



Scheer Short Stay Policy Product Disclosure Statement and Policy Wording

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 the excesses, 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.

Scheer Short Stay Insurance Information Guide

In this PDS you will be referred to the Scheer Short Stay Insurance Additional Information Guide. This guide is available at terrischeer.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 landlords of professionally managed residential rental properties which are used as holiday let properties for periods of **12** weeks or less.

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

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 84.

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 to 86-95.

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 87.

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 96 to 104. 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 66.

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 by 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
Loss of rent	The amount of your excess is shown on your policy schedule.
Tenant damage	This excess is shown on your policy schedule and will apply to all claims for loss and damage under the insured event 'Tenant damage'.
Scorching or pet damage	This excess is shown on your policy schedule and applies to all claims for loss or damage under insured event 'Scorching' and 'Pet damage'.
Earthquake or tsunami	This excess is shown on your policy schedule and applies to claims for loss or damage under 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.
'Additional benefits' , or Section 4 'Liability to others'	No excess applies.
Other claims	This excess will apply to all claims of a type not listed above. The amount of your excess will be shown on your policy schedule.
Unoccupied excess	If we have agreed to provide cover while the property is unoccupied, an increased excess applies to all claims made during this period, in addition to any other applicable excess. The amount of this excess will be shown on your policy schedule. See page 84 for more details.

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 pay 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);
- ◆ 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 guest of a tenant. 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 Scheer Short Stay 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;
- ◆ Limit for the insured event or benefit; and
- ◆ Terms and conditions of the policy.

How and when benefits are provided

Benefits are provided after you make of a claim covered by 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 contents or building in accordance with 'How we settle building claims' on 46;
- ◆ Pay the person to whom you are legally liable;
- ◆ 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 policyholders 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 or 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 sums insured are adequate

Underinsurance can expose you to serious financial loss if a claim occurs. Certain covers have a fixed sum insured. It is your responsibility to select a sum insured for your building, rent and contents that meets your needs in the event your building or contents are 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.terrischeer.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 sum insured regularly

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

If you over-insure

We will not pay more than the amount of the assessed quote to rebuild, repair or replace your building or contents. Again, it is important to review your sums 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 the building or replace or repair your contents. We and may choose to adjust your sums 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 sums insured are 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@terriscbeer.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@terriscbeer.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

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Our agreement with you

If you buy this insurance from us, your contract includes your policy schedule, this PDS, 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;
- ◆ Keep your property 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);
- ◆ Follow all terms and responsibilities set out in your policy including any endorsements noted on or attached to the policy schedule;
- ◆ Ensure that your property 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 and there is no termite damage and damage, including damage we have compensated you for, 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 start farming, manufacturing 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 your tenant starts to operate or intends to operate a business activity at 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 sums insured;
- ◆ Any detail on your policy schedule is no longer accurate, such as but not limited to the description of the property;
- ◆ You intend to demolish your property, have lodged an application to do this, or a government authority has issued a demolition order;

- ◆ The property ceases to be used as a rental property;
- ◆ The building becomes unoccupied for **90** days or more (see 'Unoccupied properties' on page 84 for further details);
- ◆ Trespassers or squatters occupy the insured address;
- ◆ Building, renovations, construction, alteration and/or repairs commence at the insured address;
- ◆ You transfer the management of your property from one licensed real estate agency to another licensed real estate agency;
- ◆ Your property ceases to be managed by a licensed real estate agent.

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.

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

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: Loss of rent – Holiday let

What we cover - insured events

We will cover your loss of rent in connection with a holiday let property caused by any of the insured events listed in this Section 1 during the period of insurance.

The cover provided by this section is subject to:

- ◆ The basis set out under the heading 'Basis on which claims are paid' on page 23;
- ◆ The limits, conditions and exclusions applicable to the insured event and this section;
- ◆ The 'General terms and conditions' on page 81;
- ◆ The 'Things we don't cover' on pages 86 to 95; and
- ◆ Together with the requirements outlined under the heading 'Making a claim' on page 66.

Untenantable (building)

✓ We cover:

Loss of rent if your property becomes untenantable due to malicious damage to your building caused by your tenant under Section 3 'Building (tenant damage)'.

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

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

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

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

Untenantable (murder/suicide)

✓ We cover:

Loss of rent when your property becomes untenantable due to murder or suicide, or attempted murder or suicide at the property which results in damage to the property.

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

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

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

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

Untenantable (death of tenant)

✓ We cover:

Loss of rent when your property becomes untenantable due to the death of a tenant at the building which results in damage to the property.

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

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

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

Limit: **26** weeks loss of rent per incident, but no more than **\$5,000** in any one period of insurance.

Untenantable (contents)

✓ We cover:

Loss of rent when your property becomes untenantable solely due to damage to your contents caused by an insured event listed in 'Section 2: Contents'.

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

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

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

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

Prevention of access

✓ We cover:

Loss of rent when your tenant does not have access to the insured address because of one of the following incidents:

- ◆ Damage to a building (but not the insured building), strata title property, road or street;
- ◆ Burst water main;
- ◆ Bomb threat or bomb damage;
- ◆ Street riot;
- ◆ Lift malfunction at the insured address (tenant has a medical certificate stating they must use a lift);
- ◆ Emergency services refuse access to insured building or evacuate your tenant for safety reasons;

Cover will commence **7** days from the date access is first prevented, until access is restored.

✗ We do not cover

Any loss of rent:

- ◆ Once access has been restored;
- ◆ Unless a tenant was residing in the building at time of the incident;
- ◆ Any amount exceeding **52** weeks;
- ◆ If there is any damage at the insured address;
- ◆ Damage arising from inherent defects, faulty design, structural defects, structural faults or faulty/poor workmanship.

Failure to vacate

✓ We cover:

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

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

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

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

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

Death of tenant

✓ We cover:

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

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

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

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

What we do not cover

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

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

(See 'Section 5: Loss of rent – Permanent tenancies' on page 55 for details of the cover for loss of rent in relation to property let to tenants on a permanent basis).

