



Scheer Short Stay Policy Product Disclosure Statement and Policy Wording

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 whose property is managed by a licensed real estate agent or 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 primarily designed to provide cover for landlords of professionally managed residential rental properties which are used as holiday let properties for periods of 12 weeks or less.

If you elect to change the tenancy type from a short term rental to a more permanent leasing arrangement, then this policy can also provide cover for you.

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 work out 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. 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 66 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 70 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 contents or 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) 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 82 to 89.

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@terrischeer.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**
- ◆ **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 76 of the 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;
- ◆ 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 your property ceases to be managed by a licensed real estate agent;
- ◆ If the building becomes unoccupied for 90 days or more.

When you tell us that your property is no longer managed by a licensed real estate agent, we will cancel your policy and refund to you a proportion of the premium based on the remaining period of insurance, less any taxes which are not refundable.

Section 1: Loss of rent – Holiday let

What you are covered for

We will cover your loss of rent in connection with a holiday let property caused by any of the insured events listed in this Section 1 occurring during the period of insurance. The cover provided by this section is subject to the basis set out under the heading 'Basis on which claims are paid' on page 19, subject to the limits, conditions and exclusions applicable to the insured event and this section and the 'General terms and conditions' on page 74 and 'General exclusions' on page 78 applying to this policy together with the requirements outlined under the heading 'Making a claim' on page 66.

Untenantable (building)

✓ We cover:

Loss of rent when your property becomes untenable due to tenant damage (provided we have accepted your claim under Section 3).

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

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

During the period the property is untenable, we will only pay for loss of rent for those days where a documented rental booking was in place, subject to the limit for this insured event.

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

Untenantable (murder/suicide)

✓ We cover:

Loss of rent when your property becomes untenantable due to:

- ◆ Murder or suicide, or attempted murder or suicide at the property which results in damage to the property.

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.

During the period the property is untenantable, we will only pay for loss of rent for those days where a documented rental booking was in place, subject to the limit for this insured event.

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

Untenantable (death of tenant)

✓ We cover:

Loss of rent when your property becomes untenantable due to:

- ◆ The death of a tenant at the property which results in damage to the property.

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.

During the period the property is untenantable, we will only pay for loss of rent for those days where a documented rental booking was in place, subject to the limit for this insured event.

Limit: 26 weeks loss of rent per claim, but no more than \$25,000 in any one period of insurance.

Untenantable (contents)

✓ We cover:

Loss of rent when your property becomes untenantable due to:

- ◆ Damage to your contents only caused by an insured event listed in Section 2.

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.

During the period the property is untenantable, we will only pay for loss of rent for those days where a documented rental booking was in place, subject to the limit for this insured event.

Limit: 6 weeks loss of rent per claim, but no more than \$6,000 in any one period of insurance.

✗ We do not cover

Any loss of rent under this insured event while repairs to your building are being completed.

Prevention of access

✓ We cover:

Loss of rent when your tenant does not have access to the insured address shown on your policy schedule as a result of damage to another building (but not your property) in its immediate vicinity caused by an insured event listed in Section 2 of this policy (except for tenant damage).

Cover will commence from the date access was first prevented until whichever of the following events occurs first:

- ◆ Access is restored; or
- ◆ The limit for this insured event is reached.

During the period where access to the property was prevented, we will only pay for loss of rent for those days where a documented rental booking was in place, subject to the limit for this insured event.

Limit: 26 weeks loss of rent per claim, but no more than \$25,000 in any one period of insurance.

Failure to vacate

✓ We cover:

Loss of rent when your tenant fails to vacate at the end of a documented rental booking and does not pay any additional rent required.

Cover will commence from the day after the end of the documented rental booking, through to whichever of the following occurs first:

- ◆ The tenant vacates the property; or
- ◆ The limit for this insured event is reached.

During the period of cover, we will only pay for loss of rent for those days where a documented rental booking was in place, subject to the limit for this insured event.

Limit: 26 weeks loss of rent per claim, but no more than \$25,000 in any one period of insurance.

Death of tenant

✓ We cover:

Loss of rent when your tenant or a member of your tenant's family dies unexpectedly during their period of stay.

Cover will commence from the date of death through to whichever of the following events occurs first:

- ◆ The end of the tenant's contracted rental booking; or
- ◆ The commencement of a new booking.

Limit: 12 weeks loss of rent per claim, but no more than \$12,000 in any one period of insurance.

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

What we do not cover

We do not pay any amount under this Section 1 for loss of rent in relation to:

- ◆ A permanent tenancy;
- ◆ Bond money or deposits collected from tenants;
- ◆ Seasonal fluctuations in rental income;
- ◆ Market conditions such as variation in demand; or
- ◆ Operating expenses of the property, such as, but not limited to, the cost of rates, gas, water or electricity.

(See 'Section 6: Loss of rent – Permanent tenancies' on page 55 for details of the cover for loss of rent in relation to property let to tenants on a permanent basis).

Additional benefits

Your legal expenses

If we have accepted a claim for an insured event under Section 1 of this policy, we will also pay up to \$5,000 for each claim for legal expenses, provided the legal expenses have been incurred with our prior written approval, and are for the purpose of reducing your claim under Section 1 of this policy or filing a legal defence while the claim is being investigated.

Conditions – Section 1

A claim under 'Section 1: Loss of rent – Holiday let' may be refused or reduced if the following terms and conditions have not been met or followed.

Delays

If you cause unreasonable delays in making the property available for rental by delaying:

- ◆ The notification of your claim to us;
- ◆ The commencement or carrying out of any rebuilding work or repairs;
- ◆ Preparing the property for rental following a murder or attempted murder or suicide or attempted suicide at the property;
- ◆ Arranging access to your property following loss or damage to it or other property in its immediate vicinity;
- ◆ Seeking the removal of tenants who do not vacate; or
- ◆ Making the property available for rental following an unexpected death,

we will reduce the loss of rent calculation to take into account any loss of rent that results from your delay.

