses; Debris Recycling; Professional Services and Recertification Fees. The most we will pay under this additional coverage, is an additional 15% on top of the normal cost of repair or reinstatement of the damaged <i>building</i> and <i>common contents</i> for any one event	20
Building and Common Contents Optional Extension of Cover		
Catastrophe Cover – Declaration by the relevant authority of a State of Emergency	We will increase your <i>sum insured</i> on the <i>property</i> and all other Additional Benefits in the <i>cover section</i> by up to 30% if the <i>property</i> is rebuilt	22

Types of covers available	Benefits of cover available	Page no.
Legal Liability		
Covering your Legal Liability in connection with the ownership of the Property	Up to your <i>sum insured</i> stated in your <i>schedule of insurance</i> for any one <i>occurrence</i>	23
Fidelity Guarantee		
Protecting the Body Corporate Funds	We will pay up to the <i>sum insured</i> stated in your <i>schedule of insurance</i> following an <i>event</i> of your <i>funds</i> being lost as a result of theft, embezzlement, misappropriation, conversion or fraud that occurs during the <i>period of insurance</i>	26
Personal Accident (Voluntary Workers)		
Death, total and irrecoverable loss of all sight in both eyes, total and permanent loss of the use of both hands or of both feet or the loss of use of one hand and one foot, quadriplegia, paraplegia or incurable paralysis of all limbs	\$200,000	27
Total and permanent loss of use of one hand or the use of one foot and total and irrecoverable loss of all sight in one eye	\$100,000	27
Voluntary Workers total disablement from carrying out the principal duties of their usual profession, business or occupation	\$2,000 per week	27
Voluntary Workers partial disablement from carrying out all the normal duties of their usual profession, business or occupation	\$1,000 per week	27
Reasonable and necessary costs of hiring or employing domestic help	\$1,000 per week	27
Travel expenses necessarily incurred from the disablement and not otherwise recoverable from any other source	\$2,000 any one event	27
Machinery Breakdown		
Covering your Machinery	We will pay up to your <i>sum insured</i> stated in your <i>schedule of insurance</i> for <i>machinery</i> repairs as a result of <i>breakdown</i> that occurs during the <i>period of insurance</i> . We will also pay reasonable expenses following a <i>breakdown</i> for temporary repairs, overtime and express freight and hiring of temporary plant	29
Office Bearer's Liability		
Claims arising out of any actual or alleged Wrongful Act(s)	Provides cover for your <i>officers</i> up to your <i>sum insured</i> notified during the <i>period of insurance</i>	31
Body Corporate Entity Liability		
Liability cover for the Entity	We will pay up to your <i>sum insured</i> stated in your <i>schedule of insurance</i> for legal defence costs and taxation audit costs occurring during the <i>period of insurance</i>	33

Topview Strata Insurance Policy Wording

Our Agreement

Subject to all of the terms and conditions contained in your policy document and payment of the *premium*, we will provide you with the cover shown in the relevant *cover sections* of your policy document up to the appropriate amount shown in your *schedule of insurance* or other limits shown in your policy.

Definitions

The following definitions shall apply to these words when used in your policy, unless otherwise defined in the individual *cover sections*.

Act of terrorism

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;
- (b) involves damage to *property*;
- (c) endangers life other than that of the person committing the action;
- (d) creates a risk to the 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.

Aircraft

aircraft means any vessel, craft, machine or object made or intended to fly or move in or through the atmosphere or space.

Body corporate

body corporate means proprietors, members, owners or shareholders from time to time and is limited to the interest of proprietors, members, owners or shareholders in respect of the ownership of the *building and common contents* (as defined in the *cover section* – Building and Common Contents) in terms of the Strata Titles Act or Strata Schemes Management Act or Community Titles Act or Owners Corporation Act or similar legislation applying in your *property's location*.

Cover section

cover section means the different types of cover you can elect to have, as contained in the policy, and if elected, as shown in your *schedule of insurance*.

Excess

excess means the first amount of each claim payable by you. The amount of the *excess* is shown in the *schedule of insurance* and in respect to earthquake, in the *cover section* – Building and Common Contents, Exclusion 6.

Location

location means the place shown on the *schedule of insurance* where the *property* is physically located.

Period of insurance

period of insurance means the period we will insure you for as shown in your *schedule of insurance*.

Premium

premium means the amount you must pay us for the *cover sections* you select. Your *premium* is shown on the *schedule of insurance*.

Property

property means the *building and common contents* (as defined in the *cover section* – Building and Common Contents) at the *location* as shown in the *schedule of insurance*.

Schedule of insurance

schedule of insurance means your most recent *schedule of insurance*. We give you this *schedule of insurance* when you first buy this insurance and each time you request an addition, alteration or renewal. The *schedule of insurance* forms part of your policy.

Sum insured

sum insured means the maximum amount we will pay for any claim under each *cover section* and is shown in your *schedule of insurance* except as otherwise provided for specifically in a *cover section*.

Unit owner

unit owner means a person, persons or others registered as a proprietor or owner of an estate in a unit and/or a lot in terms of the Strata Titles Act, Strata Schemes Management Act, Community Titles Act or Owners Corporation Act or similar legislation applying in your *property's location*.

Vehicle, vehicles

vehicle, vehicles means any type of machine on wheels or self-laid tracks, except unregistered lawn-mowers, 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.

Watercraft

watercraft means any vessel, craft, machine or object made or intended to be used on, in or under water.

General Exclusions

These general exclusions apply to all *cover sections* within the policy. However, each *cover section* also has specific exclusions to the cover offered under that *cover section* and those exclusions should be read in addition to the ones below.

None of the *cover sections* provide cover for loss, damage, destruction, injury or liability directly or indirectly caused by, arising from or as a result of:

1. an intentional act by you or a person acting with your consent unless for the purpose of preventing or eliminating danger to persons or property;
2. the lawful seizure, confiscation, nationalisation or requisition of the *property*;
3. destruction of, or damage to, property by or under the order of any government or public or local authority, unless required to reduce further destruction or damage to the *property*;
4. war, invasion, act of foreign enemy, hostilities (whether war is declared or not), civil war or unrest, rebellion, revolution, insurrection, military or usurped power, looting, sacking or pillage following any of these;
5. the use, existence or escape of nuclear weapons material, or ionising radiation from, or contamination by radioactivity from, any nuclear fuel or nuclear waste from the combustion of nuclear fuel or action of nuclear fission;
6. any *act of terrorism* or any action taken in controlling, preventing, suppressing or in any way relating to any *act of terrorism*.

Exclusion 6. will only apply if the:

- (i) *building and common contents, sum insured* is more than \$50,000,000; or
- (ii) *building and common contents, sum insured* is less than \$50,000,000 where any proportion of loss that exceeds \$50,000,000; or
- (iii) damage is caused by pollution or contamination due to chemical and/or biological agents which result from the *act of terrorism*.

General Terms and Conditions

1. Restricting our right of recovery

Where another person is liable to compensate you for any loss, damage or liability, which is covered by this policy but you have agreed not to seek recovery of any monies from that person or have agreed to limit any amount so recoverable, we will not cover you under this policy for that loss, damage or liability to the extent that our right of recovery has been so restricted.

2. Changes

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

3. Unoccupied Property

If the *property* is totally unoccupied for a period of more than 60 consecutive days, you must tell us in writing and obtain our written agreement for cover to continue beyond that period. If you do not do so, the cover under your policy is limited to damage caused by lightning, thunderbolt, impact and earthquake for the period in excess of 60 consecutive days during which you have left the *property* totally unoccupied. The period of 60 consecutive days is calculated from the date when the *property* was last occupied, regardless of the commencement or renewal of your policy.

