

# Landlords Insurance for Strata



Product Disclosure Statement  
and Policy Wording



# Landlords Product Disclosure Statement and Policy Wording

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# Product Disclosure Statement

## Important information and notices

This document is a Product Disclosure Statement (PDS) and is also our insurance Policy Wording. Please note that it operates as a PDS under the Corporations Act 2001 (Cth).

Other documents may comprise our PDS and we will specifically tell you if this is the case in the relevant document.

This document contains important information to help you understand this insurance. It is up to you to choose the cover you need. This document contains information which can help you decide. Please read it carefully.

Any advice that may be contained within this PDS or accompanying material does not take into account your individual objectives, financial situation or needs. You should carefully consider the information provided having regard to your personal circumstances to decide if this insurance is right for you.

## Insurer

The Policy is underwritten by QBE Insurance (Australia) Limited ABN 78 003 191 035 (QBE) AFS Licence No: 239545 of Level 5, 2 Park Street Sydney.

We have authorised the information contained in this PDS and it is operative from 1 July 2017.

## About CHU

CHU Underwriting Agencies Pty Ltd (CHU) is a specialist strata and community title insurance intermediary and holds an Australian Financial Service Licence (AFS Licence No. 243261) to issue and advise on general insurance products. CHU's ABN is 18 001 580 070 and we can be contacted at [www.chu.com.au](http://www.chu.com.au).

CHU is a company within the Steadfast Underwriting Agencies division of Steadfast Group Limited (ABN 98 073 659 677) (SGL).

## Authority to act on our behalf

We have given CHU a binding authority to market, underwrite, settle claims and administer this Policy on our behalf.

Any matters or enquiries you may have should be directed to them in your State. The contact details of their offices are shown on the back cover of this document.

Under the terms of this binding authority CHU act as our agent, and not yours, but liability within the terms and conditions of the Policy remains at all times with us.

## What you should read

To understand the features, benefits and risks of this insurance and to determine if it is appropriate for you, it is important that you read:

- a. all of the Product Disclosure Statement. This information is designed to help you understand this insurance and your rights and obligations under it;
- b. the Policy Wording part. It tells you about:
  - i. what makes up the insurance (i.e. your contract with us which is what we call a Policy);
  - ii. important definitions that set out what is meant by certain words (see General Definitions and Specific Definitions under Sections 1 to 8);
  - iii. the cover we can provide (see Sections 1 to 8);
  - iv. when you are not insured (see General Exclusions and Specific Exclusions under Sections 1 to 8);
  - v. what you and we need to do in relation to claims (see Claims Conditions);
  - vi. your and our cancellation rights (see General Conditions);
- c. any Schedule (refer to the definition of Schedule) when it is issued to you; and
- d. any other documents we may give you which vary our standard terms of cover set out in this document.

## Receiving your Policy Documents

You may choose to receive your Policy documents:

- a. electronically, including but not limited to email; or
- b. by post.

If you tell CHU to send your Policy documents electronically, CHU will send them to the email address that you have provided. This will continue until you tell CHU otherwise or until CHU advises that this method is no longer suitable. Each electronic communication will be deemed to be received by you twenty-four (24) hours after it leaves CHU'S information system. If you do not tell CHU to send your Policy documents electronically, the Policy documents will be sent to the mailing address that you have provided.

You are responsible for ensuring that the email and mailing address that CHU has is up to date. Please contact CHU in your state or territory to change your email or mailing address.

### Summary of cover and significant benefits and risks

The following is a summary only and does not form part of the terms of your insurance. We give examples of some of the significant benefits and risks but you need to read the Landlords Policy part of this document which sets out the terms and conditions of this insurance to make sure it matches your expectations.

### What you are covered/not covered for

#### Policy 1 – Contents

This policy covers you for accidental loss or damage to your contents that occurs during the period of insurance.

This cover also includes special benefits up to specified limits, for example:

- loss or damage by an insured event to your contents while in the open air at your situation - up to \$3000 (see **Special Benefit 1 of Policy 1**);
- removal and disposal of the residue of damaged contents – up to ten percent (10%) of the contents sum insured (see **Special Benefit 2 of Policy 1**);
- fusion damage to domestic electric motors - up to \$2,000 (see **Special Benefit 3 of Policy 1**).

Some events we do not cover include:

- loss or damage to fixed floor coverings (other than carpets or carpet underlay), stoves, built-in air conditioners and heaters, hot water services and garbage disposal units;
- loss or damage to clothing, personal effects, jewellery, furs, gold plated or silver plated items, gold or silver items, uncut or unset gemstones;
- loss or damage to pictures, works of art or antiques (other than furniture) in excess of \$5,000 any one item or in total more than twenty percent (20%) of the Sum Insured for **Policy 1**;
- loss or damage to video cameras, photographic equipment, stamps, coins, documents, manuscripts, cash or negotiables of any kind;

- accidental breakage of glass in windows, doors, stoves or ovens, toilet cisterns, pans, baths, sinks, and hand basins, TV sets, video, radio, computer or other electrical equipment, and items such as glassware, drinking glasses or ornaments.

#### Policy 2 – Building damage

This policy covers loss or damage to the walls, windows, doors, floors, ceilings or fixtures of your lot/unit caused by:

- vandalism or malicious acts; or
- theft (including damage caused by theft);
- your tenants or their invitees if such damage is not covered by any insurance Policy effected;
- the Body Corporate on the building containing your lot/unit

See **Policy 2** for full details of cover, limits that apply and how we will settle your claim for these covers.

#### Policy 3 – Loss of rentable value

This policy covers loss of rentable value if your lot/unit cannot be occupied due to loss or damage:

- for which a claim is admitted under **Policy 1** or **Policy 2**; or
- to the building containing your lot/unit if caused by an event covered the Body Corporate's building insurance Policy; or
- to property in the immediate vicinity if caused by an event covered under **Policy 1**, which prevents access to your lot/ unit.

We do not pay for loss of rentable value:

- following loss or damage which is not covered under **Policy 1** or **Policy 2**;
- for any period beyond that reasonably necessary to repair/replace your contents or repair your lot/unit;
- for any period where your lot/unit has reasonable access and is fit to be occupied;
- if your tenant continues to pay rent during the time, your lot/unit is not fit to be occupied.

See **Policy 3** for full details of cover, limits that apply and how we will settle your claim for these covers.

## Other policies

We can also cover you against:

- tenants default in payment of rent following their departure without notice (see **Policy 4**);
- tenants default in payment of rent that requires a court or tribunal eviction order (see **Policy 5**);
- legal expenses for minimising claims under **Policies 3, 4 and 5** (See **Policy 6**);
- legal liability for accidental death or bodily injury to other persons as well as accidental damage to other person's property. The event causing the liability must occur during the period of insurance (see **Policy 7**);
- cost of professional fees if you are audited by the Australian Tax Office or another government organisation (see **Policy 8**).

