



**Landlord Residential  
Building Insurance Policy**  
Product Disclosure Statement  
and Policy Wording

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Australia's Leading Landlord Insurance Specialist  
[terriscbeer.com.au](http://terriscbeer.com.au)



# Product Disclosure Statement and Policy Wording (PDS)

The purpose of this Product Disclosure Statement and Policy Wording (PDS) is to help you understand the insurance policy and provide you with sufficient information to enable you to compare and make an informed decision about it.

This PDS is in two parts:

- Part 1: Important Information. This part includes important information about your rights and responsibilities, the General Insurance Code of Practice and how you may contact us if you have a complaint.
- Part 2: Policy Wording. This part contains the terms, conditions, limits and definitions of your insurance.

## Updating information

The information in this PDS was current at the date of preparation.

We may update some of the information in the PDS that is not materially adverse from time to time without needing to notify you. You can obtain a copy of any updated information by contacting us. We will give you a free paper copy of any updates if you request them.

In some circumstances this PDS may be amended by a Supplementary Product Disclosure Statement.

## Part 1: Important Information

It is important that you:

- ◆ Read all of this PDS before you buy the insurance to make sure it gives you the protection you need; and
- ◆ Are aware of the limits on the cover provided, the amounts we will pay you and any excess that applies.

**This insurance is only available to landlords of residential rental properties. These properties can be self-managed or managed by a licensed real estate agent, on-site property manager or, in the case of holiday let properties, a letting agent.**

### About Terri Scheer

Terri Scheer Insurance Pty Ltd was established in 1995 to specialise in providing landlord insurance for owners of professionally managed residential rental properties.

The founder, Terri Scheer, designed landlord insurance in 1990.

Terri Scheer Insurance Pty Ltd provides training for licensed real estate agents and on-site property managers in the area of general insurance and claims handling, to ensure the best possible results for landlords.

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## Insurer

AAI Limited ABN 48 005 297 807, AFS Licence No. 230859 trading as Vero Insurance is the insurer and issuer of the insurance policy and is the issuer of this PDS. References to 'us', 'we', 'Vero' and 'our' in this policy are to the insurer.

In arranging this insurance policy, Terri Scheer Insurance Pty Ltd ABN 76 070 874 798, AFS Licence No. 218585 will be acting under authority given to them by Vero. They will be acting as agents of Vero, not as your agent.

## How you contact us

You may contact Vero by calling:

- ◆ 1300 794 133

or alternatively by writing to us at:

- ◆ Vero Insurance  
GPO Box 1619  
Adelaide SA 5001

## Communicating with you electronically

We may agree to send your policy documents and policy related communications electronically. This will be by email and/or other types of electronic communication methods. Policy documents and policy communications will be provided to you in this way until you tell us otherwise or we tell you it is no longer suitable. If we agree to communicate with you electronically, you will need to provide us with your current email address and your Australian mobile phone number.

Each electronic communication will be deemed to be received by you at the time it leaves our information system.

## Type of tenancy

This policy is designed to provide cover for landlords of residential rental properties which are used as:

- ◆ Permanent tenancies; or
- ◆ Holiday let properties.

For an additional premium, this policy can provide cover should you elect to use your property as a holiday let property.

## About your premium

The premium is the amount we charge you for this insurance. It includes the amount which we have calculated will cover the risk, as well as any applicable stamp duty, goods and services tax (GST), charge and levy – all of which will be shown on your policy schedule.

Your premium includes any discounts we have given you.

You can pay your premium in one annual payment by cheque, MasterCard, Visa or BPay.

## More details

For further details about the way we calculate your premium and for information about the discounts you may be eligible for, please refer to our Premium, Excesses, Discounts & Claim Payments Guide available at [terriscbeer.com.au](http://terriscbeer.com.au).

A copy of this guide can be provided to you on request at no charge, if you contact us on 1800 804 016.

## How to make a claim

As soon as possible after the event that causes loss, damage or legal liability, you must follow the steps set out in 'Making a claim' on page 34 of the policy wording.

**Contact Terri Scheer Insurance on 1800 804 016, who will advise you of the claims process and assist you through the next steps.**

## The amount you pay towards a claim

An excess is the amount you are required to pay in the event of a claim. The types of excess are described in the policy wording on page 38 and the amounts are shown on your policy schedule.

Depending on the circumstances, you might have to pay more than one type of excess when you make a claim. You must pay the excess in full (if we ask for it) before we pay the claim.

We will decide whether you pay the excess to us or to a repairer or supplier. We may also choose to deduct the excess from the amount we pay you or from the amounts we must legally pay another person.

## How a claim payment is calculated

When we pay a claim we consider a number of aspects in calculating the amount. These can include the:

- ◆ Amount of loss or damage or liability;
- ◆ Excess;
- ◆ Sum insured;
- ◆ Limit for the insured event; and
- ◆ Terms and conditions of the policy.

## How and when benefits are provided

Benefits are provided following the submission of a claim. After considering the factors in 'How a claim payment is calculated', we will either:

- ◆ Pay for repair or replacement of your building; or
- ◆ Pay the person to whom you are legally liable; or
- ◆ Pay you.

## The policy does not cover certain things

The policy provides cover for loss, damage or liability caused by specific insured events and under certain circumstances. This means that not all losses are claimable as there are some things we do not cover. The specific insured events we cover and what we don't cover, along with the terms and conditions of cover and general exclusions, can be found in the policy wording.

## More than one named insured

If there is more than one named insured on your policy schedule, we will treat a statement, act, omission, claim or request (including to alter or cancel your policy) made by one as coming from all those named as insured on your policy schedule.

## The General Insurance Code of Practice

We support the General Insurance Code of Practice.

You can get a copy of the code from the Insurance Council of Australia website ([www.insurancecouncil.com.au](http://www.insurancecouncil.com.au)) or by phoning (02) 9253 5100.

## Some words and terms in your policy have special meanings

Some words and terms used in this PDS have special meanings. Most of the words and terms with special meanings are set out in the 'Defined terms' section of the policy wording on pages 51 to 56.

## How we will deal with a complaint

If you are not satisfied with our products or services or a decision made in relation to your insurance, please let us know so that we can help. It is important to follow the complaint handling process in order to resolve your complaint effectively and efficiently.

### Step 1. Let us know

If you would like to make a complaint, please let us know by contacting the relevant department as they may be able to resolve the complaint for you. If not, the staff member will refer you to a Manager or their delegate and they will attempt to resolve the complaint. A response is usually provided to you within 5 business days. You can contact us:

- ◆ **By phone:** 1800 804 016
- ◆ **By email:** [customerservice@terriscbeer.com.au](mailto:customerservice@terriscbeer.com.au)
- ◆ **In writing:** GPO Box 1619,  
Adelaide, South Australia 5001

### Step 2. Review by our Customer Relations Team

If you are not satisfied with the outcome of the business review you can request the complaint be referred to the Customer Relations Team for review or you can contact them directly:

- ◆ **By phone:** 1300 264 783
- ◆ **By email:** [idr@terriscbeer.com.au](mailto:idr@terriscbeer.com.au)
- ◆ **In writing:** Customer Relations,  
Terri Scheer Insurance Ltd,  
PO Box 14180,  
Melbourne City Mail Centre VIC 8001

If we require additional information we will contact you to discuss. Customer Relations will usually contact you with a decision within 15 business days of receiving your complaint.

### Step 3. Seek review by an external service

We expect our procedures will deal fairly and promptly with your complaint. However, if you remain dissatisfied, you may be able to access the services of the Financial Ombudsman Service (FOS) Australia. The FOS is an independent external dispute scheme and their service is free to you. Any decision the FOS makes is binding on us, provided you also accept the decision. You do not have to accept their decision and you have the option of seeking remedies elsewhere.

The FOS is available to customers who fall within their terms of reference. The FOS will advise if they can help you.

