



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

Australia's Leading Landlord Insurance Specialist
terriscbeer.com.au

Product Disclosure Statement and Policy Wording (PDS)

This Product Disclosure Statement (PDS) is an important document that tells you information you need to know about your policy. It's really important to read it carefully before you decide whether or not our cover is right for you.

This PDS is in two parts:

- Part 1: Important Information. This part includes important information about your excesses, 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 it was prepared. From time to time, we may update some of the information in this PDS that is not materially adverse to you without notifying you. Please contact us for a free copy of any of these updates. Other changes will be made by a Supplementary Product Disclosure Statement (SPDS) which we will give to you.

Landlord Residential Building Insurance Additional Information Guide

In this PDS you will be referred to the Landlord Residential Building Insurance Additional Information Guide. This guide is available at terriscbeer.com.au and contains further information about premiums, excesses and discounts.

Please contact us for a free copy.

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.

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.

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

Type of tenancy

This policy provides cover for properties used principally and primarily by tenants as a place of residence which are rented for:

- ◆ Permanent tenancies; or
- ◆ Holiday let (for periods of 12 weeks or less).

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

Communicating with you electronically

We may send your policy documents and policy related communications electronically. This will be by email and/or other types of electronic communication (e.g. SMS). We will obtain your express or inferred consent to do so.

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

Cooling off period

You can contact us to return the policy within **30** days from the start date of your policy (including on renewal).

This is called the cooling off period. As long as you have not made a claim during this period, we will refund in full the money you paid for your policy (including GST if applicable), but you will not have any cover under this policy.

Alternatively, you can cancel your policy at any time while you are insured. When you do this, unless we tell you otherwise, you will have cover up until the date and time of cancellation. For more information, see 'What happens with cancellations' on page 64.

There are limits to what we will pay and some things that we don't cover

Like every insurance policy, there are exclusions, conditions and limits that apply to your policy. There are some things we don't cover whatever the circumstances, these are found in 'Things we don't cover' on pages 66 to 75.

Extra support

Sometimes your circumstances might mean you need additional support or assistance in dealing with us. This could be due to your physical or mental health, family or financial situation or cultural background. If you are comfortable, you can tell us about your situation and we will work with you to arrange support.

Exclusion for new policies

We do not insure you for bushfire, storm, flood or tsunami in the first **72** hours of your policy. Very limited exceptions apply. For full details see page 66.

Some words and terms in your policy have special meanings

Some words and terms used in this PDS have a special meaning. See the 'Defined terms' section on pages 76 to 82. It's important to read this section because it can impact how your policy is interpreted. If a word does not have a special meaning then it just has its ordinary meaning.

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 47.

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

Excesses that apply to your claim

An excess is an amount you pay towards the cost of your claim for each incident covered under your policy. Sometimes you might have to pay more than one type of excess. The amount and types of excess are shown on your policy schedule or in this PDS.

Claim Type	Excess
Tenant damage	<p>This excess is shown on your policy schedule and will apply to all claims for loss and damage under the insured event 'Tenant damage'.</p> <p>You may choose the amount of this excess from the range we offer and the amount of your excess will be shown on your policy schedule.</p>
Earthquake or tsunami	<p>This excess is shown on your policy schedule applies to all claims for loss or damage under the insured event 'Earthquake or tsunami'. All loss, destruction or damage occurring within a period of 48 hours after an earthquake or tsunami is regarded as the one event.</p> <p>You may choose the amount of this excess from the range we offer and the amount of your excess will be shown on your policy schedule.</p>
Building damage	<p>This excess applies to claims for building damage caused by an insured event other than 'Tenant damage' and 'Earthquake or tsunami'.</p> <p>You may choose the amount of this excess from the range we offer and the amount of your excess will be shown on your policy schedule.</p>
Loss of rent, Section 4: Liability to others or any 'Benefits within your sum insured' and 'Benefits in addition to your sum insured' listed in Section 1	No excess applies.

Unoccupied excess

If we have agreed to provide cover while the property is unoccupied for more than **90** days, an increased excess applies to all claims made during this period, in addition to any other applicable excess. The amount will be shown on your policy schedule. See page 64 for more details.

Refer to the **Landlord Residential Building Insurance Additional Information Guide** for further information.

When loss or damage results from more than one incident

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

How to pay your excess

You can choose from the following options to pay your excess(es):

- ◆ you can pay the excess(es) directly to us before we finalise your claim;
- ◆ the excess(es) can be deducted from the amount we pay for your claim (if any); or
- ◆ in some instances, the excess(es) can be paid to the appointed repairer or supplier.

We will not cover any legal or other costs that arise because of any delay in paying the excess(es).

When we will waive your excess

We will waive your excess and no excess will apply when:

- ◆ you are not responsible for the loss or damage and the incident was caused by another person, but not a person within the definition of 'You/Your', your family and not a tenant or their guest. You may be able to show this by providing a police report, expert reports, statement from a witness, and/or photographs; and
- ◆ you can give us the name and address of the person responsible, and if applicable the registration number of their vehicle.

If you cannot identify the person responsible and/or give us their name and address (and if applicable, their vehicle registration number) it means we will not be able to waive your excess. It does not otherwise impact the cover under your policy or your ability to make a claim.

Refer to the Landlord Residential Building Insurance Additional Information Guide for further information.

How a claim payment is calculated

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

- ◆ Amount of loss or damage or liability;
- ◆ Applicable excess;
- ◆ Applicable sum insured;
- ◆ Applicable limit for the insured event or benefit; and
- ◆ Terms and conditions of the policy.

How and when benefits are provided

Benefits (if applicable) are provided following the submission of a claim covered under your policy. After considering the factors in 'How a claim payment is calculated', and subject to your nominated choice of repairer/supplier (where applicable), we will either:

- ◆ Repair or replace your building in accordance with 'How we settle building claims' on 32; or
- ◆ Pay the person to whom you are legally liable; or
- ◆ Pay you.

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.

Report insurance fraud

Insurance fraud is not a victimless crime. It imposes additional costs on honest policy holders and wastes the valuable resources of our community. This means it affects everyone.

We actively pursue fraudulent and inflated claims in order to keep your premiums as low as possible. Fraudulent claims will be investigated and may be reported to the police.

Help us fight insurance fraud by reporting:

- Inflated home repair bills;
- Staged home incidents;
- False or inflated home claims;
- Home fires which may be intentionally started, including by someone known to you.

To report suspected insurance fraud call: 1300 881 725.

Let's work together to reduce the impact of insurance fraud on the community.

About your sum insured

What is a sum insured?

The sum insured is the most you can claim for any one incident less deductions that apply, unless stated otherwise in this policy. The amount is shown on your policy schedule, and includes GST.

Make sure your building sum insured is adequate

Underinsurance can expose you to serious financial loss if a claim occurs. It is your responsibility to select a sum insured for your building that meets your needs in the event your building is damaged or destroyed.

To help you calculate the replacement value of the building, we provide a 'Home Building' calculator that you can access at our website www.terriscbeer.com.au

You can also choose to seek the services of an architect, builder, quantity surveyor, valuer or other suitably qualified professional for an expert opinion.

Review your sums insured regularly

You need to ensure that the building and weekly rent sums insured are accurate when you first insure them and each time you renew your policy. To ensure your building and weekly rent sums insured are adequate it is important to review them regularly and ask us to change the building and weekly rent sum insured when required.

If you upgrade the size and standard of your building, it may increase the cost to rebuild your building. The building sum insured will need to reflect these types of changes.

If you over-insure

We will not pay more than the amount of the assessed quote to rebuild or repair your building. Again, it is important to review your building sum insured regularly. We will not refund any premium paid for over-insuring.

Adjustments on renewal

Terri Scheer will consider a range of factors that can influence the cost to rebuild your building and may choose to adjust your building sum insured shown on your policy schedule at the end of each period of insurance to account for various factors including inflationary trends. However, you still need to consider if your sum insured is sufficient for your situation.

GST

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

How to contact us with a complaint

Let us know

If you experience a problem, are not satisfied with our products or services or a decision we have made, let us know so that we can help.

Contact us:

By phone: 1800 804 016

By email: customerservice@terrischeer.com.au

In writing: GPO Box 1619,
Adelaide, South Australia 5001

Complaints can usually be resolved on the spot or within 5 business days.

Review by our Customer Relations Team

If we are not able to resolve your complaint or you would prefer not to contact the people who provided your initial service, our Customer Relations team can assist:

By phone: 1300 264 783

By email: idr@terrischeer.com.au

In writing: Customer Relations,
Terri Scheer Insurance Ltd,
PO Box 14180,
Melbourne City Mail Centre VIC 8001

Customer Relations will contact you if they require additional information or if they have reached a decision.