4. Other Interests

You must not transfer any interest in this policy without our written consent. All persons entitled to any benefit under this policy are bound by the terms of this policy. We insure only those interests of which you notify us of when we issue cover, or which are notified to us during the currency of this policy and which we agree to insure.

5. Care and Maintenance

You must take all reasonable care and precautions to prevent or minimise loss, damage, injury, illness or liability including your compliance with any law, by-law, ordinance or regulation that concerns the safety of persons or property. Should any damage have occurred prior to commencement of the insurance and such damage has not been repaired or made good, we shall not be liable for such damage or any consequential loss, destruction or damage.

Your *officers* (as defined in the *cover section* – Office Bearer's Liability) must use due diligence and act at all times to avoid or diminish any *claim*.

6. Claims Procedures

On the happening of any *occurrence* or *event*, which may give rise to a claim, you must:

- (a) take all reasonable precautions to prevent further loss, damage or liability;
- (b) notify the Police immediately if any of your *property* is lost, stolen, or maliciously or intentionally damaged;
- (c) notify us in writing as soon as possible, but if claiming under the *cover sections* – Office Bearer's Liability or Body Corporate Entity Liability notification must be during the *period of insurance* and within 28 days after expiry;
- (d) supply us with all information we require to investigate, settle or defend the claim;
- (e) not arrange replacement of any *property* in connection with any claim without our consent;
- (f) not admit liability if an incident occurs which is likely to result in someone claiming against you and for which we insure you, without our prior written consent.

We have the right to negotiate, defend or settle in your name and on your behalf any claim and will have full discretion in the conduct of any proceedings or in the settlement of any claim.

7. Payments in respect of Goods and Services Tax

When we make a payment to you, or on your behalf, under this policy for the acquisition of goods, services or other supply, we will reduce the amount of the payment by the amount of any input tax credit that you are, or will be, or would have been entitled to under A New Tax System (Goods and Services Tax) Act 1999, in relation to that acquisition, whether or not that acquisition is actually made.

When we make a payment to you, or on your behalf, under this policy as compensation instead of payment for the acquisition of goods, services or other supply, we will reduce the amount of the payment by the amount of any input tax credit that you are, or will be, or would have been entitled to under A New Tax System (Goods and Services Tax) Act 1999 had the payment been applied to acquire such goods, services or supply.

8. Breach of Condition

We may refuse to pay a claim if you are in breach of any of the conditions of this policy.

9. Excess

The amount we will pay for a claim will be reduced by the amount of the excess. Some events provided for in your policy are subject to an excess. Please refer to your *schedule of insurance* for particulars of any excess imposed. Under *cover section* – Building and Common Contents, Exclusion 6 an additional excess is applicable to loss or damage caused directly or indirectly by, or arising out, of earthquakes.

10. Cancellation

You may cancel this policy at any time by notifying us in writing. We will refund to you a proportion of the *premium* for the unexpired *period of insurance*, provided that the cancellation does not fall during the period of time referred to in 'Cooling-off Period'. We may cancel this policy by notice in writing for any reason available to us by law. We will refund to you a proportion of the *premium* for the unexpired *period of insurance*.

11. Proper law and Jurisdiction

- (a) The construction, interpretation and meaning of the provisions of this policy shall be determined in accordance with Australian law.
- (b) In the event of any dispute arising under this policy, including, but not limited to, its construction and/or validity and/or performance and/or interpretation, you will submit to the exclusive jurisdiction of any competent Court in the Commonwealth of Australia.

Additional Benefits to all Cover Sections

1. Approved claim preparation costs

In addition to the amount of cover provided by each *cover section* we will pay up to \$30,000 for reasonable professional fees and such other expenses incurred by you for the preparation of a claim under a *cover section*.

Provided that before you incur these claim preparation costs you obtain our written approval to incur these costs.

2. Emergency mitigation costs

In the case of an emergency where you are required to protect against further loss or damage to any *property*, as a direct result of that emergency, and the *property* is covered by your policy, we give you the authority to arrange these emergency mitigation costs on our behalf.

Building and Common Contents

What you are insured against

We agree to indemnify you against physical loss or damage to your *building* and *common contents* occurring during the *period of insurance*.

Definitions specific to this Cover Section

Building

building means the residential building at the *location* shown in the *schedule of insurance*, containing the units or lots and common property and includes:

1. all improvements and fixtures of a structural nature including fixed plant and machinery; in-ground swimming pools and spas.
2. 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.
3. services (including underground) owned by you or for which you are responsible whilst in and about the buildings.
4. paint and wallpaper in common areas and inside individual units.
5. ducted air conditioners, stoves, ovens, hotplates, hot water systems, built-in cupboards and bathroom fittings.
6. any other items defined as buildings by the relevant legislation in the State or Territory where the building is located.

building does not include:

- (a) temporary wall, ceiling or floor coverings.
- (b) paint and wallpaper in NSW only.
- (c) window coverings, internal blinds, carpets or light fittings other than in common areas.
- (d) air conditioners that are not permanently mounted, clothes dryers, washing machines, microwave ovens and any free standing or portable appliance.
- (e) fixtures removable by a lessee or tenant at the end of the lease or tenancy.
- (f) property in the course of construction, erection, alteration, addition or renovation where the contract value of the work exceeds \$500,000.
- (g) illegal installations.

Common contents

common contents means:

1. domestic appliances, equipment, furniture and fittings, swimming pool or spa covers and accessories, swimming pools or spas that are not in ground for which you are responsible or for which you have assumed responsibility to insure:
 - (i) in any common area at the *location* shown in the *schedule of insurance*; or
 - (ii) while in the *building* or temporarily removed to another building for repair or service.
2. rockeries, trees, shrubs and plants owned by you or for which you are responsible up to the value of \$20,000 for any one loss.

common contents does not include:

- (a) *vehicles, watercraft, aircraft* or their accessories.
- (b) personal property owned by a *unit owner*.
- (c) works of art, curios and antiques, except up to \$10,000 in total.

Flood

flood means the covering of normally dry land with water released or that has escaped from the normal confines of:

- (a) any watercourse whether natural or altered;
- (b) any lake whether natural or altered; or
- (c) any reservoir, canal or dam.

Tsunami

tsunami means a high tide or tidal wave caused by an earthquake, earth tremor or seismological disturbance under the sea.

Unit owner's fixtures and improvements

unit owner's fixtures and improvements means any item or structure installed by a *unit owner* for their exclusive use and which is permanently attached to or fixed to the *building* so as to become legally part of it, including any improvements made to an existing fixture.

How much we will pay and how

We will pay up to the *sum insured* for physical loss or damage to your *building*. In the event of a claim for a *building* we will at our option:

1. repair or replace the *building*; or
2. pay the reasonable cost of repair or replacement of the *building*, to a condition substantially the same as but not better or more extensive than when new; or
3. pay up to the *sum insured*. We will not sell or dispose of any salvage without giving you the opportunity to purchase it at its salvage value, but this does not allow you to abandon any property to us.

Alternatively, and with our prior written consent:

You may purchase another existing building to replace that destroyed. Such replacement shall be deemed to constitute 'repair' for the purposes of this insurance but we shall not, under any circumstances, be liable to make any payment beyond the *sum insured* or the actual cost of rebuilding the *building* destroyed, whichever is the lesser.

The work of rebuilding, replacing, repairing, restoring or reinstating the *building*, as the case may be, must commence within six (6) months of the loss or damage occurring (or any other period which we agree with you), failing which we shall not be liable to make any payment beyond the amount which would have been payable had the delay not occurred and you may have to pay any increase in the cost.