You can contact FOS:

- ◆ **By phone:**     **1800 367 287 (free call)**
- ◆ **By fax:**       **(03) 9613 6399**
- ◆ **By email:**     **info@fos.org.au**
- ◆ **In writing:**    **Financial Ombudsman  
Service Limited,  
GPO Box 3, Melbourne VIC 3001**
- ◆ **By visiting:**   **www.fos.org.au**

### **Cooling off**

You have the right to cancel and return this insurance within 30 days of the date it was issued to you ('cooling off period'), unless you make a claim under your policy within the cooling off period. If you cancel during the cooling off period, we will return the amount you have paid for the period of insurance but you will have no cover from when your policy would have otherwise begun or from your renewal date.

To cancel at other times, please see 'Cancelling your policy' on page 45 of the policy wording.

## Part 2: Policy Wording

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## Our agreement with you

Your policy consists of this PDS and the policy schedule we give you.

The policy is a legal contract between you and us:

- ◆ You agree to pay us the premium; and
- ◆ We will provide you with the cover you have chosen as set out in the policy for the period of insurance shown on your policy schedule.

## Information you need to tell us

### Changing your policy

If you want to make a change to this policy, the change becomes effective when we agree to it, and when we give you a new policy schedule showing the revised details of the insurance. Any new policy schedule we give you will be in writing.

### Change of circumstances during the period of insurance

You must tell us as soon as possible:

- ◆ If your personal details change, including your name, mailing or insured address;
- ◆ If you receive documents electronically, when your email address or mobile telephone number changes;
- ◆ If there is any significant change in condition or change in use of the property. For example, a change from a permanent tenancy to a holiday let property must be notified;
- ◆ Of any changes that increase the risk of a claim being made under this insurance, such as that you are having major renovations undertaken or the property falls into a state of disrepair;
- ◆ If you transfer the management of your property from one licensed real estate agency to another licensed real estate agency;
- ◆ If the management of your property changes from being self-managed to being managed by a real estate agent, on-site manager or letting agent, or vice versa;
- ◆ If the building becomes unoccupied for 90 days or more.

# Section 1: Building

## What is your building?

Your building means the property owned by you at the insured address shown on your policy schedule, used principally and primarily by tenants as a place of residence, and includes:

- ◆ Domestic fixtures and fittings i.e. built-in air conditioners and heaters, plumbed-in dishwashers, garbage disposal systems, cooktops, built-in cabinetry, doors, walls, windows (and glass), shutters, tapware, hot water systems and shower screens;
- ◆ Structural domestic improvements such as paths, driveways, garden borders, your proportion of fencing, gates, retaining walls, in-ground swimming pools and spas (including attachments which fit into their filter systems);
- ◆ External awnings, shade sails, pergolas, fixed rainwater tanks, solar panels and their fixed accessories (e.g. inverters), TV antennae, satellite dishes and letter boxes;
- ◆ Fixed floor coverings such as linoleum, floor tiles and parquetry (but not carpets or floating floorboards);
- ◆ Fixed light fittings which are hardwired to the building;
- ◆ Tennis courts; and
- ◆ Underground services such as plumbing, sewerage, water and electrical which are located on your property.

## Your building is not

Your building does not include:

- ✗ Common property;
- ✗ Carpets, carpet underlay or floating floorboards;
- ✗ Plants, hedges, trees or shrubs;
- ✗ Grass, bark (mulch), lawn or artificial turf;
- ✗ Loose or compacted soil, sand, gravel, pebbles, stones, shale, granular rubber (e.g. gravel driveways or sand on tennis courts);

- X Above-ground swimming pools;
- X Any jetty or other marine structure;
- X Caravans, trailers or vehicles of any kind, or vehicle stackers.

## We do not insure you if your building is:

- X Used as a hotel, motel, or nursing home; or
- X A boarding house (unless the property is a holiday let property being used as a bed and breakfast); or
- X A houseboat or caravan (whether fixed to the site or not); or
- X A flat or unit or part of a block of flats or strata titled units (but we will cover you if all dwellings on the same title are owned by you and are insured under this policy); or
- X Used for business or trade, except for dwellings used principally and primarily as a place of residence that also contains an office; or
- X In the course of construction; or
- X In the course of being demolished, or is vacant pending demolition; or
- X A temporary building.

## What we do and do not cover (building) – insured events

If any of the insured events listed in this Section 1 occur during the period of insurance, we will pay for resulting loss or damage to your building on the basis set out under the heading 'Basis on which claims are paid' on page 23, subject to the limits, conditions and exclusions applicable to the insured event and this section and the 'General terms and conditions' on page 42 and 'General exclusions' on page 46 applying to this policy together with the requirements outlined under the heading 'Making a claim' on page 34.

## Accidental glass breakage

### ✓ We cover

Accidental breakage of:

- ◆ Fixed glass in windows, oven doors and cooktops;
- ◆ Fixed basins;
- ◆ Baths;
- ◆ Shower bases;
- ◆ Lavatory pans or cisterns.

### ✗ We do not cover

- ◆ Glass that was damaged or that had imperfections before the breakage; or
- ◆ Glass that is only chipped or scratched;
- ◆ Breakage which arises from any imperfections in the glass.

## Accidental loss or damage

### ✓ We cover

Accidental loss or damage, which is caused by you or your family or your non-paying guests.

### ✗ We do not cover

- ◆ Loss or damage covered by another insured event in this Section 1;
- ◆ Tenant damage under this insured event;
- ◆ Break-in, vandalism or theft under this insured event;
- ◆ Scratching, denting or chipping;
- ◆ Damage caused over a period of time;
- ◆ If the property is permanently occupied by you, your family or your non-paying guests;
- ◆ Neglect, wear and tear.

## Break-in, vandalism or theft

### ✓ We cover

Loss or damage caused by break-in, vandalism or theft by unknown persons.

### ✗ We do not cover

- ◆ Accidental loss or damage under this insured event;
- ◆ Scratching, denting or chipping;
- ◆ Damage caused over a period of time; or
- ◆ Neglect, wear and tear.

## Earthquake or tsunami

### ✓ We cover

Loss or damage caused by earthquake or tsunami.

### ✗ We do not cover

- ◆ Loss or damage caused by actions or movements of the sea; Note: 'tsunami' is not an action or movement of the sea.
- ◆ Loss or damage that occurs more than 72 hours after the earthquake or tsunami;
- ◆ Loss or damage caused by erosion, vibration, subsidence, landslip, landslide, mudslide, collapse, shrinkage or any other earth movement, but we will cover loss or damage caused by a landslide or subsidence proved to have occurred within 72 hours of, and directly because of, an earthquake or tsunami and not because of erosion over time, structural fault or design fault.

## Electric motor burnout

### ✓ We cover

Up to \$2,000 for the cost to repair or replace any motor in a household electrical machine or appliance, but only if:

- ◆ The electrical machine or appliance forms part of your building; and
- ◆ The motor is burnt out by electric current; and
- ◆ The motor is burnt out at the property.

However, you must contribute towards the cost of replacement parts where the age of the motor is more than 5 years. This contribution for depreciation will be 7% of the cost of the replacement parts for each complete year of age from when the motor was new.

For example: If the motor is 6 years old, we will depreciate it by 42% (6 years x 7%), meaning that if the cost of replacement parts is \$1,000, we will deduct \$420 for depreciation.

### ✗ We do not cover

- ◆ Costs to replace fuses or protective devices, contact switches or relays, lighting or heating elements, starter switches, other parts where sparking or arcing occurs during their ordinary use;
- ◆ Damage to mechanical parts of any description;
- ◆ The hiring of a replacement appliance or machine;
- ◆ Any electrical appliance or component which is not an electric motor;
- ◆ Mechanical parts which do not carry an electric current such as a pump;
- ◆ Loss of or damage to computer software or data stored on a computer;
- ◆ Lighting or heating elements, fuses or switches of any kind;
- ◆ Damage to swimming pools, spas or their water as a result of motor burnout;
- ◆ Any amount recoverable under a manufacturer's guarantee or warranty.

