

Secure™ Landlord Insurance

Product Disclosure Statement and Policy Wording



SecureTM Landlord Insurance

Supplementary Product Disclosure Statement and Policy Endorsement

Supplementary Product Disclosure Statement

Purpose of the Supplementary Product Disclosure Statement

This is a Supplementary Product Disclosure Statement (SPDS), which supplements the SecureTM Landlord Insurance Product Disclosure Statement (PDS) prepared on 01/07/07.

It contains information regarding a number of changes to your PDS. It is important that you read this information carefully. This SPDS must be read together with the PDS.

V7279A SPDS Issue No. 1

Date Prepared: 5 November 2008

Date Active: 12 December 2008

This Supplementary Product Disclosure Statement is issued by Vero Insurance Limited ABN 48 005 297 807 AFS Licence No. 230859

Page i

We refer you to the "Welcome to Vero" section on page i of the PDS. The entire section is deleted and replaced with:

Welcome to Vero

In Australia Vero can trace its origins back to 1833. Since then we have successfully protected our customers personal and business assets by operating with a depth of knowledge and a reputation for promises kept. Built on these solid foundations, Vero now provides dynamic and forward thinking solutions for all our customers. The Vero brand is based upon a simple premise – to provide our customers with certainty and peace of mind, through innovative, specialised and expert insurance offerings.

Vero Personal Lines is a division of Vero.
We offer a range of insurance products including home building, home contents, private motor and caravan insurance.

Page ii

We refer you to the "Significant benefits and features" section on page ii of the PDS. In this section in the paragraph starting "These additional benefits are included where you choose property insurance..." insert the following new benefit in the list immediately after "Landlord's furnishings".

- ▼ Lifetime guarantee on property building repairs that we authorise and arrange.

Page iii

We refer you to the "When and how benefits are provided" section set out on page iii of the PDS. In this section in the paragraph which starts "After calculating the amount payable we will either..." the four points beneath are deleted and replaced with:

- ▼ arrange to repair or replace your property or contents,
- ▼ pay you what it would cost us to repair or replace your property or contents,
- ▼ pay the person to whom you are legally liable, or
- ▼ pay you.

Page viii

We refer you to the "What if you are not satisfied with our final decision?" section set out on page viii of the PDS. In this section all references to the Insurance Ombudsman Service Limited (IOS) are replaced with the Financial Ombudsman Service Limited (FOS). The last two paragraphs in the section which contain contact details for the IOS are deleted and the following is inserted:

Contact details for the FOS are:

Financial Ombudsman Service Limited
GPO Box 3
Melbourne
VIC 3001
Phone 1300 780 808
Fax 03 9613 6399
Email info@fos.org.au
www.fos.org.au.

Policy Wording Endorsement

This endorsement forms part of and amends the Secure™ Landlord Insurance Policy Wording issued by Vero Insurance Limited (V3437 01/07/07).

Page 11

We refer you to the section "1. Basic excess" on page 11. The sentence beginning "For example" is deleted and replaced with:

*For example, if we agree to pay your claim of \$2,000 and your **excess** is \$100, we will pay you \$1,900. Sometimes we will not deduct the **excess** from the amount we pay and may instead ask you to pay \$100 to us or a repairer, supplier or person to whom you are legally liable.*

Page 28

We refer you to the section "How much we will pay for loss or damage" on page 28. Immediately after the sentence "We will apply the **excess(s)** shown on your schedule applicable to section 1 to any claim made under this policy, and subtract it from the amount we owe you for a claim before we pay a claim to you." insert:

Alternatively, we might ask you to pay your **excess** to a repairer, supplier, person to whom you are legally liable or sometimes directly to us.

Page 38

We refer you to the section "Repairing or rebuilding your property" set out on page 38.

The "Please note" paragraph is deleted and replaced with:

Please note: although we will return or pay to return your **property** to its original condition when new or last renovated, we will not upgrade your **property** if you have over-insured it, nor will we pay extra to return your **property** to a better standard, specification or quality than it was when new or last renovated.

The words beneath "What we will pay" are deleted and replaced with the following:

If you have insured your **property** and **loss** or **damage** occurs to the **property** we will at our option do one of the following:

- ▼ arrange to rebuild, replace or repair your **property** so that it is returned, as far as possible, to its condition and extent when new or, if it has been renovated, to its condition and extent when last renovated, or
- ▼ pay you what it would cost us to rebuild, replace or repair your **property** so that it is returned, as far as possible, to its condition and extent when new or, if it has been renovated, to its condition and extent when last renovated, or
- ▼ if you decide not to replace, rebuild or repair your **property**, we will, if we agree, pay you the market value of the land and **property** just before the **loss** or **damage** less the market value of the land and **property** after the **loss** or **damage** occurred, or
- ▼ if the **property** is totally destroyed and you want to replace your **property** with a smaller **property**, we will, if we agree, pay what it would have cost us to rebuild the replacement **property** plus a cash settlement. The cash settlement will be limited to the market value of the land and **property** just before the **loss** or **damage** less market value of the land and **property** after the replacement **property** has been built.

Where we agree to pay you what it would cost us to rebuild, replace or repair your **property**:

- ▼ you must start replacing, rebuilding or repairing the **property** within 6 months from the date on which the **loss** or **damage** occurs. If you start later than that, we will only pay you what it would have reasonably cost us to replace, rebuild, or repair your **property** as at the date of the **loss** or **damage**.

Page 39

We refer you to the "What we will not pay" section on page 39. The words "Any **depreciation** we apply is based on the age and condition of your **property**" are deleted and replaced with:

We will not pay for **loss** or **damage** caused by, or as a result of, your failure to:

- ▼ maintain your **property** in a good state of repair. If not, we will apply **depreciation** to your **property** before we pay any replacing, rebuilding or repair costs. Any **depreciation** we apply is based on the age and condition of your **property**, or
- ▼ fix a fault that existed before the **loss** or **damage** occurred.

Page 40

We refer you to the "Limits that apply to repair or rebuild your property" section on page 40. This section is deleted entirely and replaced with the following sections:

When we repair or rebuild your property

Wherever possible, we will match the materials used in replacing, rebuilding or repairing your **property** with those originally used. However, where it is not possible to match materials, we reserve the right to pay for the nearest equivalent or similar materials.

Lifetime guarantee on property repairs

We guarantee that if a defect arises in the lifetime of your **property** as a result of poor quality workmanship or use of incorrect or poor quality materials, when we replace, repair or rebuild your **property**, provided that we:

- ▼ have directly authorised the replacement, repairs or rebuilding, and
- ▼ have arranged the replacement, repairs or rebuilding, and
- ▼ have paid, or have a legal liability to pay, the supplier, repairer or builder directly for this work,

then we will rectify the problem by arranging, directly authorising and paying for further replacement, repair or rebuilding.

This guarantee does not apply to:

- ▼ **property** replacement, repairs or rebuilding that you arrange, authorise or make yourself (this applies even if we give you or a supplier, repairer or builder a cheque for all or part of the repair cost), or
- ▼ **loss, damage** or failure of any electrical or mechanical appliances or machines that form part of your **property**, or
- ▼ wear and tear consistent with normal gradual deterioration of your **property** (e.g. paint peeling off as part of its normal life cycle, wood rotting from moisture in the air or ground, roofs weathering or a hot water system leaking as a result of normal gradual deterioration).

This page has been left blank intentionally.

Product Disclosure Statement

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

You will still need to read the policy for a full description of the policy terms, conditions, limits and definitions.

Welcome to Vero

Vero can trace its origins back to 1833 in Australia. Since then we have successfully protected our customers' personal and business assets.

Vero aims to provide our customers with certainty and peace of mind, through innovative, specialised and expert insurance offerings.

Who is the insurer?

Vero Insurance Limited ABN 48 005 297 807, AFS Licence Number 230859 is the insurer and issuer of the insurance policy and is the issuer of this PDS.

How you contact us

You may contact Vero by calling:

- ▼ the telephone number shown on your schedule;
- ▼ your insurance adviser; or
- ▼ 1300 794 133;

or alternatively by writing to us at:

Vero Insurance Limited
GPO Box 1619
Adelaide SA 5001

Significant benefits and features

The Secure Landlord Insurance Policy is designed for you if you are a landlord and want to purchase insurance cover for your residential investment property. The policy has three sections of cover. You can select cover from one or more of these sections and different types of cover within each section.

Section 1 - Property and Contents

The Secure Landlord Insurance policy is designed for those people who are landlords and rent out their property.