When responding to your complaint you will be informed of the progress of and the timeframe for responding to your complaint.

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 Australian Financial Complaints Authority (AFCA). AFCA provides fair and independent financial services complaint resolution that is free to consumers. Any determination AFCA makes is binding on us, provided you also accept the determination. You do not have to accept their determination and you have the option of seeking remedies elsewhere.

AFCA has authority to hear certain complaints. Contact AFCA to confirm if they can assist you.

You can contact AFCA:

By phone: 1800 931 678

By email: info@afca.org.au

In writing: Australian Financial Complaints
Authority, GPO Box 3,
Melbourne VIC 3001

By visiting: www.afca.org.au

Part 2: Policy Wording

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Our agreement with you

If you buy this insurance from us, your contract includes your policy schedule, this PDS, and any SPDS that we have given you.

Your responsibilities

- ◆ take steps to prevent theft, loss, damage or legal liability (e.g. ensuring there are working smoke detectors in your building);
- ◆ maintain door locks and window locks in good working condition and keep alarms working and connected;
- ◆ follow all terms and responsibilities set out in your policy including any endorsements noted on or attached to the policy schedule;
- ◆ keep your building structurally sound, watertight, secure and well maintained (e.g. remove mould, fix any holes in floors, walls, ceilings, fix loose, missing or rusted steps, gutters, flooring);
- ◆ you must fix any inherent defect, faulty design, structural fault and/or faulty/poor workmanship at your building as soon as possible after you identify it or are told about it;
- ◆ ensure that regular and routine inspections of your building (including at tenant entry and exit) are undertaken and evidence of those inspections are kept (including photographs);
- ◆ ensure that your building complies with local council requirements and building laws and regulations when construction, alterations or repairs are undertaken. For example, obtain all required permits and permissions prior to work commencing and ensure that all requirements including height limits are met;
- ◆ ensure that your property is kept in good condition (e.g. there are no blocked gutters, the roof is not rusted, your building is not infested with vermin, there is no termite damage and insured damage we have compensated for your building has been repaired);
- ◆ provide honest and complete information for any claim, statement or document supplied to us;

- ◆ do not behave in a way that is abusive, dangerous, hostile, improper or threatening when engaging with us and our service providers.

Not meeting your responsibilities

Your policy may not provide cover if you have not met your responsibilities and it may lead us to reduce or refuse to pay your claim and/or cancel your policy.

Information you need to tell us

Changing your policy

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

When you need to contact us

During the period of insurance you must tell us as soon as possible if:

- ◆ you have been charged with or convicted of, a criminal act or offence;
- ◆ you have had another insurer cancel or decline an insurance policy, impose specific conditions on a policy or refuse a claim;
- ◆ you or your property manager becomes aware your tenant starts to or intends to operate a business activity at the insured address;
- ◆ you start farming, manufacturing or undertaking repair work at or from the insured address or you or your property manager becomes aware your tenant does farming, manufacturing or repair work at or from the insured address;
- ◆ you or your property manager become aware of changes to any business activity operated at the insured address such as but not limited to, people start to come to the insured address, business signage is installed and storage of chemicals for the business activity occurs;
- ◆ you need to change your building or weekly rent sums insured;

- ◆ you intend to demolish your building, have lodged an application to do this, or a government authority has issued a demolition order;
- ◆ the insured address ceases to be used as a rental property;
- ◆ you transfer the management of your property from one licensed real estate agency to another licensed real estate agency;
- ◆ the management of your property changes from being self-managed to being managed by a real estate agent, on-site manager or letting agent, or vice versa;
- ◆ your building becomes unoccupied for **90** days or more (See definition of 'Unoccupied properties' on page 64 for further details);
- ◆ trespasser or squatters occupy the insured address;
- ◆ building, renovations, construction, alteration and/or repairs commence at the insured address
- ◆ any detail on your policy schedule is no longer accurate, such as, but not limited to the description of your building.

If you have not told us about any of the above matters having occurred in any other period of insurance you held this policy with us, you must also tell us as soon as possible.

What we will do when you contact us

When you tell us about any of the above matters, an additional excess, additional premium or special condition may be applied to your policy. In some cases, it may lead us to reduce or refuse to pay a claim or it may mean we can no longer insure you and we will cancel your policy.

If you do not contact us

If you do not contact us when you need to, you may not be covered under your policy and it may lead us to reduce or refuse to pay a claim and/or cancel your policy.

If your contact details change

You must keep your contact details, including your Australian mobile number, postal address and email address up to date. If we do not have up to date contact details you might not receive your important policy documents which could impact whether you have cover in place.

How to contact us

Call us on 1800 804 016.

Section 1: Building

What is your building?

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

- ◆ Domestic fixtures and fittings such as, 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 your building;
- ◆ Tennis courts; and
- ◆ Underground services such as plumbing, sewerage, water and electrical.

Your building is not

Your building does not include:

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

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

We do not insure you if your building is:

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

What we do cover (building) – Insured events

If any of the insured events listed in this Section 1 occurs during the period of insurance, we cover resulting loss or damage to your building:

- ◆ On the basis set out under the heading ‘Basis on which claims are paid’ on page 32;
- ◆ Subject to the limits, conditions and exclusions applicable to the insured event and in this section;
- ◆ Subject to the ‘General terms and conditions’ on page 60;
- ◆ Subject to the ‘Things we don’t cover’ on pages 66 to 75; and
- ◆ Together with the requirements outlined under the heading ‘Making a claim’ on page 47.

Accidental glass breakage

✓ We cover

Accidental breakage of the following glass items:

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

✗ We do not cover

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

Accidental loss or damage

✓ We cover

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

✗ We do not cover

- ◆ Loss or damage covered by another insured event in this Section 1;
- ◆ Tenant damage under this insured event;
- ◆ Loss or damage caused by break in, vandalism or theft under this insured event;
- ◆ Scratching, denting or chipping;
- ◆ Damage that has not been caused by a single incident;
- ◆ Accidental loss or damage if the property is permanently occupied by you, your family or your non-paying guests;
- ◆ Loss or damage caused by neglect, or wear, tear or gradual deterioration.

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 that has not been caused by a single incident;
- ◆ Loss or damage caused by neglect, wear, tear or gradual deterioration.

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, see the 'Defined terms' section on pages 76 to 82);
- ◆ 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, structural fault or design fault.

Electric motor burnout

✓ We cover

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

- ◆ The electrical machine or appliance forms part of your building;
- ◆ The motor is burnt out by electric current;
- ◆ The motor is burnt out at the property; and
- ◆ The motor is less than **7** years old.

We may engage a member of our supplier network to review your quote and/or inspect the motor to determine if it can be repaired or replaced.

We will only replace the whole machine or appliance when a member of our supplier network determines that the cost to repair or replace the motor is more than the cost to replace the whole machine or appliance.

✗ We do not cover

- ◆ Costs to replace fuses or protective devices, contact switches or relays, lighting or heating elements, starter switches, or 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;
- ◆ 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 your building designed to contain or carry liquid such as sinks, basins, baths, showers and cisterns.

✗ We do not cover

- ◆ Wear, tear or gradual deterioration, or loss or damage caused by the gradual process of liquid leaking, splashing, dripping or overflowing;
- ◆ 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 from which the liquid escaped. Please refer to 'Benefits in addition to your sum insured', section 'd) Location costs - Escape of liquid' on page 31 for more details.

Fire (including bushfire) or explosion

✓ We cover

Loss or damage caused by:

- ◆ Fire (including bushfire);
- ◆ Heat, ash, soot and smoke that is the direct result of a fire within **100** metres of the insured address;
- ◆ Explosion.

Extra costs cover in the event of bushfire

If, during the period of insurance, there is a bushfire in your area, we also cover the following costs even if there is no actual physical loss or damage to your building:

- the cost of replacing water in any tank, container, pool, spa and any other storage vessel where the water has:
 - been used to limit the spread of bushfire at the insured address; or
 - become contaminated due to the use of fire retardant at the insured address; and
- the cost of cleaning fire retardant off your building.

If your claim is for these extra costs only, no excess applies. The most we will pay under Extra costs cover in the event of bushfire is **\$1,000** for any one incident.

✗ We do not cover

Loss or damage arising from:

- ◆ Smoking of cigarettes, pipes, cigars, vapes or any drug use;
- ◆ Arcing or melting;
- ◆ Pollution or vapour from a home heater or a cooking appliance, unless a fire spreads from the initial source;
- ◆ Gradual exposure to fire, heat, ash, soot and smoke during recurring incidents of fire or bushfire over an extended period of time.

Flood

✓ We cover

Loss or damage caused by flood.