## Escape of liquid

### ✓ We cover

Loss or damage caused by the accidental escape of liquid from:

- ◆ Rainwater pipes, roof guttering and drains;
- ◆ Water mains or pipes;
- ◆ Water tanks, aquariums and hot water systems;
- ◆ Gutters;
- ◆ Washing machines, dishwashers, refrigerators or freezers;
- ◆ Other parts of the building designed to contain or carry liquid such as sinks, basins, baths, showers and cisterns.

### ✗ We do not cover

- ◆ Loss or damage caused by the gradual escape of liquid over a period of time;
- ◆ Loss or damage caused by the porous condition of any tiles, grout or sealant;
- ◆ Loss or damage due to a leaking shower base which has not been fitted with a tray or water-proof membrane;
- ◆ Loss or damage due to leaking shower walls;
- ◆ The cost to locate or repair the defective part or item that causes the loss or damage. Please refer to 'Benefits in addition to your sum insured', section 'd) Location costs - Escape of liquid' on page 22 for more details.

## Fire or explosion

### ✓ We cover

Loss or damage caused by a fire or explosion.

### ✗ We do not cover

Smoke damage caused by smoking of cigarettes, pipes, cigars, vapes or any drug use.

## Flood

### ✓ We cover

Loss or damage caused by flood.

### ✗ We do not cover

- ◆ Loss or damage caused by actions or movements of the sea (e.g. storm surge, high tides etc);
- ◆ Loss or damage caused by erosion, vibration, subsidence, landslip, landslide, mudslide, collapse, shrinkage or any other earth movement, but we will cover damage caused by a landslide or subsidence that is proved to have occurred within 72 hours of, and directly because of, flood and not because of erosion over time, structural fault or design fault;
- ◆ Loss or damage to retaining walls, garden borders and free standing walls;
- ◆ Loss or damage to gates, fences or wall fences, that were in a state of disrepair which would have been obvious to a reasonable person before the damage occurred;
- ◆ Any resultant cracking to paths, driveways, or any outdoor surfaces, but we will cover them if they are washed away by flood;
- ◆ Loss or damage to a sporting surface or court;
- ◆ Loss or damage to any wharf, jetty, pontoon or sea wall;
- ◆ Loss or damage to swimming pool or spa liners or covers;
- ◆ The cost of cleaning mud or clearing debris out of tanks, swimming pools or spas, including replacing or storing the water;
- ◆ Loss or damage to swimming pools and their parts or underground tanks caused by water running down the sides, against the sides or getting underneath them;
- ◆ Loss or damage to paintwork of your building if that is the only building damage caused by the flood;
- ◆ The cost of cleaning your building.

## Impact

### ✓ We cover

Loss or damage caused by impact at the insured address shown on your policy schedule from:

- ◆ Motor vehicles or watercraft;
- ◆ Aircraft, space debris or satellites;
- ◆ Falling trees or branches;
- ◆ TV antennae, satellite dishes or radio masts.

### ✗ We do not cover

- ◆ Loss or damage caused by tree lopping or felling carried out by you or at your request;
- ◆ The cost of removing the fallen trees or branches unless it is required to allow repairs to be carried out.

## Lightning

### ✓ We cover

Loss or damage caused by lightning, including power surge caused by lightning.

### ✗ We do not cover

- ◆ Any claim where the Australian Government Bureau of Meteorology has no record of lightning in your area at the time of the loss or damage;
- ◆ Loss or damage without written confirmation from a qualified repairer saying that lightning was the actual cause of the loss or damage;
- ◆ Loss or damage caused by power failure or surges by your power provider.

## Oil leakage

### ✓ We cover

Loss or damage caused by oil leakage from any heater.

## Riot or civil commotion

### ✓ We cover

Loss or damage caused by riot or civil commotion.

## Storm or rainwater

### ✓ We cover

Loss or damage caused by storm or rainwater.

### ✗ We do not cover

- ◆ Loss or damage caused by flood under this insured event;
- ◆ Loss or damage caused by actions or movements of the sea;
- ◆ Loss or damage caused by wind, rainwater, hail or snow penetrating into your building as a result of:
  - Faulty design of your building or faulty workmanship in its construction;
  - Structural alterations, additions, renovations or repairs.
- ◆ Loss or damage caused by erosion, vibration, subsidence, landslip, landslide, mudslide, collapse, shrinkage, or any other earth movement, but we will cover damage caused by a landslide or subsidence that is proved to have occurred within 72 hours of, and directly because of, a storm and not because of erosion over time, structural fault or design fault;
- ◆ Loss or damage due to rust, corrosion, wear, tear or gradual deterioration;
- ◆ The cost of cleaning mud or clearing debris out of tanks, swimming pools or spas, including replacing or storing the water;
- ◆ Loss or damage to swimming pool or spa covers or liners;
- ◆ Loss or damage resulting from your failure, or failure by your property manager, to maintain the property in a good state of repair or to fix damage or deterioration;
- ◆ Loss or damage due to a defect that you, or your property manager, were aware of or should reasonably have been aware of;
- ◆ Loss or damage to retaining walls, free standing walls;
- ◆ Loss or damage to gates, fences or wall fences that would be considered by a reasonable person to be in an obvious state of disrepair before the loss or damage occurred.

## Tenant damage

### ✓ We cover

Loss or damage caused by the tenant, the tenant's family or the tenant's invited guests, including theft by the tenant, the tenant's family or the tenant's invited guests.

### ✗ We do not cover

- ◆ Poor housekeeping or tenant neglect;
- ◆ Removing abandoned items or rubbish;
- ◆ Damage caused by domestic pets under this insured event;
- ◆ Scratching, denting or chipping;
- ◆ Damage caused over a period of time;
- ◆ Wear and tear.

Refer to our **Premium, Excesses, Discounts & Claim Payments Guide** for claims examples.

## Benefits within your sum insured

The following additional benefits are payable provided that your building sum insured is not exhausted. For any additional benefits to be payable you must suffer or incur the relevant loss or damage to your building during the period of insurance.

### Benefit

#### a) Fees

If we agree to pay a claim under this Section 1 for loss or damage to your building, we will pay the reasonable fees which we have approved and which are incurred directly in relation to repair or replacement of your building.

#### b) Removal of debris

If your building is damaged and we agree to pay a claim under this Section 1, then we will pay the reasonable and necessary costs of demolition and removal of debris from the site to the nearest authorised facility.

If the damage for which we agree to pay a claim is caused by a fallen tree, which as a result becomes debris, we will also pay to remove the tree from the site.

We will pay to remove a standing tree or branch that formed part of the tree that caused the insured damage only if:

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

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

- ◆ Not removing the stump would interfere with repairing or replacing the damaged part of the building required to settle your claim.

#### c) Extra costs of re-instatement

If your building is damaged and we agree to pay a claim under this Section 1, we will pay the extra costs necessary to meet the requirements of any statutory authority in connection with rebuilding or repairing the building at the site.

If only part of your building is damaged, we will pay only the extra costs you incur in repairing that part.

We do not pay any extra costs which resulted from any notice which a statutory authority served on you before your building suffered loss or damage.

**Benefit****d) Replacement of locks and keys**

We pay up to \$1,000 to replace or alter locks and/or keys if the:

- ◆ Locks to your building are damaged; or
- ◆ Keys to your building are lost, damaged or stolen from anywhere in Australia, provided such loss, damage or theft was not connected with the tenant, the tenant's family or tenant's invited guests or anyone living in your building.

**e) Home rebuilt at another address**

If your building is replaced as a result of loss or damage insured by this policy, you may request rebuilding to changed specifications at the insured address shown on your policy schedule or another address you choose, but we do not cover:

- ✗ Any amount in excess of the amount we would pay if the change of address or specifications had not occurred.

**f) Emergency Service damage**

If we agree to pay a claim under this Section 1, we will also pay for any damage caused to your building as a result of Emergency Service Personnel entering your property. Cover for 'Emergency Service damage' is limited to \$1,000 per claim.