## Other important information

In addition to the preceding covers, inclusions and exclusions there are other times when this insurance may or may not provide cover.

Please read the Landlords Policy part of this document, which sets out the inclusions and exclusions to make sure the cover we provide matches your expectations.

We may also refuse to pay or reduce the amount we pay under a claim if:

- you do not comply with the cover conditions (please read the Landlords Policy part of this document for details of the conditions to make sure you understand your obligations);
- you do not comply with the Duty of Disclosure (see Duty of disclosure notice below for details); or
- you make a fraudulent claim.

We may also cancel your Policy in certain situations permitted by law. For example, if you breach your duty of disclosure or a condition of the insurance.

Some important things to remember are:

**Keep receipts** – You should keep receipts, invoices or other evidence of ownership and value of all property that you insure because if you make a claim you may be asked to prove ownership and value in order for us to pay the claim.

**Total loss** – When your contents are a total loss and we have paid out the total sum insured, this insurance ceases. If you replace your contents, this requires a new insurance contract commencing at that time with an applicable premium.

**Overdue Premium** – You must pay your premium on time otherwise your insurance may not operate. If you have not paid by the due date or your payment is dishonoured we may cancel the Policy. CHU will do so by providing you with written notice.

**Renewing your insurance** – When renewing your insurance with us you must advise us of any changes to your claims or insurance history. CHU will notify you in writing of any effect a change may have on your insurance renewal.

Please read the Landlords Policy part of this document which sets out details of the conditions to make sure you understand your obligations, as these are only some examples.

## Monetary limits on the cover

We can insure you up to the amount of the sum insured or other specified limits for your contents. These amounts are specified in the relevant clauses in the Landlords Policy part or on the Schedule.

Covers for building damage, loss of rentable value, loss of rent (departure by tenant), loss of rent (default by tenant), legal expenses, liability to others, and Government audit costs insure you up to a set limit of liability which is shown on the Schedule.

You need to make sure you are happy with the relevant sum(s) insured and limits. If you do not adequately insure yourself you may have to bear the uninsured proportion of any loss yourself.

You should also advise CHU of any changes in the details of the information you have given us, otherwise your insurance may not be sufficient.

Excesses may apply. See **Payment of excesses** section below.

## Payment of excesses

The Excess is the amount you must contribute towards the cost of any claim you make.

If we agree to pay your claim, we will deduct the Excess from the amount of the claim we will pay to you.

The amount of Excess payable by you is shown in the Policy or on the Schedule.

## GST information

### GST

If you are a business you must tell us if you are registered, or are required to be registered, for GST. When you do this, we need you to give us:

- Your ABN
- The percentage of any input tax credit you will claim, or will be entitled to claim, on your premium.

When we pay a claim, your GST status will determine the amount we pay you. Your claim settlement amount will be adjusted to allow for any ITC entitlement.

**Unless we say otherwise, all amounts in your Policy are inclusive of GST. There may be other taxation implications affecting you, depending upon your own circumstances. We recommend you seek professional advice.**

### Cost of your Policy

The amount that we charge you for this insurance when you first acquire your Policy and when you renew your Policy is called the premium. The premium is the total that we calculate when considering all of the factors which make up the risk, such as:

- a. the Sum(s) Insured;
- b. the address of your Situation;
- c. your insurance history;
- d. the security features at your Situation.

The total cost of your Policy is shown on the Schedule and is made up of your premium plus government taxes such as Stamp Duty, GST, any Fire Service Levy (where applicable).

### Paying your premium

The options available for paying your premium include annual payment by:

- a. credit card
- b. BPAY
- c. EFT/direct deposit;

## Other costs, fees and charges

Other costs, fees and charges which may be applicable to the purchase of your Policy include:

Costs or fees	Details
Administration Fee	An administration fee of \$33 inclusive of GST is payable by you to cover CHU's administration cost of preparing and distributing your Policy. The administration fee is noted on the Schedule and is not refundable in the event of cancellation, unless the insurance contract is cancelled within the cooling-off period or is a full term cancellation.
Administration Fee	You may cancel your Policy at any time. If you choose to cancel your Policy we will retain a portion of the premium which relates to the period for which you have been insured. We will refund the residue for the unexpired period less any non-refundable government taxes or charges, provided that no event has occurred where liability arises under the Policy.
Commissions	SGL or CHU may receive a commission payment from us when your Policy is issued and renewed. If you cancel your Policy, this commission payment may be non-refundable. For details of the relevant commission paid, please refer to the Financial Services Guide (FSG) provided, or contact SGL or CHU directly.

## 21 day cooling-off period

If you want to return your insurance after your decision to buy it, you may cancel it and receive a full refund. To do this we must receive your request either in writing or via email within twenty-one (21) days of you receiving the Schedule.

This cooling-off right does not apply if you have made or are entitled to make a claim. Even after the cooling-off period ends you still have cancellation rights. Please see General Conditions.

## Cancellation

You may cancel the Policy at any time by notifying us in writing.

We may cancel the Policy where we are entitled to by law.

Further details about cancellation are shown in the General Conditions.

## Making changes to the Policy

If you want to make any changes to the Policy please contact CHU. Any changes will only become effective if:

- a. we agree to make the changes;
- b. you pay us any additional premium required; and/or
- c. we confirm in writing that the change is effective.

## Confirming transactions

You may contact CHU in either writing, email or by phone to confirm any transaction under your Policy if you do not already have the required Policy confirmation details.

## The General Insurance Code of Practice

QBE is a signatory to the General Insurance Code of Practice. The aims of this Code are fully supported by CHU.

The Code aims to:

- a. commit us to high standards of service;
- b. promote better, more informed relations between us and you;
- c. maintain and promote trust and confidence in the general insurance industry;
- d. provide fair and effective mechanisms for the resolution of complaints and disputes between us and you;
- e. promote continuous improvement of the general insurance industry through education and training.

You can obtain a copy of the Code from CHU or from [www.codeofpractice.com.au](http://www.codeofpractice.com.au)

## How to make a claim

Please contact CHU in your state or territory to make a claim. They also have an After Hours Emergency Claims Hotline that you can contact on 1800 022 444.

You should advise CHU as soon as possible of an incident which could lead to a claim.

Having the required documentation and possibly photographs of the items will assist in having your claim assessed and settled.