✗ We do not cover

- ◆ Loss or damage caused by actions or movements of the sea (see 'actions or movements of the sea' on page 67).
- ◆ 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, structural fault or design fault;
- ◆ Loss or damage to retaining walls, revetments, garden borders and free-standing outdoor walls;
- ◆ Loss or damage to gates, fences or wall fences, that would be considered by a reasonable person to be in an obvious state of disrepair before the loss or damage occurred;
- ◆ Any resultant cracking to paths or driveways, unless they are washed away by the flood;
- ◆ Loss or damage to a sporting surface or court;
- ◆ Loss or damage to any wharf, jetty, pontoon or sea wall;
- ◆ Loss or damage to swimming pool or to spa liners or covers;
- ◆ The cost of cleaning mud or clearing debris out of tanks, swimming pools or spas, including replacing or storing the water;
- ◆ Damage to external paintwork of your building if that is the only building damage caused by the flood;
- ◆ The cost of cleaning your building.

Impact

✓ We cover

Loss or damage caused by impact, or power surge caused by impact, at the insured address from:

- ◆ Motor vehicles or watercraft;
- ◆ Aircraft, space debris or satellites;
- ◆ Falling trees or branches;
- ◆ Drones;
- ◆ 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 or lopping trees that have not damaged the building.

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 (e.g. electronics repairer) saying that lightning was the actual cause of the loss or damage;
- ◆ Loss or damage caused by power failure or surges by your power provider.

Oil leakage

✓ We cover

Loss or damage caused by oil leakage from any heater.

Riot, civil commotion or public disturbance

✓ We cover

Loss or damage caused by riot, civil commotion or public disturbance (e.g. damage caused by a violent crowd moving down the street).

✗ We do not cover

- ◆ Loss or damage caused by you or your tenants or their guests;
- ◆ Loss or damage caused by nuclear or biological devices.

Storm or rainwater

✓ We cover

Loss or damage caused by storm or rainwater.

✗ We do not cover

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

Tenant damage

✓ We cover

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

✗ We do not cover

- ◆ Loss or damage caused by poor housekeeping or tenant neglect (scuff marks on walls, overgrown gardens, damage by water splashing from sinks/baths);
- ◆ Removing abandoned items or rubbish;
- ◆ Damage caused by domestic pets;
- ◆ Scratching, denting or chipping;
- ◆ Damage that has not been caused by a single incident;
- ◆ Wear, tear or gradual deterioration.

Benefits within your sum insured

The following additional benefits are provided during the period of insurance unless the total amount payable under Section 1 for any incident exceeds your building sum insured. All of the conditions of the policy and 'Things we don't cover' on pages 66 to 75 apply.

Benefit

a) Fees

When you are covered for loss or damage to your building under this Section 1, we will also cover the reasonable fees which we have approved and which are incurred directly in relation to repair or replacement of your building (e.g. architect fees).

b) Removal of debris

When you are covered for damage to your building under this Section 1, then we will also cover the reasonable and necessary costs of demolition and removal of debris from the insured address to the nearest authorised facility.

We will cover the reasonable and necessary costs to remove a standing tree or branch that formed part of the tree that caused the insured damage only if:

- ◆ The remaining tree or branch is unsafe as a direct result of the insured event that caused damage to the tree; and
- ◆ Removal of the tree or branch would not result in a breach of any laws, by-laws, regulations or contractual obligations.

We will cover the reasonable and necessary costs to remove a stump that formed part of the tree that caused the insured damage only if required to repair or replace the damaged part of your building covered by your claim.

c) Extra costs of re-instatement

When you are covered for damage to your building under this Section 1, we will cover the extra costs necessary to meet the requirements of any statutory authority in connection with rebuilding or repairing your building.

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

We do not cover any extra costs which result from any notice a statutory authority served on you before your building suffered loss or damage covered under this Section 1.

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

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

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

e) Emergency Service damage

When you are covered for loss or damage under this Section 1, we will also cover any damage caused to your building as a result of Emergency Service Personnel entering your property in connection with the insured event, up to **\$1,000** per claim.

Benefits in addition to your sum insured

When a claim for loss or damage to your building is covered under your policy, we will also provide the following additional benefits. The following benefits and limits are paid in addition to your building sum insured. All of the conditions of the policy and 'Things we don't cover' on pages 66 to 75 apply.

Benefit

a) Automatic reinstatement of sum insured

Following payment of a claim covered under this Section 1, other than a claim for total loss, the building sum insured will be reinstated. However, if damage has not been repaired we may refuse to pay a claim or reduce the claim and/or cancel the policy.

b) Inflation adjustment

The building sum insured shown on the policy schedule is increased by **0.25%** each month during the period of insurance.

c) Legal costs

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

d) Location costs – Escape of liquid

When you are covered under the insured event 'Escape of liquid' in Section 1, we will also cover the reasonable costs of locating the source of the leak, and of reinstating the parts of your building damaged as a result of this work.

We will not cover repair or replacement of the item from which the liquid escaped.

Basis on which claims are paid

Limit of amount payable

The maximum amount we will pay under this 'Section 1: Building' for any one incident during any one period of insurance (excluding any amounts paid for 'Benefits in addition to your sum insured' on page 31) is the building sum insured shown on your policy schedule.

How we calculate what we will pay

The terms, conditions, limits and exclusions of the policy will be considered when determining 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 settle your claim for the remaining amount. We will not pay more than the building sum insured shown on your policy schedule (unless an additional amount is payable under 'Benefits in addition to your sum insured', see page 31).

*Refer to 'Bond monies – Permanent tenancies' on page 63 and 'Bond monies – Holiday let properties' on page 63 in the 'General terms and conditions' section of this policy wording for how bond money is applied to your claim.

**Refer to 'Excesses that apply to your claim' on page 6 for details of the types of excesses and how they are applied.

How we settle building claims

We will aim for you to use your own builder to repair or rebuild the damage to your building. If you choose not to use your own builder to repair or rebuild the damage to your building, we will arrange for a member of our supplier network to repair or rebuild the damage. If you do not accept the offer, we will pay you the amount it would cost our supplier to repair or rebuild on a 'new for old' basis when our network supplier can repair or rebuild. The process for determining how the building claim will be settled is set out in 'When your builder does the repair or rebuild' and 'When a member of our network does the repair or rebuild'.

When your builder does the repair or rebuild

When a claim for loss or damage to your building is covered and you obtain a quote from your own repairer to repair or rebuild the damage on a 'new for old' basis, you must provide it to us and we will review it. This will involve reviewing the quote to make sure it is appropriate and reasonable. This includes consideration of what is covered under your policy, the appropriateness of materials, repair method, labour and material costs and overall cost effectiveness. We may refer the quote to an assessor or loss adjuster, if required.

If the quote is appropriate and reasonable to complete the repair or rebuilding work that is necessary to resolve your claim, we will then pay you the amount of the quote. If it is not, the quote may be adjusted. This may include, adjusting the scope of the quote to reflect what is covered under your policy, adjusting the rates/parts quoted and /or adjusting the overall amount of the quote. We will then pay you the adjusted amount of the quote.

If the amount of the quote from your builder to repair or rebuild is more than the building sum insured, the damage will not be repaired or rebuilt. You will be paid the building sum insured.

When a member of our network does the repair or rebuild

When a claim for loss or damage to your building is covered, and you choose not to use your own builder to repair or rebuild the damage, a member of our supplier network will prepare a scope of works and provide a quote on the cost to repair or rebuild your building on a 'new for old' basis.

Once the scope of works and quote is provided to us, we will arrange for it to be assessed. This will involve reviewing the quote to make sure that the quote is appropriate and reasonable for the scope of works. This includes consideration of the appropriateness of materials, repair method, labour and material costs and overall cost effectiveness.

If the amount of the assessed quote to repair or rebuild is more than the building sum insured, the damage will not be repaired or rebuilt. You will be paid the building sum insured.

If the assessed quote to repair or rebuild your building is less than or equal to the building sum insured, we will offer to have your building repaired or rebuilt (based on the recommendation of our builder).

If you accept the offer:

The builder that we or our loss adjuster arranges will complete the repair or rebuild on a 'new for old' basis.

If you choose to not accept the offer:

You will be paid the amount of the assessed quote from the member of our supplier network to repair or rebuild on a 'new for old' basis. Note: this amount to repair or rebuild may be less than what it would cost you to arrange the repairs or rebuild with your own builder. We are able to secure supplier discounts from within our supplier network.

When we settle the building claim we will not:

- ◆ pay more than the relevant sum insured or policy limit;
- ◆ pay extra because you paid more for an item when it was originally purchased;
- ◆ pay extra to repair or rebuild the building to a better standard, specification or quality than it was before the loss of damage occurred, except as stated in the meaning of 'new for old' or unless stated otherwise in your policy;
- ◆ fix inherent defects, structural defects, structural faults and/or faulty/poor workmanship that are not covered by your policy (see 'Things we don't cover' on page 74);
- ◆ fix or pay to fix pre-existing damage.