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 Section 1 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 1 does not provide cover for alternate accommodation costs for the tenant as a result of the property becoming untenable for any reason.

Basis on which claims are paid

Rent calculation

Loss of rent will be calculated based on the daily rental rate applicable to each booking.

How we calculate what we will pay

Subject to 'Conditions – Section 1' on page 18, we will pay you the actual amount of rent you have lost from each documented rental booking which was caused by one of the insured events in this section.

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 1, you may only claim under one of those insured events for any one period of loss of rent.

Section 2: Contents

What are your contents?

Your contents include any of the items listed below which are owned by you (or which you are legally responsible for), which are listed in the most recent inventory/property condition report and which have been left at the property for your tenant's domestic use:

- ◆ Portable household goods and electrical appliances;
- ◆ Household furniture, furnishings and light fittings (not hardwired to the building);
- ◆ Curtains or internal blinds;
- ◆ Gaming consoles and their associated games;
- ◆ Floating floorboards;
- ◆ Carpets and floor rugs;
- ◆ Ride-on lawn mowers;
- ◆ Sporting or recreational equipment, but not whilst they are being used; and
- ◆ Above ground pools or spas (including their fixed accessories).

Strata titled buildings

For strata titled buildings your contents also means: temporary wall, floor and ceiling covers, and any fixture or structural improvement servicing a particular lot which the body corporate or similar is not required by law to insure.

Your contents are not

Your contents do not include any of the following items:

- ✗ Anything included in the definition of your building in Section 3 of this policy;
- ✗ Manchester;
- ✗ Cutlery and crockery;
- ✗ Cameras and photographic equipment;
- ✗ Portable battery operated appliances such as tablets, mobile phones, iPods, MP3 players;
- ✗ Electronic data and images on films, negatives or photographs, memory cards or hard drives;
- ✗ Computers (including PCs, laptops, electronic notebooks, PDAs, iPads or tablets) and their printers or software;
- ✗ Tools of trade, commercial or retail stock;
- ✗ Pets, animals, birds, reptiles or insects;
- ✗ Plants, hedges, trees or shrubs, except those in pots or tubs;
- ✗ 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);
- ✗ Any property which is illegally in your possession;
- ✗ Clothing, jewellery, furs, watches or other personal effects;
- ✗ Cash, coins, transaction cards or any other negotiable instruments;
- ✗ Unset precious stones;
- ✗ Antiques (except antique furniture);
- ✗ Gold or silver objects or materials made of, covered by or containing gold or silver;
- ✗ Stamps, coins or medals;
- ✗ Wills, share certificates, manuscripts, plans and documents of any kind;
- ✗ Pictures or works of art valued at more than \$1,000 each item;

- X Hand woven rugs or hand woven carpets;
- X Watercraft, bicycles, vehicles of any type (including, wheelchairs, motor vehicles, trailers, caravans, motorised toys, motorcycles, all-terrain vehicles), aircraft, vehicle stackers or contents stored in any of these;
- X Accessories or spare parts of watercraft, bicycles, vehicles of any type (including wheelchairs, motor vehicles, trailers, caravans, motorised toys, motorcycles, all-terrain vehicles) or aircraft.

What we do and do not cover (contents)

If any of the insured events listed in this Section 2 occur during the period of insurance, we will pay for resulting loss or damage to your contents at the insured address shown on your policy schedule on the basis set out under the heading 'Basis on which claims are paid' on page 31, subject to the limits, conditions and exclusions applicable to the insured event and this section and the 'General terms and conditions' on page 74 and 'General exclusions' on page 78 applying to this policy together with the requirements outlined under the heading 'Making a claim' on page 66.

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;
- ◆ Neglect, wear and tear.

Earthquake or tsunami

✓ We cover

Loss or damage caused by an 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 contents; 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.

Fire or explosion

✓ We cover

Loss or damage caused by 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 water in a tank, swimming pool or spa or their 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;
- ◆ The cost of cleaning your contents.

Glass breakage

✓ We cover

Glass breakage in free standing furniture such as table tops, dressing table mirrors and wall units.

✗ We do not cover

- ◆ Glass in clocks, pictures, radios, television sets or visual display units (e.g. computer monitors);
- ◆ Glass that was damaged or that had imperfections before the breakage;
- ◆ Glass that is only chipped or scratched;
- ◆ Breakage which arises from any imperfections in the glass.

Impact

✓ We cover

Loss or damage caused by impact at the insured address 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 lightning was the actual cause of the loss or damage;
- ◆ Loss or damage caused by power failures or surges by your power provider.

Oil leakage

✓ We cover

Loss or damage caused by oil leakage from any heater.

Pet damage

✓ We cover

Loss or damage caused by a domestic pet.

Cover will only apply if:

- ◆ The pet is owned by the tenant; and
- ◆ A pet bond has been collected from the tenant (where you are legally able to do so) and applied to any pet damage costs prior to making a claim.

The most we will pay for this insured event under Section 2 and Section 3 combined is \$2,500 during any one period of insurance.

✗ We do not cover

Loss or damage caused by a reptile.

Riot or civil commotion

✓ We cover

Loss or damage caused by riot or civil commotion.

Scorching

✓ We cover

Loss or damage arising from scorching caused by cigarettes, irons or hot cooking pots and pans.

This cover only applies to:

- ◆ Carpet, and only in the room where the loss or damage occurs.

The most we will pay for this insured event under Section 2 and Section 3 combined is \$1,000 during any one period of insurance.

✗ We do not cover

Damage to any item of your contents other than carpet.

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 wind, rainwater, hail or snow penetrating into your building 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 actions or movements of the sea;
- ◆ 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;
- ◆ Loss or damage to your contents in the open air;
- ◆ Loss or damage to swimming pool or spa covers or liners;
- ◆ The cost of cleaning mud or clearing debris out of tanks, swimming pools or spas, including replacing or storing the water;
- ◆ 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.

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 contents sum insured is not exhausted. For any additional benefits to be payable you must suffer or incur the relevant loss or damage to your contents during the period of insurance.