When you make a claim you must:

- a. provide details of the incident and when requested complete the claim form we send you;
- b. allow us to inspect any damaged property and take possession of any damaged item(s);
- c. take all reasonable steps to reduce the damage or loss and prevent further loss or damage;
- d. inform the police immediately following theft, vandalism, malicious damage or misappropriation of money or property;
- e. not dispose of any damaged items without first seeking our approval; and
- f. not get repairs done, except for essential temporary repairs, until we give you authority and we reserve the right to choose the repairer or supplier.

These are only some of the things that you must do if making a claim. Please refer to the Claims Conditions section, which sets out claims information and what you must do if making a claim.



## Compliments, Complaints and Dispute Resolution

CHU has a Compliments, Complaints and Dispute Resolution Policy (a copy of which is on its website) which accords with the General Insurance Code of Practice. CHU will handle all complaints in a fair, transparent and timely manner.

CHU has a bespoke complaints handling and internal resolution procedure to immediately address your concerns:

1. Claims Decision Complaint – arising out of a declined claim, the value of a claim or financial hardship;
2. Claims Service Complaint – arising out of services provided by a CHU Service Provider or CHU employee;
3. Non-Claims Complaint – any complaint which is neither a Claims Decision Complaint nor a Claims Service Provider Complaint

### Claims Decision Complaints

#### Step 1 – tell CHU about your Complaint

If your complaint relates to a claims decision, please initially contact the Claims Handler who is handling the Claim. The claims handler will immediately escalate the Complaint to the Claims Team Leader. The Claims Team Leader will try to resolve your Complaint within 2 business days in accordance with CHU's Stage 1 IDR process.

#### Step 2 – CHU IDR Committee

If the Claims Team Leader cannot resolve your Complaint within 2 business days, your Complaint will immediately be referred to the IDR Committee (as part of Stage 1 IDR), which will consider your Complaint and provide its response in writing within 15 business days from the date of the initial Complaint. If further time is required due to for example insufficient information, the IDR Committee will provide a response as soon as possible and notify you of the further time it will require in order to provide a response.

#### Step 3 – referral to QBE

If CHU cannot resolve your Complaint within 15 business days, it will refer your Complaint to the QBE dispute resolution department as part of CHU's Stage 2 IDR process. QBE will provide its Final Response within 45 business days of the initial complaint to CHU.

## Claims Service Complaints

#### Step 1 – tell CHU about your Complaint

If your complaint relates to a CHU service provider, please initially contact the Claims Handler who is handling the Claim. The Claims Handler and the Claims Team Leader will try to resolve your Complaint within 15 business days in accordance with CHU's Stage 1 IDR process.

#### Step 2 – referral to QBE

If CHU cannot resolve your Complaint within 15 business days, it will refer your Complaint to the QBE dispute resolution department as part of CHU's Stage 2 IDR process. QBE will provide its Final Response within 45 business days of the initial complaint to CHU.

## Non-Claims Complaints

#### Step 1 – tell CHU about your Complaint

In the first instance, please contact the CHU representative who originally assisted you. The CHU representative will immediately refer your Complaint to the relevant State Underwriting Manager, who will try to resolve your Complaint within 5 business days.

#### Step 2 – referral to National Underwriting Manager

If the State Underwriting Manager cannot resolve your Complaint within 5 business days, your Complaint will be escalated to Stage 1 of CHU's IDR process and referred to the National Underwriting Manager who will consider your Complaint and provide his/her response within 15 business days from the date of the initial Complaint. If further time is required due to for example insufficient information, he/she will provide a response as soon as possible and notify you of the further time required to provide a response.

#### Step 3 – referral to State Manager

If the National Underwriting Manager cannot resolve your Complaint within 15 business days, he/she will refer your Complaint to the State Manager as part of CHU's Stage 2 IDR process. The State Manager will provide his/her Final Response within 45 business days of the initial complaint to CHU.

### Financial Ombudsman Service

If you are dissatisfied with our internal dispute determination or if we are unable to resolve your complaint or dispute to your satisfaction within 45 days of first being notified of the Complaint, (or we cannot reach an agreement on a timeframe acceptable to you), you have the right to refer the matter to the Financial Ombudsman Service Australia (FOS).

FOS is an independent and free external dispute resolution scheme approved by the Australian Securities and Investments Commission. We (and QBE) are a member of this scheme and have agreed to be bound by its determinations about a dispute. You may contact FOS at any time at:

Contact number: 1800 367 287 (or 1800 FOS AUS)  
 Address: GPO Box 3, Melbourne Victoria 3001  
 Email: [info@fos.org.au](mailto:info@fos.org.au)  
 Website: [www.fos.org.au](http://www.fos.org.au)

If you would like to refer your dispute to FOS, you must do so within 2 years of the date of our internal dispute determination. FOS may still consider a dispute lodged after this time if FOS considers that exceptional circumstances apply. Your application to FOS will be subject to its Terms of Reference (TOR) (See [www.fos.org.au/about-us/terms-of-reference](http://www.fos.org.au/about-us/terms-of-reference)). FOS can also advise you if your dispute falls within its TOR. If your Complaint falls outside the TOR, you can seek independent legal advice or access any other external dispute resolutions options available to you.

### Request for Information

You may request copies of information we have relied upon to arrive at our decision(s) in the Complaint Handling process. In some instances, we may not release the information as requested and you may request a review of our decision not to release such information. We will comply with Code requirements regarding providing information you request.

### Privacy complaints

If you are not satisfied with our final decision and it relates to your privacy or how we've handled your personal information, you can contact the Office of the Australian Information Commissioner (OAIC).

### How to contact QBE Customer Care

Phone 1300 650 503 (Monday to Friday from 9am to 5pm, Sydney time, except on public holidays).  
 Calls from mobiles, public telephones or hotel rooms may attract additional charges.

Email [complaints@qbe.com](mailto:complaints@qbe.com), to make a complaint;  
[privacy@qbe.com](mailto:privacy@qbe.com), to contact us about privacy or your personal information;  
[customer-care@qbe.com](mailto:customer-care@qbe.com), to give feedback or pay a compliment.

Post Customer Care, GPO Box 219, PARRAMATTA NSW 2124

### How to contact FOS Australia

Phone 1800 367 287 (Monday to Friday from 9am to 5pm, Melbourne time, except on public holidays)

Email [info@fos.org.au](mailto:info@fos.org.au)

Online [www.fos.org.au](http://www.fos.org.au)

### How to contact the OAIC

Phone 1300 363 992 (Monday to Friday from 9am to 5pm, Sydney time, except on public holidays).  
 Calls from mobiles, public telephones or hotel rooms may attract additional charges.