'New for old' means:

- ◆ Rebuild or repair with new items or new materials that are reasonably and readily available at the time of rebuild, replacement or repair from Australian suppliers;

New for old, regardless of age

- ◆ Rebuild or repair new for old regardless of age, with no allowance of depreciation.

'New for old' does not:

- ◆ Include paying the extra cost of replacing or purchasing an extended warranty on any item;
- ◆ Mean of a better standard, specification or quality than when new.

Same type, standard and specification as when new

We or your repairer will rebuild, repair or replace to the same type, standard and specification (but not brand) to the damaged items as when new. If the same is not reasonably available from an Australian supplier, items or materials of a similar type, standard and specification when new will be used. We can replace with a different brand.

Matching building materials

When we cannot match materials to undamaged parts

If you, your repairer or our supplier cannot find materials to match undamaged parts, the repair or rebuild will use new materials of a similar type, standard and specification to the damaged parts of the building when new and that are reasonable and commercially available in Australia and compliant with current building regulations, but only in the room where the loss or damage occurred. It may not be the same brand, line or product. This is subject to the clause below 'When we will pay extra in relation to undamaged parts' if we cannot find materials to match undamaged parts.

If you are not satisfied with the materials, you have two options before the repair or rebuild commences:

1. You can pay the extra cost of replacing the undamaged parts to achieve a uniform appearance with the materials we have found. See also 'When we will pay extra in relation to undamaged parts' on page 36 as there are some limited circumstances when we will pay extra to repair or rebuild undamaged parts;
2. We can pay you the assessed quote of repairing or rebuilding damaged parts using materials that are the closest match available that has been quoted by your builder. Or if you choose not to use your builder, from one of our suppliers based on the materials we have found. This quote may be less than what it will cost you to arrange the repairs or rebuild within the building market. We are able to secure supplier discounts from our supplier network.

When we will pay extra in relation to undamaged parts

Only the part or parts of your building that actually sustained damage in an incident covered by your policy. We do not cover the cost to replace undamaged materials.

However, if:

- ◆ new materials of a similar type, standard and specification to the undamaged materials are not reasonably and commercially available in Australia and compliant with current building regulations; and
- ◆ the amount of damaged materials that cannot be matched to the undamaged materials is more than **40%** of the total material required if all the damaged and undamaged materials were replaced,

then the cost to replace both the damaged and undamaged materials will be covered, but only in the room where the loss or damage occurred.

Example 1

There are 300 matching black roof tiles on the building. As a result of a storm, 8 roof tiles are damaged and the claim is covered by the policy. New roof tiles cannot be matched to the undamaged roof tiles. We have found tiles of a similar type, standard and specification to the undamaged roof tiles when new that are reasonably and commercially available in Australia. We would pay only the reasonable cost to repair or replace the 8 damaged tiles. We would not pay to replace the undamaged tiles.

Example 2

There are 300 matching black roof tiles on the building. As a result of a storm, 140 roof tiles are damaged and the claim is covered by the policy. In this example, tiles of a similar type, standard and specification to the 160 undamaged tiles are not reasonably and commercially available in Australia.

Over 40% of the matching roof tiles have been damaged, therefore we would pay the reasonable cost to replace all 300 tiles (140 damaged and 160 undamaged) on a 'new for old' basis. We would be entitled to keep the 140 damaged and 160 undamaged roof tiles by way of salvage (see 'Salvaged building items' on page 37 for further details).

How we deal with defects, faults and poor workmanship

There are different ways we manage defects, faults and poor workmanship during the repair or rebuilding process:

- ◆ if the building has a defect, fault or poor workmanship (see 'Things we don't cover' on page 74), the defect is not covered and we will not pay to fix it. This is the case whether you knew about the defect or fault (or not). For example, we would not fix structural posts, beams or load bearing walls that have been removed without taking into account structural engineering requirements.
- ◆ if a defect or fault (or poor workmanship) causes or contributes to loss or damage to the building, that resultant damage is not covered, but only if you knew about the defect or fault or should have reasonably known about it (see 'Things we don't cover' on page 74). For example, your roof has a fault (and you knew about the fault because you have been told about it by a tradesperson) and this allows rain to enter during a storm, we will not pay to fix the resultant water damage.
- ◆ if a member of our supplier network is unable to complete the repairs or rebuild damage covered by your policy (e.g. because a defect or fault or poor workmanship in any building component will not support the repairs) we will pay in accordance with 'How we settle building claims' on page 32 as if the building component did not have the defect or fault. This is the case whether you knew about the defect or fault (or not). For example, a defective load bearing wall will not support the repairs needed to the ceiling. We pay you the cost to repair the damage to the ceiling as if the building did not have the defective load bearing wall.

Salvaged building items

If we replace or compensate you for the replacement value of an item, we then own the damaged or recovered item. If requested, we will need you to make the damaged or recovered item available to us.

Section 2: Loss of rent

What we cover

If any of the insured events listed in this Section 2 occurs during the period of insurance, we will cover resulting loss of rent:

- ◆ On the basis set out under the heading 'Basis on which claims are paid' on pages 42 to 43;
- ◆ Subject to the limits, conditions and exclusions applicable to the insured event in this section; and
- ◆ Subject to the 'General terms and conditions' on page 60;
- ◆ Subject to the 'Things we don't cover' on pages 66-75; and
- ◆ Together with the requirements outlined under the heading 'Making a claim' on page 47.

Untenantable – Permanent tenancies

✓ We cover

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

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

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

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

Limit: **52** weeks loss of rent.

Untenantable – Holiday let properties

✓ We cover

Loss of rent if your property becomes untenable due to damage to your building caused by an insured event listed in 'Section 1: Building' (except for 'Tenant damage') and covered under that 'Section 1: Building'.

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

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

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

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 shown.

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

Rent reduction

✓ We cover

Loss of rent where:

- ◆ The tenant occupies the property under a lease; and
- ◆ The property remains tenantable following damage to your building covered under 'Section 1: Building', but the tenant does not have full use of the property for a minimum period of **7** days; and
- ◆ You have agreed to reduce the tenant's rent due to the damage to your building; and
- ◆ The rent reduction is proportionate to the tenant's loss of use of the property (see example below).

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

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

Limit: **6** weeks reduction of rent.

For example: The weekly rent of the tenant in accordance with their lease is **\$800**. The laundry in the property cannot be used by the tenant for **14** days following accidental escape of water from the washing machine. The property is **250**sqm in size and the size of the laundry is **25**sqm. We will pay **\$160** for rent reduction (**\$800** x **10%** = **\$80** x **2** 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 (e.g. you do not organise repairs or lodge a claim as soon as possible after you are aware of the damage).

Conditions – Section 2

A claim under 'Section 2: Loss of rent' may be refused or reduced in accordance with the following terms and conditions, or if the requirements set out have not been met or followed.

Market conditions

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

Alternate accommodation

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

Failure to repair or re-let

You or your property manager must demonstrate that steps have been taken to repair or re-let the property as soon as possible after the departure of the tenant (e.g. arrange for the property to be cleaned, promptly obtain repair quotes for any damage (or contact us to help with the repair process), once repairs are complete arrange for the property to be advertised for re-letting). If you fail to do so, cover under this 'Section 2: Loss of rent' will only commence 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

You must not unreasonably delay in commencing or carrying out any repair or rebuilding work (e.g. you delay in lodging a claim, obtaining repair quotes or in arranging repairs once we have advised you to). We will reduce the amount for your claim under this Section 2 to take into account any loss of rent that results from your delay.

Vacant at time of loss

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

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

Basis on which claims are paid

How we calculate the amount covered

Permanent tenancies

Loss of rent is calculated using the lesser of:

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

Note: You cannot claim more than the amount of rent on the current lease.

For example, if the weekly rental amount on your current lease is **\$700** and the weekly rent sum shown on your policy schedule is **\$1,000**, a weekly rental amount of **\$700** will apply.

This is then multiplied by the number of weeks lost rent that you are entitled to under this policy.

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

Holiday let properties

Loss of rent is calculated based on the daily rent of each booking that could not be fulfilled during the period the property was untenanted due to an insured event.

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

This calculation will include:

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

The rent payable for each booking will then be combined.

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

Claims for more than one insured event

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

Section 3: Liability to others

What we cover (liability)

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

- ◆ Death or bodily injury to other people; or
- ◆ Loss or damage to other people's property;

subject to:

- The limits and exclusions applicable to this section;
- The 'General terms and conditions' on page 60; and
- The 'Things we don't cover' on pages 66 to 75;
- together with the requirements outlined under the heading 'Making a claim' on page 47.