## Benefits in addition to your sum insured

If we accept your claim for loss or damage to your building due to an insured event during the period of insurance, we will also provide the following additional benefits. The following benefits and limits are paid in addition to your sum insured.

### Benefit

#### a) Automatic reinstatement of sum insured

This benefit applies to the building sum insured for your building as shown on the policy schedule.

Following payment of a claim other than a claim for total loss the building sum insured will be reinstated.

#### b) Inflation adjustment

During each period of insurance we increase the building sum insured shown on the policy schedule by 0.25% each month, until the next renewal date.

#### c) Legal costs

If we agree to pay a total loss claim under this Section 1 for loss of or damage to your building, we will pay the reasonable legal costs incurred in discharging any mortgage over your building.

#### d) Location costs – Escape of liquid

If we have agreed to pay a claim caused by the insured event for 'Escape of liquid' under this Section 1, we will also pay the reasonable costs of locating the source of the leak, and of reinstating the parts of your building damaged as a result of this work.

We do not pay for repair or replacement of the item from which the liquid escaped.

## Basis on which claims are paid

### Limit of amount payable

The maximum amount we will pay under this 'Section 1: Building', during any one period of insurance (excluding any amounts paid for 'Benefits in addition to your sum insured' see page 22 for details) is the building sum insured shown on the policy schedule.

### How we calculate what we will pay

After considering the terms, conditions, limits and exclusions of the policy we will determine the amount of loss or damage that is covered.

This will be reduced by:

- ◆ Any available bond money from the tenant\*; then
- ◆ Any applicable excess(es)\*\*.

We will then apply the limit for the insured event (if applicable) to your claim and pay you the remaining amount. We will not pay more than the sum insured shown on your policy schedule.

\*Refer to 'Bond monies – Permanent tenancies' on page 43 and 'Bond monies – Holiday let properties' on page 43 in the 'General terms and conditions' section of this policy wording for how bond money is applied to your claim.

\*\*Refer to 'Making a claim' on page 34 for details of the types of excesses and how they are applied.

### Repairing and replacing your building

When an insured event causes loss or damage to your building during the period of insurance, and we accept your claim, we will decide which of the following actions we will take.

- ◆ Repair  
If we establish your building can be repaired, then we will repair it using new materials.
- ◆ Replace  
If we establish that your building needs to be replaced, then we will replace it using new materials.

- ◆ Pay you the amount to repair or replace  
If we decide to pay the cost of repairing or replacing your building then we will pay the lesser of the building sum insured or the amount it would cost us at the time of the loss or damage to:
  - Replace your building; or
  - Repair your building (if repairs are possible).
- ◆ When you do not want to replace or repair your building  
If you do not want us to replace or repair your building you may request a cash settlement and, if we agree, we will pay you the lesser of:
  - The 'indemnity value' of the building;
  - The building sum insured; or
  - The repair cost (if repairs are possible).

'Indemnity value' for the purposes of this section means the replacement cost, less an allowance for the age, wear and tear and depreciation of your building at the time of the loss or damage.

If you cause unreasonable delays in commencing or carrying out the rebuilding work, you must pay any extra costs that result from your delay.

### **Matching building materials**

When we repair your building we will try to return it to the same condition as when new, or when last renovated, by making reasonable endeavours to match existing building materials.

Where we have agreed to repair your building and materials are required that are not commercially available in Australia, then at our option we will:

- ◆ Replace the damaged or lost materials with the nearest equivalent or similar new materials commercially available in Australia; or
- ◆ Pay the cost to replace the damaged or lost materials with the nearest equivalent or similar new materials commercially available in Australia,

but only in the room where the loss or damage occurred.

If only a part of your building is damaged and we agree to pay your claim, we will only pay the cost for the replacement part or parts of the building that actually sustained damage. We do not pay the cost to replace undamaged materials.

However, if:

- ◆ It is not possible to acquire new materials that reasonably matches the undamaged materials; and
- ◆ The amount of damaged materials that cannot be matched to the undamaged materials is more than 40% of the total materials required if all the damaged and undamaged materials were replaced,

then we will replace both the damaged and undamaged materials but only in the room where the damage occurred.

### **Example 1**

There are 300 matching white wall tiles in the bathroom. As a result of a burst pipe, 8 bathroom wall tiles are damaged and we agree to pay the claim. In this example we would pay only the reasonable cost to repair or replace the 8 damaged tiles to a condition substantially the same as when new. If it is not possible to locate matching tiles we would still pay only the reasonable cost to replace the 8 damaged tiles.

### **Example 2**

There are 300 superseded, matching wall tiles in the bathroom. As a result of a burst pipe, 140 wall tiles are damaged and we agree to pay the claim. It is not possible to locate tiles that reasonably match the remaining 160 tiles. Over 40% of the matching wall tiles have been damaged, therefore we would pay the reasonable cost to replace all 300 tiles (140 damaged and 160 undamaged) to a condition substantially the same as when new. We would be entitled to keep the 140 damaged and 160 undamaged wall tiles by way of salvage. We would not pay the cost to replace any tiles located in a room other than where the loss or damage occurred.

### **Salvage**

If we replace or compensate you for an item, we then own the damaged or recovered item. If we agree you can keep an item we will determine the salvage value and we can deduct this amount from any payment we make to you.

**Refer to our Premium, Excesses, Discounts & Claim Payments Guide for more claims examples.**

## Section 2: Loss of rent

### What we cover

If any of the insured events listed in this Section 2 occur during the period of insurance, we will pay your resulting loss of rent on the basis set out under the heading 'Basis on which claims are paid' on page 30, subject to the limits, conditions and exclusions applicable to the insured event and this section and the 'General terms and conditions' on page 42 and 'General exclusions' on page 46 applying to this policy together with the requirements outlined under the heading 'Making a claim' on page 34.

### Untenantable – Permanent tenancies

#### ✓ We cover

Loss of rent if your property becomes untenantable for a minimum period of 7 days due to damage to your building caused by an insured event listed in 'Section 1: Building' (except for 'Tenant damage') and we have accepted your claim under 'Section 1: Building'.

Cover will commence from the date the property became untenantable until whichever of the following occurs first:

- ◆ The property becomes tenantable; or
- ◆ The property is re-let; or
- ◆ The limit for this insured event is reached.

Cover under this insured event will only apply if your property is insured as a permanent tenancy and this is shown on your policy schedule.

Limit: 52 weeks loss of rent.

## Untenantable – Holiday let properties

### ✓ We cover

Loss of rent if your property becomes untenantable due to damage to your building caused by an insured event listed in 'Section 1: Building' (except for 'Tenant damage') and we have accepted your claim under 'Section 1: Building'.

Cover will commence from the date the property became untenantable until whichever of the following occurs first:

- ◆ The property becomes tenantable; or
- ◆ The commencement of a new booking; or
- ◆ The limit for this insured event is reached.

Cover under this insured event will only apply if your property is insured as a holiday let property and this is shown on your policy schedule.

Limit: 52 weeks loss of rent but no more than \$50,000 in any one period of insurance.

## Rent reduction

### ✓ We cover

Loss of rent where:

- ◆ The tenant occupies the property under a lease; and
- ◆ The property remains tenantable following damage to your building but the tenant does not have full use of the property for a minimum period of 7 days; and
- ◆ We have accepted a claim under 'Section 1: Building' of this policy for the damage; and
- ◆ You have agreed to reduce the tenant's rent due to the damage to your building; and
- ◆ We agree that the rent reduction is in reasonable proportion with the tenant's loss of use of the property.

Cover will commence from the date your building is damaged until whichever of the following events occur first:

- ◆ Your building has been repaired; or
- ◆ The limit for this insured event is reached.

Limit: 6 weeks reduction of rent.

For example: The weekly rent of the tenant in accordance with their lease is \$800. The laundry in the property cannot be used by the tenant for 14 days following accidental escape of water from the washing machine. The property is 250sqm in size and the size of the laundry is 25sqm. We will pay \$160 for rent reduction ( $\$800 \times 10\% = \$80 \times 2 \text{ weeks} = \$160$ ).