This section provides cover for your property or the contents of your property, or both.

Features include but are not limited to:

- ▼ Cover for the following insured events:
 - ▼ storm, rain or flood,
 - ▼ fire or explosion,
 - ▼ malicious acts,
 - ▼ theft or attempted theft,
 - ▼ accidental escape of liquid and the cost of locating the leakage,
 - ▼ collision,
 - ▼ falling tree or branch,
 - ▼ lightning,
 - ▼ earthquake, and
 - ▼ riots or civil commotion.
- ▼ Reinstatement cover which reinstates the sums insured following payment of a claim other than a claim for total loss.
- ▼ New for old replacement of contents items up to 20 years old. A depreciated value will apply to contents items that are over 20 years old.
- ▼ Accidental glass breakage cover.
- ▼ Electrical motor burnout cover.

These additional benefits are included where you choose property insurance and we agree to pay a claim. Cover for:

- ▼ Building fees and related costs,
- ▼ Legal costs for discharge of mortgage,
- ▼ Title deeds which have been lost or destroyed, and
- ▼ Landlord's furnishings.

Your schedule will show whether property or contents, or both, are covered.

Section 2 – Loss of Rent

There are two options available under this section that provide cover for loss of rent where:

- ▼ loss of rent due to an insured event
 - ▼ your property cannot be lived in due to loss or damage caused by an insured event - such as a fire or an earthquake; or
- ▼ loss of rent due to tenant default
 - ▼ your tenant fails to pay rent in accordance with a current rental agreement.

If you have chosen one or both of the options available under this section, it will be shown on your schedule together with the weekly rent and the total sum insured for each option. You will be required to pay an additional premium for each option.

Section 3 – Legal Liability

This section provides cover for up to \$20 million legal liability. Where you have purchased section 1, you are automatically covered for section 3 and this will be shown on your schedule.

This summary of the benefits available under this policy is not exhaustive and limitations and conditions will apply. Please refer to the policy for further details of this insurance cover.

When and how benefits are provided

The benefits for which you are insured under the policy are payable:

- ▼ when an insured event occurs during the period of insurance causing you to suffer loss or damage or you incur legal liability; or
- ▼ loss of rent cover applies; and
- ▼ your claim is accepted by us.

After calculating the amount payable we will either:

- ▼ use it to pay for repair of your property or contents;
- ▼ use it to pay for replacement of your property or contents;
- ▼ pay the person to whom you are legally liable; or
- ▼ pay you.

The amount you pay for this insurance

The amount we charge you for this insurance policy is the total amount of the premium that we calculate to cover the risk, plus GST and any relevant government charges (such as stamp duty and fire services levy). These amounts will be shown on your schedule.

If you change your policy you may be entitled to a partial refund of premium or be required to pay an additional amount.

How various factors affect your premium

The following table is a guide to which factors may impact your premium.

FACTOR	REDUCES PREMIUM	INCREASES PREMIUM
Sum insured	Lower value	Higher value
Postcode where the property or contents are located	Low risk area	High risk area
Construction of property	Brick	Other than brick (ie: timber)
Security measures on property	Alarm, deadlocks and keyed window locks	No security
Basic excess amount	Higher	Lower
Loss of rent cover	Not selected	Selected

The amount you pay towards a claim

An excess is an amount you are required to pay in the event of a claim.

Basic excess – a \$100 excess will apply to every claim under this policy unless we agree, or the policy specifies, that you do not have to pay this amount.

Note: You may also be eligible to increase or decrease the basic excess amount and this will be shown on your schedule.

Earthquake excess – in the event of an earthquake claim we will require you to pay an additional excess of \$200.

Malicious damage and theft excess – in the event of a malicious act, theft or attempted theft claim caused by the tenant or by someone who is at the site with your consent or the consent of the tenant, we will require you pay an additional excess of \$500.

Underwriting excess – an additional excess may also be imposed for your property or contents cover, usually in the range of \$500 to \$2,000 because of a poor claims history or if the risk of a claim is higher than usual. If this excess applies it will be included in the basic excess amount for the relevant cover, as shown on your schedule.

This is only a summary of how excesses will be applied. For full details please refer to your policy and your schedule.

How to make a claim

As soon as possible after the event that causes the loss or damage, or legal liability, you must follow the process on page 8 of policy wording.

How a claim payment is calculated

When we pay a claim we consider a number of aspects in calculating the amount payable.

These can include:

- ▼ amount of loss or damage or liability;
- ▼ excess;
- ▼ sum insured;
- ▼ policy limit; and
- ▼ terms and conditions of the policy.

The following example illustrates how we will calculate the amount payable for a claim.

The contents have been insured for \$30,000. The replacement value of some furniture is \$20,000. The furniture is maliciously damaged by your tenant and completely destroyed. The basic excess that applies is \$100 and the malicious damage excess is \$500.

The amount payable following the claim would be:

\$20,000 is the replacement value of the furniture. The basic excess of \$100 and the malicious damage

excess of \$500 are then deducted, which results in a final calculation of \$19,400.

Important information

It is important that you:

- ▼ read the policy before you buy it to make sure that it gives you the protection you need, and
- ▼ are aware of the limits on the cover provided and the amounts we will pay you (including the total excess that applies).

Duty of Disclosure

You have a legal duty of disclosure to us whenever you apply for, change or renew an insurance policy.

What you must tell us

You have a general duty to disclose to us everything that you know, or could reasonably be expected to know, is relevant to our decision whether to insure you, and, if we do, on what terms.

However, your duty does not require you to disclose anything:

- ▼ that reduces the risk to be undertaken by us,
- ▼ that is generally well known,
- ▼ that we know or, in the ordinary course of our business, ought to know, or
- ▼ in respect of which we have waived your duty.

Your general duty applies to renewals and changes

Your general duty applies in full when you renew an insurance policy or change an existing policy including when you extend or reinstate it.

Your general duty is limited for new policies

When you apply for a new policy your duty of disclosure applies, but you do not need to disclose something to us unless we specifically ask you about it. However, you must be honest in answering any questions we ask you. You have a legal duty to tell us anything you know, and which a reasonable person in your circumstances would include in answering the questions. We will use the answers in deciding whether to insure you and anyone else to be insured under the policy, and on what terms.

Who needs to tell us

It is important that you understand you are disclosing to us and answering our questions for yourself and anyone else you want to be covered by the policy.

If you do not tell us

If you do not answer our questions honestly or do not properly disclose to us, we may reduce or refuse to pay a claim or may cancel the policy. If you act fraudulently in answering our questions or not disclosing to us, we may refuse to pay a claim or treat the policy as never having existed.

How we resolve your complaints

Resolving your complaints

If you think we have let you down in any way, or our service is not what you expect (even if through one of our agents or representatives), please tell us so we can help.

You can tell us by phone, in writing or in person. If you tell us in writing it will help if you send us the full details of your complaint together with any supporting document and an explanation of what you want us to do. If you would like to come in to talk to us face to face, please call and we will arrange an appointment for a meeting.

What we will do to resolve your complaint

When you first let us know about your complaint or concern, the person trying to resolve your complaint will listen to you, consider the facts and contact you to resolve your complaint as soon as possible, usually within 24 hours.

If you are not satisfied with this person's decision on your complaint, then it will be referred to the relevant Operational Manager, who will contact you within 5 working days.

If you are not satisfied with the Operational Manager's decision, then it will be referred to the General Manager (or their delegate). We will send you our final decision within 15 working days from the date you first made your complaint.

What if you are not satisfied with our final decision?

We expect our procedures will deal fairly and promptly with your complaint. However, if you are not satisfied with our final decision you can take your complaint to the Insurance Ombudsman Service Limited (IOS). This is an independent body and its services are free to you. We agree to accept the IOS's decision. You can still take legal action if you disagree with the IOS's decision.

You must contact the IOS within 3 months of receiving our final decision.

You can phone the IOS from anywhere in Australia on 1300 780 808 or write to them at:

Insurance Ombudsman Service Limited
PO Box 561
Collins Street West
Melbourne VIC 8007
ios@insuranceombudsman.com.au

Cooling off

You have the right to cancel and return the insurance contract within 30 days of the date it was issued to you ("cooling off period"), unless you make a claim under the contract within the cooling off period. If you cancel in this time, we will return the amount you have paid.

In addition, if you varied your policy and added a section, you have the right to cancel that section within 30 days of the date it was added ("additional cooling off period") unless you make a claim under that section within the additional cooling off period. If it is cancelled in this time, we will return the amount you have paid for that section.