Benefit

Emergency Service damage

If we have accepted a claim for an insured event under 'Section 2: Contents' of this policy, we will also pay for any damage to your contents caused as a result of Emergency Service Personnel entering your property.

Cover for 'Emergency Service damage' is limited to \$1,000 per claim.

Note: If the accepted claim is for an insured event that caused damage under both 'Section 2: Contents' and 'Section 3: Building (tenant damage)' of this policy the maximum combined amount payable is \$1,000 in total.

Benefit

Removal of damaged contents

If your contents are damaged and we agree to pay a claim under this Section 2, then we will pay the reasonable cost of removal of your contents from the situation.

Basis on which claims are paid

Limit of amount payable

The maximum combined amount we will pay under 'Section 2: Contents' and 'Section 3: Building (tenant damage)' during any one period of insurance is \$60,000 or the contents/building sum insured shown on the policy schedule, whichever is more.

Contents in the open air

We will not pay more than \$3,000 per claim for loss or damage to your contents in the open air caused by an insured event under Section 2, other than 'Storm or rainwater' (there is no cover for loss or damage to contents in the open air caused by storm or rainwater).

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.

*When your contents are damaged by the tenant under a permanent tenancy you must use their bond money for re-letting expenses and rent arrears and then apply any balance to reduce the amount of loss or damage being claimed. We will not pay for loss of, or damage to, contents items that could have been, but were not, deducted from the bond money prior to making a refund of bond money to the tenant.

When your contents are damaged by the tenant in a holiday let property and you are entitled to use their bond money to reduce or settle the loss, you must do so.

**Refer to 'Making a claim' on page 66 for the types of excesses and how they are applied.

Repairing and replacing contents

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

- ◆ Repair
If an item can be economically repaired we will pay the reasonable cost of repairing it with new materials.
- ◆ Replace
Unless otherwise stated, we will replace any items which are less than 20 years old with a new one at 'replacement value' if it cannot be economically repaired. For items that are over 20 years old, we will pay you the 'indemnity value'.
- ◆ When you do not want a replacement item or repairs
If you do not want us to replace an item or to repair it and want cash instead, we will pay you the 'indemnity value' or the cost of repairs (if repairs are possible) or the contents sum insured, whichever is less.
- ◆ When the item cannot be replaced
If we agree that an item cannot be replaced then we will pay the lesser of the contents sum insured or the retail value of the item at the time of the loss or damage.
- ◆ Pay you the amount to repair or replace
If we decide to pay the cost of repairing or replacing your contents then we will pay the lesser of:
 - The contents sum insured; or
 - The retail value of the item at the time of the loss or damage, if it cannot be repaired; or
 - The repair cost, if repairs are possible.
- ◆ Pairs and sets
If the item for which you are claiming forms a part of a pair, set or collection, we only pay the reasonable cost of replacing or repairing that item. We do not pay for any special value the item may have as part of the pair, set or collection.

We do not insure electrical or electronic items that are no longer able to be used for the purpose they were intended.

If we decide to repair or replace your contents we will make reasonable endeavours to match existing materials or contents.

We will not pay to replace any undamaged item or materials.

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

'Replacement value' for the purposes of this section means the new replacement cost of new items or materials with the same (or, if the same is not available, substantially the same) specifications from outlets within Australia, at the time the claim is made. We can replace with a different brand.

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.

Carpets and floating floorboards

- ◆ We will only pay for repair or replacement of carpet or floating floorboards in the room where damage occurred – this could include carpet or floating floorboards within that room which are undamaged. However, we will not pay to repair/replace undamaged carpet or floating floorboards in other rooms to achieve a match with the carpet or floating floorboards we have repaired/replaced.
- ◆ Whilst we will try to match carpet or floating floorboards with the original materials, if this is not possible, we reserve the right to use nearest equivalent or similar materials.

Curtains

We will only pay for repair or replacement of damaged curtains in the room where damage occurs.

Furniture coverings

If the covering of an item of furniture cannot be repaired or replaced (or repairs have been unsuccessful) we will pay you:

- ◆ The replacement cost of the furniture. For furniture that is more than 10 years old, we will pay you the indemnity value, less any applicable excess.

If the covering of an item of furniture cannot successfully be repaired or replaced and it forms part of a set (or suite), we will treat the entire set as a total loss.

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

Section 3: Building (tenant damage)

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:

- ✗ Any item defined as contents in Section 2 of this policy;
- ✗ Common property if the building is part of a strata title or any property that is insured by the body corporate, whether or not that property is contained within your unit or lot and whether or not any excess applies to the strata title insurance;
- ✗ Carpets, carpet underlay or floating floorboards (these are insured under contents);
- ✗ 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);
- ✗ Above-ground swimming pools;
- ✗ Any jetty or other marine structure;
- ✗ Caravans, trailers or vehicles of any kind, or vehicle stackers.

What we do cover (building)

If any of the insured events listed in this Section 3 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 39, subject to the limits, conditions and exclusions applicable to the insured event and this section and the 'General terms and conditions' on page 74 and 'General exclusions' on page 78 applying to this policy together with the requirements outlined under the heading 'Making a claim' on page 66.

Pet damage

✓ We cover

Loss or damage caused by a domestic pet.

Cover will only apply if:

- ◆ The pet is owned by the tenant; and
- ◆ A pet bond has been collected from the tenant (where you are legally able to do so) and applied to any pet damage costs prior to making a claim.

The most we will pay for this insured event under Section 2 and Section 3 combined is \$2,500 during any one period of insurance.

✗ We do not cover

Loss or damage caused by the keeping of reptiles.

Scorching

✓ We cover

Loss or damage arising from scorching caused by cigarettes, irons or hot cooking pots and pans.

This cover only applies to:

- ◆ Bench/vanity tops – but only to the section of bench/vanity top that was damaged.

The most we will pay for this insured event under Section 2 and Section 3 combined is \$1,000 during any one period of insurance.

✗ We do not cover

Damage to any item of your building not listed above.

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;
- ◆ 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.