### ✗ We do not cover

Rent reduction:

- ◆ After the date the tenant has vacated the property;
- ◆ If you cause or contribute to delays in repairing the damage.

## Conditions – Section 2

A claim under 'Section 2: Loss of rent' may be refused or reduced if the following terms and conditions have not been met or followed.

### **Loss of rent before commencement of policy**

We do not cover loss of rent, for any period before the commencement of the initial period of insurance.

### **Market conditions**

This policy does not cover your inability to rent the property due to adverse market conditions. This means that if none of the insured events covered by this Section 2 has occurred and the conditions of the rental market dictate that a vacancy period will be sustained between tenancies, the policy will not cover that loss.

### **Alternate accommodation**

Section 2 does not provide cover for alternate accommodation costs for the tenant as a result of the property becoming untenable for any reason.

### **Failure to repair and re-let**

You or your property manager must demonstrate that all reasonable steps have been taken to repair and re-let the property as soon as possible after the departure of the tenant or if damage is discovered. If you fail to do so, we will commence the loss of rent claim from the point in time that it would have been reasonable to have repaired any damage and attempted to re-let the property.

### **Delaying repairs**

If you cause unreasonable delays in commencing or carrying out any repair or rebuilding work, we will reduce the amount we pay for your claim under this Section 2 to take into account any loss of rent that results from your delay.

## Vacant at time of loss

Cover for the insured event 'Untenantable – Permanent tenancies' in this Section 2 of this policy, will only apply when:

- ◆ The property was tenanted immediately prior to, or at the time of it becoming untenable; or
- ◆ You can demonstrate that the property would have been tenanted had the loss not occurred.

## Basis on which claims are paid

### How we calculate what we will pay

#### Permanent tenancies

Loss of rent is calculated using the lesser of:

- ◆ The weekly rent of the tenant in accordance with their current lease; or
- ◆ The weekly rent sum insured shown on your policy schedule.

This is then multiplied by the number of week's loss of rent that you are entitled to under this policy.

The resultant amount, if it exceeds the limit that applies to the insured event being claimed, is then reduced to that limit.

#### Holiday let properties

Loss of rent is calculated based on the daily rent of each booking that could not be fulfilled during the period the property was untenable.

The daily rent of each booking as described above, is then multiplied by the number of day's loss of rent that you are entitled to under the policy.

This calculation will include:

- ◆ Any paid rent or deposits you have returned to tenants in relation to their documented rental bookings which could not be fulfilled; plus
- ◆ Any unpaid rent in relation to documented rental bookings or rental agreements which cannot be fulfilled; plus
- ◆ Any other shortfall in rent received for the period when future bookings cannot be accepted. If necessary, any shortfall in rent received will be determined by comparing the rent received to that received in the same period in the previous financial year and taking into account any change in the rents in this financial year.

The rent payable for each booking will then be combined.

If the resultant amount exceeds the limit that applies to the insured event being claimed, it is then reduced to that limit.

**Refer to our Premium, Excesses, Discounts & Claim Payments Guide for claims examples.**

### **Claims for more than one insured event**

Where a claim is possible under more than one of the insured events of this Section 2, you may only claim under one of those insured events for any one period of loss of rent.

## Section 3: Liability to others

### What we do cover (liability)

We cover your legal liability as the landlord and owner of the property in respect of an occurrence happening during the period of insurance at the situation which you did not expect or intend to happen and which causes:

- ◆ Death or bodily injury to other people; or
- ◆ Damage to other people's property,

subject to the limits and exclusions applicable to this section and the 'General terms and conditions' on page 42 and 'General exclusions' on page 46 applying to this policy, together with the requirements outlined under the heading 'Making a claim' on page 34.

The maximum amount we will pay for any claim or series of claims arising out of any one occurrence is \$20,000,000.

The maximum amount includes all legal expenses:

- ◆ Incurred by us;
- ◆ Incurred by you with our prior written consent; and
- ◆ Which are recoverable from you by a claimant when a solicitor/lawyer appointed with our approval is acting on your behalf.

### What we do not cover (liability)

We do not cover your legal liability for any claim:

- ✗ In respect of death or bodily injury to you or your family.
- ✗ In respect of damage to property:
  - Owned by you, your family or anyone employed by you; or
  - Not owned by you but in your custody care and control.
- ✗ For any liability to pay benefits under any domestic workers' compensation or accident compensation legislation.
- ✗ For death of or bodily injury to anyone employed by you or someone who lives with you if the death or injury arises out of their employment.
- ✗ Arising under the terms of any agreement unless liability would have attached to you in the absence of such agreement.

- X Caused by the ownership, possession or use of any:
  - Motorised or mechanically propelled vehicle or motorcycle;
  - Trailer or caravan;
  - Aircraft, aerial device or watercraft;
  - Any vehicle or craft that is required by law to be insured under a compulsory third party insurance policy or scheme at the time of any occurrence.

However, this exclusion will not apply to any motorised garden appliance that is not required by law to be insured under a compulsory third party insurance policy or scheme at the time of any occurrence.

- X In connection with your trade, profession or employment other than as landlord and owner of the property.
- X Arising out of alterations, renovations or building works at the property, where the cost of building or contract works, including labour and materials, exceeds \$50,000.
- X Arising out of any deliberate or intentional act by you or someone acting with your consent.
- X Arising out of any unlawful or criminal act.
- X Arising out of pregnancy or the transmission or spread of any infectious disease or virus.
- X For any fine, penalty, punitive, exemplary, aggravated or multiple damages.
- X Arising from demolition, vibration or interference with support of land, buildings or other property.
- X Arising out of the discharge, dispersal, release or escape of smoke, vapours, soot, fumes, acid, alkalis, toxic chemicals, liquid or gases, waste materials or other irritants, contaminants, or pollutants into or upon land, the atmosphere or any watercourse or body of water or any costs and expenses incurred in the prevention or remediation of such contamination or pollution.
- X Caused by or arising directly or indirectly, out of or in connection with the actual or alleged use or presence of asbestos.
- X Caused by or arising directly or indirectly, out of or in connection with the use of vehicle stackers.

# Making a claim

## Actions you must take in the event of loss, damage or liability to others

In the event of loss or damage or an incident that has caused death or injury to other people or damage to other people's property you must meet the following responsibilities:

- ◆ Take all reasonable precautions to prevent any further loss, damage or liability;
- ◆ If your property suffers malicious damage or theft then you must report it to the police. If the loss is expected to exceed \$10,000, then the police report number needs to be submitted with your claim;
- ◆ Do not carry out repairs, except to prevent any further loss or damage, until we have had the opportunity to examine the damage and have authorised repairs;
- ◆ Do not delay in arranging the repair or replacement of stolen or damaged items after we have given you the authority to do so. We will not pay any increased costs or expenses which result from your unreasonable delay in returning the property to a tenantable condition;
- ◆ Contact us as soon as possible after you become aware of any loss, damage or liability (refer to your policy schedule for the phone number). We will help and advise you, and explain the next steps you should take. We may also arrange for an assessor to attend and inspect your property if required;
- ◆ Keep any damaged property or stolen property that you recover and let us inspect it if we need to. Please remember that we take over your legal right to recover the insured property;
- ◆ Allow us, or a person nominated by us, to recover, salvage or take possession of your property the subject of your claim. When we ask, you must cooperate in our collection or retrieval of such items that form part of the claim; and
- ◆ Do not admit fault or settle or defend a claim without our prior agreement.

If you do not meet your responsibilities we may be entitled to reduce the amount payable to you or refuse to pay a claim.