The maximum amount we will pay for any claim or series of claims covered under this Policy Section 3: Liability to others arising out of any one incident at the insured address is **\$20,000,000**.

The maximum amount includes all legal expenses:

- ◆ Incurred by us;
- ◆ Incurred by you with our prior 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 legal liability for or caused by, connected with or arising from:

- ✗ Any agreement or contract you enter into, but we will cover your legal liability if it would have existed had you not entered into the agreement or contract.
- ✗ Using, possessing or owning any aircraft or the facilities to land or store aircraft.
- ✗ Any animal other than a domestic dog, cat or horse belonging to your tenant.

We do not cover legal liability for or caused by, connected with or arising from:

- X Exposure to or potential exposure to asbestos in any form.
- X Building work being carried out at the insured address where the total costs of building, altering, extending or renovating is more than **\$50,000**.
- X Using, possessing or owning or towing a caravan, mobile home or trailer.
- X Death or injury of:
 - Your family
 - You;
 - A child (born or unborn) under 18 years who is your child or the child of your spouse, de factor or partner;
 - Your pets;
 - Anyone who usually lives at the insured address, unless the person is a tenant of your building.
- X Defamation or breach of copyright.
- X Aerial devices, watercraft, drones and other autonomously piloted aircraft.
- X Erection or demolition of your building or structures.
- X Civil or criminal penalties or fines or aggravated, exemplary, punitive or multiple damages.
- X Legal actions or legal claims brought against you, decided or heard in countries other than Australia or New Zealand.
- X The use or ownership of a motor vehicle or motorcycle or instructing someone on how to use it unless at the time of the incident the vehicle was:
 - Being used for domestic gardening (e.g. ride on mowers); and
 - Did not require insurance under any compulsory third party insurance laws or motor accident injuries insurance laws.
- X 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 Death or injury of your employees or damage to their property, including while they are working for you at the insured address.
- X Your trade, profession or employment other than as landlord and owner of the property.

We do not cover legal liability for or caused by, connected with or arising from:

- X** Any unlawful or criminal act by you.
- X** Demolition, vibration or interference with support of land, buildings or other property
- X** 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** The use of vehicle stackers.

Making a claim

We understand experiencing loss or damage or having a claim made against you can be stressful.

Here's what to do:

- ◆ Make sure everyone is safe. For emergencies, call 000;
- ◆ Try to prevent further loss, damage or liability (e.g. if there is a broken window, arrange for it to be covered to prevent water damage from the rain);
- ◆ Report any theft and malicious damage to the police as soon as possible. Give them a list of all stolen or damaged items. Keep details of the date reported, name of the police officer, police station reported to and the report number. If the loss is expected to exceed **\$10,000**, then the police report number needs to be submitted with your claim;
- ◆ Contact us as soon as possible by calling 1800 804 016 or online. If you delay reporting your claim, we will not pay for any additional loss, damage or liability caused by your delay. When you contact us describe details of what has been affected by the event (e.g. a window broken in a storm). For electrical items, please have details about the make and model. If the damage to your property was caused by another person, if available please provide us their name and address, and if applicable, their registration number.

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

What you must do:

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:

- ◆ Allow us to inspect the damaged building;
- ◆ Allow us to arrange for experts to assess the damaged property and to quote on repair or replacement;
- ◆ Arrange for all contents to be moved and stored in order to facilitate repairs to your building;
- ◆ Provide us with a quote/s for repair or replacement if we ask for this;

- ◆ Provide us with copies of entry/exit and routine building inspection reports along with photographs to support a claim for damage;
- ◆ Provide us with any inspection report you might have obtained prior to purchasing your building;
- ◆ When requested, provide us with proof of loss, ownership and value;
- ◆ Provide us with information, co-operation and assistance in relation to the claim (including an interview in person or over the phone or giving evidence in court if required);
- ◆ Allow us, or a person nominated by us, to recover, salvage or take possession of parts of your building when we replace your building or pay you the full sum insured. When we ask, you must send any items to us, or co-operate in our collection or retrieval of such items.

What you must not do

- ◆ Do not dispose of any damaged parts or items of your building without our consent unless it is necessary for health and safety reasons;
- ◆ Do not carry out or authorise repairs without our consent unless you cannot contact us and need to make emergency repairs to protect your building or it is necessary for health and safety reasons;
- ◆ Do not wash or clean or remove debris from any area damaged by fire without our consent unless you need to do this to prevent further loss or it is necessary for health and safety reasons;
- ◆ 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;
- ◆ Do not admit liability or responsibility to anyone unless we agree;
- ◆ Do not negotiate, pay or settle a claim with anyone else unless we agree;
- ◆ Do not accept payment from someone who admits fault for loss or damage to your building. Refer them to us instead.

If you do not comply

If you do not comply with 'What you must do' and 'What you must not do' we can reduce or refuse your claim and/or recover from you any costs and/or monies we have paid and/or cancel your policy.

Legal liability claims

You must tell us about any incident that has caused an injury to others or damage to other people's property. You must also as soon as possible tell us about any demands made on you to pay compensation to others and any court actions or offers of settlement and send these to us.

If you make a legal liability claim that is covered by your policy we can decide to defend you, settle any claim against you or represent you at an inquest, official inquiry or court proceedings. If we decide to defend you, settle any claim against you or represent you, then you must give us all the help we need, including help after your claim has been settled.

If we decline a claim or do not pay your claim in full

We will provide reasons for our decision to decline the claim or not pay it in full. We will send you written confirmation of our decision.

How to establish your loss

Establish an incident took place

When making a claim you must be able to prove that an incident covered by your policy actually took place. If you do not do this, we will not be able to pay your claim.

We may obtain the following from the police:

- Confirmation that you reported the incident;
- Details of any investigations they undertook.

You must give us authority to access these records, if we ask.

Describe your loss or damage

You must also give us accurate and full details of what was lost, stolen or damaged.

Proving loss, ownership and value

You must give us proof of loss, value and ownership of the items claimed when we request it. Allowing us, a repairer or an expert appointed by us, to look at what is damaged is usually all that is needed to prove your loss. Sometimes though we might ask you to produce a copy of the most recent plans, drawings or photographs of your building, or other evidence that supports the extent of the loss you have suffered. Other types of proof include:

- ◆ A copy of the tenant's rental payment history, tenant application form and lease if the claim involves loss of rent, damage or theft by your tenant;
- ◆ Forwarding address and current contact details of your tenant;
- ◆ Proof of ownership (i.e. receipts, valuations, photographs, warranties or instruction manuals for items which have been stolen or damaged);
- ◆ Itemised quotes to repair/replace damaged items. If we have appointed an assessor, they can assist with sourcing quotes if required;
- ◆ Invoices to establish the cost of re-letting expenses that were deducted from the tenant's bond money;

- ◆ Copies of entry/exit and routine property inspection reports along with photographs to support a claim for damage;
- ◆ Any court issued document, letter, claim, writ or summons, in relation to a claim, as soon as possible after you receive it;
- ◆ Written records of booking confirmations, extensions and deposits made by future guests for holiday let properties. Claims for loss of rent will not be accepted for bookings made verbally which are not accompanied by a written booking confirmation; and
- ◆ Evidence of the rental values being claimed (for holiday let properties), by any of the following:
 - The immediate past twelve months rental history; or
 - A comparative valuation by a real estate agent; or
 - Copies of all booking documentation in respect of current guests.

For lost, damaged or stolen items that are no longer available for inspection (e.g. because they were stolen or destroyed in a fire) you must validate your claim by giving us details of when and where they were purchased and proof of ownership and value. The type of proof we might ask for includes proof of purchase (e.g. a sales receipt that has the item, description or code), a purchase price, date purchased and where the item was purchased) a valuation from a qualified professional valuer, proof of inheritance, original operating manual, manufacturer's box, certificate of authenticity, close up photograph and a full description of the item (e.g. brand, model etc).

We do not consider that a statutory declaration of itself is acceptable evidence of proof of ownership and value.

If you are unable to substantiate your claim, we might reduce or refuse to pay your claim.

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 covered;
- ◆ Tell you if it is covered; and
- ◆ Investigate the claim for recovery potential.

If the claim 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;
- ◆ You can choose how to pay your excess in accordance with your options under 'How to pay your excess' (see page 7); and
- ◆ We will deduct any bond money from your loss.

If we replace items you must:

- ◆ Assist us by giving accurate descriptions and specifications to us and suppliers; and
- ◆ Complete the replacement 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 incurred 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 written management agreement) to manage your property.

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

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 of their proportion of any loss, damage or liability. You must give us all information and assistance we may reasonably require to do this.