What we do not cover (building)

Your building is not covered against loss or damage caused by any of the following:

- X Any type of damage caused by any person, other than your tenant, your tenant's family, or your tenant's invited guests.
- X Fire (unless maliciously caused by the tenant, the tenant's family or the tenant's invited guests).
- X Smoke damage caused by smoking cigarettes, pipes, cigars, vapes or any drugs.
- X Explosion.
- X Lightning strike.
- X Earthquake or tsunami.
- X Electric motor burnout.
- X Riot or civil commotion.
- X Accidental escape of liquid.
- X Oil leakage from any heater.
- X Accidental breakage of:
 - Fixed glass (except in oven doors and cooktops);
 - Shower bases, basins, sinks, baths or ceramic toilets.
- X Impact by:
 - Motor vehicles or watercraft;
 - Aircraft, space debris or satellites;
 - Falling trees or branches;
 - TV antennae, satellite dishes or radio masts.
- X Storm, rainwater or flood.
- X Actions or movements of the sea.
- X Erosion, subsidence, landslide, mudslide, expansion or contraction of the earth, any other earth movement or underground water.
- X Wind, rainwater, hail or snow penetrating into your building as a result of faulty design of your building or faulty workmanship in its construction.
- X Rust, corrosion, wear, tear or gradual deterioration.

Benefit within your sum insured

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

Benefit

Emergency Service damage

If we have accepted a claim for an insured event under 'Section 3: Building (tenant damage)' of this policy, we will also pay for any damage to your building caused as a result of Emergency Service Personnel entering your property.

Cover for 'Emergency Service damage' is limited to \$1,000 per claim.

Note: If the accepted claim is for an insured event that caused damage under both 'Section 2: Contents' and 'Section 3: Building (tenant damage)' of this policy the maximum combined amount payable is \$1,000 in total.

Basis on which claims are paid

Limit of amount payable

The maximum combined amount we will pay under 'Section 2: Contents' and 'Section 3: Building (tenant damage)' during any one period of insurance is \$60,000 or the contents/building sum insured shown on your policy schedule, whichever is more.

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.

*When your building is damaged by the tenant under a permanent tenancy you must use their bond money for re-letting expenses and rental arrears and then apply any balance to reduce the amount of loss or damage being claimed. We will not pay for loss of, or damage to, building items that could have been, but were not, deducted from the bond money prior to making a refund of bond money to the tenant.

When your building is damaged by the tenant in a holiday let property and you are entitled to use their bond money to reduce or settle the loss, you must do so.

**Refer to 'Making a claim' on page 66 for the types of excess 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 contents/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 match 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 loss or damage occurred.

Example 1

There are 300 matching white wall tiles in the bathroom. As a result of tenant damage, 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 tenant damage, 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 4: 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 74 and 'General exclusions' on page 78 applying to this policy, together with the requirements outlined under the heading 'Making a claim' on page 66.

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:

- X In respect of death or bodily injury to you or your family.
- X 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.
- X For any liability to pay benefits under any domestic workers' compensation or accident compensation legislation.
- X 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.
- X 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.

Section 5: Tax audit

Words with special meanings

Some key words and terms used in this section have a special meaning. Wherever the following words or terms are used in this section, they mean what is set out below:

Word/Term	Meaning
Audit	<p>An investigation or audit of your financial or taxation affairs that is initiated by an authorised Commonwealth, State or Territory government, government authority or agency in relation to, and following the lodgement of, a return.</p> <p>An audit does not include anything related to:</p> <ul style="list-style-type: none"> ◆ Any review pertaining to maintaining any industry status, licence, membership or any compliance with any employee related legislation or regulations; ◆ Any government agency or authority gathering data or information that is directly related to the final audit; or ◆ An audit of a superannuation fund or superannuation fund contributions for the purpose of determining any matter relating to the superannuation funds or its trustees' compliance with any of the provisions of the Superannuation Industry Supervision Act 1993.
Auditor	<p>An officer who is authorised under Commonwealth, State or Territory legislation to carry out an audit of your taxation, financial affairs or a taxable position.</p>
Completion of the audit	<p>When the auditor:</p> <ul style="list-style-type: none"> ◆ Has given written notice to that effect; ◆ Has given forward notification to you that they have made a final decision of a taxable position and/or all matters under audit; or ◆ Has issued an assessment or amended assessment of a designated liability.
Designated liability	<p>Means your obligation to pay an amount under Commonwealth, State or Territory legislation.</p>
Exclusions	<p>Any loss, situation, circumstances or amounts that are not covered under this section of the policy.</p>

Word/Term	Meaning
Final decision	A written notification of the auditor's concluded view in connection with a taxable position and includes any written statement which is intended by the auditor to be its findings in connection with a taxable position or the basis upon which it proposes to act in connection with a taxable position.
Goods and services tax return	Any taxation return required to be lodged by you pursuant to relevant goods and services tax legislation.
Limit of indemnity	Per audit (apart from sub-limits of indemnity): \$1,000. Limit of indemnity in total for each period of insurance: \$2,000.
Notification date	The date that you or your representative was first made aware of a formal audit whether verbally or in writing. If you received a pre-audit questionnaire following the lodgement of a return, then the notification date cannot be later than the date that you received the questionnaire.
Professional adviser	A qualified accountant who is a member of a nationally recognised accounting body, registered tax agent or tax consultant. With our prior written approval, professional adviser includes any other qualified professional person or consultant engaged by or at the recommendation of the accountant, but does not mean you or any person working for you under a contract of employment.
Professional fees	Fees, costs and/or expenses reasonably incurred by you to engage a professional adviser. Professional fees do not include any fees, costs or expenses related to: <ul style="list-style-type: none"> ◆ Preparing or completing any accounts, returns, financial or taxation records, questionnaires, or documents that you would ordinarily be required to complete or rewriting or reconstructing any of your records or receiving any advice whether or not these fees, costs or expenses should have been incurred prior to lodging your return or prior to any audit; ◆ Any part of an annual or regular fixed fee or cost arrangement; or ◆ Any subsequent objection or appeal or request for review in respect of the audit, any assessment, amended assessment or final decision of the audit.