## Providing proof

Within a reasonable period of time of you becoming aware of loss, damage or liability you must give us full written details of your claim. Documents which we may ask for include but are not limited to:

- ◆ A copy of the tenant's rental payment history, tenant application form and lease if the claim involves loss of rent, damage or theft by your tenant;
- ◆ Forwarding address and current contact details of your tenant;
- ◆ Proof of ownership i.e. receipts, valuations, photographs, warranties or instruction manuals for items which have been stolen or damaged;
- ◆ Itemised quotes to repair/replace damaged items. If we have appointed an assessor, they can assist with sourcing quotes if required;
- ◆ Invoices to establish the cost of re-letting expenses that were deducted from the tenant's bond money;
- ◆ Copies of entry/exit and routine property inspection reports along with photographs to support a claim for damage;
- ◆ Any court issued document, letter, claim, writ or summons, in relation to a claim, as soon as possible after you receive it;
- ◆ Written records of booking confirmations, extensions and deposits made by future guests for holiday let properties. Claims for loss of rent will not be accepted for bookings made verbally which are not accompanied by a written booking confirmation; and
- ◆ Evidence of the rental values being claimed (for holiday let properties), by any of the following:
  - The immediate past twelve months rental history; or
  - A comparative valuation by a real estate agent; or
  - Copies of all booking documentation in respect of current guests.

You must be able to prove to us that you have suffered a loss that is covered by this policy before we will pay you for it.

## Actions we take when a claim is reported

When we receive a claim from you we will:

- ◆ Examine the circumstances to see if the loss, damage or liability is insured;
- ◆ Tell you if it is covered; and
- ◆ Investigate the claim for recovery potential.

If the insured event is covered we will:

- ◆ Tell you how the claim will be assessed, examined and paid and what further supporting documents you need to provide us; and
- ◆ Either deduct any excess or any bond money from your loss or ask you to pay it to a repairer, supplier or us.

If we choose to replace items you must:

- ◆ Assist us by giving accurate descriptions and specifications to us and suppliers; and
- ◆ Replace items as requested.

If you do not wish us to replace items from suppliers we nominate, you may nominate another supplier but you must pay any additional costs incurred by us as a result.

## Claim payments

Claims payments may be paid to:

- ◆ A supplier we have authorised to complete repairs or replacements; or
- ◆ A third party if you have a legal liability; or
- ◆ You.

For the purposes of claim payments only, 'you' includes the policyholder and property owner as well as the current property manager who has been engaged (by way of a Managing Agency Agreement) to manage your property.

Payments will be made to the party who submits the claim, unless otherwise notified in writing.

## Settling or defending a liability claim

If we agree you have a liability claim that is covered under your policy, only we have the right to:

- ◆ Make or accept any offer or payment, or in any other way admit you are liable; or
- ◆ Settle, or attempt to settle, any claim against you; or
- ◆ Defend any claim.

You must co-operate with us in defending or settling any claim against you. You must tell us about and send us a copy of any notice, letter, claim, writ or summons, in relation to a claim, as soon as possible after you receive it.

## Contribution/other insurance

If at the time of any claim under this policy there are other insurances covering the property, then we will have the right to seek reimbursement from the other insurer(s) in respect to their proportion of any loss, damage or liability. You must give us all information and assistance we may reasonably require.

## Excesses payable in the event of a claim

An excess is an amount payable by you when you make a claim under your insurance policy. We will either deduct any excess from your claim or ask you to pay it to us or a repairer or supplier. The excesses which apply to claims under this policy are shown on your policy schedule.

Claim Type	Excess
<b>Tenant damage</b>	<p>This excess is shown on your policy schedule and will apply to all claims for tenant damage.</p> <p>You may choose the amount of this excess from the range we offer and the amount of your excess will be shown on your policy schedule.</p>
<b>Earthquake or tsunami</b>	<p>This excess is shown on your policy schedule and will apply to all claims directly or indirectly caused by earthquake or tsunami. All loss, destruction or damage occurring within a period of 48 hours after an earthquake or tsunami is regarded as the one event.</p> <p>You may choose the amount of this excess from the range we offer and the amount of your excess will be shown on your policy schedule.</p>
<b>Building damage</b>	<p>This excess applies to claims for building damage caused by an insured event other than 'Tenant damage' and 'Earthquake or tsunami'.</p> <p>You may choose the amount of this excess from the range we offer and the amount of your excess will be shown on your policy schedule.</p>
<b>Loss of rent, Liability to others or any 'Additional benefits' listed in Section 1</b>	No excess applies.

If loss or damage results from more than one insured event, then the excesses that apply under each applicable section of the policy will apply separately and you must contribute the total of all applicable excesses.

If a single insured event results in a claim under more than one section of this policy then only one excess will apply and that will be the largest excess applicable under any section under which a claim could be made.

## More details

For further details about our excesses, please refer to our Premium, Excesses, Discounts & Claim Payments Guide available at [terriscbeer.com.au](http://terriscbeer.com.au). A copy of this guide can be provided to you on request, at no charge, if you contact us on 1800 804 016.

## What can affect a claim?

We may limit the amount payable or refuse to pay a claim for any of the following reasons:

- ◆ There has been a change in the risk, unless you inform us of it and we have agreed to cover it under this policy;
- ◆ When applying for this insurance or when making a claim you:
  - Are not truthful;
  - Have not given us full and complete details;
  - Have not told us something you should have.
- ◆ You do not comply with your duty of disclosure (refer to your latest policy schedule);
- ◆ You do not at all times take reasonable care to:
  - Protect any property you have insured with us against any initial or further loss or damage;
  - Keep your property in good condition;
  - Obey any laws or regulations that safeguard people or their property.
- ◆ You do not give us the supporting documents we require to assist with our decision in relation to a claim;
- ◆ Fraudulent means or devices are used by you or anyone acting on your behalf to obtain benefits under this policy. Furthermore, we may also cancel this policy or take legal action against you if it is proven the claim you submitted was in any way fraudulent;
- ◆ You breach any of the conditions of the policy, including any endorsements noted on or attached to the policy schedule;

- ◆ You do any of the following without us agreeing to it first:
  - Make or accept any offer or payment, or in any other way admit you are liable;
  - Settle, or attempt to settle any claim;
  - Defend any claim.

The amount payable for a claim may also be reduced by an excess – the amounts are shown on your policy schedule.

### **Does a claim affect your cover?**

If we only pay part of the building sum insured to you, this policy will continue for the period of insurance.

If we pay the full building sum insured to you, all cover under this policy stops. There is no refund of the unused premium.

### **Other general obligations**

You must take reasonable care to:

- ◆ Avoid the risk of injury to tenants and others;
- ◆ Ensure that your property does not have defects that may cause injury to any person at the time a tenant takes possession or that such defects identified at any other time are rectified promptly once they have been brought to your attention;
- ◆ Maintain the property in a good state of repair;
- ◆ Ensure that all building work, maintenance or repairs to the property are undertaken by appropriately licensed and qualified person(s);
- ◆ Comply with all statutory obligations, by-laws and regulations imposed by any public authority, for the safety of persons or property.

We may limit the amount payable or refuse to pay a claim if the loss, damage, liability or injury is caused by, arises from or involves a failure to take reasonable care.

## **Our right to recover claims we pay from those responsible**

If you have suffered loss or damage as a result of an insured event or incident covered, or partially covered by this policy, then we have the right and you permit us to take action or institute legal proceedings against any person or entity liable to you for the recovery of your insured, underinsured or uninsured losses, payments made and expenses in relation to the event or incident ('your loss'). Any action or legal proceeding will be commenced in your name.

If you have commenced action or instituted legal proceedings against any person or entity liable to you for your loss, we have the right and you permit us to take over and continue that action or legal proceeding.

Where recovery of your loss forms part of any representative proceeding which has not been instituted under our instructions, we have the right and you permit us to exclude your loss from that representative proceeding for the purpose of including your loss in a separate representative proceeding which is or will be instituted under our instructions.

You must provide us with all information and reasonable assistance in the recovery of your loss, including providing us with any documents that prove your loss.

You must not enter into any agreement, make any admissions or take any action or step that has the effect of limiting or excluding your rights and our rights to recover your loss, without our prior written agreement.

## **If you prevent our right to recover from someone else**

If you have agreed not to seek compensation from a person who is liable to compensate you for any loss, damage or legal liability (which is covered by this policy) we will not provide you with cover under this policy for that loss, damage or legal liability.