In the event of a claim for *common contents* we will at our option:

1. repair or replace the *common contents*; or
2. pay the reasonable cost of repair or replacement to a condition substantially the same as but not better or more extensive than when new. The most we will pay for *common contents*, other than rockeries, trees, shrubs and plants is:
 - (a) \$100,000 or 1% of the total *sum insured*, whichever is the greater, for any one loss if the *common contents* were:
 - (i) at the *location* stated in the *schedule of insurance*, but not in the open air; or
 - (ii) temporarily removed from the *location* or in transit but not while in transit to or from a furniture repository.
 - (b) \$10,000 for any one loss while in the open air at the *location* stated in the *schedule of insurance*, but only if the *common contents* are designed to be used and kept outside.

Additional Benefits within the Sum Insured

Subject to our liability not being increased beyond the *sum insured*, we will also indemnify you:

1. Floor-space ratio or index

If the *building* is totally destroyed or damaged and we declare it beyond economical repair, and the relevant statutory authority permits reinstatement only to a reduced floor-space ratio index, we will pay the difference between the actual cost of reinstatement to comply with the reduced floor-space ratio index, and the cost of reinstatement, had the reduced floor-space ratio index not applied.

2. Loss of land value

Up to \$500,000 or 50% of the *sum insured*, whichever is the greater, for loss of land value as a result of the requirements of any legal authority not allowing rebuilding or allowing only partial rebuilding at the *location* where there has been loss or damage.

We calculate this amount by subtracting the sum of the land value after the loss or damage, plus the amount of any compensation paid to you by the authority, from the land value immediately before the loss or damage occurred.

3. Extra cost of reinstatement

The additional costs incurred by you in complying with the requirements of any lawful authority that are imposed after the damage.

Provided that we will not pay for any costs that would have been incurred when complying with Statutory Regulations that applied to the *property* or situation prior to the damage.

4. Fusion

For the reasonable cost of repairing or replacing electric motors which are damaged by fusion, where fusion is the process of fusing or melting together of the windings of an electric motor following damage to their insulating material as a result of overheating caused by electric current.

However, we will not pay for:

- (a) the repair or replacement of a sealed or semi-sealed refrigeration unit after 20 years from the date of manufacture of the unit; or
- (b) loss or damage to lighting or heating element, fuses or protective devices; or
- (c) loss or damage to electrical contacts at which sparking or arcing occurs in ordinary working.

5. Exploratory costs

When loss or damage to the *building* or *common contents* is as a result of:

- (a) bursting, leaking, discharging or overflowing of water tanks, water apparatus or water pipes; or
- (b) bursting, leaking, discharging of gas tanks, gas apparatus or gas pipes; or
- (c) leakage of oil from any fixed oil installation, including tanks, apparatus and pipes.

We will pay the reasonable costs of locating the cause of the damage and for any loss or damage caused in locating the leak.

We will also pay:

- (i) up to \$1,000 for the repair or replacement of the defective part or parts of such tanks, apparatus, pipes or other installations giving rise to the loss or damage; and
- (ii) up to \$1,000 to rectify contamination damage or pollution damage to land at the *location* caused by the escape of the liquid giving rise to the loss or damage.

6. Money

For loss of money, to a limit of \$10,000 any one loss or series of losses arising out of one event, whilst in the personal custody of an office bearer or committee member of the *body corporate*, but excluding fraudulent misappropriation, larceny or theft or any attempt thereof by:

- (a) any person in your employment;
- (b) a *unit owner* or a proxy of a *unit owner* or any member of his/her family residing permanently with him/her;
- (c) a duly appointed strata manager acting on behalf of the *body corporate*.

7. Meeting rooms

We will pay up to \$5,000 for the cost to hire temporary meeting room facilities for the purpose of holding annual general meetings or committee meetings in the event of physical loss or damage to your designated meeting room. We will only pay for meetings held during the period of time that is reasonably necessary for repairs to be carried out and access to be re-established.

8. Water removal from car park / basement

We will pay up to \$2,000 for the reasonable costs you necessarily incur in removing water from the car park or basement of the *property*, after such inundation is directly caused by a storm or a downpour of rain.

9. Locks and Keys

If during the *period of insurance* keys used at the *property* are accidentally lost or stolen we will pay the cost incurred to replace these keys and other costs that are necessarily incurred to restore the security of the *property* to the same level of security that existed prior to the loss of these keys.

Provided that the maximum amount that we will pay is limited to \$5,000 in total, any one event.

10. Excess public utilities charges

We will pay up to \$2,000 for additional electricity, gas, sewerage, water and management charges you are required to pay following loss or damage to the *building* or *common contents* covered by this cover section.

Additional Benefits above the Sum Insured

We will pay the following additional benefits over and above the *sum insured*.

1. Fees and costs

For architects', surveyors', consulting engineers' costs, including all incidental costs, bank imposed charges, legal and other fees and clerk of works' salaries for estimates, plans, specifications, quantities, tenders and supervision necessarily and reasonably incurred in the process of replacement or reinstatement following loss or damage to the *property* but not the costs, fees and salaries for preparing any claim made under this policy or any other policy.

2. Additional costs

For costs and expenses necessarily and reasonably incurred for the purpose of:

- (a) extinguishing fire at, or in the vicinity of, the *property* or threatening to involve the *property* or for preventing or diminishing imminent damage to the *property* by any other peril insured against by this policy, including damage to gain access and the cost of replenishment of fire fighting equipment including replacing used sprinkler heads and charges incurred for the purpose of shutting off the supply of water or other substance following accidental discharge from any fire protective equipment or otherwise escaping from intended confines.
- (b) the temporary protection and safety including removing and storage if required of the *property* pending repair or replacement following loss or damage.

- (c) the removal of debris or the demolition, dismantling, shoring up, propping, underpinning or other temporary repairs following loss or damage to the *property*, but not in connection with a contractual liability or liability for pollution of any kind.
- (d) removing and disposing of fallen trees or parts and costs of treating the stump to prevent re-growth if a claim for impact loss or damage to your *building* or *common contents* by a falling branch or tree is accepted by us.
- (e) the demolition and removal of any *property* belonging to you which is no longer useful for the purpose it was intended, provided such demolition and removal is necessary for the purpose of the reinstatement or replacement of the *property* and is following loss or damage but not in connection with a contractual liability or liability for pollution of any kind.

3. Bonus cover

The *sum insured* shall be regarded as automatically increased at midnight on the last day of each month of the *period of insurance* by 0.50 of 1%. No *premium* shall be payable for any such adjustments occurring during the *period of insurance* and at each policy anniversary the renewal *premium* shall be calculated on the *sum insured* at that time. In the event of a claim occurring, the *sum insured* shall be that which is applicable as at the end of the month immediately preceding the date of the occurrence giving rise to the claim.

4. Loss of rent

We will pay the relevant *unit owner* for loss of rent where the unit is leased out or can provide evidence by means of a signed lease agreement that it would have been leased out, after an insured loss or damage:

- (a) renders a unit or units unfit to be occupied for their intended purpose; or
- (b) to the *property* in the immediate vicinity prevents reasonable access to the *building*.

The basis of our calculation will be the annual rent as per the lease agreement in place at the time of loss. We do not pay for:

- (i) any loss of rent after the unit is fit again to occupy for its intended purpose, or
- (ii) any loss of rent for all units in the aggregate in excess of 15% of the *sum insured*.

5. Rewriting your records

For the reasonable costs up to \$50,000 for the rewriting or reconstruction of your records and books of accounts following their loss or damage. This will include replacement of your title deeds, including any *unit owners* title deeds held in trust by the *body corporate*.