Email [enquiries@oaic.gov.au](mailto:enquiries@oaic.gov.au)

Online [www.oaic.gov.au](http://www.oaic.gov.au)

## Privacy

In this Privacy Notice, the use of 'we', 'our' or 'us' means QBE and CHU unless specified otherwise.

Our Privacy Policies describe how we collect, disclose, store and use personal information as well as how to access it, correct it or make a complaint. When we say personal information we may also mean sensitive information such as health information, criminal history or professional memberships that's relevant to us issuing, administering or managing products or providing services and the terms on which we will do these things. We use personal information to issue, administer and manage products and provide services.

You can view QBE's Privacy Policy at [www.qbe.com.au/privacy](http://www.qbe.com.au/privacy), or to obtain a copy by phoning us on 133 723 or requesting it from our authorised representatives or service providers. You can view CHU's Privacy Policy at [www.CHU.com.au](http://www.CHU.com.au) or obtain a copy by contacting CHU's/Steadfast's Privacy Officer on +61 2 9307 6656 or by writing to:

Postal Address: PO Box A2016, Sydney South NSW 1235

Email: [privacyofficer@steadfastagencies.com.au](mailto:privacyofficer@steadfastagencies.com.au)

We may share your information with other QBE Group companies, our authorised representatives and service providers, each of which may be based outside of Australia. The locations we may disclose your information include South Africa, United Kingdom, United States of America and Vietnam.

By giving us personal information you consent to us collecting, disclosing, storing and using it in accordance with our Privacy Policies. If you give us someone else's personal information you confirm you've obtained their consent to do so.

If you don't provide all of the personal information we've requested we may be unable to issue, administer or manage products or provide services.

## Financial Claims Scheme

Your Policy is a protected policy under the Financial Claims Scheme (FCS), which protects certain insureds and claimants in the event of an insurer becoming insolvent. In the unlikely event of QBE becoming insolvent you may be entitled to access the FCS, provided you meet the eligibility criteria.

More information may be obtained from the Australian Prudential Regulation Authority (APRA).

### How to contact APRA

Phone 1300 558 849 (Monday to Friday from 9am to 5pm, Sydney time, except on public holidays).

Calls from mobiles, public telephones or hotel rooms may attract additional charges.

Online [www.fcs.gov.au](http://www.fcs.gov.au)

## Updating the PDS

From time to time and where permitted by law, we may change parts of the PDS. We will issue you with a new PDS or a Supplementary PDS or other compliant document to update the relevant information except in limited cases. Any updates which are not materially adverse to you from the view of a reasonable person deciding whether to buy this insurance may be found on the CHU website at [www.CHU.com.au](http://www.CHU.com.au).

## Contact Us

If you have any questions or you would like any further information please contact your nearest CHU office (see the back cover of this document).

## Landlord's Policy Wording

It is very important that You read this Policy carefully and make sure You are satisfied with this insurance.

### What makes up this Policy?

This Policy and the Schedule must be read together as they form Your insurance contract.

Important: Sometimes We need to change the wording of Your Policy because the insurance varies depending on a number of factors. We do this by adding what is called an Endorsement.

This Policy sets out what You are insured for and those circumstances where You will not be insured.

Some words and expressions have been given a specific meaning in this Policy and You will find their meaning under Definitions herein. These specific meanings only apply to these words when they begin with a capital letter.

### Payment of premium

Provided We receive the premium, we will insure You as set out in this Policy and the Schedule in respect of an insured Event occurring during the Period of Insurance.

### You must disclose all previous claims

You are asked at the time You take out this insurance to give Us full and correct details concerning any:

- renewal or insurance policy declined, cancelled or refused, or where any excess was imposed;
- claim refused by an insurer;
- claim made;
- criminal conviction or finding of guilt for an offence;

in relation to You because any of these may affect the premium and extent of insurance.

For example We may be entitled to:

- charge You an additional premium;
- impose (back dated) restrictions declining Your insurance back to when this information should have been advised to Us;
- decline to insure You;
- refuse a claim.

When renewing Your Policy with Us You must also advise Us of any changes to Your claims, insurance or criminal history. We will notify You in writing of the effect a change may have on Your renewal.

### General definitions – the meaning of some words

The words listed below have been given a specific meaning in this Policy and these specific meanings apply when the words begin with a capital letter.

There are other definitions which are specific to **Policy 7** and these appear in the appropriate Policy section.

#### Act of Terrorism

means any act, or preparation in respect of action, or threat of action designed to influence the government de jure or de facto of any nation or any political division thereof, or in pursuit of political, religious, ideological or similar purposes to intimidate the public or a section of the public of any nation by any person or group(s) of persons whether acting alone or on behalf of or in connection with any organisation(s) or government(s) de jure or de facto, and which:

- a. involves violence against one or more persons; or
- b. involves damage to property; or
- c. endangers life other than that of the person committing the action; or
- d. creates a risk to health or safety of the public or a section of the public; or
- e. is designed to interfere with or to disrupt an electronic system.

#### Allowable Reletting Expenses

means reasonable reletting expenses as specified in the current Tenancy Agreement for Your Lot/Unit and/or in terms of the Residential Tenancy Act or similar legislation applying where Your Lot/Unit is situated.

#### Body Corporate

means the body incorporated under the provisions of the Strata Schemes Management Act, Strata Titles Act, Community Titles Act or similar legislation applying where Your Lot/Unit is situated who is responsible for the control and administration of the common property.

### Bond Monies

means the greater of:

- a. the amount of money held as security for the performance obligations under a tenancy or letting agreement such as outstanding Rent or damage; or
- b. an amount of money calculated on the basis of four (4) weeks Rent if the amount of money held in terms of Clause a is equivalent to a lesser period than four (4) weeks.