To cancel at other times, please see "Cancelling your policy" in your policy wording.

We respect your privacy

Privacy Statement

The Privacy Act 1988 (Cth) requires us to inform you that:

Purpose of collection

We collect personal information (this is information or an opinion about an individual whose identity is apparent or can reasonably be ascertained and which relates to a natural living person) from or about you, for the purpose of:

- ▼ providing insurance service to you,
- ▼ evaluating your application for insurance,
- ▼ evaluating any request for amendment to any insurance provided,
- ▼ issuing, administering, and managing the insurance provided following acceptance of an application, and
- ▼ investigating and, if covered, managing claims made in relation to any insurance you have with us or other companies within the group.

The personal information collected can be used or disclosed by us for a secondary purpose related to those purposes listed above, but only if you would reasonably expect us to use or disclose the information for this secondary purpose.

However for sensitive information, the secondary purpose must be directly related to the purposes listed above.

Disclosure

When necessary and in connection with the purposes listed above we may disclose your personal information to, and/or receive some personal information from:

- ▼ other companies within the group,
- ▼ your insurance intermediary or our agent,
- ▼ Government bodies, loss assessors, claims investigators, reinsurers,
- ▼ other insurance companies, mailing houses, claims reference providers, legal and other professional advisers,
- ▼ other service providers, hospitals, medical and health professionals.

Consequences if information is not provided

If you do not provide us with the information we need we will be unable to consider your application for insurance cover, administer your policy or manage any claim under your policy.

Access

You can request access to the personal information we hold about you by contacting us at:

Vero Insurance Limited
GPO Box 1619
Adelaide SA 5001

In some circumstances we may not agree to allow you access to some or all of the personal information we hold such as when it is unlawful to give it to you. In such cases we will give you reasons for our decision.

Code of Practice

We have adopted the General Insurance Code of Practice which has been developed by the Insurance Council of Australia. The Code is designed to promote good relations and good insurance practice between insurers, intermediaries and consumers.

The Code sets out what we must do when dealing with you. Please phone us if you want more information about the Code.

Secure™ Landlord

Insurance

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General Terms and Conditions

This policy has headings, which are not part of the policy itself. Their only purpose is to give the reader a general guide about the content of the text.

Words with special meanings

In your policy:

“you” or “your” means any of the following people:

- ▼ the person or persons named as the insured on the **schedule**, and
- ▼ any member of your **family** who normally lives with you.

We will treat a statement or claim, or an act or omission, by *any one* of those persons as a statement or claim, or an act or omission, by *all* those persons.

Where we talk about paying you, “you” includes any person we pay to fix the **loss** or **damage** (for example, tradespeople) or to replace your **property** or **contents**.

“we” or “our” or “us” means Vero Insurance Limited ABN 48 005 297 807.

Some words used in the policy have special defined meanings, these words are in **bold** each time they are used. The definitions of these words can be found in the Definitions section on pages 58 to 61. We also explain the meaning of some words in the policy itself.

Our contract with you

The contract

In the contract between you and us:

- ▼ we will agree to provide you with the insurance you select and which is shown on your **schedule**, and
- ▼ in return, you agree to pay us:
 - ▼ your **premium**,
 - ▼ **GST**, and
 - ▼ *any other* relevant government charges.

These amounts add up to the amount payable, which is shown on your **schedule**.

You must pay this total amount:

- ▼ when you first take out your policy, and
- ▼ *each* year when you accept *any* offer we may make to renew your policy with us. This is because a renewal is a new contract with us.

Your insurance only starts when you pay this total amount, unless we agree you can pay by instalments. If you have not paid, you are not insured.

If you pay by instalments

If we agree, you can pay us this amount in a number of payments instead of all at once. This is called paying by instalments.

If you are a month (or more) late in paying an instalment, we may cancel your policy (see page 7).

We will not pay a claim if at the date of the event you are claiming for, you are a month (or more) late in paying an instalment.

Terms and conditions of the contract

All the terms and conditions of the insurance contract are set out in:

- ▼ this policy, including *any* section you select from it, and
- ▼ the **schedule**.

These terms and conditions apply if you have to make a claim - so it is important that you:

- ▼ read this policy and your **schedule** carefully, and
- ▼ check that your details on your **schedule** are correct and up to date, and
- ▼ keep evidence of the value of the **property** and **contents** and **rent**, such as:
 - ▼ original invoices or sales dockets
 - ▼ bank statements, cheque butts
 - ▼ credit card statements
 - ▼ valuations
 - ▼ warranty and guarantee documents
 - ▼ tax records
 - ▼ trade accounts
 - ▼ asset/depreciation schedules, and
 - ▼ **rental agreement**
 - ▼ rental notices
- ▼ keep the policy and **schedule** together in a safe place.

Change of terms and conditions

In some circumstances the terms and conditions of this policy may be amended by endorsement. If your policy is endorsed you will receive notification of the endorsement.

Information you need to tell us

We will not cover a change in the risk unless you inform us of it and we have agreed to cover it under the policy.

You must tell us as soon as possible (but no later than at renewal):

- ▼ if there is any significant change in the condition or use of the **property** or **contents**, or
- ▼ if your personal details change, including your name, mailing or the insured address, or
- ▼ if any event happens that could mean that you will make a claim.

We may refuse a claim and/or cancel the renewed policy if we are not advised of the above information by the renewal date. We may also refuse to offer renewal when you provide this information.

About the authorised representative or distributor

If an authorised representative or distributor of ours arranges this policy:

- ▼ they will be acting with the authority of Vero Insurance Limited and be our authorised representative or distributor, not your agent, in all matters concerning this insurance,
- ▼ neither the authorised representative nor any of its related companies guarantees the benefits payable under the contract.

Cancelling your policy

How you may cancel

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

We will subtract from any **premium** you have paid us, an amount to cover the period that we have already insured you for. We will then return the rest of the **premium** to you, along with **GST** and any relevant government charges where this is allowed.

How we may cancel

We may only cancel this policy when the law says we can.

When we cancel your policy we will tell you so in writing. This notice of cancellation will be given to you in person or sent to your last known address.

We will subtract from any **premium** you have paid us an amount to cover the period that we have already insured you for. We will then return the rest of the **premium** to you, along with **GST** and any relevant Government charges where this is allowed.

If you pay by instalments

We may cancel your policy by telling you in writing:

- ▼ after 3 business days, if you do not pay an instalment on the agreed date, or
- ▼ straight away, if you are a month (or more) late in paying an instalment.

If we cancel your policy, you do not have to pay us any further instalments due after the cancellation date. We will require you to pay us the amount owing up to the cancellation date.

Goods and Services Tax (GST)

This section of the policy deals with:

- ▼ *how **GST** is part of what you have to pay us for the policy,*
- ▼ *your obligation to tell us about any input tax credit entitlement you may have for that **GST**, and*
- ▼ *how **GST** affects what we pay you for any claims you make and any limits on what we pay.*

As part of the total amount payable for this insurance policy, we will include an amount on account of **GST**.

Each time you make a claim under this policy, you must tell us if you are entitled to claim an input tax credit for the **GST** amount charged on your policy and, if you are, the proportion of the **GST** that you can claim as an input tax credit.

If you are entitled to claim an input tax credit for the GST included in the amount payable:

If you do not tell us that you are entitled to an input tax credit, or you give us incorrect information about the proportion of the **GST** you claim as an input tax credit, then you may have a **GST** liability for claim payments we make. Any such **GST** liability you have remaining when we make a cash settlement (whether it is made to you or to a third party to whom you are liable) will be your responsibility, even if you tell us your correct input tax credit entitlement after the payment has been made.

If you use the **property** or **contents** for business purposes and we settle your claim by making a cash payment to you, then we will reduce the amount we pay you by the amount of any input tax credit to which you would be entitled if you were to purchase replacement goods or services.

If the **sum insured** or the policy limit is not sufficient to cover your **loss**, we will pay the **GST** (less any relevant input credit tax) that relates to our proportion of your **loss**, less any **excess**. We will pay that **GST** in addition to your **sum insured** or policy limit.

If you are NOT entitled to claim an input tax credit for the GST included in the amount payable:

If the **sum insured** or the policy limit is not sufficient to cover your **loss**, we will pay the **GST** that relates to our proportion of your **loss**, less any **excess**. We will pay that **GST** in addition to your **sum insured** or policy limit.