Word/Term	Meaning
Record keeping audits	An enquiry or investigation by the Australian Taxation Office to determine the extent of your compliance with the record keeping or record retention requirements of relevant taxation legislation subject to the sub-limits of indemnity.
Return	Any taxation return that is legally required to be lodged with the government, government agency or government authority by you or on your behalf.
Sub-limits of indemnity	<p>The maximum we will pay during any one period of insurance in relation to audits pertaining to:</p> <ul style="list-style-type: none"> ◆ Goods and services tax return is \$500; ◆ Record keeping audits is \$500.
Taxable position	<p>The documented position taken by you in relation to your past, current or future compliance obligations.</p> <p>An audit of a taxable position may or may not require you to pay an additional taxation liability, as determined under Commonwealth, State or Territory taxation legislation and regulations.</p>

Tax audit – What we do cover

Subject to complying with 'Tax audit – How to make a claim' on page 53 and the 'Tax audit – Conditions' on page 52 being met and the 'General terms and conditions' on page 74 and the 'General exclusions' on page 78, on completion of the audit we will pay you the professional fees reasonably and necessarily incurred by you in connection with assisting you to respond to or defend the audit pertaining to the residential rental property insured by this policy provided that:

- ◆ The notification date of the audit occurred during the period of insurance, or the period of insurance immediately prior to the period of insurance in which the audit occurred; and
- ◆ Cover under this policy was in force at the time of the notification date; and
- ◆ The audit first occurred during the period of insurance and:
 - a) The audit was notified to us during the period of insurance or the period of insurance immediately prior to the period of insurance in which the audit occurred;
 - b) The audit related to a tax return lodged no more than 12 months prior to the original inception date of your policy;
 - c) The audit related to a tax return for a financial year that ended no more than 3 years prior to the notification date; and
 - d) No exclusion applies.

However, we will pay the professional fees when this policy is not in force at the time of the audit in relation to your property only if:

- ◆ You have sold the property and not replaced it; or
- ◆ You have sold the property and replaced it with another property and that replacement property is insured by us and this policy is in force in relation to that replacement property at the time of the audit; and
- ◆ All the other provisions of 'What we do cover' (above) in this section apply and none of the provisions of 'What we do not cover' (see page 50) in this section apply.

Tax audit – What we do not cover

We will not pay for any claim:

- ✗ If a return or document, which is required to be lodged in relation to the audit, has not been lodged:

 - At all;
 - Properly; or
 - By the due date.
- ✗ In relation to an audit conducted by or on behalf of the Australian Prudential Regulation Authority (APRA) or the Australian Securities and Investments Commission (ASIC).
- ✗ In relation to routine enquiries or enquiries from the auditor which are not identified as being either preliminary to, or relating to, an audit.
- ✗ For professional fees of persons of organisations ordinarily resident outside Australia.
- ✗ Where there has been a dishonest or fraudulent act or omission in relation to a return or document or in communications with the auditor (including where any supporting documents have been falsely created, amended or collected) by you or any person acting on your behalf.
- ✗ Where there has been a statement whether orally or in writing by you or any person acting on your behalf which was false or misleading in a material particular and/or which was made knowingly, recklessly or negligently to an auditor. This exclusion does not apply if the false or misleading statement was made relying on representations made by the auditor, or if you did not and could not reasonably have known that the statement was false or misleading, or if the statement was made on the basis of an honest and reasonable mistake as to what the law was as a result of advice from your professional adviser.
- ✗ If the audit is conducted specifically for the purposes of determining if any fine, penalty or prosecution action should be imposed in connection with any act or omission by you, or in connection with any failure, act or omission arising from, or in connection with your statutory obligations.
- ✗ If you, without lawful justification, refused to or failed to comply with the request made by or on behalf of the auditor for the production of documents or the supply of information.

- X For any professional fees:

 - Incurred more than twelve months after the commencement of the audit, unless you can show that completion of the audit has been delayed as a result of the conduct of the auditor;
 - That were charged by someone other than a qualified accountant who is a member of a nationally recognised accounting body, registered tax agent or tax consultant unless our prior written consent was first obtained;
 - For any work performed in connection with any prosecution which arises from the audit or in connection with your culpable behaviour being assessed to be deliberate evasion or recklessness;
 - Unless they directly pertain to the residential rental property insured by this policy.
- X For any fines, penalties, interest or adjustments to tax, additional tax, duty, government impost or similar, payable under any circumstances.
- X If at the commencement of the audit you are bankrupt within the meaning of the Bankruptcy Act 1966, or insolvent or under external administration within the meaning of the Corporations Act 2001.
- X Relating to an audit by the ATO if you fail to comply with any requirement or obligation imposed upon you by any relevant legislation if a return in relation to the audit was not prepared or reviewed by an accountant prior to dispatch.
- X If the audit is commenced or is conducted specifically for the purposes of determining your taxation liabilities and liability to pay tax, interest, additional tax or penalty as a result of participation in any mass marketed tax avoidance scheme (where the result of participation has resulted from an introduction, proposal or recommendation made by you).
- X If the auditor imposes culpability penalties at a rate prescribed by the auditor and you have no reasonably arguable case.
- X In relation to any audit of any form of managed investment.
- X If you breach any conditions in this policy, including failing to comply with any requirement imposed by any relevant legislation or failing to do what you must do if you intend to make a claim or you make a claim.
- X In relation to an audit if, prior to the commencement of the period of insurance, you or any person acting on your behalf:

 - Received any notice of any proposed audit;
 - Had information that the audit was likely to take place;
 - Had information that would lead a reasonable person in your position, or in the position of any person acting on your behalf, to believe that an audit was likely to take place.

Tax audit – How much we will pay

The most we will pay for all claims during any one period of insurance relating to goods and services tax returns and record keeping audits is \$500.

The most we will pay for each audit is \$1,000.

The maximum amount in total for all claims during any one period of insurance is limited to \$2,000.