6. Temporary costs

In the event of loss or damage rendering a unit or units unfit for habitation we will pay:

- (a) all maintenance fees and levies applicable to the unit(s) payable to you up to a maximum of \$2,000 per unit.
- (b) for the boarding out of pets normally domiciled at the premises being owned by the *unit owner's* up to a maximum of \$1,000 per unit.
- (c) temporary accommodation costs of your *unit owners* including the removing and storing of their undamaged personal property, up to and in the aggregate of 15% of the *sum insured*, and until the unit or units are fit again to occupy for its intended purpose.

7. Modification expenses

If a *unit owner* is diagnosed as being paraplegic or quadriplegic within 12 months as a direct result of an insured event occurring at the *location*, we pay up to \$25,000 for the cost incurred by you in modifying your *building* to cater for the needs of the *unit owner*.

8. Arson reward

In the event of loss or damage, we will pay a reward 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 in connection with that event covered by the *cover section*. We will pay the reward to the person or persons providing such information or in such other manner as we may decide.

9. Mortgage discharge

We pay up to \$5,000 to discharge any mortgage over your *building* if it becomes a total loss, and is not being replaced and we have paid the amount due under this *cover section*.

10. Unit owner's fixtures and improvements

In the event of loss or damage, we will include the *unit owner's fixtures and improvements* to which at our option, either repair, replace or pay the amount it would cost to repair or replace. We will pay the cost of replacement at the time of replacement subject to:

- (a) the necessary work of replacing or repairing must be commenced and carried out without unreasonable delay;
- (b) if you caused unreasonable delays in commencing or carrying out replacement or repair, we will not pay any extra costs that result from that delay;
- (c) where material used in the original construction are not readily available, we will use the nearest equivalent available;
- (d) when we wish to repair or replace and you do not want this to occur, we will only pay the indemnity value.

The maximum amount that we will pay in the aggregate will be 15% of the *sum insured*.

Provide that we will not pay for the cost to:

- (i) replace undamaged *unit owner's fixtures and improvements*;
- (ii) replace or repair illegal installations.

11. Environmental Upgrade – Better Green™ Coverage

- (a) Better Green Building
In the event of physical loss or damage to your *building and common contents* by any event insured, we will pay the reasonable and necessary additional costs you incur to repair, replace, or rebuild the damaged *building* in order to comply with the 'green standards' that are applicable at the time of the loss or damage.
- (b) Better Green Enhancements
 - (i) Air Quality Management
We will pay for the reasonable and necessary costs you incur to flush out the air in the repaired, replaced, or rebuilt property with 100% outside air as required by The Green Building Council of Australia Green Star® or LEED® standards.

- (ii) Building Commissioning Expenses
We will pay for the reasonable and necessary expenses you incur for a qualified engineer, as required by the The Green Building Council of Australia Green Star® Rating System or LEED® Green Building Rating System™, to provide building commissioning or re-commissioning services and to oversee the repair, rebuilding, or replacement of your *building and common contents* and to verify and document that the repaired, rebuilt, or replaced property has been installed and calibrated properly and to perform to documented design criteria and manufacturers' specifications.

- (iii) Debris Recycling
We will pay your expense to clean-up, sort, segregate, and transport recyclable debris of property from the premises to recycling facilities.

- (iv) Professional Services
We will pay for the reasonable expenses you incur to retain architects, engineers, or design professionals who are accredited by The Green Building Council of Australia or LEED® to participate in the design, repair, replacement, or rebuilding of the damaged portion of your *building and common contents*.

- (v) Recertification Fees
We will pay for the reasonable and necessary registration and certification fees charged by the The Green Building Council of Australia to re-certify the property to the level of certification prior to the loss of or damage to your *building and common contents*.

The most we will pay under this additional coverage provided under Additional Benefit 10. Environmental Upgrade – Better Green™ Coverage (a) and (b) above, is 15% of the normal cost of repair or reinstatement of the damaged *building and common contents* for any one event and in the aggregate any one *period of insurance*.

For the purpose of this Additional Benefit 'green standards' means the following standards, products, methods, and processes for improving the environment, increasing energy efficiency, and enhancing safety and property protection:

- (1) The Green Building Council of Australia, Green Star® Rating System;

- (2) National Australian Built Environment Rating System, NABERS;
- (3) Leadership in Energy & Environmental Design, LEED® Green Building Rating System™ of the U.S. Green Building Council;
- (4) 'Green Globes™' environmental assessment, educational, and rating system promoted in the United States by the Green Building Initiative;
- (5) 'ENERGY STAR®' rating standard, joint program of the U.S. Environmental Protection Agency and the U.S. Department of Energy; and
- (6) any other recognised local or international environmental codes.

Special Terms and Conditions

1. For loss of land value:
 - (a) settlement shall be made following the ruling of the authority resulting in the loss of land value. Should settlement have been made, however, and subsequently the ruling of the authority be changed prior to completion of the reconstruction, resulting in an increase in the land value, after loss or damage, that part of the claim paid in excess of the revised land value shall be refunded to us.
 - (b) all differences relating to your land value arising out of this *cover section* may by agreement between you and us be referred to the President of the Australian Property Institute Inc. who will appoint a registered and qualified valuer whose decision will, if you and we also agree, be final and who will at the same time decide as to payment of any costs of referral.
2. In the case where the *building* has architectural features and structural materials of a particularly ornamental, antique or historical character, or the materials are not readily available, it is agreed that in calculating the cost which would have been incurred in reinstatement if the whole *property* had been destroyed, the basis to be adopted is the cost of a similar type of building of current design and materials and of a reasonably equivalent utility and capacity. It is further noted that the *sum insured* noted in the *schedule of insurance* has been based accordingly.
3. The *sum insured* will be automatically reinstated to the amount shown on the *schedule of insurance* in the event of a claim. Upon our request, you will pay a pro rata additional *premium* based on the amount of the claim.

Exclusions

We do not insure you against loss or damage caused directly or indirectly by or arising out of:

1. an animal kept by you or anyone living at, or visiting the *location*.
2. water or rain damage to the exterior of the *building*, unless by a sudden and unforeseen event.
3. water seeping or percolating through walls, roofs or floors or by water entering as a result of structural defects, faulty design, any gradual process or faulty workmanship in the *building* or water entering through an opening made for the purpose of alterations, additions, renovations or repairs.

Exclusion 3. will not apply to any subsequent damage to your *building* or *common contents* if you were not aware of, and a reasonable person in the circumstances could not be expected to have been aware of, the structural defect, faulty design, any gradual process or faulty workmanship.

4. hydrostatic pressure, popping, accidental breakage, chipping or lifting of swimming pools, spas and their surrounds including tiles or pavers.
5. *flood*.
6. erosion, subsidence, earth movement or collapse resulting from the action of the sea, high water or tidal wave.

Exclusion 6. will not apply to any damage to your *building* or *common contents* if caused by an earthquake or *tsunami*. An earthquake excess of \$200 applies for each claim or series of claims during a period of 72 hours. Each earthquake event is measured over a 72 hour period from when the first earthquake starts. Another event will occur if earthquake activity continues past the first 72 hour period which means you will be required to pay another excess.