Please remember, we will apply these terms and conditions in addition to any other terms and conditions in the policy.

Making a claim

Action to take in the event of loss or damage

To assist with practical help and to allow us to settle your claim quickly and fairly, please take the following steps:

Contact the police

You will need to contact the police to make a report in the following circumstances:

- ▼ **malicious damage** to your **property** and/or **contents**, and
- ▼ theft or attempted theft of **property**.

The police must be contacted within 24 hours of the incident. If in doubt, call the police. We may require

a written statement from the police confirming that the event was reported to them.

Contact us

Contact us as soon as possible after the **damage** or **loss** (refer to your **schedule** for the phone number). We will help and advise you, along with explaining the next steps you should take. We can also arrange to start the process immediately by arranging for an assessor to attend your **property**.

Settling or defending your claim

If we agree you have a claim, only we have the right to:

- ▼ make or accept any offer or payment, or in any other way admit you are liable;
- ▼ settle, or attempt to settle, any claim; or
- ▼ defend any claim.

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

You must not undertake or authorise any repairs of your **property** or **contents** apart from emergency repairs, without our consent or permission.

Damaged or stolen property or contents

You must keep *any*:

- ▼ **damaged property** or **contents**; or
- ▼ stolen **property** or **contents** that you recover, and let us inspect it if we need to.

Please remember that we take over your legal right to recover the **property** or **contents**.

If you prevent our right to recover from someone else

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

When we may refuse a claim

We may refuse a claim for any of the following reasons.

Your actions or your failure to act

We may refuse to pay a claim or limit the amount payable under this policy if:

- ▼ there has been a change in the risk, unless you inform us of it and we have agreed to cover it under this policy.
- ▼ you do not comply with your duty of disclosure - (refer to the Product Disclosure Statement on page vi).
- ▼ when applying for this insurance or when making a claim you:
 - ▼ are not truthful,
 - ▼ have not given us full and complete details, or
 - ▼ have not told us something when you should have.
- ▼ you do not at *all* times take *all* reasonable care to:
 - ▼ protect any **property** you have insured with us against *any* initial or further **loss** or **damage**
 - ▼ keep your **property** and **contents** in good condition
 - ▼ prevent death, bodily injury, or illness to other people, or **loss** or **damage** to their **property**, and
 - ▼ obey any laws or regulations that safeguard people or their **property**.
- ▼ you do not give us the documents and information we may need to assist with our decision in relation to a claim.
- ▼ you do any of the following without us agreeing to it first:
 - ▼ make or accept any offer or payment, or in any other way admit you are liable,
 - ▼ settle, or attempt to settle any claim or
 - ▼ defend any claim.
- ▼ you do not as soon as possible make a report to the police about:

- ▼ any **malicious damage** to the **property** or **contents**, or
- ▼ any theft or attempted theft of the **property** or **contents**.

Total Excess payable in the event of a claim

An **excess** is an amount that is payable by you when you make a claim under your insurance policy.

There are 5 types of **excess** that may apply to your claim:

1. Basic excess

We apply a basic **excess** amount of \$100 to every claim under this policy unless we agree, or the policy specifies, that you do not have to pay this amount.

Note: You may also have chosen to increase or decrease the basic excess amount and this will be shown on your schedule as your basic **excess**.

*For example, if we agree to pay your claim of \$2,000 and your total **excess** is \$100, we will pay you \$1,900.*

2. Earthquake excess

In the event of an earthquake, we will require you to pay an additional **excess** of \$200.

3. Malicious damage and theft excess

In the event of a **malicious** act, theft or attempted theft claim caused by your **tenant**, or by someone who is at the **site** with your consent or the consent of your **tenant**, we will require you to pay an additional **excess** of \$500.

4. Underwriting excess

An additional **excess** of between \$500 and \$2,000 may be imposed for **property** or **contents** cover based on an assessment of the risk, the overall claims history or if the risk of a claim is higher than usual. The amount will be included in the basic **excess** for the relevant cover as shown on your **schedule** and payable in addition to all other applicable **excesses**.

A claim under more than one section

If an insured **event** occurs which results in claims being made under more than one section of this

policy, then only the higher of the section 1 or section 2 **excess** will be payable.

How claims affect your sum insured

This is how claims affect your **sum insured**:

- ▼ If we pay you *any* claim under section 1 of this policy, which is for *less than* the **sum insured** (less the **excess**), applicable to that section, the **sum insured** remains at the same amount it was before you made a claim. This means that if you need to make another claim under section 1 of this policy, for **loss** or **damage** within the **period of insurance**, you can still claim against your original **sum insured** applicable to that section.
- ▼ If we pay you any claim under section 1 of the policy which is equal to the **sum insured** applicable to that section less the **excess**, your insurance contract with us ends except in respect of any claim you make under section 2 on the basis that your **property** is not fit to live in.

General exclusions

These general exclusions apply to all sections of the policy.

We do not insure you for:

- ▼ any **loss** or **damage** or **legal liability** intentionally caused by you or your **family** or a person acting with the consent of you or your **family**,
- ▼ any **loss, damage, legal liability**, cost or expense of whatsoever nature directly or indirectly caused by, resulting from or in connection with any **act of terrorism** regardless of any other cause or event contributing concurrently or in any other sequence to the **legal liability, loss, damage**, cost or expense,
- ▼ any **legal liability, loss, damage**, cost or expense of whatsoever nature directly or indirectly caused by, resulting from or in connection with any action taken in controlling, preventing, suppressing or in any way relating to any **act of terrorism**,

We also do not insure you under this policy for **loss** or **damage** caused by, or **legal liability** arising from:

- ▼ any person or organisation who lawfully destroys or takes away your ownership or control of any **property** covered by your policy,

- ▼ any war (whether it has been formally declared or not), any hostilities, rebellion or revolution or theft of property as a result of any of these,
- ▼ any form of land, air, visual or noise pollution,
- ▼ radio-activity or the use, existence or escape of any nuclear fuel, nuclear material or nuclear waste,
- ▼ insects, moths, termites, vermin or birds,
- ▼ gradual deterioration, wear and tear, lack of maintenance, faulty workmanship, or faulty design, rust, corrosion, mildew, wet or dry rot, rising damp, or seepage,
- ▼ landslide, subsidence, erosion, undermining, washing away, or slippage,
- ▼ injury including personal injury, arising, directly or indirectly, out of the inhalation of, or fears of the consequences of exposure to, or inhalation of, asbestos, asbestos fibres or derivatives of asbestos,
- ▼ the part of any **loss**, cost or expense for the cleaning up, or removal of, or **damage** to, or **loss** of use of, property arising out of any asbestos fibres or derivatives of asbestos,
- ▼ the failure of your **tenants**, or the failure of a person at the **site** with your **tenant's** permission, to control their children or pets,
- ▼ the scratching, chipping or scuffing of any surface by your **tenant**, or by a person at the **site** with your **tenant's** permission, or by any pet,
- ▼ any event which your **tenant** is **legally liable** for under the terms of a **rental agreement**,

Section 1 – Property and Contents

(Your **schedule** indicates whether your **property** or **contents** or both are insured)

*When you read our definition of **property** below you will see it includes a range of structures, **fixtures** and improvements. In this policy, we can protect you against **loss** and **damage** to these – and in addition we can insure you against related expenses (for example building fees and landlords furnishings).*

What is a property?

✓ Property means

- ✓ the main rental residential building on the **site**,
- ✓ any **fixture** or property **improvement** on the **site**, including:
 - ▼ gates, fences and retaining walls,
 - ▼ in ground pools, saunas or spas,
 - ▼ pergolas and gazebos,
 - ▼ outbuildings and permanent structural improvements,
 - ▼ paved terraces, pathways and driveways,
 - ▼ **carpet** and fixed floor coverings, and
 - ▼ **glass**.

Glass means any of the following that are permanently fixed to your **property**:

- ▼ shower base,
- ▼ basin or sink,
- ▼ bath,
- ▼ toilet or toilet cistern, or
- ▼ **glass**.

X Property does not mean any

- X** pool covers,
- X** wharves, jetties or pontoons,
- X** lawns, hedges, trees, shrubs or any other plant life,
- X** free-standing swimming pools, saunas or spas that can be moved from the **site**,
- X** motor vehicles, watercraft or aircraft,
- X** earth or gravel driveways, tennis court surfaces or pathways,
- X** **glass** that forms part of your **contents** (insurance for **glass** that forms part of your **contents** is available if you insure your **contents** with us),
- X** hotel, motel or boarding house,
- X** relocatable home, or park home,
- X** mobile home or caravan
- X** display home,
- X** property that your **tenant** is liable for under the terms of a **rental agreement**.