Additional benefits

Your legal expenses

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

Conditions – Section 1

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

Delays

You must not cause delays in making the property available for rental by delaying, for example:

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

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

Market conditions

This policy does not cover your inability to rent the property due to adverse market conditions. This means that if none of the insured events covered by Section 1 have 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 1 does not cover alternate accommodation costs for the tenant as a result of the property becoming untenable for any reason.

Basis on which claims are paid

Rent calculation

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

How we calculate what we will pay

We will pay you the actual amount of rent you have lost from each documented rental booking which was caused by one of the insured events in this section.

This calculation will include:

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

The rent payable for each booking will then be added together. If the total 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 1, you may only claim under one of those insured events for any one period of loss of rent.

Section 2: Contents

What are your contents?

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

- ◆ Portable household goods and electrical appliances;
- ◆ Household furniture, furnishings and light fittings (not hardwired to the building);
- ◆ Curtains and internal blinds;
- ◆ Gaming consoles and their associated games;
- ◆ Floating floorboards;
- ◆ Carpets and floor rugs;
- ◆ Ride-on lawn mowers;
- ◆ Sporting or recreational equipment, but not whilst they are being used;
- ◆ Painting or works of art valued at less than **\$1,000** each item;
- ◆ Plants, hedges, trees or shrubs that are in pots or tubs; and
- ◆ Above ground pools or spas (including their fixed accessories).

Strata titled buildings

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

Your contents are not

Your contents do not include any of the following items:

- ✗ Anything included in the definition of your building in 'Section 3: Building (tenant damage)' of this policy;
- ✗ Manchester;
- ✗ Cutlery and crockery;
- ✗ Cameras and photographic equipment;
- ✗ Portable battery operated appliances such as tablets, mobile phones, iPods and MP3 players;
- ✗ Electronic data and images on films, negatives or photographs, memory cards or hard drives;
- ✗ Computers (including PCs, laptops, electronic notebooks, personal digital assistants, iPads or tablets) and their printers or software;
- ✗ Tools of trade or commercial or retail stock;
- ✗ Animals, including pets, birds, reptiles or insects;
- ✗ Plants, hedges, trees or shrubs, except those in pots or tubs;
- ✗ Grass, bark (mulch), lawn or artificial turf;
- ✗ Loose or compacted soil, sand, gravel, pebbles, stones, shale, granular rubber (e.g. gravel driveways or sand on tennis courts);
- ✗ Any item which is illegally in your possession;
- ✗ Clothing, jewellery, furs, watches or other personal effects;
- ✗ Cash, coins, transaction cards or any other negotiable instruments;
- ✗ Unset precious stones;
- ✗ Antiques (except antique furniture);
- ✗ Gold or silver objects or materials made of, covered by or containing gold or silver;
- ✗ Stamps, coins or medals;

- X Wills, share certificates, manuscripts, plans and documents of any kind;
- X Pictures or works of art valued at more than **\$1,000** each item;
- X Hand woven or hand knotted rugs or hand woven carpets;
- X Watercraft, bicycles, vehicles of any type (including, wheelchairs, motor vehicles, trailers, caravans, motorised toys, motorcycles, all-terrain vehicles), aircraft, drones or personal transportation vehicles, vehicle stackers or accessories or spare parts of, or contents stored in any, of these.

What we cover - insured events

If any of the insured events listed in this Section 2 occur during the period of insurance, we cover resulting loss or damage to your contents at the insured address:

- ◆ On the basis set out under the heading 'Basis on which claims are paid' on page 35;
- ◆ 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 81;
- ◆ Subject to the 'Things we don't cover' on pages 86-95; and
- ◆ Together with the conditions outlined under the heading 'Making a claim' on page 66.

Break-in, vandalism or theft

✓ We cover

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

✗ We do not cover

- ◆ Accidental loss or damage under this insured event;
- ◆ Scratching, denting or chipping;
- ◆ Damage 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 page 103).
- ◆ 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 contents;
- ◆ 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.

When we replace the whole machine or appliance we will settle your claim in accordance with 'How we settle contents claims' on page 36.

✗ 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;
- ◆ Lighting or heating elements, fuses or switches of any kind;
- ◆ Damage to swimming pools, spas or their water as a result of motor burnout;
- ◆ Any amount recoverable under a manufacturer's guarantee or warranty.

Escape of liquid

✓ We cover

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

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

✗ We do not cover

- ◆ Wear, tear or gradual deterioration, or loss or damage caused by a 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;
- ◆ Loss or damage caused by the property not being in good condition (e.g. blocked gutters).

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.

✗ We do not cover

Loss or damage arising from:

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

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 'Defined terms' on page 96);
- ◆ 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 water in a tank, swimming pool or spa or to their liners or covers;
- ◆ The cost of cleaning mud or clearing debris out of tanks, swimming pools or spas, including replacing or storing the water;
- ◆ The cost of cleaning your undamaged contents.

Glass breakage

✓ We cover

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

✗ We do not cover

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

Impact

✓ We cover

Loss or damage caused by impact 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 trees or branches unless it is required to allow repairs to be carried out.

Lightning

✓ We cover

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

✗ We do not cover

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

Oil leakage

✓ We cover

Loss or damage caused by oil leakage from any heater.

Pet damage

✓ We cover

Loss or damage caused by a domestic pet if:

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

The most we will pay for this insured event under 'Section 2; Contents' and 'Section 3: Building (tenant damage)' combined is **\$2,500** during any one period of insurance.

✗ We do not cover

Loss or damage caused by a reptile.

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.

Scorching

✓ We cover

Loss or damage to carpet (only in the room where the loss or damage occurs) arising from scorching caused by cigarettes, irons or hot cooking pots and pans.

The most we will pay for this insured event under 'Section 2: Contents' and 'Section 3: Building (tenant damage)' combined is **\$1,000** during any one period of insurance.

✗ We do not cover

Damage to any item of your contents other than carpet.

Storm or rainwater

✓ We cover

Loss or damage caused by storm or rainwater.