7. normal settling, seepage, shrinkage or expansion in buildings or foundations, walls, pavements, roads and other structural improvements, creeping, heaving and vibration.
8. the removal or weakening of supports or foundations for the purpose of alterations, additions, renovations or repair.
9. storm, hail or wind damage to:
 - (a) retaining walls; or
 - (b) pool covers or liners;

10. birds, moths, termites or other insects, vermin or wildlife, rust or oxidation, mildew, mould, contamination or pollution, wet or dry rot, corrosion, change of colour, algae, dampness of atmosphere or other variations in temperature, evaporation, disease, inherent vice or latent defect, change in texture or finish, smut or smoke from industrial operations, the process of cleaning involving the use of chemicals, dilution or contamination of chemicals or contamination of water in a swimming pool or spa.
11. the invasion of tree or plant roots. However if such an invasion blocks your drainage system, this exclusion will not apply to any subsequent damage to your *building* or *common contents* caused by the escape of water or liquids from the damaged pipes.
12. error or omission in design, plan, specification, failure of design, faulty material or faulty workmanship.
13. mechanical, hydraulic, electrical or electronic breakdown (other than fusion of an electric motor as provided for in Additional Benefits within the Sum Insured), failure, malfunction or derangement, computer virus or processing error, of any machine or electrical and/or electronic device.

We do not insure you for:

- (a) loss or damage to *property* undergoing construction, erection, alteration, addition or renovation where the contract value of the work exceeds \$500,000.
- (b) the staining, fading or fraying of carpets and window applications, or the chipping, scratching or discolouration of glass or windows, unless it is through the entire thickness of the glass or windows.
- (c) any consequential loss other than specifically covered by this policy.
- (d) wear and tear, fading, chipping, scratching or marring, rust, gradual corrosion or gradual deterioration or concrete or brick cancer or developing flaws, or wet or dry rot or normal upkeep or making good. However, this exclusion will not apply to any subsequent damage to your *building* or *common contents* if you were not aware of, and a reasonable person in the circumstances could not be expected to have been aware of, the wear and tear, gradual corrosion or gradual deterioration or developing flaws.

In addition to these Exclusions, please refer to the General Exclusions which are applicable to your policy.

Optional Extension of Cover

Catastrophe cover

If your *property* suffers loss or damage which is covered by this *cover section* and we declare it beyond economical repair and that loss or damage was caused by an event which causes damage leading to the declaration by the relevant authority of a state of emergency at the situation, we will increase the *sum insured* on the *property* and all other Additional Benefits in this *cover section* by up to 30% if the *property* is rebuilt.

In all other respects, the normal terms and conditions of this policy apply.

This optional extension of cover only applies:

- (a) when indicated on your *schedule of insurance*;
- (b) to damage which is otherwise covered by the *cover section*; and
- (c) to damage or loss caused by the insured event giving rise to the state of emergency.

Legal Liability

What you are insured against

We will indemnify you in respect of any claim for compensation or expenses which you become legally liable to pay in respect of:

1. *personal injury*; or
2. *property damage*;

in connection with the ownership of the *property* as a result of an *occurrence* happening during the *period of insurance*.

Definitions specific to this Cover Section

Computer equipment

computer equipment means data or part of data, computer hardware, operating system, computer network, equipment, web sites, servers, extranet, software, applications software, computer chip including microprocessor chip and coded instructions as well as any new technology, product or service replacing or improving existing technology, product or service.

Personal injury

personal injury means:

- (a) bodily injury, death, sickness, disease, shock, fright, mental anguish, psychiatric or psychological disorder, mental injury or loss of consortium;
- (b) false arrest, false or wrongful detention or imprisonment, malicious prosecution or humiliation;
- (c) the publication or utterance of libellous or slanderous comments;
- (d) wrongful eviction or entry or other invasion of privacy; and
- (e) assault or battery not committed by you or at your direction unless for the purpose of preventing or eliminating danger to persons or property.

Property damage

property damage means:

- (a) physical damage to, or loss or destruction of, tangible property including any subsequent loss of use from the damage or destruction;
- (b) loss of use of tangible property, which has not been physically damaged or destroyed, provided the loss of use is as a direct result of an *occurrence*.

Occurrence

occurrence means:

- (a) in relation to definition *personal injury* 1. and *property damage* 1. and 2. any event, including continuous or repeated exposure to substantially the same general conditions, which causes *personal injury* or *property damage* which is neither expected nor intended by you to happen. All *personal injury* and *property damage* arising directly or indirectly from one original source or cause shall be deemed to be the one *occurrence*.
- (b) in relation to definition *personal injury* 2., 3., 4. and 5. any act or series of acts of the same or similar nature, which cause *personal injury* which is neither expected nor intended by you to happen. Any such act or series of acts regardless of their frequency or the number of claimants shall be deemed to be the one *occurrence*.

How much we will pay

We will not pay more than the *sum insured* in relation to any one *occurrence*. However, we will additionally pay legal costs necessarily and reasonably incurred by you and approved by us in the settlement or defence of claims.

Exclusions

We will not indemnify your claims in respect of:

1. Employer's liability

personal injury to any person:

- (a) arising out of, or in the course of, their employment with you;
- (b) employed by you where such claims arise from a liability imposed by the provisions of any workers compensation legislation, an industrial award or agreement or determination.

2. Vehicles

personal injury or *property damage* arising out of the ownership, possession, operation, control, maintenance or use by you of any *vehicle* which is:

- (a) registered, or
- (b) required to be registered by law, or

- (c) wholly or partly insured by you or on your behalf by or under any legislation including any compulsory statutory insurance or accident compensation scheme, or would have been, but for the failure to register the *vehicle* or to apply for cover under the scheme or to comply with a term or condition of the scheme.

Exclusion 2. (c) does not apply to *personal injury* or *property damage* caused by or arising:

- (i) from the delivery or collection of goods to or from any *vehicle* which is beyond the limits of any public road i.e. off a public road;
- (ii) out of the loading or unloading of, or the delivery or collection of, goods to or from any *vehicle* used in work undertaken by you or on your behalf but not in your physical or legal control.

3. Property owned or in your physical or legal control

property damage to property owned by you or in your physical or legal control.

However, this exclusion shall not apply to personal property at the *location*, which has suffered loss or damage arising from an insured event covered under your Building and Common Contents cover *section*. The maximum we will pay is \$10,000 any one *occurrence* and \$20,000 any one *period of insurance* for all *occurrences*.

4. Contractual liabilities

any contract, warranty or agreement requiring you to be liable for *personal injury* or *property damage* regardless of fault except where the liability would have been implied by law in the absence of contract, warranty or agreement.

5. Professional indemnity

any liability arising out of any breach of the duty owed in a professional capacity by you or persons for whose breaches of such duty you may be legally liable.

6. Watercraft and aircraft

any liability caused by or arising directly or indirectly out of or in connection with the ownership, custody, use or operation of any *watercraft*, *aircraft* or aircraft landing strip and all operations necessary and incidental to such craft.

7. Business or profession

the conduct of any business or profession other than the ownership of the *property*.

8. Goods sold

any liability caused by the nature, condition or quality of goods (which includes containers) sold or supplied by you.

9. Building alterations

any liability arising directly or indirectly out of or in connection with the construction, erection, alteration, addition, renovation or demolition of a building by you or on your behalf where the contract value of the work exceeds \$500,000.

10. Vibration / Removal of support

any liability arising directly or indirectly from vibration, removal or the weakening or interference with support to land, buildings or other property.

11. Territorial limits

any actions or claims against you instituted outside the Commonwealth of Australia.

12. Pollution

any liability caused by or arising out of contamination or pollution by the harmful nature of any substance discharged, released or which has escaped into or upon land, the atmosphere or any watercourse or body of water.

13. Asbestos

any liability arising out of asbestos or asbestos products or asbestos contained in any products.

14. Libel or Slander

any liability arising as a result of libel or slander made by you or at your direction with your knowledge of its falsity.

15. Fines and penalties

any liability for fines, penalties, punitive, exemplary, liquidated or aggravated damages of any kind regardless of any other provisions of this policy.