What are contents?

✓ Contents means

Any of the items we list below that you either:

- ✓ own, or
- ✓ are legally responsible for, but *only* if you normally keep them:
 - ▼ in your **property**, or
 - ▼ at the **site**
- ✓ furniture, furnishings, **carpets**, or floor rugs
- ✓ curtains, or internal blinds
- ✓ portable household electrical appliances
- ✓ household goods (but not mirrors, glassware, crystal, crockery or china while it is being used or carried)
- ✓ free-standing swimming pools, saunas or spas that can be moved from the **site**

Contents also means **glass**:

Glass means any glass that forms part of your furniture, which is not permanently fixed in your **property**.

If your **property** is a Strata Title property, then **contents** also means:

- ✓ **fixtures** and fittings that you have put in the **property** or permanently installed (such as kitchen cupboards and tiles) that are not covered under a Strata Building Insurance policy.

X Contents does not mean

- X** any of the items we list below:
 - ▼ fish, birds, or animals of any kind
 - ▼ lawns, hedges, trees, shrubs, or plants
 - ▼ motor vehicles, motor cycles, trail bikes, mini bikes, caravans, or trailers, and any equipment that is part of or belongs to any of these
 - ▼ aircraft, watercraft powered by a motor or sail and over 3m in length, and any equipment that is part of or belongs to either of these
 - ▼ household linen
 - ▼ clothing and personal belongings
 - ▼ property used in connection with a business or occupation carried on in a surgery or office at the **site**
 - ▼ tools of trade
 - ▼ wheelchairs, motorised golf buggies or ride-on lawn mowers
 - ▼ money, financial transaction cards, **negotiable instruments** or bullion
 - ▼ documents
 - ▼ surfboards, surf skis or windsurfers
 - ▼ any pictures, works of art, curios, furs, collections of stamps, medals, coins or other collectibles
 - ▼ any portable musical instrument
 - ▼ any watches or pieces of jewellery including any unset precious or semi-precious stones
 - ▼ any items made of or containing gold or silver
 - ▼ televisions, video cameras, digital cameras, video recorders, DVD players or recorders, VCD players, sound recording or playing systems including but not limited to radios and CD players
 - ▼ photographic cameras, photographic lenses
 - ▼ any personal computer and any equipment and software that is part of or belongs to it

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✓ Contents means

Types of loss or damage you can claim for

You can *only* claim for **loss** or **damage** to your **property, contents** or both, if:

- ▼ your **schedule** shows that either your **property** and/or **contents** are insured, and
- ▼ the **loss** or **damage** is caused by one or more of the insured events listed in the tables on pages 20 to 28 under “What we do cover”; and
- ▼ the **loss** or **damage** is not excluded as described under the “what we do not cover” columns on pages 21 to 29
- ▼ the **loss** or **damage** is not excluded under the “when we may refuse a claim” section (see pages 10 to 11),
- ▼ the **loss** or **damage** is not excluded by any of the General exclusions listed on pages 12 to 13, and
- ▼ the **loss** or **damage** occurs during the **period of insurance**.

Please check carefully that your claim satisfies all of these requirements.

X Contents does not mean

- ▼ firearms, or
- ▼ any item that is included in the definition of **property**.
- ▼ any items owned by your **tenant** or your **tenant** is liable for under the terms of the **rental agreement**

Your cover – Insured Events

In this table we describe the events you are insured against, along with what we do not cover.

✓ What we do cover

We will pay you for **loss** or **damage** to your **property, contents** or both caused by:

✓ 1. **storm, rain or flood**

✓ 2. **fire** or explosion

✓ 3. **malicious** acts

- ▼ including malicious acts by a **tenant** or by someone who is at the **property** with your consent or the consent of the **tenant**.

Note: an additional **excess** of \$500 will apply if the **malicious damage** is caused by your **tenant** or by someone who is at the **site** with your consent or the consent of your **tenant**.

X What we do not cover

We will not pay you for **loss** or **damage** to your **property, contents** or both caused by:

X storm, rain or flood to:

- ▼ retaining walls, or
- ▼ external paintwork, if that is the only **damage** done to that part of the building.

We also will not pay you for **loss** or **damage** to your **property, contents** or both caused by:

- ▼ **highwater**, tsunami, tidal wave or any other action of the sea,
- ▼ landslide, subsidence, erosion, undermining or washing away,
- ▼ water seeping into or entering your **property** because of:
 - defects in its structure or design, or defective work done on it, or
 - structural alterations, additions, renovations or repairs.

X fire or explosion if the **property** has been **unoccupied** for 60 consecutive days immediately before the **fire**.

X malicious acts if the **house** has been **unoccupied** for 60 consecutive days immediately before the **malicious** acts.

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✓ What we do cover

We will pay you for **loss** or **damage** to your **property, contents** or both caused by:

- ✓ 4. Theft or attempted theft
 - ▼ including theft by a **tenant** or by someone who is at the property with your consent or the consent of the **tenant**

Note: an additional **excess** of \$500 will apply if the theft or attempted theft is by your **tenant** or by someone who is at the **site** with your consent or the consent of your **tenant**.

- ✓ 5. The accidental escape of liquid from any:
 - ▼ canal,
 - ▼ dam or reservoir,
 - ▼ stormwater channel,
 - ▼ water main or pipe,
 - ▼ gutter or guttering,
 - ▼ tank (but only if it can hold 20 litres or more),
 - ▼ fixed heating or fixed cooling system, or
 - ▼ washing machine or dishwasher.

If we agree to pay your claim for this type of **loss** or **damage**, we also will pay the reasonable cost of locating the leakage that causes it, in the **property** or at the **site**.

X What we do not cover

We will **not** pay you for **loss** or **damage** to your **property, contents** or both caused by:

X theft or attempted theft if the **property** has been **unoccupied** for 60 consecutive days immediately before the theft or attempted theft.

X the accidental escape of liquid from any:
▼ bath, basin, sink, or shower recess.

We will also not pay:

- ▼ for accidental gradual leakage of any kind,
- ▼ for repairing or replacing a defective part or item that causes the **loss** or **damage**,
- ▼ to locate the leakage outside the **property** or **site**.

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✓ What we do cover

We will pay you for **loss** or **damage** to your **property, contents** or both caused by:

- ✓ 6. A **collision** by:
 - ▼ any animal that is not kept at the **property** or **site**,
 - ▼ any aircraft,
 - ▼ anything dropped from an aircraft, spacecraft or satellite,
 - ▼ any television, radio aerial or dish, or its fitting or mast,
 - ▼ falling power or communication poles, towers or lines,
 - ▼ any vehicle, or
 - ▼ any craft that floats or travels on water.

- ✓ 7. A falling tree or branch

We will also pay to remove a tree or branch from the **site** if it is necessary to carry out repairs to the **property**.

- ✓ 8. lightning including power surge caused by lightning.

X What we do not cover

We will **not** pay you for **loss** or **damage** to your **property, contents** or both caused by:

X a **collision** by any animal kept at the **property** or **site**.

We will also not pay for **loss** or **damage** caused by power surge resulting from a collision.

X tree-logging or tree-felling done by you or done with your consent.

We will also not pay:

- ▼ to remove a tree stump from the **site**, or
- ▼ for **loss** or **damage** caused by power surge resulting from a falling tree or branch.

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✓ What we do cover

We will pay you for **loss** or **damage** to your **property, contents** or both caused by:

✓ 9. Earthquake

Note: In addition to any other excess you must pay under this policy, we apply an additional excess of \$200 to earthquake claims. This means that you must pay the total excess for any claim we agree to pay for loss or damage from any earthquake occurring in any 48 hour period which begins with the first earthquake. If another earthquake occurs and causes additional loss or damage after that 48 hour period a new excess will apply.

If we agree to pay any earthquake claim under both property and contents for the same 48 hour period then you only have to pay one excess for each 48 hour period in which earthquake loss or damage occurs.

✓ 10. Riot, civil commotion, or industrial or political demonstration

x What we do not cover

We will **not** pay you for **loss** or **damage** to your **property, contents** or both caused by:

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✓ What we do cover

We will pay you for **loss** or **damage** to your **property, contents** or both caused by:

- ✓ 11. Accidental **breakage** of **glass** at the **property** or **site**.