✗ We do not cover

- ◆ Loss or damage caused by flood under this insured event;
- ◆ Loss or damage caused by wind, rainwater, hail or snow penetrating into your building a result of:
 - Faulty design of your building or faulty workmanship;
 - Structural alterations, additions, renovations or repairs;
- ◆ Loss or damage caused by actions or movements of the sea;
- ◆ Loss or damage caused by erosion, vibration, subsidence, landslip, landslide, mudslide, collapse, shrinkage or any other earth movement, but we will cover damage caused by a landslide or subsidence that is proved to have occurred within **72** hours of, and directly because of, a storm and not because of erosion, structural fault or design fault;
- ◆ Loss or damage due to rust, corrosion, wear, tear or gradual deterioration;
- ◆ Loss or damage to your contents in the open air;
- ◆ Loss or damage to swimming pool or spa covers or liners;
- ◆ The cost of cleaning mud or clearing debris out of tanks, swimming pools or spas, including replacing or storing the water;
- ◆ Loss or damage resulting from the property or contents not being in good condition (e.g. blocked gutters, broken tiles);
- ◆ Loss or damage resulting from a defect that you, or your property manager, were aware of or should reasonably have been aware of.

Tenant damage

✓ We cover

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

✗ We do not cover

- ◆ 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, and gradual deterioration.

Benefits within your sum insured

The following additional benefits are included during the period of insurance, provided that the total amount payable for any claim under 'Section 2: Contents' does not exceed your contents sum insured. All of the conditions of the policy and the 'Things we don't cover' on pages 86 to 95 apply.

Benefit

Emergency Service damage

When you are covered for loss or damage under this 'Section 2: Contents', we will also cover any damage to your contents caused as a result of Emergency Service Personnel entering your property in connection with the insured event up to **\$1,000** per claim.

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

Benefit

Removal of damaged contents

When you are covered for loss or damage under this 'Section 2: Contents', then we will cover the reasonable cost of removal of the damaged contents from the insured address.

Basis on which claims are paid

Limit of amount payable

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

Contents in the 'open air'

Where cover is available under 'Section 2: Contents' for loss or damage to your contents in the open air, the maximum we will pay per claim for loss or damage to your contents in open air is **\$3,000**. Note: there is no cover for loss or damage to contents in the open air under the insured event 'Storm or rainwater'.

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 sum insured shown on your policy schedule.

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

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

**Refer to 'Excesses that apply to your claim' on page 5 for the types of excesses and how they are applied.

How we settle contents claims

When your claim for loss, theft or damage to your contents is covered, your contents may be replaced, repaired or we may pay you.

How we settle will depend on the circumstances of the claim including the cost of repair or replacement, the type of item, the contents sum insured and any lower policy limits.

If the cost of repair or replacement exceeds your contents sum insured, you will be paid your contents sum insured.

You can obtain your own quote to repair or replace the contents. Where you choose not to obtain your own quote we will obtain a quote from our supplier/repairer and this may be less than what it would cost you to arrange the repair or replacement in the market.

When we repair or replace your contents, we will try to find new materials to match undamaged parts. Sometimes this is not possible. (See 'When we cannot match materials to undamaged parts' on page 39 for further details).

There are also specific terms for how we repair or replace: Carpets and floating floorboards, Curtains and Furniture coverings. (See page 37 for further details).

Repairing your contents

If the assessed quote from your repairer (or our repairer if you choose not to obtain a quote) is less than the cost of replacement, we will authorise the repair. If you do not accept the offer to repair, we will pay you the assessed quote from your repairer if you obtain a quote from your repairer. Or when you choose not to obtain a quote, we will pay you the assessed quote from our repairer when our repairer can undertake the repair. If our repairer cannot undertake the repair we will pay you the reasonable cost.

Replacing your contents

If the assessed quote to repair is more than the replacement on a 'new for old' basis or if the contents item cannot be repaired, you have the option to accept a replacement on a 'new for old' basis. See pages 38-39 for the meaning of 'new for old'.

If you do not accept the offer, you will be paid the value of the replacement item. This could be the item that you sourced or if you choose not to source the item we will source it through our supplier network. If we source it, this may be less than what it would cost you to arrange the replacement in the market. We are able to secure supplier discounts from within our supplier network. If our supplier cannot source the item we will pay you the reasonable cost.

Pairs and sets

We do not pay for any special value a contents item may have as part of a pair, set or collection. Limited exceptions may apply for furniture coverings in certain circumstances (see 'When a covering cannot be repaired or replaced for a furniture item that forms part of a set' on page 37 for further details).

Carpets and floating floorboards

Carpet or floating floorboards will only be repaired or replaced from within the room where damage occurred. This could include carpet or floating floorboards within that room which are undamaged. We will not pay to repair/replace undamaged carpet or floating floorboards in other rooms to achieve a match with the carpet or floating floorboards we have repaired/replaced. (See also 'When we cannot match materials to undamaged parts' on page 39).

Curtains

Curtains will only be repaired or replaced from within the room where the damage occurs.

Furniture coverings

If the covering of an item of furniture cannot be repaired or replaced by you or us we will pay you the reasonable replacement cost of furniture on a 'new for old' basis.

When a covering cannot be repaired or replaced for a furniture item that forms part of a set

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

When we settle contents claims we will not:

- ◆ Pay more than the relevant sum insured or policy limit;
- ◆ Pay extra to replace a contents item to a better standard, specification or quality than it was before the loss or damage occurred, except as stated in the meaning of 'new for old';
- ◆ Fix or pay to fix pre-existing damage;
- ◆ 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 94);
- ◆ Pay extra because you paid more for that item when it was originally purchased;
- ◆ Pay for any decrease in the value of a pair, set or collection when the damaged or lost item forms part of the pair, set or collection. We pay only for the repair or replacement of the item which was damaged or lost (unless otherwise stated in your policy).

For contents and building claims

'New for old' means:

- ◆ Rebuild, replace 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, replace 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

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

Repairing or replacing damaged contents

Contents that are lost or damaged will only be repaired or replaced when the loss or damage is covered by your policy. Apart from the limited circumstances where we will repair or replace undamaged contents set out in 'When a covering cannot be repaired or replaced for a furniture item that forms part of a set' you cannot claim to replace undamaged contents.