### Contents

means the following at Your Situation:

- a. household furniture and furnishings that are not built-in, household goods and appliances such as stereos, computers, TV's, VCR's, refrigerators, dishwashers (plumbed-in and freestanding), washing machines, and dryers;
- b. curtains, carpets, carpet underlay, rugs, other unfixed floor coverings, and internal blinds;
- c. above-ground spas, above-ground swimming pools, pool cleaning and gardening equipment, plants in pots or containers;
- d. pictures, works of art or antiques (other than furniture) up to a maximum of \$5,000 any one item and in total twenty percent (20%) of the Sum Insured for **Policy 1**;
- e. (applicable to your Lots/Units only):
  - i. light fittings, ceiling fans, garden sheds and fixtures installed for the exclusive use and enjoyment of Your Lot/Unit if they are not covered, or not required to be covered by law, under any insurance Policy effected by Your Body Corporate;
  - ii. paint, wallpaper and temporary wall, floor and ceiling coverings within Your Lot/Unit if it is situated in New South Wales;
  - iii. temporary wall, floor and ceiling coverings within Your Lot/Unit, and mobile or fixed air-conditioning units exclusively servicing Your Lot/Unit if it is situated in Queensland;

Contents does not include:

- contents in the internal or external common property areas of residential flats, home units, town houses or any other type of multiple occupancy residence;

- money and negotiable instruments;
- home office equipment, computers and associated computer equipment or software and mobile phones;
- animals, birds, insects, reptiles or pets of any kind;
- fixed floor coverings (other than carpet or carpet underlay), stoves, built-in air conditioners and heaters, hot water services, garbage disposal units;
- clothing, personal effects, jewellery, furs, gold plated or silver plated items, gold or silver items, uncut or unset gemstones;
- video cameras, photographic equipment, sporting equipment, stamps, coins, documents, manuscripts,
- bicycles, Vehicles, caravans, trailers, Watercraft, aircraft or accessories for these Vehicles or craft;
- plants, hedges, trees or shrubs in gardens (except those in pots or tubs);

unless We specifically agree to such inclusion in writing.

### Depreciation

means the reduction in the value of the item due to Wear and Tear.

### Electronic Data

means any facts, concepts and/or information converted to a form usable for communications and/or displays and/or distribution and/or processing by electronic and/or electromechanical data processing and/or electronically controlled equipment which includes but is not limited to programs and/or software and/or other coded instructions for such equipment.

### Endorsement

means a written alteration to the terms, conditions and limitations of this Policy which is shown on the Schedule.

### Erosion

means being worn or washed away by water, ice or wind.

### Event, Events

means a happening or an incident not intended to happen which occurs during a particular interval of time and causes or results in loss or damage, or series of loss or damage happening from that one Event, that is insured by this Policy.

### Excess

means the amount You have to contribute towards a claim. You will find the amount of any excess shown on the Schedule or within the Policy.

### **Family**

means any member of Your family who lives permanently with You, including Your partner.

### **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. a lake (whether or not it has been altered or modified);
- b. a river (whether or not it has been altered or modified);
- c. creek (whether or not it has been altered or modified);
- d. another natural watercourse (whether or not it has been altered or modified);
- e. a reservoir;
- f. a canal;
- g. a dam.

### **Fusion**

means the process of fusing or melting together the windings of an electric motor following damage to the insulating material as a result of overheating caused by electric current.

### **Indemnity Value**

means the cost to rebuild, replace or repair property to a condition which is equivalent to or substantially the same as but not better nor more extensive than its condition at the time of loss taking into consideration age, condition and remaining useful life.

### **Lot/Unit**

means an area shown on a plan as a Lot or Unit in terms of the Strata Titles Act, Community Titles Act or similar legislation applying where Your Lot/Unit is situated.

### **Period of Insurance**

means the period for which You are insured. It commences at the time We agree to give You insurance and finishes at 4 pm on the expiry date. The expiry date is shown on the Schedule.

### **Policy**

means Your insurance contract which consists of this policy wording and the Schedule.

### **Premium**

means the amount We require You to pay for this Policy to operate. It includes Government charges and is shown on Your Schedule.

### **Property Manager**

means the Real Estate company, firm or other entity acting as manager or agent for Your Lot/Unit.

### **Rainwater**

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

### **Rent**

means an amount of money calculated on the rental payable by Your Tenant that applied immediately prior to Your Tenant's departure without notice or default in payment.

### **Rentable Value**

means an amount of money calculated on the basis of the annual amount of money payable by a Tenant or lessee (including any 'outgoings' payable) that applied immediately prior to the happening of loss or damage to Your Lot/Unit.

### **Schedule**

means one of the following:

- a. the Policy Schedule;
- b. the renewal notice You have paid;
- c. the Endorsement sent to You.

### **Situation**

means the place shown on the Schedule where:

- a. the Lot/Unit containing Your Contents is located; or
- b. if You sell Your Lot/Unit and purchase a replacement property the place where such replacement property is located provided You notify Us within thirty (30) days of such purchase.

### **Storm**

means a violent wind sometimes combined with thunder, heavy falls of rain, hail or snow.

### **Sum Insured / Limit of Liability**

means the amount shown on the Schedule for the Policies We have agreed to cover. This is the maximum amount We will pay, inclusive of claimant's costs and expenses recoverable from You, for all claims under each of the Policies during the Period of Insurance, unless otherwise stated in a Policy.

### **Tenancy Agreement**

means a written agreement between You and Your Tenant to occupy Your premises in terms of the Residential Tenancy Act or similar legislation applying where Your Lot/Unit is situated.

### **Tenant**

means a person or persons renting or occupying Your Lot/Unit in terms of a Tenancy Agreement.

### Tsunami

means a sea or ocean wave caused by an earthquake, earth tremor or seismological disturbance under the sea.

### Vandalism, Malicious Acts

means vandalistic or wilful acts motivated by malice, vindictiveness or spite that are intended to cause loss, damage or harm for the sake of doing harm.

Such acts do not mean damage caused by or associated with:

- a. maintenance or repair operations;
- b. unclean, unhygienic or untidy living habits;
- c. lack of care;
- d. failure to control children or domestic pets;
- e. scratching, denting or chipping.

### Vehicle, Vehicles

means:

- a. any type of machine on wheels or self-laid tracks made or intended to be propelled by other than manual or animal power and any trailers or other attachments made or intended to be drawn by any of those machines; and
- b. which is or should be registered and/or insured under legislation in the State or Territory of Australia in which it is being used.

Vehicle or Vehicles does not mean wheelchairs, garden appliances or golf buggies.

### Watercraft

means any vessel, craft or thing made or intended to float on or in or travel through water.

### Wear, Tear

means damage or a reduction in value through age, ordinary use or lack of maintenance.

### We, Our, Us

means QBE Insurance (Australia) Ltd ABN 78 003 191 035.

### You, Your

means:

- a. the person or persons; or
  - b. company, firm or other entity acting as Property Manager for Your Lot/Unit;
- named on the Schedule.

## General conditions – which apply to all policies

### 1 Alteration of risk

You must promptly advise Us of any changes in the details of the information You have given Us, or if the nature of the occupation or other circumstances affecting Your Lot/Unit is changed in such a way as to increase the risk of loss or damage or the likelihood of liability losses.

If You do not do so We may not be liable for any loss, damage or liability caused or contributed to by any such change or alteration.

### 2 Excess

You must pay or contribute the amount of any Excess shown in this Policy or on the Schedule for each claim made. Payment of the Excess may be requested when the claim is lodged, or may be deducted from Our payment.