Note: we will also not pay anymore than the amount shown on your **schedule**.

How much we will pay for loss or damage

We will apply the **excess(s)** shown on your **schedule** applicable to section 1 to any claim made under this section of the policy, and subtract it from the amount we owe you for a claim before we pay a claim to you. If an **insured event** occurs which results in claims being made under more than one section of this policy, then only the higher of the section 1 or section 2 **excess** will be payable.

If any limits on pages 40 to 45 apply to your claim, we will subtract the **excess** from the amount we limit your claim to.

X What we do not cover

We will **not** pay you for **loss** or **damage** to your **property, contents** or both caused by:

- X the accidental breakage or **damage** to:
 - ▼ **glass** that is only chipped or scratched, or arising from any imperfections in the **glass**,
 - ▼ **glass** vases or ornaments,
 - ▼ glassware,
 - ▼ **glass** that is normally carried by hand,
 - ▼ **glass** that forms part of mirrors or hand held mirrors
 - ▼ **glass** in clocks, pictures, radios, television sets or visual display units (for example computer monitors),
 - ▼ **glass** that was damaged or that had imperfections before the **breakage**, or
 - ▼ **glass** stove tops, stove lids, cooking surfaces or oven doors where the loss or damage is a result of normal wear and tear, or the application of heat.

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Additional protection and benefits

When you insure your **property** or **contents**, or both with us under this policy, we will provide you with additional protection and benefits. Any amount we may pay you for additional protection and benefits is in addition to any amount we pay you as your **sum insured**.

You can *only* claim if the additional protection and benefits:

- ▼ are the result of an event that is covered by this policy, or
- ▼ are not excluded as described under the “What we do not cover” column of this section, or
- ▼ are not excluded as described under the “when we may refuse a claim” section, and
- ▼ are not excluded by any of the General exclusions listed on pages 12 to 13.

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Additional protection and benefits for your property and contents

✓ What we do cover

If you have insured your **property** and we agree to pay a claim we will pay for:

✓ 1. Building fees and related costs

Reasonable costs for:

- ▼ demolition,
- ▼ employing an architect, consultant or surveyor,
- ▼ solicitor's fees for preparing building applications and obtaining approvals,
- ▼ removal of debris from the **site**,
- ▼ temporary protection of your **property**, and
- ▼ complying with a statutory notice that:
 - relates to the part of your **property** that experiences the **loss** or **damage**, and
 - is served after that **loss** or **damage** occurs.

We will pay these costs only where they are necessary to replace, rebuild, or preserve your **property**.

✓ 2. Legal costs for discharge of mortgage

Legal costs to discharge any mortgage on the **property** and **site** if your **property** is a total loss.

✓ 3. Title Deeds

Reasonable costs of preparing new title deed documents that have been lost or destroyed in your **property**.

X What we do not cover

We will not pay for:

- X any costs relating to undamaged parts of your **property**.

We also will not pay your costs in complying with any notice:

- ▼ a statutory or other authority serves on you *before* the **loss** or **damage** to your **property** occurs, or
- ▼ that does not relate to the part of your **property** that experiences the **loss** or **damage**.

*For example, we will not pay your costs in complying with a notice from your council requiring you to put up a pool fence, lay sewers or drains, or demolish or change an existing building on the **site** that is served on you before the **loss** or **damage** to your **property** occurs.*

We will also not pay these costs where they are necessary to replace, rebuild, or preserve your **contents**.

- X these costs if you have not insured your **property**.

- X these costs if you have not insured your **property**.

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✓ What we do cover

✓ 4. Landlord's furnishings

The cost of repairing any of these items that are **damaged** and can be **economically repaired**:

- ▼ furniture
- ▼ **fixtures**
- ▼ fittings
- ▼ curtains or internal blinds, or
- ▼ **carpets.**

If the **loss** or **damage** to these items means that they cannot be **economically repaired**, we may choose to either:

- ▼ give you a replacement item, or
- ▼ if the item was bought new more than 20 years ago, apply **depreciation** to the item before we pay you the cost of replacing it. Any **depreciation** we apply is based on the age and condition of the item.

Repairing carpets

If we agree to pay your claim for loss or damage to **carpets**, we will pay the cost of repairing any **carpet** that can be **economically repaired**.

Replacement of carpets

If the **carpet** cannot be **economically repaired** then we may choose to either:

- ▼ get you replacement **carpet**, or
- ▼ pay you the amount it would cost

us to replace it.

We will try to match materials or items used in repairing or replacing, with the original item. But if this is not possible, we reserve the right to use nearest equivalent or similar materials or items.

We will only pay for this **loss** or **damage** if:

- ▼ you **rent** out your **property**, and
- ▼ you are not living in your **property** at the time of the **loss** or **damage**, and
- ▼ the items are in your **property** for your **tenant** to use, and
- ▼ your **tenant** is not responsible for **loss** or **damage** to these items under the **rental agreement**.

X What we do not cover

- X any more than an amount equal to 5% of the building **sum insured** for **loss** or **damage** to a landlord's furniture, **fixtures**, fittings, curtains or internal blinds and **carpets**.
- X these costs if you have not insured your **property**.

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✓ What we do cover

If you have insured your **property** or **contents**, we will pay for:

✓ 1. Electrical motor burnout

The cost to repair or replace any motor in a household electrical machine or appliance, but only if:

- ▼ the electrical machine or appliance forms part of your **property** and you have insured your **property**, or forms part of your **contents** and you have insured your **contents**, and
- ▼ the motor is burnt out by electric current, and
- ▼ the motor is burnt out in the **property** or at the **site**.

X What we do not cover

We will not pay for:

- X the cost:
 - ▼ to replace fuses or protective devices, contact switches or relays, lighting or heating elements, starter switches, other parts where sparking or arcing occurs during their ordinary use,
 - ▼ for **damage** to mechanical parts of any description,
 - ▼ of hiring a replacement appliance or machine.
- X anymore than the amount shown on your **schedule**.

Repairing or rebuilding your property

Please note: although we will pay to return your **property** to its original condition when new or last renovated, we will not upgrade your **property**.

✓ What we will pay

If you have insured your **property** and **loss** or **damage** occurs to the **property**, we will at our option do one of the following:

- ▼ pay the costs incurred to rebuild, replace or repair your **property** so that it is returned, as far as possible, to its condition and extent when new or, if it has been renovated, to its condition and extent when last renovated, *or*
- ▼ if the **property** is totally destroyed and you choose to replace it with a smaller **property**, we will pay the reasonable costs incurred to rebuild the replacement **property** plus a cash settlement. The cash settlement will be limited to the market value of the land and **property** before the **loss** or **damage** *less* the market value of the land and **property** after the replacement **property** has been built.

We will *only* pay these costs if you:

- ▼ start replacing, rebuilding or repairing the **property** within 6 months from the date on which the **loss** or **damage** occurs. If you start later than that, we will only pay you what it would have reasonably cost to replace, rebuild, or repair your **property** as at the date of the **loss** or **damage**, and
- ▼ have maintained your **property** in a **good state of repair**. If not, we will apply **depreciation** to your **property** before we pay any replacing, rebuilding or repairing costs.

x What we will not pay

If we agree to pay a claim under this policy, we will not pay you *more* than:

- ▼ the amount of the **sum insured** applicable to **property** cover, *plus*
- ▼ an amount for “additional protection and benefits”, plus
- ▼ **GST**; less
- ▼ any **excess**.

Any **depreciation** we apply is based on the age and condition of your **property**.

Limits that apply to repair or rebuild your property

Wherever possible, we will match the materials used in rebuilding or repairing your **property** with those originally used. However, where it is not possible to match materials, we reserve the right to pay for the nearest equivalent or similar materials.

If you decide not to rebuild or repair your **property** and we agree, we will pay you:

- ▼ the market value of the land and **property** just before the **loss** or **damage**, *less*
- ▼ the market value of the land and **property** after the **loss** or **damage** occurred.

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Repairing or replacing your contents

Repairing or replacing carpets

✓ What we will pay

We will pay for:

Repairing carpets

If we agree to pay your claim for **loss** or **damage** to carpets, we will pay the cost of repairing any **carpet** that can be **economically repaired**.

Replacement of carpets

If the **carpet** cannot be **economically repaired** then we may choose to either:

- ▼ get you replacement **carpet**, or
- ▼ pay you the amount it would cost us to replace it.