16. Tobacco or tobacco smoke

any liability arising directly or indirectly out of the inhalation or ingestion of, or exposure to tobacco or tobacco smoke or any ingredient or additive present in any articles, items or goods which contain or include tobacco.

17. Information Technology Hazards

any liability caused or contributed by or arising directly or indirectly out of or in connection with any:

- (a) total or partial destruction, distortion, erasure, corruption, alteration, misuse, misinterpretation, misappropriation or other use of *computer equipment*;
- (b) error in creating, amending, entering, directing, deleting, or using *computer equipment*;
- (c) total or partial inability or failure to receive, send, access or use *computer equipment* for any time or at all.

In addition to these Exclusions, please refer to the General Exclusions which are applicable to your policy.

Fidelity Guarantee

What you are insured against

We will pay for the value of *funds* which are lost as a direct result of an *event* that occurs during the *period of insurance*.

Definitions specific to this Cover Section

Funds

funds means money, negotiable instruments, securities or tangible property received by you, or collected on your behalf, which has been or was to be set aside for the financial management of your affairs. *Funds* do not include the personal money, securities or tangible property of *unit owners*.

Event

event includes:

- (a) theft;
- (b) embezzlement;
- (c) misappropriation;
- (d) conversion; and
- (e) fraud.

How much we will pay

We will pay up to the *sum insured* per *event* and in total specified in the in the *schedule of insurance*, during the *period of insurance*.

Exclusions

We will not be liable for any:

1. payment under this policy unless you have previously exhausted your rights and entitlements under any other fidelity bond or fund, whether of a statutory nature or not.
2. further *event* committed after the initial discovery of loss.
3. claims arising out of losses discovered more than 12 months after the expiry of the *period of insurance*.
4. losses arising out of an *event* committed prior to the *period of insurance* commencing.
5. losses arising out of an *event* where you had or ought to have had knowledge of the likelihood of an *event* as a result of prior *events*.
6. losses you are not able to prove to us to our satisfaction.

In addition to these Exclusions, please refer to the General Exclusions which are applicable to your policy.

Personal Accident (Voluntary Workers)

What you are insured against

We will pay compensation to any *voluntary worker* who suffers injury as a result of an accident, occurring during the *period of insurance* and while the *voluntary worker* is working in connection with the *property* and which results in one of the listed insured events within one calendar year of the accident. Injury does not include sickness, disease or mental illness.

Definitions specific to this Cover Section

Voluntary worker

voluntary worker means any *unit owner* or other person working on your behalf in connection with the *property* and at your direction without fee or reward or any expectation of fee or reward.

How much we will pay (capital and weekly benefits)

Subject to the Special Terms and Conditions below, we will pay the following for each insured event:

1. death: \$200,000.
2. total and irrecoverable loss of all sight in both eyes: \$200,000.
3. total and permanent loss of the use of both hands or of both feet or the loss of use of one hand and one foot: \$200,000.
4. permanent quadriplegia, paraplegia or incurable paralysis of all limbs: \$200,000.
5. total and permanent loss of use of one hand or the use of one foot: \$100,000.
6. total and irrecoverable loss of all sight in one eye: \$100,000.
7. (a) total disablement from carrying out the principal duties of their usual profession, business or occupation and not able to work in a similar profession, business or occupation for which the *voluntary worker* is qualified by education, training or experience – in respect of each week of disablement: a weekly benefit of \$2,000.
(b) partial disablement from carrying out all the normal duties of their usual profession, business or occupation – in respect of each week of disablement: a weekly benefit of \$1,000.
8. reasonable and necessary cost of hiring or employing domestic assistance following certification by a qualified medical practitioner that a *voluntary worker* is totally disabled from performing their usual profession, business or occupation or usual household activities – in respect of each week of disablement: a weekly benefit of \$1,000.
9. travel expenses necessarily incurred at the time of sustaining bodily injury and not otherwise recoverable from any other source – limited any one event: \$2,000.
10. reasonable costs of burial or cremation of the *voluntary worker* who dies as a direct result of bodily injury claimed under insured event 1. – limited under any one event: \$5,000.

Special Terms and Conditions

Compensation to each *voluntary worker* injured will be paid on the basis that:

1. if a *voluntary worker* suffers more than one disability, we pay only the higher of the two amounts of compensation shown for the disabilities suffered.
2. if the *voluntary worker* dies as a result of a disability, we will reduce the amount we pay for death by any compensation we have paid for the disability.
3. we pay only if the *voluntary worker* is not entitled to compensation under any workers' compensation insurance, transport accident scheme or other statutory scheme or fund.
4. in the event that total or partial disablement benefits are claimed, the *voluntary worker* can demonstrate that they earned a regular income prior to the accident.
5. after the occurrence of any one of the insured events 2 to 7 there will be no further liability under this *cover section* in respect of the same *voluntary worker* for future injuries.

Compensation to each *voluntary worker* injured will not be paid:

- (a) more than one total or partial disablement benefit in respect of the same accident or *period of insurance*.
- (b) any total or partial disablement benefits in the first week of disablement.
- (c) any total or partial disablement benefits exceeding a maximum of 104 weeks.
- (d) unless the injured *voluntary worker* shall as soon as possible after the accident procure and follow medical advice from a legally qualified medical practitioner.

Exclusions

We shall not be liable for:

1. any claim arising out of or attributable to intentional self-injury or suicide, including injuries suffered as a result of attempted suicide.
2. any claim arising out of or attributable to any pre-existing medical condition, sickness or disease.
3. any claim arising out of or attributable to a *voluntary worker* being under the influence of alcohol or any drug, other than a drug prescribed by a qualified medical practitioner and taken according to instructions.
4. any claim arising out of or attributable to a *voluntary worker's* pregnancy or childbirth notwithstanding that miscarriage or childbirth may have been accelerated or induced by the accident resulting in the bodily injury.
5. any amounts recoverable under a Medicare benefit or payable by any registered health benefits insurer.
6. any fees or charges in relation to the provision in Australia of medical expenses, hospital treatment or ancillary benefits as defined by the Health Insurance Act, 1973 (Cth).

In addition to these Exclusions, please refer to the General Exclusions which are applicable to your policy.

Machinery Breakdown

What you are insured against

We agree to indemnify you as a result of *breakdown* of your *machinery* occurring during the *period of insurance*.

Definitions specific to this Cover Section

Breakdown

breakdown means sudden and unforeseen physical damage which requires immediate repair or replacement to enable normal operation to continue.

Machinery

machinery means:

- (a) lifts, elevators, escalators and inclinators provided they are subject to a current comprehensive maintenance agreement;
- (b) all other electrical machinery, mechanical machinery, boilers and pressure vessels,

listed on the *schedule of insurance*.

Material Defect

material defect means any physical imperfection, which impairs worth or usefulness.

How much we will pay

We will pay up to the *sum insured* for the cost of repairing or, at our option, replacing:

1. *machinery* that is damaged as a result of *breakdown*; and
2. *property* that is damaged, caused by flying fragments from *machinery*, to *property* belonging to you or *property* for which you are responsible.

Provided that the damage to the *machinery* occurs during the *period of insurance*.

Additional Benefits

We will pay the following additional benefits when the *sum insured* is not otherwise expended in respect of any one event.

1. Increased Costs

We will pay the following reasonable expenses following a *breakdown*.

- (a) temporary repairs;
- (b) overtime and express freight;
- (c) hiring of temporary plant.

We will not pay for:

- (i) expenses for overseas specialists or consultants to carry out or supervise repairs;
- (ii) air freight by *aircraft* specifically chartered for the purpose;
- (iii) overtime charges greater than fifty percent (50%) of the cost of carrying out the repairs at ordinary rates;
- (iv) any repairs or replacement of hired or loaned plant.