When we cannot match materials to undamaged parts

If you, your supplier or our supplier cannot find new materials to match undamaged parts, new materials of a similar type, standard and specification that are reasonably and commercially available in Australia will be used. It may not be the same brand, line or product.

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

1. You can pay the extra cost of replacing undamaged parts of your contents to achieve a uniform appearance with the material that have been found;
2. We can pay you the assessed quote of repairing or replacing the damaged contents items using materials that are the closest match available that has been quoted by your repairer. Or if you choose not to use your repairer, we will pay you the assessed quote from one of our suppliers based on the materials we have found. This quote may be less than what it will cost you to repair or replace the item. We are able to secure supplier discounts from our supplier network.

Section 3: Building (tenant damage)

What is your building?

Your building means the property owned by you at the insured address shown on your policy schedule, used principally and primarily by tenants as a place of residence, and includes 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 the building;
- ◆ Tennis courts; and
- ◆ Underground services such as plumbing, sewerage, water and electrical.

Your building is not

Your building does not include:

- ✗ Any item defined as contents in 'Section 2: Contents' of this policy;
- ✗ Common property if the building is part of a strata title or any property that is insured by the body corporate, whether or not that property is contained within your unit or lot and whether or not any excess applies to the strata title insurance;
- ✗ Carpets, carpet underlay or floating floorboards;
- ✗ Plants, hedges, trees or shrubs;
- ✗ Grass, bark (mulch), lawn or artificial turf;
- ✗ Loose or compacted soil, sand, gravel, pebbles, stones, shale, granular rubber (e.g. gravel driveways or sand on tennis courts);
- ✗ Above-ground swimming pools;
- ✗ Any jetty or other marine structure;
- ✗ Caravans, trailers or vehicles of any kind, or vehicle stackers.

What we cover - insured events

If any of the insured events listed in this 'Section 3: Building (tenant damage)' occur during the period of insurance, we will pay for resulting loss or damage to your building:

- ◆ On the basis set out under the heading 'Basis on which claims are paid' on page 45;
- ◆ Subject to the limits, conditions and exclusions applicable to the insured event and this section;
- ◆ Subject to the 'General terms and conditions' on page 81;
- ◆ Subject to the 'Things we don't cover' on pages 86-95; and
- ◆ Together with the requirements outlined under the heading 'Making a claim' on page 66.

Pet damage

✓ We cover

Loss or damage caused by a domestic pet if:

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

The most we will pay for this insured event under 'Section 2; Contents' and 'Section 3: Building (tenant damage)' combined is **\$2,500** during any one period of insurance.

✗ We do not cover

Loss or damage caused by the keeping of reptiles.

Scorching

✓ We cover

Loss or damage to bench/vanity tops (but only to the section of the bench/vanity top that was damaged) arising from scorching caused by cigarettes, irons or hot cooking pots and pans.

The most we will pay for this insured event under 'Section 2; Contents' and 'Section 3: Building (tenant damage)' combined is **\$1,000** during any one period of insurance.

✗ We do not cover

Damage to any item of your building other than bench/vanity tops.

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 or damage caused by poor housekeeping or tenant neglect (scuff marks on walls, overgrown gardens, damage by water splashing from sinks/baths);
- ◆ Damage caused by domestic pets (but some cover may be available under 'Pet damage' insured event);
- ◆ Scratching, denting or chipping;
- ◆ Damage that has not been caused by a single incident;
- ◆ Wear, tear and gradual deterioration.

What we do not cover (building)

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

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

Benefit within your sum insured

The following additional benefit is included during the period of insurance, provided the total amount payable for any claim under Section 3 does not exceed your building sum insured. All of the conditions of the policy and the Things we don't cover on pages 86-95 apply.

Benefit

Emergency Service damage

When you are covered for loss or damage under 'Section 3: Building (tenant damage)', we will also cover damage to your building caused as a result of Emergency Service Personnel entering your property in connection with the insured event, up to **\$1,000** per claim.

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

Basis on which claims are paid

Limit of amount payable

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

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 then settle your claim for the remaining amount. We will not pay more than the sum insured shown on your policy schedule.

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

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

**Refer to 'Excesses that apply to your claim' on page 5 for the types of excess and how they are applied.

How we settle building claims

We will aim for you to use your choice of builder to repair or rebuild the damage. 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 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 or equal to 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 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. See 'New for old' on pages 38-39 for more details.

If you choose to not accept the offer:

You will be paid the amount of the assessed quote from a member of our supplier network to repair or rebuild. 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 your 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' on pages 38-39 or unless 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 94);
- ◆ fix or pay to fix pre-existing damage.

Note: see 'New for old' on pages 38-39 for further details.

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 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 49 as there are limited circumstances where we will pay extra to repair or replace undamaged parts; or

2. We can pay you the assessed quote of repairing or rebuilding 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 will be replaced. We do not pay 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

8 fixed floor tiles are damaged by tenant damage and your claim is covered. New fixed floor tiles cannot be matched to the undamaged fixed floor tiles. We find fixed floor tiles of a similar type, standard and specification to the damaged parts of the building when new that are reasonably and commercially available in Australia. We offer to repair using the fixed floor tiles we have found. You accept the offer and we repair using the tiles we have found.

Example 2

As a result of tenant damage, 140 fixed floor tiles are damaged and the claim is covered by your policy. In this example, tiles of a similar type, standard and specification to the 160 undamaged tiles in the same room are not reasonably and commercially available in Australia.

Over 40% of the matching fixed floor 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 fixed floor tiles by way of salvage (See 'Salvaged building and contents items' on page 51 for further details). We would not pay the cost to replace any tiles located in a room other than where the loss or damage occurred.

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 94), 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 94);
- 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 46 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 and contents 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 4: Liability to others

What we cover (liability)

We cover your legal liability as the landlord and owner of the property 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;
- ◆ Damage to other people's property,

subject to:

- The limits and exclusions applicable to this section; and
- The 'General terms and conditions' on page 81; and
- The 'Things we don't cover' on pages 86-95; and
- Together with the requirements outlined under the heading 'Making a claim' on page 66.