If you have more than one residential landlord property insured, whether under the same policy or not, and those properties benefit from the cover provided by 'Section 5: Tax audit', we will not pay more than a total of \$4,000 for all claims under this cover for all your residential landlord policies that you have insured with us during any one period of insurance.

Tax audit – Conditions

For a claim to be payable under this Section 5, you must comply with the following policy conditions:

- ◆ Make every effort to comply with the relevant legislation, procedures and guidelines issued by the relevant government, government authority or agency including in relation to maintenance of records, books and documents; and
- ◆ Lodge taxation and other returns within the time limits prescribed by statute, pay all taxes by their respective due dates, or, if an extension is granted by the auditor, within the further period granted; and
- ◆ Have and properly maintain records which:
 - a) You are either required to keep or should or would keep in the ordinary course of business; or
 - b) Would be kept ordinarily in relation to a taxable position, for example receipts or tax invoices relating to expenses incurred on the property.

Tax audit – How to make a claim

What you must do when making a claim

For a claim to be payable under this Section 5, you must comply with the following policy conditions:

- ◆ Immediately give us full written details as soon as you become aware of any proposed audit that could lead to a claim. As soon as you receive it, you must supply us with a copy of the notice from the government, government agency or authority that shows the type of audit that they intend to conduct. Where an audit commences without notification, you must supply the following details, where possible:
 - a) A letter signed by you confirming that an audit has commenced;
 - b) Date of the auditor's first visit; and
 - c) The officer's agency, authority, position/title, full name and telephone contact details.
- ◆ Obtain our prior written approval before engaging any professional adviser, other than your accountant, and notify us of all fees and costs that person proposes to charge;
- ◆ Ensure that you:
 - a) Provide us with all material information as it develops in relation to your claim and the audit in a timely manner;
 - b) Take all reasonable steps to minimise costs and delays;
 - c) Respond to any letters, requests and enquiries from the auditor within the required time and where there is no required time, a reasonable time; and
 - d) Submit to us all accounts for professional fees that relate to this claim, upon conclusion of the audit. These accounts must provide us with sufficient detail to enable us to determine the nature of the work done and the basis of calculation of any professional fees for which you are making a claim; and

- ◆ Assist us with the processing of your claim by cooperating with our, or our agent's investigation into any matters which are or may be the subject of the claim. You must also instruct your professional adviser to assist us at all times, providing us with documents and details in connection with the claim. This may also include the pursuit of matters with the department, body or agency which is or may be the subject of a claim under this policy.

Section 6: Loss of rent – Permanent tenancies

What you are covered for

We will cover your loss of rent in connection with a permanent tenancy caused by any of the insured events listed in this Section 6 occurring during the period of insurance. The cover provided by this section is subject to the basis set out under the heading 'Basis on which claims are paid' on page 65, is subject to the limits, conditions and exclusions applicable to this section and the 'General terms and conditions' on page 74 and 'General exclusions' on page 78 applying to this policy together with the requirements outlined under the heading 'Making a claim' on page 66.

Absconding tenant

✓ We cover

Loss of rent if a tenant vacates:

- ◆ Without giving you the required notice in accordance with their lease; or
- ◆ Giving you the required notice in accordance with their lease, but leaving unpaid rent; or
- ◆ At the end of their lease leaving unpaid rent.

Cover will commence from the day following the tenant's rent 'paid to' date, through until whichever of the following events occurs first:

- ◆ The property is re-let; or
- ◆ The tenants lease expires; or
- ◆ The limit for this insured event is reached.

Limit: 20 weeks loss of rent.

Defaulting tenant (by termination notice)

✓ We cover

Loss of rent where a tenant vacates because they were issued a termination notice by your property manager on the grounds of rent arrears.

Cover will commence from the day following the tenant's rent 'paid to' date, through until whichever of the following events occurs first:

- ◆ The property is re-let; or
- ◆ The tenant's lease expires; or
- ◆ The limit for this insured event is reached.

We will not pay more than you would be legally entitled to recover from the tenant under their lease.

Limit: 20 weeks loss of rent.

Defaulting tenant (by court order)

✓ We cover

Loss of rent if a court/tribunal order, for the termination of the tenant's lease, on the grounds of rent arrears, has been issued.

Cover will commence from the day following the tenant's rent 'paid to' date, through until whichever of the following events occurs first:

- ◆ The property is re-let; or
- ◆ The tenant's lease expires; or
- ◆ The limit for this insured event is reached.

We will not pay more than you would be legally entitled to recover from the tenant under their lease.

Limit: 20 weeks loss of rent.

Failure to give vacant possession

✓ We cover

Loss of rent where your tenant has refused to pay rent and has resisted all attempts by you or your property manager to vacate your property after:

- ◆ Service of an eviction order from a court or tribunal against them; and
- ◆ A bailiff/sheriff or the police attend to carry out the eviction.

Once the tenant has vacated, cover will commence from the day following the tenant's rent 'paid to' date, through until whichever of the following events occur first:

- ◆ The property is re-let; or
- ◆ The tenant's lease expires; or
- ◆ The limit for this insured event is reached.

We will not pay more than you would be legally entitled to recover from the tenant under their lease.

Limit: 28 weeks loss of rent.

Death of tenant

✓ We cover

Loss of rent in the event of the death of your tenant and they are the sole person listed on the lease.

Cover will commence from the day following the tenant's rent 'paid to' date, through until whichever of the following events occurs first:

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

Limit: 15 weeks loss of rent.

Hardship

✓ We cover

Loss of rent if a court awards the tenant a release from their lease obligations, over and above the tenant's bond monies due to hardship.

Hardship can result from factors or issues such as a change in income, illness or family violence suffered by the tenant. If we accept a claim for hardship, we will not hold the tenant responsible for any amount we pay you.

Cover will commence from the day following the tenant's rent 'paid to' date, through until whichever of the following events occurs first:

- ◆ The property is re-let; or
- ◆ The tenant's lease expires; or
- ◆ The limit for this insured event is reached.

Limit: 4 weeks loss of rent.