2. Insulating Oil Refrigerant Cost

We will pay for the cost of liquids or refrigerant gas for air conditioning or refrigeration units following a *breakdown*. We will also pay the cost of insulating oil from transformers or capacitors subject to the *sum insured* for the item(s) not be exhausted.

Special Terms and Conditions

1. This *cover section* only applies after you have fulfilled all relevant provisions for installation and certification of the *machinery* and it must be in sound working order without any *material defects*.
2. Where components or manufacturer's specifications are no longer available because they are obsolete, we may choose to either:
 - (a) pay the costs which would have been incurred if the components or manufacturer's specification had still been available; or
 - (b) pay the actual value of the item immediately before the *breakdown* occurred whichever is the lesser.

Exclusions

We will not pay:

1. damage caused by fair wear and tear. This means the wasting or wearing out of any part of *machinery* due to natural, ordinary use or gradual deterioration including (but not limited to):
 - (a) erosion, corrosion, rust, boiler scale or oxidation, fatigue fractured pipes, damage due to cavitation;
 - (b) tightening of loose components, recalibration or adjustments other than as a result of the *breakdown*;
 - (c) slowly developing deformation, distortion or crack;
 - (d) any crack, blister, flaw or grooving which has not penetrated the entire thickness of the *machinery's* material although repair or replacement may be necessary at some time in the future.

2. damage caused by a deliberate act ordered or carried out by you or by any person acting with your permission, except when it is to avoid or reduce *breakdown* which would otherwise happen.
3. damage caused by theft or any attempted theft.
4. damage caused by testing (involving the imposition of abnormal conditions), intentional overlooking or experiments of any kind unless agreed by us and noted on the *schedule of insurance*.
5. consequential loss of any kind.
6. damage to expendable or consumable parts, such as:
 - (a) seals, gaskets, joints, belts, ropes, wires, chains, links, felts, sieves, fabrics, joinings, packings unless damaged as a result of the *breakdown*;
 - (b) electric heating elements, electric contacts, fuses, filaments, glass, porcelain or ceramic components other than when used as electrical insulation;
 - (c) cutting edges, tyres, rails, wear plates, dies, engraved cylinders, moulds, patterns, exchangeable tools;
 - (d) concrete, brickwork or refractories unless damaged as a result of the *breakdown*.
7. excluded plant, which is:
 - (a) electronic apparatus other than control equipment associated exclusively with and forming part of the *machinery*. This exclusion does not apply if the apparatus is specifically listed on the *schedule of insurance*;
 - (b) lighting equipment, reticulating electrical wiring and sub distribution switchboards, reticulating liquid and gas piping, ducting;
 - (c) storage tanks, vats, vessels containing explosive gases unless required to be registered by a Statutory Authority as a registered pressure vessel;
 - (d) mobile *machinery* unless specifically listed on the *schedule of insurance*;
 - (e) coin/card operated machines.
8. the cost of removing or reinstalling pump units from bores or loss or pumps units within bores, unless listed on the *schedule of insurance*.
9. costs due to the modification or replacement or *machinery* due to any legal requirement relating to the use of refrigerant gases. This exclusion applies regardless of whether a *breakdown* has occurred.
10. damage which is claimable from any manufacturer, supplier, engineer or other person under the provisions of any maintenance or warranty agreement.
11. damage caused by the application of any tool or process in the course of maintenance, inspection, repair, alteration, modification or overhaul.
12. loss of oil, liquid or gas resulting from leakage from glands, seals, gaskets, joints or from corroded, pitted or deteriorated parts.
13. 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.

In addition to these Exclusions, please refer to the General Exclusions which are applicable to your policy.

Office Bearer's Liability

What you are insured against

This *cover section* is issued on a claims-made basis. This means we will indemnify the *officers* against any *claim* for *loss*:

1. made against an *officer* during the *period of insurance* specified in the *schedule of insurance*; and
2. notified to us in writing within 30 days of the *officer* becoming aware of the *claim*, provided this notice is received during the *period of insurance*; and
3. arising out of a *wrongful act*.

If, during the *period of insurance* an *officer* becomes aware of any circumstances which may give rise to a *claim* and gives us written notice of those circumstances during the *period of insurance* we will treat any *claim* arising out of those circumstances at any time as if it were a claim notified to us during the *period of insurance* and within 30 days after the *period of insurance*.

If we do not receive a *claim* within 30 days after the *period of insurance*, we may refuse to pay the *claim* pursuant to section 40(3) of the Insurance Contracts Act 1984.

Definitions specific to this Cover Section

Officer

officer means any natural person who is a past, present or future:

- (a) member of the committee appointed by the *body corporate* to act as an officer or committee member of the in terms of the Strata Titles Act, Strata Schemes Management Act, Community Titles Act, Owners Corporation Act or similar legislation applying in your *property's location*;
- (b) Body Corporate Manager appointed as an agent to be a member of the committee acting on behalf of the *body corporate*, only to the extent that they are acting as an appointed committee member;
- (c) person invited by the *body corporate* committee to assist them in the management of the *body corporate* affairs.

Claim

claim means any writ, summons, application, other originating legal or arbitral proceeding, cross claim or counter claim issued or served upon an *officer* alleging any *wrongful act* or any written or verbal demand alleging any *wrongful act* communicated to an *officer* in any way. *Claims* has a corresponding meaning to *claim*.

Loss

loss means:

- (a) money payable under a judgement ordered by a court of law or as a result of any arbitration, award or settlement negotiated with our consent.
- (b) legal costs awarded against an *officer*.
- (c) costs and expenses an *officer* incurs with our prior written consent in the investigation, defence or settlement of any *claim* or a circumstance that may give rise to a *claim* under this policy. We pay only costs and expenses incurred during the time the *officer* is entitled to cover under this policy.

loss does not mean fines, penalties, punitive, exemplary, liquidated or aggravated damages.

Wrongful act

wrongful act means any actual or alleged error or misstatement, misleading statement, negligent act, error or omission, or breach of duty by an *officer* which leads to a *claim* against the *officer* solely in their capacity as an *officer*.

How much we will pay

The total amount of *loss* we will pay in respect of all *claims* under this *cover section* shall not exceed the *sum insured* during any one *period of insurance* regardless of the number of *claims* made or reported.

Special Terms and Conditions

1. We have the right to negotiate, defend or settle in your or the *officer's* name and on your or the *officer's* behalf any *claim* and will have full discretion in the conduct of any proceedings or in the settlement of any *claim*.
2. Any sum paid by us in the discharge or settlement of any threat or intimation of a *claim* or in relation to any circumstance which might give rise to a *claim*, shall be deemed to be a payment made in the discharge or settlement of a *claim*.
3. The *officer* must give us written notice within 30 days of:
 - (a) any *claim* made against them, and
 - (b) the receipt of any notice from any person of an intention to make a *claim* against them.
4. The *officer* must give all reasonable assistance and cooperate with us in the defence of *claims* at their cost.
5. The *officer* must not admit liability, settle any *claim* or incur any costs without our prior written agreement.

6. The *officer* must use due diligence and act at all times to avoid or diminish any *claim*.
7. Where this policy insures more than one party, the application for insurance is construed as a separate application by each *officer*. When determining whether coverage is available under this policy:
 - (a) any failure by an *officer* to comply with the duty of disclosure shall not be imputed to any other *officer*, where the other *officer* is innocent of and had no prior knowledge of the failure; and
 - (b) for the purposes of the exclusions, no facts pertaining to, conduct of or knowledge possessed by an *officer* shall be imputed to any other *officer*.
12. any action made or threatened or in any way intimidated against an *officer* before the inception of this policy.
13. any circumstances of which an *officer* was aware prior to the inception of this policy that the *officer* (or a reasonable person in the *officer's* position) would reasonably expect might lead to a *claim* being made against an *officer*.
14. any *claims*, facts or circumstances notified to an insurer under any previous policy.
15. any *claim* or circumstances first notified to us after expiry of this policy.
16. any matter disclosed in arranging this insurance.
17. any *claim* for failure to correctly purchase, retain in force or selection of correct policy limits in respect of insurance.