Does a claim affect your cover?

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

If we pay the full building sum insured to you, all cover under your policy stops on the day we pay or otherwise finalise your claim. There is no refund of premium.

Our right to recover from those responsible

If you've suffered loss or damage or, incurred a legal liability as a result of an incident covered by this policy and you make a claim with us for that incident, then we have the right and you have permitted us to take action or start legal proceedings against any person or entity liable or, who would be liable to you for the recovery of your loss.

"Your loss" means your insured, underinsured or uninsured loss or damage or legal liability, costs, payments made and expenses in relation to the incident. Any action or legal proceeding we take will be commenced either in your name or in the name of any other person or entity that suffered your loss. We will have full discretion over the conduct and any settlement of the recovery action.

If you make a claim with us for your loss and you've already started action or legal proceedings against any person or entity liable or, who would be liable to you for your loss, then we have the right and you have permitted us to take over and continue that action or legal proceeding.

Where your loss forms part of any class or representative action which hasn't been started under our instructions, we have the right and you permit us to exclude your loss from that class or representative action for the purpose of us including it in any separate legal proceedings which are or will be started under our instructions. You must provide us with all reasonable assistance, co-operation and information in the recovery of your loss.

This assistance may include:

- providing a more detailed version of events, which may include completing a diagram or statement/affidavit;
- providing us with any documents required to prove your loss;
- providing copies of any photographs or footage of the incident available;
- lodging a police report or obtaining relevant documents, such as completing and lodging an application form to obtain records from the police, fire and rescue, councils and other entities (when we cannot lodge one);
- attending court or meetings with our legal/other experts (only if required);
- providing evidence and documentation relevant to your claim and executing such documents, including signed statements and affidavits which we reasonably request.

We will pay for the cost of filing the police report and relevant searches to locate the third party. We will cover the costs you incur when having to attend court up to **\$250** in total per claim.

You must not enter into any agreement, make any admissions or take any action or steps that have the effect of limiting or excluding your rights and our rights to recover your loss, including opting out of any class or representative action, unless we have given you our prior written agreement. If you do, we may not cover you under this policy for your loss.

How we settle claims – some examples

These are examples only of how a claim payment might be calculated and are not part of your policy. You should read them only as a guide. Every claim is considered on an individual basis because every claim is different. Please note:

- ◆ all amounts are in Australian dollars and are GST inclusive;
- ◆ all examples assume you are not registered for GST; and
- ◆ the excess amounts stated are examples only and may be different to the excess(es) under your policy. Refer to your policy schedule.

Example 1 - Tenant damage

You have a building sum insured of \$200,000 and your permanent tenant vacates at the end of their lease owing no rent but has caused significant damage to the property.

A claims assessor appointed by us has inspected the damage and reports that the property has sustained the following damage:

- ◆ 3 doors have been kicked in – \$1,000 to repair;
- ◆ 6 walls have punch holes - \$900 to repair;
- ◆ 4 walls were damaged due to use of picture hooks – \$500 to repair;
- ◆ There was damage to the bathtub however this was noted on the property condition report when the tenant moved in - \$500 to replace;
- ◆ General cleaning costs - \$900.

The weekly rent was \$300 and the bond money held was \$1,200. For the purpose of this example, the excess for tenant damage is \$500.

Example 1

Non-claimable damage	\$0	As the bathroom damage was noted on the property condition report prior to the current tenancy beginning, it is not covered and it is not deducted from the current tenant's bond. We also do not cover the cleaning costs under this policy.
Tenant damage (building)	\$2,400	3 kicked in doors, 6 walls with punch holes and the 4 walls damaged by picture hooks were caused due to tenant damage. The total repair cost of this damage is \$1,000, plus \$900, plus \$500 which equals \$2,400.
Less tenant damage excess payable	-\$500	You choose to have this amount deducted from your claim.
Less bond money	-\$300	In this instance the bond money held is \$1,200, less general cleaning costs of \$900, leaves \$300 remaining from the bond money. We will deduct this amount from your loss.
Total Claim Payable	\$1,600	In this example, we pay this amount directly to you.

Example 2: Fire damage plus loss of rent (permanent tenancy)

You have a building sum insured of \$150,000. An accidental fire results in major damage to your building which also leaves the property in an untenable condition.

We send a claims assessor to inspect the damage and they report the following:

- ◆ The fire was caused by the burning out of an electric motor in your built in air conditioner;
- ◆ There is substantial fire and smoke damage to 2 bedrooms, the hallway and the living area;
- ◆ It is estimated that it will take 14 weeks to complete repairs and to return the property to a tenable condition;
- ◆ There was a permanent tenancy in place at the time of the fire and the weekly rent was \$300.

In this example, a building damage excess of \$500 applies.

Example 2

Fire damage	\$75,000	Our claims assessor sourced 2 quotes to repair the damage and determines that the cost of repairs on a 'new for old' basis is \$75,000. This includes the replacement of the air-conditioner. You accept the offer and the repairs commence. We pay this amount to the builder
Less building damage excess payable	-\$500	You choose to pay this amount directly to us.
Subtotal	\$74,500	
Loss of rent	\$4,200	The property was untenable for 14 weeks due to the damage to your building caused by the fire. We pay you 14 weeks rent at \$300 per week.
Total Claim Payable	\$78,700	

Example 3: Escape of liquid plus leak location costs

The tenant contacts you to advise that 5 tiles have fallen off the wall in the shower recess. You contact us and we then send out a claims assessor to inspect the damage.

The claims assessor reports to us that:

- ◆ They engaged a plumber to inspect the pipes. The plumber had to cut a hole in a wall in the adjacent bedroom in order to locate where the leak was coming from – this incurred a cost of \$250. The plumber found that a pipe in the shower wall had burst;
- ◆ There is a need to replace the section of wall in the shower which had become wet and then retile it. The quote obtained was for \$1,500;
- ◆ There is also a need to repair the hole in the bedroom wall which was made by the plumber in their efforts to locate the leak. The quote obtained for this repair was for \$400;
- ◆ The cost to fix the burst pipe was \$150.

In this example, a building damage excess of \$500 applies.

Example 3

Escape of liquid	\$1,500	The damage to the wall was caused by water accidentally escaping from the burst pipe and that the quote provided in the amount of \$1,500 to repair the wall and replace the damaged tiles is appropriate and reasonable.
Less building damage excess payable	-\$500	You choose to have this amount deducted from the amount that we pay you.
Subtotal	\$1,000	
Leak location costs	\$650	In this instance your claim for damage caused by escape of liquid is covered and therefore we will also pay: <ul style="list-style-type: none"> ◆ \$250 for the cost of the plumber to locate the source of the leak; plus ◆ \$400 to repair the wall which was damaged as a result of the plumber trying to locate the leak.
Repair of pipe	\$0	The \$150 cost to fix the burst pipe which was the source of the leak is not covered by this policy.
Total Claim Payable	\$1,650	We pay this amount directly to you.

Example 4: Legal liability

You have a permanent tenant in the insured address. Your tenant has made a claim against you for the amount of \$10,000 arising from an injury they sustained when they tripped over a large crack running across the driveway of the insured address. It is determined that you are liable for this amount.

Example 4

Liability for injury	\$10,000	It is determined you are liable for this amount.
Total Claim Payable	\$10,000	We pay this amount directly to the tenant.

General terms and conditions

About your premium

The amount you pay for this insurance is called the premium. The premium includes any applicable GST, stamp duty, other government charges and levies that apply. The premium will be shown on your policy schedule as the annual premium.

The amount of the base reflects our assessment of the likelihood of you making a claim and our costs of doing business. We use many factors about you and the building and rent to calculate the premium.

Refer to the Landlord Residential Building Insurance Additional Information Guide.

Paying your premium

You must pay the premium by the due date to get this insurance cover. We will tell you how much to pay and when payment is due on your policy schedule.

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

If you make changes to your policy details, it may affect the premium you need to pay for the remaining period of insurance.

Late annual renewal payments

If you do not pay the premium due on renewal by the due date, you have no cover from the due date.

Important conditions

Cover provided by this policy is only applicable where:

- ◆ For permanent tenancies, there is a lease in place between you and the tenant. This lease must fall within the guidelines of the Act; and
- ◆ For holiday let properties a documented (paper or electronic) booking confirmation has been issued and no one individual booking is greater than 12 weeks in duration; and
- ◆ The property is no more than **2** acres in size, unless you have notified us of a larger property and we have agreed in writing to insure this larger property; and
- ◆ No section of the property is occupied by you whilst the property is being tenanted; and
- ◆ The property is used principally and primarily by tenants for residential rental accommodation as either a permanent tenancy or holiday let property.