# General terms and conditions

## Payment of premium

You must pay your annual premium by 4.00pm on the due date. If we do not receive your premium by this time or if your payment is dishonoured, this policy will not start and there will be no cover – if you have not paid, you are not insured.

You can pay your premium in one annual payment by cheque, MasterCard, Visa or BPay.

## Important conditions

Cover provided by this policy is only applicable where:

- ◆ For permanent tenancies, there is a lease in place between you and the tenant. This lease must fall within the guidelines of the Act; and
- ◆ For holiday let properties a documented (paper or electronic) booking confirmation has been issued; and
- ◆ The property is no more than 2 acres (8,000 sqm) in size, unless you have notified us of a larger property and we have agreed in writing to insure this larger property; and
- ◆ No section of the property is occupied by you whilst the property is being tenanted; and
- ◆ The property is used principally and primarily by tenants for residential rental accommodation as either a permanent tenancy or holiday let property.

## Actions and advice by or from your property manager

- ◆ Any notification, advice or discovery made to or by your property manager is considered to have been made to or by you.
- ◆ Any action taken or that should have been taken by your property manager is considered to be an act or omission by you.

## Rent arrears

If the tenant was in rent arrears either at the commencement of the initial period of insurance (or in the 2 months prior) and at the time a permanent tenancy was in place, the following condition applies:

- ◆ We will not pay a claim for tenant damage.

If the tenant subsequently brings their rental payments out of rent arrears for a period of two consecutive months, then this limitation will not apply from the end of that two-month period, or the date of the commencement of the initial period of insurance, whichever occurs last.

## Bond monies – Permanent tenancies

Your policy will operate on the basis that bond monies equivalent to at least four weeks rent have been collected. This applies regardless of whether a full bond has been collected.

In the event of loss of or damage to your property caused by the tenant, you will use the bond money to reduce your loss. If you have voluntarily returned the bond money to the tenant, and you lodge a tenant damage claim under 'Section 1: Building' of this policy, we will reduce any amount we pay by the amount of prejudice we have suffered as a result of your actions.

## Bond monies – Holiday let properties

Where bond monies have been collected from a tenant in a holiday let property and you are entitled to use it to reduce your loss, you must do so (this applies to all claims under 'Section 1: Building' only).

Every effort should be made to collect monies owing for rent and/or damage from the tenant prior to lodging a claim.

## **Unoccupied properties**

When the property is unoccupied, 'Section 1: Building' and 'Section 2: Loss of rent' will not apply unless you have obtained our prior written agreement to provide the cover prior to the event giving rise to a claim under one of these sections.

If we agree in writing to provide cover and a claim is made while the property is unoccupied, a higher excess will be applied. The amount of this excess will be shown on your policy schedule, and is applicable if the unoccupancy period immediately followed a permanent tenancy, or if your property was vacant at the commencement of the initial period of insurance.

Unoccupied means that the property was vacant for the period of 90 days or more immediately before loss or damage occurred.

## **Other party's interests**

You must tell us if you want us to record the interests of any third party beneficiaries (for example, banks or lessors) in any item insured under any section of this policy. If we agree to record the interest of a third party beneficiary this will be specified in the policy schedule.

If a third party beneficiary's interest is not recorded, insurance cover will not extend to their interest and they will not be able to make a claim under this policy. All third party beneficiaries must comply with all the terms and conditions of your policy, including without limitation, the obligation to notify us and give us details of any other insurance that insures any risk insured by this policy.

## **Cancelling your policy**

### Cancellation by you

You may cancel this policy at any time by telling us that you want to cancel it.

If you cancel this policy you will be refunded the unexpired portion of the premium, less any non-refundable government charges.

### Cancellation by us

We can cancel your policy where the law allows us to do so. If we cancel your policy you will be refunded the unexpired portion of the premium, less any non-refundable government charges.

When we cancel your policy we will tell you so in writing.

If we cancel your policy due to fraud, we will not refund any money to you.

## **Goods and Services Tax (GST)**

### How the Goods and Services Tax (GST) affects this insurance

You must tell us about the input tax credit (ITC) you are entitled to for your premium and your claim, each time you make a claim. If you do not give us this information or if you tell us an incorrect ITC, we will not pay any GST liability you incur. Our liability to you will be calculated taking into account any input tax credit to which you are entitled for any acquisition which is relevant to your claim, or to which you would have been entitled were you to have made a relevant acquisition.

This outline of the effect of the GST on your policy is for general information only. You should not rely on this information without first seeking expert advice on the application of the GST to your particular circumstances.

Limits and the most we pay amounts stated in this PDS and on your policy schedule include GST.

# General exclusions

## General exclusions applying to this policy

You are not covered under any section of this policy for damage, loss, cost or legal liability that is caused by, arises from or involves:

1. **X** Revolution, hostilities, war or other acts of foreign enemy, war like activity (whether war is declared or not), military coup; or
  - X** Any looting or rioting following these incidents.
2. **X** Radioactivity or the use, existence or escape of nuclear fuel, nuclear material or waste; or
  - X** Action of nuclear fission including detonation of any nuclear device or nuclear weapon; or
  - X** Any action taken by a public authority to prevent, limit or remedy the actual or threatened release of any radioactive or nuclear materials; or
  - X** Any looting or rioting following an incident described above.
3. Any intentional act committed by you, your family or any person acting with your express or implied consent.

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

## Additional exclusions applying to all sections of this policy

- a) We will not pay a claim under any section of this policy when the claim is caused by or arises directly out of:
  - X** A bushfire, storm, flood or tsunami that occurs within 72 hours of the start of this insurance policy.

However we will cover these incidents (to the extent cover is provided by this policy) if your policy began on the same day:

  - You bought the property; or

- Another policy covering the property expired. If this is the case, we pay up to the sum insured covered under the expired policy.
- ✗ Actions or movements of the sea;
- ✗ Water seeping through a wall or floor;
- ✗ Water entering the building through an opening made for the purpose of alterations, additions, renovations or repair;
- ✗ Erosion, vibration, subsidence, landslip, landslide, mudslide, collapse, shrinkage or any other earth movement, but we will cover landslide or subsidence that occurs within 72 hours of, and directly because of one of the following insured events:
  - Storm;
  - Flood;
  - Earthquake or tsunami;
  - Explosion.
- ✗ Poor housekeeping by your tenants or a member of your tenant's family or your tenant's guests (poor housekeeping includes costs associated with the tenants untidy, unclean or unhygienic living habits);
- ✗ Rust, wear, tear, mould or mildew, oxidation, change of colour, the action of light, atmospheric conditions or vibration unless caused by an insured event;
- ✗ The actions of domestic pets;
- ✗ Damage caused by insects or vermin (such as termites, rats, mice or wildlife) but we will pay for resultant damage to the property caused by an insured event listed under Section 1 and Section 2;
- ✗ Scratching, denting or chipping;
- ✗ The actions of cleaning;
- ✗ Damage from heat, smoke or soot when the building has not caught fire e.g. scorching or marking of bench tops from hot cooking pots or pans;
- ✗ Tree roots;
- ✗ Inherent defects, faulty workmanship, structural defects, faulty design or any gradual process;

- X You, or someone with your knowledge or permission, committing or trying to commit an unlawful or criminal offence, such as assault or malicious damage;
- X Your possession, supply, manufacture or consumption of any illegal substances or illegal drugs;
- X You not obeying any commonwealth, state, territory or local government law, including laws relating to:
  - installing smoke alarms;
  - pool fencing;
  - failing to install a balcony railing or balustrade when required;
  - dangerous goods and liquids;
  - firearms;
  - control and safekeeping of dangerous or restricted breeds of dogs, including not obeying any legal requirement to restrain a dog in public or keep it fenced in;
- X An act by the tenant, where consent for the act was given to them by you;
- X Any loss or damage arising out of or connected with keys being provided for the purpose of property inspections;
- X The tenant utilising the property for trade, manufacturing or childcare with your knowledge and/or consent;
- X Mechanical or electrical breakdown or electrical power surge, other than the burning out of electric motors;
- X Damage to swimming pools or similar structures caused by hydrostatic pressure;
- X The removal or weakening of supports or foundations for the purpose of alterations, additions, renovations or repair;
- X Settling, shrinkage or expansion in buildings, foundations, walls or pavements;

- X Consequential loss, such as having to hire a washing machine because one provided by you for the tenant's use, was stolen;
  - X Expropriation, lawful seizure, resumption, confiscation, nationalisation or requisition of any property by any lawfully constituted authority or persons; or
  - X Destruction of, or damage to the building by any government, public or local authority.
- b) We will not pay a claim under any section of this policy from the point in time that:
- X You, your family or your non-paying guests take up permanent residence in the property; or
  - X The property is vacant, is not advertised for sale and:
    - No effort is made to prepare the property for a new tenant; or
    - No effort is made to replace the tenant.