The maximum amount we will pay for any claim or series of claims for legal liability covered under Section 4: 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 your legal liability caused by, connected with or arising from:

- X 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.
- X Using, possessing or owning any aircraft or the facilities to land or store aircraft.
- X Any animal other than a domestic dog, cat or horse belonging to your tenant.
- 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, owning or towing a caravan, mobile home or trailer.
- X Death or injury of:
 - You;
 - Your family;
 - A child (born or unborn) under **18** years who is your child or the child of your spouse, de facto or partner;
 - Your pets;
 - Anyone who usually lives at the insured address, unless the person is a tenant of your property.
- 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 compulsory third party insurance laws or motor accident injuries insurance laws.

- X In respect of damage to property:
 - Owned by you, your family or anyone employed by you; or
 - Not owned by you but in your custody, care and control.
- X 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.
- X Any deliberate or intentional act by you or someone acting with your consent.
- 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.

Section 5: Loss of rent – Permanent tenancies

What we cover – insured events

We will cover your loss of rent in connection with a permanent tenancy caused by any of the insured events listed in this Section 5 occurring during the period of insurance. The cover provided by this section is subject to:

- ◆ The basis set out under the heading ‘Basis on which claims are paid’ on page 65;
- ◆ The limits, conditions and exclusions applicable to the insured event and this section;
- ◆ The ‘General terms and conditions’ on page 81;
- ◆ The ‘Things we don’t cover’ on pages 86-95; and
- ◆ Together with the requirements outlined under the heading ‘Making a claim’ on page 66.

Absconding tenant

✓ We cover

Loss of rent if a tenant vacates:

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

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

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

Limit: **20** weeks loss of rent. We will not pay more than you would be legally entitled to recover from the tenant under their lease

Defaulting tenant (by termination notice)

✓ We cover

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

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

- ◆ The property is re-let;
- ◆ The date the tenant's lease would have expired, but for the earlier termination;
- ◆ The limit for this insured event is reached.

Limit: **20** weeks loss of rent. We will not pay more than you would be legally entitled to recover from the tenant under their lease.

Defaulting tenant (by court order)

✓ We cover

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

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

- ◆ The property is re-let;
- ◆ The date the tenant's lease would have expired, but for the earlier termination;
- ◆ The limit for this insured event is reached.

Limit: **20** weeks loss of rent. We will not pay more than you would be legally entitled to recover from the tenant under their lease.

Failure to give vacant possession

✓ We cover

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

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

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

- ◆ The property is re-let;
- ◆ The date the tenant's lease would have expired, but for the earlier termination;
- ◆ The limit for this insured event is reached.

Limit: **28** weeks loss of rent. We will not pay more than you would be legally entitled to recover from the tenant under their lease.

Death of tenant

✓ We cover

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

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

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

Limit: **15** weeks loss of rent.

Hardship

✓ We cover

Loss of rent if a court awards the tenant a release from their lease obligations, over and above the tenant's bond monies due to hardship. Hardship can result from factors or issues such as a change in income, illness or family violence suffered by the tenant. If a claim under this insured event is covered, we will not hold the tenant responsible for any amount we pay you.

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

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

Limit: **4** weeks loss of rent.

Untenantable (building)

✓ We cover:

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

- ◆ Damage to your building caused by tenant damage, (provided a claim under 'Section 3: Building (tenant damage)' is covered);
- ◆ Murder or suicide, or attempted murder or suicide.

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

- ◆ The date which is two weeks after the day the property becomes tenantable;
- ◆ The date you re-let the property;
- ◆ The limit for this insured event is reached.

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

Untenantable (contents)

✓ We cover:

Loss of rent if your property becomes untenantable for a minimum period of **7** days due to your contents only being damaged by an insured event covered in Section 2 of the policy.

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

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

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

✗ We do not cover

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

Rent reduction

✓ We cover:

Loss of rent where:

- ◆ The tenant occupies the property under a lease; and
- ◆ The property remains tenantable following damage to your building or contents but the tenant does not have full use of the property for a minimum period of **7** days; and
- ◆ A claim under 'Section 2: Contents' or 'Section 3: Building (tenant damage)' of this policy for the damage is covered; and
- ◆ You have agreed to reduce the tenant's rent due to the damage to your building or contents; and
- ◆ The rent reduction is proportionate to the tenant's loss of use of the property.

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

- ◆ Your building or contents have been repaired;
- ◆ 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 \times 10\% = \$80 \times 2 \text{ weeks} = \160).

✗ We do not cover

Rent reduction:

- ◆ After the date the tenant has vacated the property;
- ◆ If you cause or contribute to delays in repairing the damage (e.g. you do not organise repairs or lodge a claim as soon as possible after you are aware of the damage).

Prevention of access

✓ We cover:

Loss of rent when your tenant does not have access to the insured address, because of one of the following incidents:

- ◆ Damage to a building (but not insured building), strata title property, road or street;
- ◆ Burst water main;
- ◆ Bomb threat or bomb damage;
- ◆ Street riot;
- ◆ Lift malfunction at the insured address (tenant has a medical certificate stating they must use a lift);
- ◆ Emergency services refuse access to insured building or evacuate your tenant for safety reasons;

Cover will commence **7** days from the date access is first prevented, until access is restored.

✗ We do not cover

Any loss of rent:

- ◆ once access has been restored;
- ◆ if the tenant was residing in the building at time of loss or damage;
- ◆ any amount exceeding **52** weeks;
- ◆ if the access was prevented due to damage at the insured property;
- ◆ from inherent defects, faulty design, structural defects, structural faults or faulty/poor workmanship.

What we do not cover

We do not pay any amount for loss of rent under this Section 5 in relation to:

- ◆ A holiday let property.

(See 'Section 1: Loss of rent – Holiday let' on page 17 for details of the cover for loss of rent in relation to a holiday let property.)