Actions and advice by or from your property manager

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

Joint policyholders

When you insure the property in the names of more than one person, and all of those people are named insureds on your policy schedule, each of them is a joint policyholder and is able to request changes and otherwise deal with the policy. The reason for this is that these joint policyholders each have an interest or ownership in the building.

We will treat a statement, act, omission, claim, request or direction (including a request to change or cancel your policy) made by one policyholder (either before the purchase of this policy or during the period of insurance) as a statement, act, omission, request or direction by all policyholders.

There are, however, some exceptions to this.

During the period of insurance, we might ask all joint policyholders before we action a request or direction in relation to your policy (e.g. before we cancel your policy, reduce your cover or remove another policyholder). This way we can help protect the interests of all policyholders.

Conduct of others

When we consider a claim under this policy, we will have regard to any prejudice suffered by you or any other person entitled to benefit under this policy in relation to that claim, caused by mental illness of, substance abuse and/or an act of violence or intimidation by, another policyholder or person entitled to benefit under this policy. In doing this, we may meet the claim when we are not legally required to do so. If we do, we will limit the claim in relation to the person claiming to an amount which is fair in the circumstances.

Rent arrears

If the tenant was in rent arrears either at the commencement of the initial period of insurance you held this policy with us (or in the 2 months prior to that time) and at the time a permanent tenancy was in place, the following condition applies:

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

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

Bond monies – Permanent tenancies

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

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

Bond monies – Holiday let properties

Where bond monies have been collected from a tenant in a holiday let property and you are entitled to use it to reduce your loss, you must do so (this applies to all claims under 'Section 1: Building' only). We will not cover any bond monies that you were entitled to use but voluntarily returned to the tenant.

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

If we agree 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.

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

What happens with cancellations?

Cancellation by you

You can cancel this policy at any time. For each cover, you will be refunded the unexpired portion of the premium attributable to that cover (including GST if applicable) less any non-refundable government charges. We will not give a refund if the refund due is less than **\$10** (GST inclusive).

Cancellation by us

We can cancel your cover where the law allows us to do so. For each cover cancelled, you will be refunded the unexpired portion of the premium attributable to that property (including GST if applicable), less any non-refundable government charges. We will not give a refund if the refund due is less than **\$10** (GST inclusive).

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

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 ITC to which you are entitled for any acquisition which is relevant to your claim, or to which you would have been entitled had you made a relevant acquisition.

In respect of your policy, where you are registered for GST purposes you should calculate the insured amount having regard to your entitlement to input tax credits. You should, therefore, consider the net amount (after all input tax credits) which is to be insured and determine an insured amount on a GST exclusive basis.

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 circumstances.

'GST', 'input tax credit', 'acquisition' and 'supply' have the meaning given in A New Tax System (Goods and Services Tax) Act 1999.

Things we don't cover

Loss or damage to, or caused by, connected with or arising from, or liability caused by, connected with or arising from:

1. **X** Revolution, hostilities, war or other acts of foreign enemy, war like activity (whether war is declared or not), or military coup;
 - X** Any looting or rioting following these incidents.
2. **X** Radioactivity or the use, existence or escape of nuclear fuel, nuclear material or waste;
 - X** Action of nuclear fission including detonation of any nuclear device or nuclear weapon;
 - X** Any action taken by a public authority to prevent, limit or remedy the actual or threatened release of any radioactive or nuclear materials;
 - X** Any looting or rioting following these incidents.
3. **X** 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, responding to or in any way relating to 1, 2 or 3 above.

- X** A bushfire, storm, flood or tsunami in the first **72** hours of your cover. But we will cover these events if this policy began on the same day:
 - You became the owner of your property; or
 - That another policy covering your property expired or was cancelled, but not when you cancelled the policy prior to the its expiry date, and only up to the sum insured covered under the expired or cancelled policy (any increase in sum insured will not be covered for these events for the first **72** hours specified).

Things we don't cover

Loss or damage to, or caused by, connected with or arising from, or liability caused by, connected with or arising from:

- ✘ Any actions or movements of the sea.
- ✘ Any biological, chemical, other pollutant or contaminant:
 - Any actual or threatened use, existence or release of any biological, bacterial, viral, germ, chemical or poisonous substance, pollutant or contaminant;
 - Any looting or rioting following the actual or threatened release of any biological, bacterial, viral, germ, chemical or poisonous substance, pollutant or contaminant;
 - Any action taken by a public authority to prevent, limit or remedy the actual or threatened release of any biological, bacterial, viral, germ, chemical or poisonous substance pollutant or contaminant.

But we will cover:

- fire damage (including water contamination) that is covered by insured event 'Fire (including bushfire) and explosion';
- ✘ Water seeping or running:
 - Through a wall or floor;
 - Through an opening made for the purpose of alterations, additions, renovations or repair;
 - Down the sides, against the sides or underneath swimming pools, spas or underground tanks;
 - Against or through retaining walls;
 - From agricultural or overflow pipes.

Things we don't cover

Loss or damage to, or caused by, connected with or arising from, or liability caused by, connected with or arising from:

- ✘ 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 one of the following insured events:
 - 'Storm or rainwater' on page 27;
 - 'Flood' on page 25;
 - 'Earthquake or tsunami' on page 21;
 - 'Explosion' on page 24.
- ✘ Poor housekeeping by your tenants or a member of your tenant's family or your tenant's guests (including costs associated with their tenants untidy, unclean or unhygienic living habits).
- ✘ The actions of domestic pets.
- ✘ Insects or vermin (such as termites, rats, mice or wildlife), but we will cover resultant damage to the property caused by an insured event listed under Section 1 and Section 2.
- ✘ Scratching, denting or chipping.
- ✘ The actions of cleaning.
- ✘ Heat, smoke or soot when your building has not caught fire unless covered by the insured event Fire (including bushfire) or explosion.
- ✘ Tree roots or shrubs.
- ✘ Any deliberate or malicious acts causing damage to, or destruction of, a reservoir or dam, or any looting or rioting following such an incident.

Things we don't cover

Loss or damage to, or caused by, connected with or arising from, or liability caused by, connected with or arising from:

- ✘ An act or omission, by you or someone acting with your given or implied consent that:
 - Is deliberate;
 - Is a deliberate lack of action;
 - Demonstrates a reckless disregard for the consequences of that action or omission.
- ✘ Any part of your property not being in good condition, such as, but not limited to:
 - The roof leaks when it rains;
 - There are blocked gutters;
 - There are areas of the roof that are rusted through;
 - There is wood rot, termite or ant damage;
 - There are holes in floors, walls, ceilings or any other parts of your building (e.g. external wall cladding, internal plaster, floorboards);
 - There are boarded up or broken windows;
 - There are steps, gutters, flooring, walls, ceilings, gates, fences or wall fences or any other areas of your building that are loose, falling down, missing or rusted through or otherwise in disrepair;
 - Previous damage including damage caused by flood has not been repaired;
 - Your building is infested with vermin;
 - Plant matter is growing into your building (e.g. walls, windows and gutters);
 - Your building is not structurally sound is unsafe or unfit to live in.

Things we don't cover

Loss or damage to, or caused by, connected with or arising from, or liability caused by, connected with or arising from:

- ✘ Any unintentional or intentional use, existence or contamination by, of or due to:
 - Illegal drugs including but not limited to the storage, use, possession, consumption or distribution of any illegal drugs (or illegal drug precursors);
 - Any other chemical or poisonous substance.
- ✘ Smoking of cigarettes, pipes, cigars, vapes or by use or consumption of any drug.
- ✘ Damage to swimming pools or similar structures caused by hydrostatic pressure;
- ✘ Any part of your building that has wear, tear, rust, fading, rising damp, corrosion, rot, action of light, atmospheric or climatic conditions or gradual deterioration such as, but not limited to:
 - Tiles and their adhesive or grouting breaking down;
 - Weathering of roof tiles or roof ridge capping;
 - Gradual weathering and breakdown of bricks, mortar or concrete.
- ✘ You, or someone with your knowledge or permission, committing or trying to commit an unlawful or criminal offence, such as assault or a malicious act.

Things we don't cover

Loss or damage to, or caused by, connected with or arising from, or liability caused by, connected with or arising from:

- ✘ You not obeying any commonwealth, state, territory or local government law or lawful direction, including laws or lawful directions relating to:
 - smoke alarms;
 - pool fencing;
 - installing a balcony railing or balustrade when required;
 - dangerous goods and liquids;
 - 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.
- ✘ Mould or mildew at the insured address unless it was directly caused by an incident covered by your policy and there is no evidence or pre-existing mould in your building.
- ✘ Squatters or trespassers occupying the insured address.
- ✘ An act by the tenant, with your consent.
- ✘ Keys being provided for the purpose of property inspections.
- ✘ The tenant utilising the property for trade, manufacturing or childcare with your knowledge and/or consent.
- ✘ Mechanical or electrical breakdown or electrical power surge, other than the burning out of electric motors.
- ✘ The removal or weakening of supports or foundations for the purpose of alterations, additions, renovations or repair.
- ✘ Settling, shrinkage or expansion in buildings, foundations, walls or pavements.