Exclusions

We will not be liable to make any payment for any *loss* in relation to:

1. an *officer* gaining or having gained any personal profit or advantage to which they are not legally entitled or for which they may be held accountable to you or another *unit owner*.
2. money or gratuity given to an *officer* without your authority if that authority is required under any statute, or any by-law of your organisation.
3. any *loss* for which an *officer* is entitled to reimbursement by you.
4. death, bodily injury, sickness or disease of any person, or damage to, or loss of use of, any tangible property.
5. liability for fines, penalties, punitive, exemplary, liquidated or aggravated damages of any kind regardless of any other provisions of this policy.
6. any conflict of duty and interest.
7. an intentional exercise of the powers conferred on the *officer* for a purpose other than the purpose for which those powers were conferred.
8. liability arising as a result of libel or slander made by you or your *officer* or at your direction with your knowledge of its falsity relating to advertising, broadcasting or publishing activities.
9. any action against the *officer* instituted outside the Commonwealth of Australia.
10. dishonest, fraudulent or criminal activity or malicious act or omission by an *officer*.
11. any warranty or guarantee given by an *officer*.

In addition to these Exclusions, please refer to the General Exclusions which are applicable to your policy.

Body Corporate Entity Liability

What you are insured against

This *cover section* is issued on a claims-made basis. This means we will indemnify the *body corporate* against any claim for legal defence costs and taxations audited costs:

1. made against the *body corporate* during the *period of insurance* specified in the *schedule of insurance*; and
2. notified to us in writing within 30 days of the *body corporate* becoming aware of the matter.

If, during the *period of insurance* the *body corporate* becomes aware of any circumstances which may give rise to a claim under this *cover section* and gives us written notice of those circumstances during the *period of insurance* we will treat any claim arising out of those circumstances at any time as if it were a claim notified to us during the *period of insurance* and within 30 days after the *period of insurance*.

If we do not receive a *claim* within 30 days after the *period of insurance*, we may refuse to pay the *claim* pursuant to section 40(3) of the Insurance Contracts Act 1984.

How much we will pay

The total amount we will pay in respect of all claims under this *cover section* shall not exceed the *sum insured* during any one *period of insurance* regardless of the number of claims made or reported.

Benefits of cover

1. Legal defence costs

We will pay or reimburse the *body corporate* for reasonable legal fees, costs, and expenses which you incur in legal proceedings (including appeals) initiated against the *body corporate* by a third party (and defended by you) but only where the proceedings are commenced in Australia during the *period of insurance*.

2. Taxation audit costs

We will cover the reasonable and necessary costs you incur following notification received during the *period of insurance* of an audit or investigation by a federal or state Commissioner of Taxation relating to the *body corporate* liability to pay income tax, fringe benefits tax, capital gains tax, wholesale and sales tax, payroll tax, goods and services tax or superannuation contributions tax in respect of your management of the *body corporate*.

'Costs' means professional fees paid to accountants or registered tax agents who are not your employees, for work undertaken in connection with the audit or investigation.

Special Terms and Conditions

1. We have the right to negotiate, defend or settle in the *body corporate's* name and your behalf any claim and will have full discretion in the conduct of any proceedings or in the settlement of any claim.
2. Any sum paid by us in the discharge or settlement of any threat or intimation of a claim or in relation to any circumstance which might give rise to a claim, shall be deemed to be a payment made in the discharge or settlement of a claim.
4. The *body corporate* and any appointed officer must give all reasonable assistance and cooperate with us in the defence of any claim.
5. The *body corporate* and any appointed officer must not admit liability, settle any claim or incur any costs without our prior written agreement.
6. The *body corporate* and any appointed officer must use due diligence and act at all times to avoid or diminish any claim.
7. The *body corporate* must lodge taxation and other returns within the time limits applicable to those returns as prescribed by statute or through extension of time granted by a Commissioner of Taxation.
8. The *body corporate* must make full and complete disclosure of all assessable income (including capital gains), as required by any relevant legislation.
9. In the event of a claim arising:
 - (a) the *body corporate* and any appointed officer must at all times keep us fully and continually informed of all material developments in relation to the claim and in relation to any audit;
 - (b) the *body corporate* and any appointed officer must take all necessary and reasonable steps to minimise any delays and the amount of any costs incurred or likely to be incurred in connection with any audit; and
 - (c) we or our duly appointed agent may make our own investigation into any matter which is or may be the subject of a claim.
10. The *body corporate* and any appointed officer must ensure that your accountants, registered tax agent and/or solicitor must cooperate with us and where necessary, assist us in relation to any claim and assist us with any matter we wish to pursue with the Commissioner of Taxation which is or may be the subject of a claim.

Exclusions

1. Notwithstanding benefit of cover 1. 'Legal defence costs' we will not pay or reimburse you for any legal fees, and/or costs and/or expenses arising out of or in connection with proceedings for or in connection with claims:
 - (a) for or relating to fines, penalties, punitive damages;
 - (b) from any *unit owner* including the *unit owner's* residing family members;
 - (c) from any of your managing agents or real estate agents in managing your affairs;
 - (d) for or relating to dishonesty, deliberate and/or intentional violence, or misconduct;
 - (e) for or relating to defamation or slander;
 - (f) relating to facts or events, occurring prior to the commencement of this policy which you knew or ought to have known at the time of commencement of this policy, would, or might, give rise to a claim;
 - (g) for *vehicle, watercraft or aircraft* offences;
 - (h) initiated, threatened or commenced prior to the commencement of this policy;
 - (i) under or relating to any workers compensation legislation, industrial award or agreement, or statutory accident compensation scheme or compulsory third party insurance; or
 - (j) which are covered under the Legal Liability cover *section* of this policy.
2. Notwithstanding benefit of cover 2. 'Taxation audit costs' we shall not be liable under this benefit:
 - (a) for the imposition of any tax, fines, penalties, court costs, penalty tax or interest;
 - (b) for costs incurred after completion of the audit or investigation;
 - (c) where any proceedings were initiated, threatened or started prior to the commencement of the *period of insurance*;
 - (d) arising from your improper, unwarranted or unjustified refusal or failure to comply with any lawful request made by a state or federal Commissioner of Taxation for the production of documents or the supply of information. Refusal or failure to comply will not be deemed improper, unwarranted or unjustified if you refuse or fail to comply upon the advice of your accountant or tax agent;
 - (e) for costs from audits or investigations under customs legislation;
 - (f) for costs from audits or investigations of income received or earned, or where the source of income is outside Australia or where the services giving rise to the claim are performed by persons or entities who ordinarily reside outside Australia;
 - (g) arising out of any fraud or fraudulent act or omission committed by you or on your behalf; or
 - (h) arising from audits or investigations which result in you, or any person acting on your behalf, becoming aware of any error or deficiency in any return of income or other documentation supplied to a state or federal Commissioner of Taxation and failing to notify the Commissioner of Taxation without delay.

This page has been left blank intentionally

This page has been left blank intentionally

Zurich Australian Insurance Limited
ABN 13 000 296 640, AFS Licence No: 232507
Head Office: 5 Blue Street, North Sydney NSW 2060

Client Enquiries
Telephone: 132 687
www.zurich.com.au