Additional benefits

Your legal expenses

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

Replacement of locks

If a claim for the insured event 'Defaulting tenant (by court order)' in Section 5 of this policy is covered, and the tenant has not returned the keys for the property, we will also pay up to **\$250** in total for the costs you incur (over and above the tenant's bond monies), to replace locks at the property following the successful eviction of the tenant.

Representation costs

If a claim for an insured event under Section 5 of this policy is covered, we will pay up to **\$500** for that claim, for the costs you incur as a result of your property manager:

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

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

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

Removal and storage of goods

If a claim for an insured event under Section 5 of this policy is covered, and the tenant has vacated leaving their possessions at the property, then we will pay up to **\$500** per tenancy for costs you incur (over and above the bond monies) for the removal from the property and storage of the tenant's possessions.

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

Re-letting expenses in excess of the bond

If a claim for an insured event under Section 5 of this policy is covered, we will also pay up to **\$500** during any one period of insurance for re-letting expenses that exceed the tenant's bond money.

This additional benefit will only apply if:

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

This benefit will not apply:

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

Conditions – Section 5

A claim under ‘Section 5 – Loss of rent – Permanent tenancies’ may be refused or reduced if the following terms and conditions have not been met or followed.

Rent is in arrears at commencement of policy

If the tenant’s rent payments were in arrears in the **2** months prior to the commencement of the policy, then cover under Section 5 is not available unless the exception under the ‘Rent arrears’ clause has been met – refer to ‘General terms and conditions’ on page 81 for this clause.

Breach notices are not issued

We may reduce or refuse your rent arrears claim to take into account any part of the loss that results if you or your property manager:

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

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

Failure to repair or re-let

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

Delaying repairs

You must not 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 we pay for your claim under Section 5 to take into account any loss of rent that results from your delay.

Market conditions

This policy does not cover your inability to rent the property due to adverse market conditions. This means that if none of the insured events covered by Section 5 have 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 5 does not provide cover for alternate accommodation costs for the tenant as a result of the property becoming untenable for any reason.

Vacant at time of loss

Cover for the insured events for 'Untenable (building)', 'Untenable (contents)' and 'Prevention of access' in Section 5 of this policy, will only apply when:

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

Basis on which claims are paid

Weekly rent

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

How we calculate what we will pay

Loss of rent is calculated using the lesser of:

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

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 insured shown on your policy schedule is **\$1,000**, a weekly rental amount of **\$700** will apply.

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

This amount is then reduced by:

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

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

See 'Defined terms' on page 102 for the meaning of 're-letting expenses'.

Claims for more than one insured event

Where a claim is possible under more than one of the insured events of this Section 5, you may only claim under one of those insured events for any one period of loss of rent.

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 further 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 cost caused by your delay. When you contact us describe details of what has been affected by the event (e.g. carpet has been damaged by a tenant's iron). For electrical items, please have details about the make and model. If the damage to your property was caused by another person, please provide us their name and address, and if applicable, their vehicle registration details.

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 meet the following responsibilities:

- ◆ Allow us to inspect the damaged building and/or contents;
- ◆ Allow us to arrange for experts to assess the damaged building and/or contents and to quote on repair or replacement;

- ◆ Arrange for all contents to be moved and/or 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 property 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 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 or contents when we replace or pay you the full sum insured or the total cost to repair or rebuild your building or contents. 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 or contents 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 or contents. 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 insured 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 claims 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 contents, 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, or damage or theft by your tenant;
- ◆ Forwarding address and current contact details of your tenant;
- ◆ Rent arrears/termination notices issued to, or court orders issued against the tenant, under the Act;
- ◆ Evidence of dated advertising done to demonstrate your efforts to re-let the property;
- ◆ Proof of ownership (i.e. receipts, valuations, photographs, warranties or instruction manuals) for items which have been stolen or damaged;

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

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, 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 a statutory declaration is itself acceptable evidence of proof of ownership and value.

If you are unable to substantiate your claim, we might reduce or refuse 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 insured;
- ◆ Tell you if it is covered; and
- ◆ Investigate the claim for recovery potential.

If the insured event is covered:

- ◆ we will tell you how the claim will be assessed, examined and paid and what further supporting documents you need to provide us;
- ◆ you can choose to pay your excess in accordance with the options under 'How to pay your excess' (see page 6); 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.

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

Claim payments

Claims payments may be paid to:

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

For the purposes of claim payments only, 'you' includes the policyholder and property owner as well as the current property manager who has been engaged (by way of a written management agreement) 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.

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 the unused premium.

If we pay part of, or the full contents sum insured, your contents sum insured is automatically reinstated and cover continues for the period of insurance at no extra cost. You should reassess your contents sum insured. Any claim you lodge may also result in additional excess(es) being applied to your policy at renewal.

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.

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: Escape of liquid and untenable loss of rent (Holiday let)

You have the following short term bookings confirmed over the next 21 days – all bookings have been paid for in advance at a rate of \$500 per day:

- ◆ Booking 1: 7 days in week 1 – \$3,500 paid;
- ◆ Booking 2: 4 days in week 2 – \$2,000 paid;
- ◆ Booking 3: 3 days in week 3 – \$1,500 paid.

The day before booking 1 is due to commence, water from a burst pipe escapes and damages carpets throughout the property resulting in the property becoming untenable until the end of week 3. This results in all of the scheduled bookings being unfulfillable. The cost to replace the carpet is \$2,500.

Your policy schedule shows that no excess applies for loss of rent claims.

Example 1

Rent refunded – booking 1	\$3,500	As a result of the accidental escape of liquid from the burst pipe the property was untenantable until the end of week 3. In this case the booking was for 7 days so a refund of 7 days rent at \$500 per day is required which is \$3,500.
Rent refunded – booking 2	\$2,000	In this case the booking was for 4 days so a refund of 4 days rent at \$500 per day is required which is \$2,000.
Rent refunded – booking 3	\$1,500	In this case the booking was for 3 days so a refund of 3 days rent at \$500 per day is required which is \$1,500.
Total rent loss incurred by you	\$7,000	This is the total 14 days rent lost by you from documented rental bookings during the 21 day period whilst the property was untenantable.
Apply limit to untenantable (contents) Subtotal (1)	\$6,000	We apply the \$6,000 limit for any one period of insurance which applies to loss of rent claims arising from the insured event 'untenantable (contents)'. Subtotal (1)
Escape of liquid damage to carpet	\$2,500	The carpet has been damaged by the accidental escape of liquid and the replacement cost is \$2,500.
Other claims excess payable	-\$100	You choose to have this amount deducted from your claim.
Subtotal (2)	\$2,400	Amount payable for carpet after excess has been applied.
Total claim payable	\$8,400	Subtotal (1) plus Subtotal (2). In this example, we pay this amount directly to you.