Should more than one Excess be payable for any claim arising from the one Event, such excesses will not be aggregated and the highest single level of Excess only will apply.

### 3 Reinstatement of sum insured

After We have admitted liability for a claim We will automatically reinstate the Sum Insured to its pre-loss amount without any additional Premium having to be paid.

This condition does not apply:

- a. when We pay a total loss;
- b. when We pay the full Sum Insured;
- c. to **Special Benefits 1 and 2 of Policy 6**;
- d. to **Policy 8**.

### 4 Tenancy Agreement

Cover under this Policy only applies when there is a current Tenancy Agreement in place between You and Your Tenant.

**General Condition 4** does not apply to **Policies 1, 2, 7, and 8**.

### 5 Unoccupancy

Cover under this Policy is suspended if Your Lot/Unit is unoccupied for more than ninety (90) consecutive days, unless You notify Us and We otherwise agree in writing.

**General Condition 5** does not apply to **Policies 7 and 8**.

## General exclusions - what we do not insure under any policy

We will not pay for any loss, damage, benefit, legal liability, compensation, or any other loss, costs, fees, charges or expenses of whatsoever kind, arising directly or indirectly from or in any way connected with:

### 1 Act of Terrorism

Any Act of Terrorism where such act is directly or indirectly caused by, contributed to, resulting from, or arising out of or in connection with biological, chemical, or nuclear weapons, pollution or contamination.

### 2 Asbestos

Liability to pay for personal injury or property damage caused by or arising directly or indirectly out of or in connection with the actual or alleged use or presence of asbestos.

### 3 Consequential loss

Consequential loss, loss of use or Depreciation unless otherwise specifically provided by this Policy.

### 4 Electronic Data

Losses to Electronic Data.

However cover is otherwise provided by this Policy for losses to Electronic Data arising out of fire, lightning, thunderbolt, explosion, implosion, earthquake, subterranean fire, volcanic eruption, impact, aircraft and/or other aerial device and/or articles dropped therefrom, sonic boom, theft which is a consequence of theft of any computer and/or computer hardware and/or firmware and/or microchip and/or integrated circuit and/or similar device containing such Electronic Data, breakage of glass, the acts of persons taking part in riots or civil commotions or of strikers or of locked out workers or of persons taking part in labour disturbances which do not assume the proportions of or amount to an uprising, Storm, Rainwater, water and/or other liquids and/or substances discharged and/or overflowing and/or leaking from any apparatus and/or appliance and/or pipes.

### 5 Intentional damage

Any deliberate or intentional damage or liability or omission caused or incurred by You, Your Family or by any person acting with Your or their express or implied consent.

### 6 Nuclear materials

Ionising radiation from, or contamination by radio-activity from, any nuclear fuel or nuclear waste from the combustion of nuclear fuel.

## 7 War, expropriation

War or warlike activities including invasion, act of a foreign enemy, hostilities (whether war is declared or not), civil war, rebellion, revolution, insurrection, use of military or usurped power, looting, sacking or pillage following any of these, or the expropriation of property.

## 8 Sanctions limitation and exclusion clause

Where a claim payment breaches any sanction, prohibition or restriction under United Nations resolutions or the trade or economic sanctions, laws or regulations of Australia, the European Union, United Kingdom or United States of America.

## GST

If you are a business you must tell us if you're registered, or are required to be registered, for GST. When you do this, we need you to give us:

- a. Your ABN
- b. The percentage of any input tax credit you will claim, or will be entitled to claim, on your premium.

When we pay a claim, your GST status will determine the amount we pay you. Your claim settlement amount will be adjusted to allow for any ITC entitlement.

Unless we say otherwise, all amounts in your Policy are inclusive of GST. There may be other taxation implications affecting you, depending upon your own circumstances. We recommend you seek professional advice.

## Claims information

### 1 What you must do

As soon as You discover that an Event likely to result in a claim has occurred, You must:

- a. take all reasonable steps to reduce the loss or damage and to prevent any further loss or damage;
- b. inform the police immediately following theft, Vandalism or Malicious damage.

### 2 What you must not do

Whatever the circumstances You must not:

- a. admit guilt or fault (except in court or to the Police);
- b. offer or negotiate to pay a claim;
- c. admit liability;
- d. dispose of any damaged items without first seeking Our approval.



### 3 How to make a claim

When You make a claim You must:

- a. promptly inform CHU Underwriting Agencies Pty Ltd by telephone, in writing or in person. You may have to contribute towards Your claim if Your notification is late and results in higher costs for Us or harms Our investigation opportunities;
- b. provide details of the Event and when requested complete and return Our claim form promptly together with all letters, documents, valuations, receipts or evidence of ownership that You have been asked to provide;
- c. provide written statements under oath if We require it;
- d. be interviewed about the circumstances of the claim, if We require this;
- e. allow Us to inspect Your Contents and take possession of any damaged item to deal with it in a reasonable way;
- f. provide Us as soon as possible with every notice or communication received concerning a claim by another person or concerning any prosecution, inquest or other official inquiry arising from the Event.

### 4 Our approval needed for repairs

Except for essential temporary repairs You are not authorised to commence repairs without Our approval.

### 5 Repairs or replacement

We have the right to nominate the repairer or supplier to be used.

### 6 You must assist us

Before We will pay anything under this Policy, You must:

- a. comply with all the requirements of this Policy; and
- b. give Us all information and assistance which We reasonably require in relation to the claim and any proceedings.

### 7 False or misleading information

We may deny part or all of Your claim if You are not truthful and frank in any statement You make in connection with a claim or if a claim is fraudulent or false in any respect.

We may also report any suspected fraudulent act to the Police for further investigation.

### 8 Claim administration and legal proceedings

When a claim is admitted under this Policy, We have the right at Our discretion to exercise all Your legal rights relating to the Event and to do so in Your name.

We will take full control of the administration, conduct or settlement of the claim including any recovery or defence that We may consider is necessary.

### 9 Salvage value

We are entitled to any salvage value on recovered items and damaged items that have been replaced.

### 10 Contribution

Where the Event insured by this Policy is also insured elsewhere and We have paid more than Our reasonable share of Your claim, We may exercise Our right to seek contribution from the other insurer or insurers.

### Cancelling your Policy

You can cancel your Policy at any time by telling us. If there are other people named as insured on your Policy, we only need a request to cancel it from one of you.

We may cancel your Policy in any of the circumstances permitted by law (e.g. failure to pay the premium by the due date) by informing you in writing.

We will give you notice in person or send it to your address (including an electronic address) last known to us.

If you have paid your premium in advance, we'll refund you the proportion of the premium for the remaining period of insurance, less any administration fees.