Untenantable (building)

✓ 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 tenant damage, (provided we have accepted your claim under Section 3); or
- ◆ Murder or suicide, or attempted murder or suicide.

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

- ◆ The date two weeks after the property becomes tenantable again, but only if you have attempted to re-let the property and have been unable to; or
- ◆ The date you re-let the property; or
- ◆ The limit for this insured event is reached.

Limit: 52 weeks loss of rent.

Untenantable (contents)

✓ We cover:

Loss of rent if your property becomes untenantable for a minimum period of 7 days due to:

- ◆ Your contents only being damaged by an insured event listed in Section 2 of the policy.

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

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

Limit: 6 weeks loss of rent.

✗ We do not cover

Any loss of rent under this insured event while repairs to your building are being completed.

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 or contents 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 2 or Section 3 of this policy for the damage; and
- ◆ You have agreed to reduce the tenant's rent due to the damage to your building or contents; 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 or contents are damaged until whichever of the following events occur first:

- ◆ Your building or contents have 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.

Prevention of access

✓ We cover:

Loss of rent when your tenant does not have access to the insured address as a result of damage to another building (but not your property) in its immediate vicinity caused by an insured event listed in Section 2 of this policy (except for tenant damage).

Cover will commence from the date access was first prevented until whichever of the following events occurs first:

- ◆ Access is restored; or
- ◆ The limit for this insured event is reached.

Limit: 52 weeks loss of rent.

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

What we do not cover

We do not pay any amount for loss of rent under this Section 6 in relation to:

- ◆ A holiday let property.

(See 'Section 1: Loss of rent – Holiday let' on page 13 for details of the cover for loss of rent in relation to a holiday let property.)

Additional benefits

Your legal expenses

If we have accepted a claim for an insured event under Section 6 of this policy, we will also pay up to \$5,000 for each claim for legal expenses, provided the legal expenses have been incurred with our prior written approval, and are for the purpose of reducing your claim under Section 6 of this policy or filing a legal defence while the claim is being investigated.

Replacement of locks

If we have accepted a claim for the insured event 'Defaulting tenant (by court order)' in Section 6 of this policy, and the tenant has not returned the keys for the property, we will also pay up to \$250 per claim for the costs you incur (over and above the tenant's bond monies), to replace locks at the property following the successful eviction of the tenant.

Representation costs

If we have accepted a claim for an insured event under Section 6 of this policy, we will pay up to \$500 during any one period of insurance for the costs you incur as a result of your property manager:

- ◆ Representing you in court or a tribunal for the purpose of obtaining a court order against the tenant. This benefit only applies where your liability for this expense is specifically expressed in the Managing Agent Agreement between you and the property manager; and/or
- ◆ Engaging a bailiff/sheriff for the purpose of evicting your tenant – this benefit has a sub limit of \$300 per claim.

However, we will not pay costs incurred or charged by the property manager on your behalf, such as:

- ✗ Representation costs associated with the release of the tenant's bond monies; or
- ✗ Court or tribunal filing fees; or
- ✗ Lodgement or application fees; or
- ✗ Preparing an insurance claim.

Removal and storage of goods

If we have accepted a claim for an insured event under Section 6 of this policy and the tenant has vacated leaving their possessions at the property, then we will pay up to \$500 per tenancy for removal and storage costs you incur (over and above the bond monies) for the removal from the property and storage of the tenant's possessions.

This benefit will only apply if both removal and storage of the possessions is required by the Act.

Re-letting expenses in excess of the bond

If we have accepted a claim for an insured event under Section 6 of this policy, we will also pay up to \$500 during any one period of insurance for re-letting expenses that exceed the tenant's bond money.

This additional benefit will only apply if:

- ◆ Bond money, equivalent to a minimum of 4 weeks rent (in accordance with the Act) has been collected from the tenant; and
- ◆ The bond money has been fully exhausted.

This benefit will not apply:

- ◆ For any cost that exceeds the limit for the insured event; or
- ◆ If the amount of bond money available has been reduced for any reason; or
- ◆ For any cost not covered as a result of a reduction applied by us in any section of this policy; or
- ◆ If the re-letting expenses do not exceed the tenant's bond money.

Conditions – Section 6

A claim under ‘Section 6 – Loss of rent – Permanent tenancies’ may be refused or reduced if the following terms and conditions have not been met or followed.

Rent is in arrears at commencement of policy

If the tenant’s rent payments were in arrears in the 2 months prior to the commencement of the policy, then cover under Section 6 is not available unless the ‘Rent arrears’ clause has been met – refer to ‘General terms and conditions’ on page 74 for this clause.

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.

Breach notices are not issued

We may reduce or refuse your rent arrears claim if you or your property manager:

- ◆ Fail to issue or delay issuing rent arrears and termination notices to the tenant; or
- ◆ Fail to pursue or delay pursuing a court or tribunal order for the eviction of the tenant following the expiry of the breach or termination notice.

The above processes should be followed in accordance with the Act.

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 Section 6 to take into account any loss of rent that results from your delay.

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 Section 6 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 6 does not provide cover for alternate accommodation costs for the tenant as a result of the property becoming untenable for any reason.

Vacant at time of loss

Cover for the insured events for 'Untenable (building)', 'Untenable (contents)' and 'Prevention of access' in Section 6 of this policy, will only apply when:

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

Basis on which claims are paid

Weekly rent

The maximum weekly loss of rent that is recoverable under this policy is the weekly rent sum insured shown on your policy schedule.

How we calculate what we will pay

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.

This amount is then reduced by:

- ◆ Any bond monies left over after subtracting allowable re-letting expenses*; and
- ◆ Any break fee which the tenant has paid under their lease; and
- ◆ Any applicable loss of rent excess shown on your policy schedule.

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

*Re-letting expenses include but are not limited to:

- ◆ General cleaning and carpet cleaning;
- ◆ Gardening costs and rubbish removal;
- ◆ Water usage, letting fees and advertising;
- ◆ The cost of minor repairs which are not covered by this or any other insurance as a result of an excess.