Example 2: Loss of rent - default by court order plus representation costs (Permanent tenancy)

Your tenant is on a periodic lease and is evicted by court order due to non-payment of rent (defaulting tenant). The tenant owes 7 weeks rent in arrears when they vacate. The weekly rent is \$300. The bond is \$1,200 and re-letting expenses are \$1,000.

Your property manager has also charged you \$300 to attend the court hearing and a further \$300 was incurred for the bailiff/sheriff to evict the tenant.

Your policy schedule shows that no excess applies for loss of rent claims.

Example 2

Rent owed by tenant	\$2,100	In this case the tenant is liable for the 7 weeks rent owed up until the date they vacated (as a result of an eviction order) – 7 x \$300 per week = \$2,100. Note: The eviction of the tenant terminates their lease, so they are not liable for any additional rent beyond the date they vacated.
Less bond money	-\$200	You are required to apply any available bond money to the claimed loss, once any other re-letting expenses the tenant is liable for have been paid. In this instance \$1,200 bond money less \$1,000 re-letting expenses = \$200 bond money which is deducted from the rent owed.
Rent loss incurred by you	\$1,900	The amount the tenant owes after applying the available bond money is \$1,900. This is within the 20 week limit applicable to claims for insured event 'Defaulting tenant (by court order)'.
Representation costs	\$500	You are covered for costs you incur for your property manager to represent you in court for the purpose of obtaining an order against the tenant. A \$300 sub limit per claim also applies for bailiff/sheriff fees. Total representation costs incurred in this case are \$600. The limit of \$500 applies.

Total claim payable	\$2,400	We pay this amount directly to you.
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Example 3: Tenant damage (Permanent tenancy)

You have evicted the tenant by court order due to non-payment of rent. The tenant vacates owing 6 weeks rent and has damaged the property to the extent that it is untenable. A claims assessor appointed by us has inspected the damage and reports that the property has sustained the following loss and damage:

- ◆ 3 doors have been kicked in – \$1,000 to repair;
- ◆ 4 walls were damaged due to use of picture hooks – \$500 to repair;
- ◆ Lounge room carpet was damaged by a drink spill – \$1,200 to replace;
- ◆ 8 walls were noted as dirty/ marked – \$600 to repair;
- ◆ Bedroom 1 carpet was stained by paint, however this was noted on the property condition report when the tenant moved in – \$500 to replace;
- ◆ General cleaning costs - \$1,200;
- ◆ Damage to flyscreen door caused by dog clawing at mesh – \$450 to repair;
- ◆ Damage to laundry skirting boards by dog chewing them – \$400 to repair.

The weekly rent was \$300 and the bond money held was \$1,200.

The repairs take 3 weeks and, after attempts are made to find a new tenant, a new tenant moves in 4 weeks after the repairs are completed. In this example, the excesses for tenant damage of \$500 and pet damage of \$250 apply.

Your policy schedule shows that no excess applies for loss of rent claims.

Example 3

Non-claimable damage (paint damage to carpet in bedroom 1)	\$0	As the carpet damage in bedroom 1 was noted on the property condition report prior to the current tenancy beginning, it is not covered as tenant damage and it is not deducted from the current tenant's bond. We also do not cover the cleaning costs under this policy.
Tenant damage (contents) - Lounge room carpet	\$1,200	The lounge room carpet was caused due to tenant damage. It costs \$1,200 to replace. This is covered under 'Section 2: Contents'.
Tenant damage (building) doors and wall damage	\$1,500	The 3 kicked in doors and the walls damaged by picture hooks were caused due to tenant damage. The total repair cost of this damage is \$1,000, plus \$500 which equals \$1,500. This is covered under 'Section 3: Building (tenant damage)'.
Less Tenant damage excess payable	-\$500	You choose to have this amount deducted from your claim.
Subtotal (1)	\$2200	Amount payable by us for tenant damage to the building and contents.
Pet damage	\$850	Our assessor has determined that the that the repairs to the flyscreen (\$450) and laundry skirting boards (\$400) were as a result of pet damage and that the total repair cost of \$850 is appropriate and reasonable
Less Pet damage excess payable	-\$250	You choose to have this amount deducted from your claim.
Subtotal (2)	\$600	Amount payable by us for pet damage.
Loss of rent covered by your policy (court orders-arrears)	\$1,800	6 weeks rent in arrears at \$300 per week equals \$1,800.

Loss of rent (untenantable-building)	\$1,500	As your property becomes untenantable for a minimum period of 7 days due to tenant damage, and it took longer than 2 weeks after the property is tenantable again to find a new tenant, we pay 5 weeks loss of rent. Repairs took 3 weeks (\$900 lost rent) and we cover 2 of the 4 weeks it took to re-let the property (\$600 lost rent). Therefore the total payable is \$1,500.
Subtotal (3)	\$3,300	Amount payable by us for loss of rent (arrears) plus loss of rent (untenantable).
Re-letting expenses in excess of the bond	\$500	In this instance the bond was \$1,200 and the re-letting expenses were \$1,800 – made up of: <ul style="list-style-type: none"> ◆ \$1,200 cleaning costs; ◆ \$600 to repair dirty/marked walls, which were deemed to be caused by poor housekeeping and not due to tenant damage. The re-letting expenses exceeded the bond money by \$600 and we apply the limit and pay \$500 under this additional benefit in 'Section 5: Loss of rent - Permanent tenancies'.
Total claim payable	\$6,600	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. It also includes any discounts we have given you. The premium will be shown on your policy schedule as the annual premium.