# Policy 1 – Contents

## What we insure

We insure You up to the Sum Insured shown for Policy 1 on the Schedule, against:

- accidental loss or damage to Your Contents which occurs during the Period of Insurance.

## Special benefits

Special Benefits are included in addition to Your Sum Insured for **Policy 1**.

### 1 Contents in the open air

We will pay up to \$3,000 for loss or damage to Your Contents in the open air at Your Situation, from any Event claimable under Policy 1.

For the purpose of Special Benefit 1 ‘open air’ means any part of the building containing Your Lot/Unit not fully enclosed by walls and roofing (such as a carport or balcony).

### 2 Debris removal

We will pay up to ten percent (10%) of the Sum Insured for Policy 1 for the reasonable cost of removal and disposal of the residue of Your damaged Contents.

### 3 Electric motors

We will pay up to \$2,000 for the cost of repairing or replacing an electric motor forming part of Your Contents which has been burnt out by electric current.

If the motor forms part of a sealed unit We will also pay for the cost of replacing gas.

If the motor in a sealed unit cannot be repaired or replaced because of the unit’s inability to use a different type of refrigerant (a new gas as required by regulation) or parts are no longer available, then We will only pay the cost that would have been incurred in repairing a sealed unit in an equivalent modern day appliance. If an equivalent modern day appliance is not available, then one as close as possibly equivalent will be the basis of any claim.

We will not pay for:

- a. motors under a guarantee, warranty or maintenance agreement;
- b. loss or damage to other parts of any electrical appliance, computer software or data stored on a computer;
- c. lighting or heating elements, fuses, protective devices or switches;
- d. contact at which sparking or arcing occurs in ordinary working.

## Exclusions - what we do not insure

We will not pay for loss or damage caused by or resulting from:

1. lack of maintenance, rust, oxidation, corrosion, Wear, Tear, depreciation, any gradual process or Your failure to:
  - a. maintain Your Lot/Unit in a reasonably good state of repair; or
  - b. have fixed a building defect that You were aware of or should reasonably have been aware of.
2. overwinding, mechanical breakdown or derangement, electrical breakdown or derangement, or failure caused by electric current.

However We will pay if the loss or damage is due to:

- a. Fusion of electric motors as covered under **Special Benefit 3**;
  - b. lightning;
  - c. power surge when such Event is confirmed by the supply authority; or
  - d. if fire damage results.
3. any action of the sea, high water or high tide, storm surge or tidal wave.

However, We will pay if the loss or damage is due to Tsunami.

4. accidental breakage of:
  - a. glass forming part of windows, doors, fixtures, built-in furniture, stoves or ovens, TV sets, VCR’s, radio, computer or other electrical equipment;
  - b. toilet cisterns, pans, baths, sinks, and hand basins;
  - c. items such as glassware, drinking glasses or ornaments.

5. Erosion, subsidence, landslide, mudslide, shrinkage, or any other Earth Movement or collapse.

However We will pay if the loss or damage is due to:

- a. earthquake or seismological disturbance, explosion, physical impact by aircraft;
  - b. bursting, leaking or overflowing of water tanks, pipes, drains, gutters or other water or liquid carrying apparatus.
6. underground (hydrostatic) water.

However We will pay if the loss or damage is due to bursting, leaking or overflowing of water tanks, pipes, or drains.

7. inherent vice, latent defect, vermin, mice, rats, termites, insects, fungus, mildew, or by pecking, biting, chewing or scratching by birds or animals.

However We will pay if any of these causes directly result in loss or damage from any other Event claimable under **Policy 1** such as fire or glass breakage.

8. any process involving the application of heat being applied directly to any part of Your Contents.

However We will pay if any other part of Your Contents is damaged or destroyed by fire.

9. any process of cleaning involving the use of chemicals other than household cleaning chemicals.
10. from staining, fading or fraying.

However, we will pay if such loss or damage directly results from any other Event claimable under Policy 1.

### Claims - how we will settle your claim

The amount We pay under Policy 1 will be the reasonable cost of replacing or repairing lost or damaged Contents to a condition which is equivalent to or substantially the same as but not better nor more extensive than when they were new, subject to the following provisions:

- a. replacement or repair of damaged carpets and curtains is limited to the room, hallway or passageway where the damage occurs;
- b. when We wish to replace or repair and You do not want this to occur We will only pay Indemnity Value.

We will not pay for the cost to replace undamaged Contents.

For each and every claim You have to pay the amount of Excess shown on the Schedule for **Policy 1**.

### Excesses

#### Earthquake

You have to pay or contribute in relation to earthquake or seismological disturbance the first \$500, or any higher excess amount that is noted on your Schedule, of the cost of loss or damage which occurs during any one period of seventy-two (72) consecutive hours.

#### Other excesses

Whenever an Excess and amount is shown on the Schedule, You have to pay or contribute the stated amount for each loss arising out of or consequent upon that numbered Event.

### Excess Waiver

**No excess is payable if a claim is made by your strata building owner for the same event on a CHU Policy.**

You will not have to pay an Excess on your claim if:

- you make a claim that is for an amount that is more than your \$500 Excess amount, AND the Body Corporate, Corporation, Owners Corporation or Plan that owns your building also claims on a CHU Residential Strata Insurance Plan for the same Insured Event.

For example; You have a standard \$500 excess. A pipe bursts and damages the strata building and does \$2000 damage to your contents. The Body Corporate makes a claim on their CHU Residential Strata Insurance Plan. You will not have to pay the \$500 excess and we will pay \$2000 for your claim. (If you did not have this benefit, we would have only paid \$1500 and you would have had to pay a \$500 excess.)

If you incur damage that is less than \$500, you will not be able to claim even if your Body Corporate, Corporation, Owners Corporation or Plan makes a claim for building damage on their CHU policy.

If your strata building is not insured by CHU, or your building is insured under a CHUISAVER policy, then you will have to pay your excess for any claim.

This benefit will not apply in the event of an Earthquake or Tsunami.

## Policy 2 – Building damage – malicious damage

### What we insure

We insure You up to the Sum Insured shown for **Policy 2** on the Schedule, against loss or damage caused:

- by Vandalism or Malicious acts; or
- by theft (including damage caused by theft);

by Your Tenants or their invitees to the walls, windows, doors, floors, ceilings or fixtures of Your Lot/Unit which occurs during the Period of Insurance.

### Claims - how we will settle your claim

We will pay the cost of repairing the damaged walls, windows, doors, floors, ceilings or fixtures of Your Lot/Unit.

We will not pay if such damage is covered by any insurance Policy effected by the Body Corporate on the building containing Your Lot/Unit.