Things we don't cover

Loss or damage to, or caused by, connected with or arising from, or liability caused by, connected with or arising from:

- ✘ Any component of the building that was not built, constructed, renovated, altered or repaired in compliance with local council requirements or relevant building laws or regulations (**non-complying building component**), except those laws or regulations introduced after your building was originally built or when construction, repairs, renovations or alterations were undertaken. Non-complying building components include, but are not limited to:
 - you build an additional bathroom without obtaining appropriate permits or with plumbing that does not meet building laws or regulations;
 - non-habitable parts of the home converted to habitable rooms (as defined by the Building Code of Australia), where legal height requirements have not been met;
 - basement area conversions without building approval and with evidence of inadequate ventilation, drainage or waterproofing (as required under the relevant building laws or regulations);
 - incorrect slab height in relation to the outside ground level (i.e. there must be a step down to outside as required under the relevant building laws or regulations);
 - poorly designed and non-approved external structures, like decks, gazebos or carports, without obtaining appropriate permits and that do not meet building laws or regulations.

We do not cover:

- X The cost to remove asbestos or its derivatives from the insured address, unless the cost is incurred in order to undertake repairs or rebuilding in connection with loss or damage to your building that is covered under this policy, and then only to the extent removal is necessary in order to repair insured damage.
- X Confiscation, nationalisation, requisition or damage by the police, a government authority or someone with the legal authority to do this, but we will cover loss or damage caused by emergency services in attempting to obtain entry at the insured address in connection with an insured event up to the limits set out in the policy.
- X Extra costs or other losses (financial and non-financial loss) following an incident covered by your policy including but not limited to:
 - loss of rent, except as expressly set out in this PDS;
 - loss of income or wages;
 - medical expenses;
 - costs, including the cost of your time, to prove your loss or to help us with your claim (e.g. telephone calls, postage), unless stated otherwise in your policy;
 - cost of hiring appliances after yours suffer loss or damage;
 - professional, expert, legal, consulting or valuation costs, unless you obtained our prior authority to incur these costs;
 - cost of replacing or reapplying pest control chemicals and baits in or around the insured address;
 - travel costs;
 - cleaning costs, unless stated otherwise in your policy;
 - any increase in electricity costs not directly arising from an incident covered by your policy;
 - any other loss, damage or costs not covered by your policy.

We do not cover:

- ✘ Loss, storage or replacement of water in any tank, container, pool, spa, and any other water storage vessel, unless specifically covered under insured event 'Fire (including bushfire) and explosion'.
- ✘ Any payments (including refunding a premium) or the provision of any services or benefit to you or to any other party to the extent that such cover, payment, service or benefit would contravene or otherwise expose us to any penalty, sanction, prohibition or restriction under any applicable United Nations resolutions or trade or economic sanctions, law or regulation of Australia, New Zealand, the European Union, United Kingdom or United States of America.
- ✘ Loss or damage caused by, connected with or arising from, or liability caused by, connected with or arising from inherent defects, faulty design, structural defects, structural fault or faulty/poor workmanship (e.g. structural posts, beams or load bearing walls have been removed without taking into account structural engineering requirements), if you knew or should have reasonably known about it (e.g. because the defect or fault was able to be observed by you or because it was identified in a pre-purchase building inspection report);
- ✘ Any loss or damage to the part of the building with an inherent defect, faulty design, structural defect or faulty/poor workmanship, whether or not you knew or should reasonably have known about it. For details about 'How we deal with defects, faults and poor workmanship' as part of the repair or rebuilding process see page 37;
- ✘ Loss of rent for any period before the commencement of the policy.
- ✘ Any loss, damage, claim, cost, expense, legal liability or other sum, directly or indirectly arising out of, or attributable to, a Communicable Disease or the fear or threat (whether actual or perceived) of a Communicable Disease.

We do not cover:

This policy does not provide cover from the point in time that:

- ✗ You, your family or your non-paying guests take up permanent residence in the building; or
- ✗ The property is vacant, is not advertised for sale and:
 - No effort is made to prepare the building for a new tenant (e.g. cleaning the property); or
 - No effort is made to replace the tenant (e.g. showing the building to prospective tenants).

This effort must be within a reasonable period of:

- The previous 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, except we will provide cover under:
 - 'Section 1: Building' and 'Section 3: Liability to others' while the property is advertised for sale and vacant for a maximum period of 90 days. After the property has been vacant for 90 days, there is no cover under the policy unless you have obtained our prior written agreement for cover to be provided (see 'Unoccupied properties' on page 64).

Any loss, damage or liability:

- ✗ That occurred prior to the commencement of the policy; or
- ✗ Arising from any existing circumstance that may lead to a claim that you and your property manager were aware of and a reasonable person in your circumstances should have been aware of on or before the commencement of the policy.

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 sometimes describe their special meaning in that section.

Above ground swimming pool

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

Accidental loss or damage

means sudden or unexpected loss or damage.

Act

means the Residential Tenancies Act or other relevant residential tenancy legislation (or similar 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.

Aquarium

means a large glass tank filled with water in which people keep animals (usually fish) and unlike a fishbowl, is not readily portable.

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.

Building

see page 18.

Communicable Disease

means:

- ◆ Highly Pathogenic Avian Influenza in Humans;
- ◆ any Listed Human Disease, Biosecurity Emergency or Human Biosecurity Emergency as defined in or declared under the Biosecurity Act 2015 (Cth).

A reference to the Biosecurity Act 2015 (Cth) includes any amendment, replacement, re-enactment or successor legislation. A reference to Listed Human Disease, Biosecurity Emergency or Human Biosecurity Emergency shall have the meaning found in any replacement definition, in any amendment, re-placement, re-enactment or successor legislation, or where there is no replacement definition the term shall have the meaning of a term which is substantially similar in meaning as defined in or declared in any amendment, replacement, re-enactment or successor legislation.

Components (or building component)

means a building element which is manufactured as an independent unit, that can be joined or blended with other elements to form a more complex item e.g. the roof (sheeting or tile) is a component, the fire wall within the roof space is another component.

Drones

means an unmanned aircraft that can be remote controlled or fly autonomously.

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 amount you pay towards the cost of your claim for each incident covered by your policy. The excess is not considered a re-letting expense to be deducted from the tenant's bond money.

Floating floorboards

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

Flood

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

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

Holiday let property

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

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

Illegal drugs

means drugs that are prohibited from manufacture, sale or possession in Australia, including but not limited to methamphetamine.

Illegal drug precursor

means the starting materials for illegal drug manufacture.

Incident or event

is a single event, accident or occurrence which you did not intend or expect to happen and that is not excluded by your policy. A series of incidents attributable to one source of originating cause is deemed to be the one incident.

In-ground swimming pool

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

Insured address

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

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 a lease.

Loss or damage

means physical loss or physical damage, unless stated otherwise in your policy.

Malicious act or damage

means a single intentional and willful act characterised by malice. It is not wanton disregard, negligence, carelessness, wear and tear, use of excessive force, lack of care or action, poor housekeeping or neglect.

Maximum amount

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

Occurrence

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

Period of insurance

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

Permanent tenancy/tenancies

means tenancies which are governed by the Act and subject to a lease.

Policy schedule

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

Property

means your building at the insured address which is:

- ◆ Owned by you; and
- ◆ For use by the tenant; and
- ◆ Principally and primarily used as a residential rental; and
- ◆ Where the insured address is no more than 2 acres in size.

Property manager

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

Rainwater

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

Rent

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

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

Rent arrears

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

Scope of works

means a list of repair works needed to meet your claim and is usually needed when major damage has occurred. It helps identify what repair or rebuilding work is necessary to resolve your claim.

Storm

means a single weather event being a cyclone or severe atmospheric disturbance. It can be accompanied by strong winds, rain, lightning, hail, snow or dust.

Storm surge

means a rush of water onshore associated with a low pressure system and caused by strong winds pushing on the ocean's surface.

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 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 is not untenable.

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 your property is destroyed or made completely or partially unfit to live in (e.g. utilities are not available or it is not safe to live in) and you or your property manager can not re-let the property until the loss or damage covered by this policy has been repaired, replaced or reinstated. It does not include periods of elective maintenance or improvement.

Vermin

means small animals (e.g. geckos) or insects that are typically thought of as pests. Vermin includes wildlife.

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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