This effort must be within a reasonable period of:

    - The tenant's departure from the property; or
    - You or your property manager becoming aware of their departure,

whichever occurs later; or
  - X Your property is vacant and advertised for sale. However we will provide the following cover under your policy:
    - 'Section 1: Building' and 'Section 3: Liability to others' while the property is advertised for sale and vacant for a maximum period of 90 days. After the property has been vacant for 90 days, we will not pay a claim under any section of the policy unless you have obtained our prior written agreement for cover to be provided.

- c) We will not cover any loss, damage or liability:
- ✗ that occurred prior to the commencement of the initial period of insurance; or
  - ✗ arising from any existing circumstance that may lead to a claim that you or your property manager were aware of on or before the commencement of the initial period of insurance.
- d) There is no cover for loss of or damage to water in swimming pools, spas or water tanks.
- e) Despite any provision of the policy, we will not cover and will not make any payments or provide any services or benefit to you or to any other party to the extent that such cover, payment, service or benefit would contravene any applicable trade or economic sanctions, law or regulation.

## Defined terms

Some key words and terms used in this policy have a special meaning as set out below. If words and terms are only used in just one section of the policy, we will describe their special meaning in that section.

### **Above ground pool**

means a swimming pool that has most of its water volume above the average ground level.

### **Accidental loss or damage**

means sudden or unexpected loss or damage.

### **Act**

means the Residential Tenancy Act or other relevant legislation, applicable in the state or territory in which your property is located.

### **Actions or movements of the sea**

means:

- ◆ Rises in the level of the ocean or sea;
- ◆ Storm surge;
- ◆ Sea waves;
- ◆ High tides or king tides;
- ◆ Any other actions or movements of the sea, but not a tsunami.

### **Bond money/monies**

means those monies paid by the tenant and held as security deposit against damage or outstanding rent.

### **Break-in, vandalism or theft**

means intentional loss or damage caused break-in, vandalism or theft, by unknown persons.

### **Building**

see page 10 and 11.

### **Emergency Service Personnel**

means any person who is a member of the following organisations:

- ◆ Police;
- ◆ Fire Service;
- ◆ Ambulance Service;
- ◆ State Emergency Service.

### **Excess**

is the first amount of any claim which you contribute. The excess is not considered a re-letting expense to be deducted from the tenant's bond money.

### **Floating floorboards**

means floors which are loosely laid (i.e. not fixed) onto a sub floor such as a concrete slab. The floorboards may be secured around the edge of the room or to each other, but not to the sub floor.

### **Flood**

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

- ◆ A lake (whether or not it has been altered or modified);
- ◆ A river (whether or not it has been altered or modified);
- ◆ A creek (whether or not it has been altered or modified);
- ◆ Another natural watercourse (whether or not it has been altered or modified);
- ◆ A reservoir;
- ◆ A canal;
- ◆ A dam.

### **Holiday let property**

means a property rented under a tenancy which is not a permanent tenancy and where each of the following applies:

- ◆ A documented (paper or electronic) booking confirmation has been issued;
- ◆ No one individual booking is greater than 12 weeks in duration; and
- ◆ A deposit or full rent payment has been made to you or your property manager.

### **In-ground swimming pool**

means a swimming pool which has most of its water volume below the average ground level.

### **Lease**

for permanent tenancies this is the contract in place between you and the tenant to rent the property in accordance with the Act. This can either be a fixed term or periodic lease or continuation of the lease.

### **Malicious damage**

means damage committed on the property which is motivated by spite, malice or vindictiveness with the intention of damaging the property.

### **Maximum amount**

means the maximum we will pay (inclusive of all legal expenses) for any one occurrence arising from an insured event.

### **Occurrence**

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

### **Period of insurance**

means when your policy starts to when it ends. It is the period shown on the policy schedule.

### **Permanent tenancy/tenancies**

means tenancies which are governed by the Act.

### **Policy schedule**

means the most recently issued policy schedule and if we subsequently give you an endorsement notice, it includes the endorsement notice.

### **Property**

means the building at the situation which is:

- ◆ Owned by you; and
- ◆ For use by the tenant; and

- ◆ Principally and primarily used as a residential rental; and
- ◆ Where the situation is no more than 2 acres in size.

### **Property manager**

means the licensed real estate agent or on-site property manager shown as the 'managing agent' in the policy schedule. For holiday let properties, this also includes letting agents.

### **Rainwater**

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

### **Rent**

for permanent tenancies this is the rent applying under the lease at the time of loss or damage.

for holiday let properties this is rent from the documented (paper or electronic) rental booking(s) or rental agreement(s), at the time of loss or damage.

### **Rent arrears**

means the tenant's rental payments were in arrears to the extent that a vacate/breach notice on the grounds of a breach of the lease to pay rent could have been issued in accordance with the Act.

### **Situation**

means the insured address shown on your policy schedule at which the property is located.

### **Storm**

means violent wind, cyclone or tornado which may also include rain, hail or snow.

### **Storm surge**

means a rise in the sea level due to the meteorological conditions above the predicted astronomical tide level of a particular day.

## **Tenant**

means the person or persons named in the lease or documented (paper or electronic) booking confirmation who occupy the property and pay rent under either a permanent tenancy or in a holiday let property.

## **Tenant damage**

means loss or damage caused by the tenant, the tenant's family or the tenant's invited guests including theft by the tenant, the tenant's family or the tenant's invited guests.

## **Tenant's family**

means these people if they normally reside in the property – the tenant's spouse (legal or de-facto) or partner, parents, parents-in-law, siblings or siblings of the tenant's spouse, children or the children of the tenant's spouse.

## **Tenantable**

means the property could be reasonably and safely re-let in its current condition without adversely affecting the amount of rent being sought.

## **Tsunami**

means a sea wave caused by a disturbance of the ocean floor or by seismic movement.

## **Unknown person**

means persons who are not:

- ◆ You or your invited guests;
- ◆ Your property manager or their representative;
- ◆ The tenant, tenant's family or tenant's invited guests;
- ◆ Acting with your express or implied consent.

## **Untenantable**

means you or your property manager could not reasonably attempt to re-let the property until loss or damage claimable under this policy has been repaired, replaced or reinstated but does not include periods of elective maintenance or improvement.

**Watercraft**

means any vessel, machine or object designed to be used on or in water.

**Weekly rent sum insured**

this amount is set out in your policy schedule.

**You/Your**

means the person(s), companies or firms named on the current policy schedule as the insured.

**Your family**

means any member of your family who lives permanently with you, including your partner.



Terri Scheer Insurance Pty Ltd

ABN 76 070 874 798

AFS Licence No: 218585

[www.terrischeer.com.au](http://www.terrischeer.com.au)

GPO Box 1619, Adelaide SA 5001

Phone 1800 804 016

Facsimile 1300 370 874

Email [customerservice@terrischeer.com.au](mailto:customerservice@terrischeer.com.au)

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The insurer and issuer of this policy is

AAI Limited ABN 48 005 297 807

AFS Licence No. 230859 trading as Vero Insurance