The amount of the premium 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, contents and weekly rent to calculate the premium.

Refer to the Scheer Short Stay Insurance Additional Information Guide for further information.

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:

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

Actions and advice by or from your property manager

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

Joint policyholders

When you insure the property and/or contents 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 reasons for this is that these joint policyholders each have an interest or ownership in the property and/or contents.

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), the following condition applies:

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

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

Bond monies – Permanent tenancies

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

In the event of loss of or damage to your property caused by the tenant, you must use the bond money to reduce your loss. If you have voluntarily returned the bond money to the tenant, and you lodge a claim for loss of or damage to your property, we will reduce any amount we pay by the amount of prejudice we have suffered as a result of your actions.

Bond monies – Holiday let properties

Where bond monies have been collected from a tenant in a holiday let property and you are entitled to use it to reduce your loss, you must do so.

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

Unoccupied properties

When the property is unoccupied, 'Section 1: Loss of rent – Holiday let', 'Section 2: Contents', 'Section 3: Building (tenant damage)' and 'Section 5: Loss of rent – Permanent tenancies' will not apply 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 in writing to provide cover and a claim is made while the property is unoccupied, a higher excess will be applied. The amount of this excess will be shown on your policy schedule.

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 cancelled, 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 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). 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.

Which loss of rent cover applies?

There are two loss of rent sections in this policy:

- ◆ 'Section 1: Loss of rent – Holiday let'; and
- ◆ 'Section 5: Loss of rent – Permanent tenancies'.

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

- ◆ During a permanent tenancy, you can only claim for loss of rent under Section 5;
- ◆ If your policy schedule shows that your building is insured as a holiday let property, you can only claim for loss of rent under Section 1.

You may not claim under both Section 1 and Section 5 in relation to loss of rent arising from any one 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:

1. **X** Revolution, hostilities, war or other acts of foreign enemy, war like activity (whether war is declared or not), 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 an incident described above.
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.

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:

- ✘ A bushfire, storm, flood or tsunami that occurs within **72** hours of the start of this insurance policy. 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 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).
- ✘ 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 that is covered by insured event 'Fire (including bushfire) and explosion' on page 29.

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:

- ✗ 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.
- ✗ Erosion, vibration, subsidence, landslip, landslide, mudslide, collapse, shrinkage or any other earth movement, but we will cover landslide or subsidence that occurs within **72** hours of, and directly because of one of the following insured events:
 - Storm;
 - Flood;
 - Earthquake or tsunami;
 - Explosion.
- ✗ Poor housekeeping by your tenants or a member of your tenant's family or your tenant's guests (poor housekeeping including costs associated with their untidy, unclean or unhygienic living habits).
- ✗ Insects or vermin (such as termites, rats, mice or wildlife), but we will cover resultant damage to the property shown on your policy schedule caused by an insured event listed under 'Section 2: Contents' and 'Section 3: Building (tenant damage)'.
- ✗ Scratching, denting or chipping.
- ✗ The actions of cleaning.
- ✗ Heat, smoke, or soot when your building or contents have not caught fire unless covered by the insured event Fire (including bushfire) or explosion.
- ✗ Tree roots.

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 deliberate or malicious acts causing damage to, or destruction of, a reservoir or dam, or any looting or rioting following such an incident.
- ✘ 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 or contents that is not 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 property (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 property 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 property is infested with vermin;
 - Plant matter is growing into your building (e.g. walls, windows and gutters);
 - Your property 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.
- ✘ 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.
- ✘ Smoking of cigarettes, pipes, cigars, vapes or by use or consumption of any drug;
- ✘ You, or someone with your knowledge or permission, committing or trying to commit an unlawful or criminal offence, such as assault or malicious damage.
- ✘ 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.

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:

- ✘ 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 property.
- ✘ 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.
- ✘ Damage to swimming pools or similar structures caused by hydrostatic pressure.
- ✘ 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 property 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:

- ✘ 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 a claim for loss or damage to your building that is covered under this policy, but only to the extent removal is necessary in order to repair insured damage.
- ✘ 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.
- ✘ 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 covered by your policy;
 - 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:

- X Loss, storage and replacement of water in any tank, container, pool, spa and any other water storage vessel.
- X 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;
- X 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);
- X 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 51.
- X Loss of rent for any period before the commencement of the initial period of insurance.
- X 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:

We will not pay a claim under any section of this policy from the point in time that:

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

This effort must be within a reasonable period of:

- The tenant's departure from the building; 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 the following cover under your policy:
 - 'Section 5: Loss of rent – Permanent tenancies', provided you can demonstrate that a continuing reasonable effort was made to obtain a new tenant (such as advertising for a tenant), whilst you were simultaneously marketing the property for sale; and
 - 'Section 2: Contents' and 'Section 4: Liability to others' while the property is advertised for sale and vacant for a maximum period of **90** days (see 'Unoccupied properties' on page 84).

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 or 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 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.

Act

means the Residential Tenancies Act or other relevant residential 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.

Break fee

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

Building

see page 40.

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.

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, replacement, 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.

Contents

see page 24.

Drones

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

e-Bicycle

means a bicycle with an integrated electric motor that can be used for propulsion with or without propulsion by pedals.

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 have to pay towards the costs 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 where a permanent tenancy is not in place and each of the following applies:

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

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 insured address 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.

Legal expenses

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

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.

Manchester

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

Maximum amount

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

Occurrence

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

Open air

means:

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

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

Period of insurance

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

Period of stay

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

Permanent tenancy/tenancies

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

Personal transportation vehicle

means a battery driven or electric device that is a scooter, skateboard, e-bicycle, unicycle, hoverboard, one-wheel or Segway used for personal transportation that is suitable to be ridden by one person and does not have to be insured under any compulsory third party insurance laws or motor accident injuries insurance laws.

Pet bond

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

Policy schedule

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

Possessions

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

Property

means your building and its contents 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.

Re-letting expenses

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

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

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 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 cannot 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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