We will try to match materials or items used in repairing or replacing, with the original item. But if this is not possible, we reserve the right to use nearest equivalent or similar materials or items.

x What we will not pay

We will not pay you for:

repairing or replacing **carpet** in a **room** where the **loss** or **damage** did not occur.

Repairing or replacing all other contents items

This section tells you what we will and will not pay for all other **contents** items *except* **carpets**.

✓ What we will pay

We will pay for:

Repairing other contents items

If we agree to pay your claim for any other **contents** items, we will pay the cost of repairing those items that can be **economically repaired**.

Replacement of other contents items

If the **contents** item cannot be **economically repaired**, we may choose to either:

- ▼ get you a replacement item, or
- ▼ pay you the amount it would cost us to replace the item.

If the **contents** items cannot be **economically repaired** and the item was bought new more than 20 years ago, then we will pay you the amount it would cost us to replace the item as depreciated. Any **depreciation** we apply is based on the age and condition of the item.

We will try to match materials or items used in repairing or replacing, with the original item. But if this is not possible, we reserve the right to use nearest equivalent or similar materials or items.

x What we will not pay

We will not pay you for:

any more than the limits shown below.

Limits that apply to repair or replace your contents

If you have insured your **contents** and we agree to pay your claim under this section, the *most* we will pay you is:

- ▼ the amount of the **sum insured** applicable to **contents** cover, *plus*
- ▼ an amount for “additional protection and benefits”, *plus*
- ▼ **GST**; less
- ▼ any **excess**.

Items that form part of a set

- ▼ Where an item forms part of a set, we will only pay the replacement value of that item. We will not pay to replace the entire set.

Strata Title mortgage protection – endorsement

About this insurance

This is an endorsement to the **property** section.

When you buy this endorsement, you are not buying **property** building insurance. You are only buying extra protection for your mortgagee. It is up to your Body Corporate or Owners Corporation to insure *your* interests in the building.

Words with special meanings for this endorsement:

“**property**” for the purposes of this endorsement means your **lot** and **proprietor’s fixtures**.

“**lot**” means the space inside:

- ▼ the walls, ceilings and floor of your unit, and
- ▼ any garage or storage cupboard you own that belongs with the unit.

Lot *never* includes common property – which is the area and property owned by the Body Corporate or Owners Corporation that all occupiers of the lots in your Strata Plan can use.

“**proprietor’s fixtures**” means any structure or **fixture** (but *not* walls, ceilings or floor of the **lot**) that:

- ▼ is built on, or attached to your **lot** *after* the Strata Plan is registered, and
- ▼ that forms part of your **lot**.

“**Strata Title**” includes Unit Title and Stratum Title.

When we pay

We will *only* pay for **loss** or **damage** to your **property** if:

- ▼ this endorsement is shown on the **schedule**, and
- ▼ the **loss** or **damage** is caused by an event which is covered by this policy (please see pages 20 to 29), and
- ▼ the Body Corporate or Owners Corporation has not, or has not sufficiently, insured the **loss** or **damage**, and

- ▼ the **loss** or **damage** occurs during the **period of insurance**, and
- ▼ a mortgagee cannot get back the full amount you owe it under a mortgage when it sells your **property**, and the **loss** or **damage** is not excluded by in the “when we may refuse a claim” section (pages 10 to 11),
- ▼ are not excluded by any of the General exclusions listed on pages 12 to 13.

What we will pay

If we agree to pay your claim, the *most* we will pay a mortgagee of your **property** is the *lower* of:

- ▼ the **sum insured** applicable to **property** cover,
- ▼ the amount we must pay for that kind of **loss** or **damage** under **property**, or
- ▼ any amount which you borrowed under the mortgage and used to buy, renovate or add to your **property**, and which you still owe the mortgagee at the date of the **loss** or **damage**.

What we will not pay

If you have only insured your **property**, we will not pay for any of the additional protection and benefits on pages 31 to 37.

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Section 2 – Loss of Rent

This section is optional and is split into two options.

- ▼ Option 1 – loss of **rent** due to an insured **event**,
and
- ▼ Option 2 – loss of **rent** due to **tenant** default

These options can only be purchased if you have insured your **property** or **contents** with us.

When you can claim for loss of rent

You can only claim for loss of **rent** if:

- ▼ the loss of **rent** falls within the “when we will pay” sections on pages 50 to 51, and
- ▼ the loss of **rent** is not excluded in the “when we may refuse a claim” section (pages 10 to 11), “general exclusions” (pages 12 to 13), or the “what we will not pay” or “when we will not pay” columns of this section (pages 50 to 51),
- ▼ the loss of **rent** starts during the **period of insurance**, and
- ▼ we show on your **schedule** that option 1 and option 2 or both apply.

Option 1 – Loss of Rent - Insured event

Option 1 benefit is shown below and will apply if your **schedule** shows that option 1 has been selected.

If your property is not fit to live in due to an insured event

✓ When we will pay

We will pay you if your **schedule** shows that option 1 applies, and:

- ▼ the **property** is not fit to live in as a result of one or more **insured events**; and:
- ▼ you have a current **rental agreement** in place, or
- ▼ you can show that you would have rented your **property** out during the period reasonably necessary to replace, rebuild or repair it.

What we pay

✓ What we will pay

We will pay you:

- ▼ the loss of **rent** at the rate of the weekly amount of **rent** shown on the schedule, or
- ▼ the actual **rent** you lose, or
- ▼ the **rent** you show us you would have lost while your **property** is being replaced, rebuilt or repaired

whichever is less.

Additional excess

If the **damage** that results in loss of **rent** has been caused by a **malicious** act and or theft by:

- ▼ your **tenant**, or
- ▼ someone who is at the **site** with your consent or the consent of your **tenant**,

then we apply an additional **excess** of \$500 to any claim under this option.

x When we will not pay

We will not pay you for loss of **rent** if the **tenant** still has the obligation to pay the **rent**.

x What we will not pay

We will not pay you more than:

- ▼ the weekly rental amount listed on the **schedule** up to 52 weeks, or
- ▼ for the reasonable time taken to replace, rebuild or repair your **property**

whichever is the shorter.

Option 2 – Loss of Rent – Tenant Default

Option 2 benefit is shown below and will apply if your **schedule** shows that option 2 has been selected.

If your tenant defaults on their rent

✓ When we will pay

We will pay you if your **schedule** shows that option 2 applies, and:

- ▼ you have a current **rental agreement** in place, and
- ▼ your **tenant** leaves the **property** without giving notice before the end of the tenancy period stated in the **rental agreement**, and stops paying **rent**, and
- ▼ your **tenant** remains in default after you have issued any required notices.

What we pay

✓ What we will pay

We will pay you:

- ▼ the actual **rent** you lose due to default after the first 4 week period of outstanding **rent** has elapsed (being an allowance for **rental bond** periods), for up to:
 - 12 weeks, or
 - \$4,000whichever is less.

X When we will not pay

We will not pay you if:

- ▼ the **rent** was in arrears at the commencement of the **period of insurance**.
- ▼ you or your Agent issues a “notice to leave” or an “eviction notice” to your **tenant**.
- ▼ you have not taken all reasonable steps to collect the **rent** that you are entitled to and re-tenant the property.

X What we will not pay

We will not pay you for any period after you have re-tenanted the **property** and signed a new **rental agreement**.

We will not pay more than you would be legally entitled to recover from the **tenant** due to non compliance with the rental agreement.

How much we will pay under this section

We will apply the **excess(s)** shown on your **schedule** to any claim made under this section of the policy, and subtract it from the amount we owe you for a claim before we pay a claim to you. If an **insured event** occurs which results in claims being made under more than one section of the policy, then only the higher of the section 1 or section 2 **excess** will be payable.

Section 3 –

Legal Liability

Property and Contents legal liability

We have designed this section to help protect you and your **family** against **legal liability** for bodily injury, death or illness to other people, or **loss or damage** to their property.

When we pay

We only insure you under this section if your **property** and/or **contents** are insured with us and we show on your **schedule** that this section applies.

We will *only* pay a claim for **legal liability** if the event that gives rise to your **legal liability** is one that:

- ▼ occurs during the **period of insurance**, and
- ▼ occurs in Australia, and
- ▼ you or your **family** are legally responsible for as owners or occupiers of the **property** or **site**, and
- ▼ is not excluded by the “when we may refuse a claim” section on pages 10 to 11, and
- ▼ is not excluded by any of the General exclusions listed on pages 12 to 13, and
- ▼ you and your **family** did not expect or intend the event to give rise to your **legal liability**.