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 6, you may only claim under one of those insured events for any one period of loss of rent.

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 building and/or contents the subject of your claim. When we ask, you must send any items to us, or cooperate in our collection or retrieval of such items;
- ◆ 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, or damage or theft by your tenant;
- ◆ Forwarding address and current contact details of your tenant;
- ◆ Rent arrears/termination notices issued to, or court orders issued against the tenant, under the appropriate Act;
- ◆ Evidence of dated advertising done to demonstrate your efforts to re-let the property;
- ◆ 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 income will not be accepted for bookings made verbally which are not accompanied by a written booking confirmation;
- ◆ Evidence of the rental values being claimed (for holiday let properties), either by:
 - 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 in your policy schedule.

Claim Type	Excess
Loss of rent	The amount of your excess will be shown on your policy schedule.
Tenant damage	This excess is shown on your policy schedule and will apply to all claims for tenant damage.
Scorching or pet damage	This excess is shown on your policy schedule and will apply to all claims for scorching or pet damage.
Earthquake or tsunami	This excess is shown on your policy schedule and will apply to 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.
Additional benefits in Section 6, Liability and Tax audit	No excess applies.
Other claims	This excess will apply to all claims of a type not listed above. The amount of your excess will be shown on your policy schedule.

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. 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.

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 works, 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:

- ◆ Your property is managed by a property manager; and
- ◆ 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 used principally and primarily for residential rental accommodation; and
- ◆ No section of the property is occupied by you whilst the property is being tenanted; 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.

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), the following condition applies:

- ◆ Cover will be limited to 'Section 2: Contents', (but excluding tenant damage) and 'Section 4: Liability to others' of this policy.

If the tenant subsequently brings their rental payments out of rent arrears for a period of two consecutive months, then these limitations 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 claim for loss of or damage to your property, 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.

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: Loss of rent – Holiday let', 'Section 2: Contents', 'Section 3: Building (tenant damage)' and 'Section 6: Loss of rent – Permanent tenancies' 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.

Which loss of rent cover applies?

There are two loss of rent sections in this policy:

- ◆ 'Section 1: Loss of rent – Holiday let'; and
- ◆ 'Section 6: Loss of rent – Permanent tenancies'.

If the occurrence giving rise to the relevant insured event occurs:

- ◆ During a permanent tenancy, you can only claim for loss of rent under Section 6;
- ◆ At any other time, you can only claim for loss of rent under Section 1.

You may not claim under both Section 1 and Section 6 in relation to loss of rent arising from any one occurrence.

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.
- X Actions or movements of the sea;
 - X Water seeping through a wall or floor;
 - X Water entering the building through an opening made for the purpose of alterations, additions, renovations or repair;
 - X 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.
 - X 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);
 - X Rust, wear, tear, mould or mildew, oxidation, change of colour, the action of light, atmospheric conditions or vibration unless caused by an insured event;
 - X Damage caused by insects or vermin (such as termites, rats, mice or wildlife) but we will pay for resultant damage to the property shown on your policy schedule caused by an insured event listed under Section 2 and Section 3;
 - X Scratching, denting or chipping;
 - X The actions of cleaning;
 - X Damage from heat, smoke, or soot when the building or contents have not caught fire;
 - X Tree roots;
 - X 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;

- ✘ Consequential loss, such as having to hire a washing machine because one provided by you for the tenants use, was stolen;
 - ✘ Expropriation, lawful seizure, resumption, confiscation, nationalisation or requisition of any property by any lawfully constituted authority or persons; or
 - ✘ 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:
- ✘ You take over private management of the property; or
 - ✘ You, your family or your non-paying guests take up residence in the property; or
 - ✘ 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
- ✘ Your property is vacant and advertised for sale. However we will provide the following cover under your policy:
 - 'Section 6: Loss of rent – Permanent tenancies', providing you can demonstrate a continuing reasonable effort was made to obtain a new tenant (such as advertising for a tenant), whilst you were simultaneously marketing the property for sale; and
 - 'Section 2: Contents' and 'Section 4: 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.

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 by break-in, vandalism or theft by unknown persons.

Break fee

means the amount described in the tenant's lease that is payable as a maximum penalty in the event the tenant breaks their lease.

Building

see page 34 and 35.

Contents

see page 20 and 21.

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 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 where a permanent tenancy is not in place and 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.

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.

Legal expenses

means the expenses incurred by the appointment of a solicitor/lawyer, with our prior approval and for the purpose of minimising the claim.

Malicious damage

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

Manchester

includes but is not limited to sheets, pillows and pillow cases, quilts and quilt covers, mattress and pillow protectors, blankets, electric blankets, towels, tea towels and tablecloths.

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.

Open air

means:

- ◆ In or under any part of the site which is not fully enclosed by walls and a roof, such as a veranda, carport, gazebo or outdoor living area within the land boundaries;
- ◆ In or on a motor vehicle, motorcycle, trailer or caravan, whether those vehicles are locked or not.

'Open air' does not mean in common or shared areas of home units, flats, villas and the like.

Period of insurance

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

Period of stay

means the period for which the property has a documented rental booking made by a tenant in a holiday let property.

Permanent tenancy/tenancies

means tenancies which are governed by the Act.

Pet bond

means those monies paid by the tenant as prescribed by the Act, which can be held as a security deposit against loss or damage caused by a pet.

Policy schedule

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

Possessions

means items belonging to the tenant such as clothing, furniture and white goods which you are required to store for a period of time as prescribed by the Act. Possessions do not include items of any kind, including rubbish, which you are not required by law to store for the tenant.

Property

means the building and its contents 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.

Re-letting expenses

means those costs that the tenant can be held liable for under their lease and the relevant Act. Re-letting expenses include, but are not limited to:

- ◆ General cleaning and carpet cleaning; and
- ◆ Gardening costs and rubbish removal; and
- ◆ Water usage, letting fees and advertising; and
- ◆ The cost of minor repairs which are not covered by this or any other insurance as a result of an excess.

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 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.

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