When we will not pay

We will not pay the costs of **legal liability** for:

- ▼ bodily injury to, or the illness or death of you, your **family**, or any of your employees, or
- ▼ **loss** or **damage** to any property that is owned or controlled by **you** or your **family**, or that is owned by any of your employees.

We will also not pay for:

- ▼ **legal liability** that arises because you or your **family**:
 - ▼ are liable by contract (unless you would have had the **legal liability** if the contract did not exist), or
 - ▼ have accepted liability without us agreeing to it first, or
- ▼ any penalties, fines, or punitive, exemplary, multiple or aggravated **damages** that you or your **family** must pay, or

- ▼ actions that are brought against you or your **family** in a court or other judicial body outside Australia or its external territories or in a court or other judicial body that applies law other than the law of Australia or its external territories.

We will not pay if the **legal liability** of you or your **family** arises:

- ▼ because you or your **family** own or occupy any land or building other than the **site** or **property**, or
- ▼ because building work that costs more than \$50,000 is being carried out on your **property**, or
- ▼ because of vibration, removal or weakening of the support of any land or building, or
- ▼ out of the use of or in connection with vehicles, lifts, **watercraft**, hovercraft, aircraft (except model aircraft) or aircraft landing areas, or
“Vehicles” does not include bicycles, motorised golf buggies, wheelchairs or lawn mowers, if they do not have to be registered.
- ▼ out of or in connection with your business, profession or occupation, (other than any activity relating to the management, maintenance or leasing of the residential property at the **site** specified on the **schedule**), or
“Business, profession or occupation” includes leasing your **property** as commercial premises but does not include part-time temporary care of a child, or leasing your **property** as a residence only.
- ▼ out of or in connection with the transmission of any disease, or
- ▼ because of the supply of drugs or alcohol, or
- ▼ because of any claims in connection with contamination or pollution of the land, air or water, or
- ▼ in connection with the common property where the **property** is under a Strata Title, (“Strata Title” includes Unit Title and Stratum Title), or
- ▼ where you or your family’s **legal liability** should be covered by Workers’ Compensation Insurance.

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What we pay and how much we will pay for Legal Liability

✓ What we pay

We will pay:

- ▼ compensation, and
- ▼ legal fees and expenses that you or your **family** have a **legal liability** for or that we incur on your behalf.

We will only pay legal fees and expenses that you incur if we consent to them in writing before you incur them.

x What we will not pay

We will not pay more than:

- ▼ \$20 million in *total* for:
 - ▼ all claims that arise directly or indirectly from continuous or repeated exposure to causes that are substantially the same, or
 - ▼ all claims that arise from one cause either directly or indirectly.

This amount of \$20 million includes all legal costs and expenses:

- ▼ that are incurred with our consent, or
- ▼ for which you have a **legal liability** to someone who claims against you.

Definitions

The following will define those words that are in **bold** throughout this document or shown on your **schedule**:

“act of terrorism” means an act, including but not limited to the use of force or violence and/or the threat of these, of any person or group(s) of persons, whether acting alone or on behalf of or in connection with any organisation(s) or government(s), which from its nature or context is done for, or in connection with, political, religious, ideological, ethnic or similar purposes or reasons, including the intention to influence any government and/or to put the public, or any section of the public, in fear.

“breakage” (when we use it with **glass**) means that **glass** is broken through its entire thickness. It does *not* mean **glass** that is only chipped or scratched or that has imperfections.

“carpet” means:

- ▼ a single, unjoined piece of **carpet**, or
- ▼ pieces of **carpet** of exactly the same type that are joined to form a single piece of **carpet** in a **room**.

“collision” means accidental, sudden and violent contact.

“contents” (see pages 16 to 19 for definition).

“damage” or **“damaged”** means any form of physical harm to the insured property but does *not* include wear and tear.

“depreciation” means the accounting process we use to work out how much to reduce our assessment of the value of your property by because of its age and condition.

“economically repaired” means that it costs less to repair the item than to either:

- ▼ replace the item, or
- ▼ where we indicate in the policy, replace the item after applying **depreciation** to it.

“excess” means the amount you must pay towards a claim. You will find the amount of any **excess** on your **schedule** or detailed on page 11.

“family” means any of the following people who normally live with you:

- ▼ parents, grandparents,
- ▼ spouse, de facto spouse,
- ▼ children, grandchildren, and
- ▼ brothers, sisters.

“**fire**” means burning with flames, where what is burning is not intended to be burned. It does not include scorching, melting or charring if that happens without flames.

“**fixture**” means any item that is permanently attached or fixed to your **property**. You would not normally take this type of item with you if you moved house.

For example, kitchen cupboards, built-in wardrobes or bathroom fittings such as taps and towel rails.

“**flood**” means the complete covering of normally dry land by any water:

- ▼ escaping or released from the normal borders of:
 - ▼ any lake or natural watercourse, whether or not altered or modified, or
 - ▼ any reservoir, canal, dam, or stormwater channel, or
- ▼ that, because of water that has already escaped or been released, cannot enter:
 - ▼ any lake or natural watercourse, or
 - ▼ any reservoir, canal, dam or stormwater channel.

“**glass**” (see pages 14 to 15 under “what is a **property**” and pages 16 to 19 under “what is **contents**” for definition)

“**GST**” has the meaning given in the ‘A New Tax System’ (Goods and Services Tax) Act 1999.

“**highwater**” means the covering of normally dry land by any water due to an unusually high tide.

“**insured event**” or “**insured events**” means the event(s) we list on pages 20 to 29.

“**legal liability**” means either:

- ▼ a court or other judicial body orders you or your **family** to pay compensation because it finds that you or your **family** are legally responsible for:
 - ▼ bodily injury to, or the death or illness of, someone other than you or your **family**, or

- ▼ **loss** or **damage** to property owned or controlled by someone other than you or your **family**, or
- ▼ we accept that you or your **family** are legally responsible for *any* of those things.

“**loss**” means the insured **property** is stolen or destroyed. It does not mean the insured **property** is accidentally lost or misplaced.

“**malicious**” means that the person doing the act intends the act to cause **damage**. It does not include poor housekeeping, unclean or unhygienic habits, carelessness or neglect by your **tenant**.

“**negotiable instrument**” means a legal document that represents money and that can be legally transferred in title from one person to another. *For example, a cheque or money order.*

“**period of insurance**” means the period that we insure you for under your policy. You will find this **period of insurance** as the start date and the end date shown on the **schedule**.

“**premium**” means the amount you must pay us for the insurance you select.

“**property improvement**” means any permanent addition to or around your **property**, that adds value to it so that the cost of rebuilding, replacing or repairing your **property** is increased.

For example, a garden shed, carport, fixed swimming pool or fence.

But **property improvement** does *not* mean trees, shrubs, soil, or any natural bushland.

“**property**” (see pages 14 to 15 for the definition).

“**rent**” means the amount of money paid or payable by the **tenant** to **rent** your rental property, as set out in the current **rental agreement**.

“**rental agreement**” means the agreement between you or your rental agent and the **tenant**. The agreement must be in writing and include the term of the rental period and the **rent** and **rental bond** amounts.

“**rental bond**” means the amount of money paid by a **tenant** to a landlord as security against damage to **property** or **contents** or outstanding **rent**. The **rental bond** paid is equal to four weeks **rent**.

“**room**” means a portion of space within your **property**, separated by walls, doors or partitions from other parts of your **property**.

“**schedule**” means your *most recent* policy **schedule**. We will give you a **schedule** when:

- ▼ you first buy a policy from us,
- ▼ you change any part of any policy or any personal details relevant to it, or
- ▼ we offer to renew any policy you have with us.

“**site**” means the following area at the insured address(es) stated on the **schedule**:

- ▼ the land your **property** is built on, and
- ▼ the part of the yard or garden surrounding your **property** that is used only for domestic purposes.

“**storm**” means any violent wind, cyclone or tornado, including such events that may occur with rain, hail or snow.

“**sum insured**” means the amount that you have insured your property for under each section of your policy. You will find the amount of the **sum insured** applicable to each section of your policy on your **schedule**.

“**tenant**” means the person or persons named on the current **rental agreement** and anyone else living at the **property**.

“**unoccupied**” means either:

- ▼ no-one is using the **property** as a residence, or
- ▼ someone is using the **property** as a residence, but without your consent.

“**watercraft**” means any craft designed for use on or about water (excluding non motorised craft up to 3.5m in length).

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