## Policy 3 – Loss of rentable value

### What we insure

We insure You for loss of Rentable Value if during the Period of Insurance Your Lot/Unit becomes unfit to be occupied for its intended purpose:

- by loss or damage for which a claim is admitted under **Policy 1** or **Policy 2**; or
- by loss or damage to Your Lot/Unit for which a claim is admitted under any insurance Policy effected by the Body Corporate in the case of a Lot/Unit; or
- by murder or suicide occurring at Your Situation; or
- by damage to other property at Your Situation or in the immediate vicinity by an Event claimable under **Policy 1** or **Policy 2** and reasonable access to Your Lot/Unit is prevented as a consequence of such damage.

### Claims - how we will settle your claim

The amount We pay is limited to the earlier of:

- a. a period ending not more than six (6) weeks following repair or replacement of Your Contents or Lot/Unit; or
- b. the date from which Your Lot/Unit is re-tenanted; or
- c. the period shown for Policy 3 on the Schedule.

Any amount so payable will be reduced by:

- i. the amount You are entitled to recover or is recovered under any insurance Policy effected by the Body Corporate in the case of a Lot/Unit; or
- ii. any Rent paid by Your Tenant during the period in which Your Lot/Unit is unfit to be occupied for its intended purpose.

## Policy 4 – Loss of rent (departure by tenant)

### What we insure

We insure You for loss of Rent up to the lesser of:

- the period shown for **Policy 4** on the Schedule; or
- until Your property is re-let;

if during the Period of Insurance Your Tenant absconds from Your Lot/Unit.

However We will not pay for loss of Rent unless it is legally due to be paid by Your Tenant in conformity with the terms of the Tenancy Agreement.

Any amount so payable will be reduced by the amount of Bond Monies remaining after the deduction of Allowable Reletting Expenses, unless contrary to Law in Your State.

### Special condition

You or Your Property Manager must take reasonable steps to re-let the property as soon as the departure of the Tenant is discovered. If You or Your Property manager fail to do so We will not pay for any additional loss of Rent caused by such delay.

## Policy 5 – Loss of rent (default by tenant)

### What we insure

We insure You for loss of Rent up to the lesser of:

- the period shown for **Policy 5** on the Schedule; or
- until Your property is re-let;

if during the Period of Insurance Your Tenant:

- a. defaults in the payment of Rent that requires the issue of a court or tribunal order for termination or eviction;
- b. defaults in the payment of rent following the issue of a termination notice to vacate the premises by You or Your Property Manager;
- c. does not depart following the service of a court or tribunal order for termination or eviction and resists all attempts by You or Your Property Manager to gain vacant possession;
- d. dies while occupying Your Lot/Unit under a sole person Tenancy Agreement;
- e. is released from the requirements of the Tenancy Agreement by a court or tribunal on the grounds of hardship.

We will not pay for loss of Rent unless it is legally due to be paid by Your Tenant in conformity with the terms of the Tenancy Agreement, other than under Clause e above when relief is granted by a court or tribunal.

Any amount so payable will be reduced by the amount of Bond Monies remaining after the deduction of Allowable Reletting Expenses, unless contrary to Law in Your State.

### Special benefit

1. We will pay up to \$250 for the cost of changing door and/or window locks if Your Tenant is:
  - a. evicted by an officer of the court or tribunal; and
  - b. the court or tribunal has issued an order that the locks be changed.

### Special condition

If You or Your Property Manager fail to issue and act on a court or tribunal termination or eviction order We will not pay for arrears that accrue from the date such action should have been taken until the time the Tenant subsequently departs.

## Policy 6 – Legal expenses

### What we insure

When a claim is payable under **Policies 3, 4 or 5** We will pay, up to the Sum Insured shown for Policy 6 on the Schedule, for legal expenses provided they are incurred:

- a. with Our prior written approval; and
- b. are for the express purpose of minimising a claim.

### Special benefits

Special Benefits are included in addition to Your Sum Insured for **Policy 6**.

#### 1 Property manager costs

When a claim is payable under **Policies 3, 4 or 5** We will pay up to \$500 in any one Period of Insurance for the cost of Your Property Manager's time in representing You in court or at a tribunal to obtain a court or tribunal order against Your Tenant.

We will not pay unless such expense is specifically included in the Managing Agent Agreement between You and Your Property Manager.

#### 2 Breach of agreement costs

If Your Tenant commences an action against You alleging a breach by You of the Tenancy Agreement We will pay up to \$500 in any one Period of Insurance for the cost of legal or similar type expenses You incur in defending such action.

We will not pay unless You obtain Our written approval prior to incurring such costs.

## Policy 7 – Liability to others

### What we insure

We insure You, up to the Limit of Liability shown for **Policy 7** on the Schedule, should You become legally responsible to pay compensation for:

- Personal Injury; or
- Property Damage;

resulting from an Occurrence in connection with the ownership of Your Lot/Unit and Contents.

### Additional benefit

This Additional Benefit is included provided the Limit of Liability for Policy 7 is not otherwise expended in respect of any one Event.

#### 1 Cost of defending a claim

We will pay:

- a. all legal costs and expenses incurred by Us;
- b. reasonable cost of legal representation You necessarily incur with Our written consent at a coronial inquest or inquiry into any death which may be the subject of a claim for compensation under **Policy 7**;
- c. other reasonable expenses You necessarily incur that We have agreed to reimburse; and
- d. all interest accruing after judgment has been entered against You until We have paid, tendered or deposited in court the amount that We are liable to pay following judgment.

### Exclusions – what we do not insure

#### 1 We will not pay for any claim:

- a. in respect of Personal Injury to You or Your Family.
- b. in respect of Personal Injury to any employee arising out of or in the course of their employment with You. This exclusion does not apply to an 'eligible person' as defined under the WorkCover Queensland Act.
- c. for any liability to pay benefits under any workers' compensation, accident compensation or similar legislation applying where Your Lot/Unit is situated.
- d. in respect of damage to property:
  - i. belonging to, rented by or leased by You, Your Family or in Your or their physical or legal control;

- ii. belonging to any person who is deemed a worker or employee within the provisions of any workers' compensation, accident compensation or similar legislation apply where Your Lot/Unit is situated.
  - e. arising out of Your trade, business, profession, occupation or any other activity that earns money or income other than the ownership of Your Lot/Unit at Your Situation.
  - f. arising out of the ownership of Your Investment Home other than its Contents.
  - g. arising out of:
    - i. alteration or renovations to Your Lot/Unit where the cost of such work, including labour and materials, exceeds \$50,000;
    - ii. the ownership of land or building at Your Situation unless liability attaches to You as owner of Your Lot/ Unit by virtue of the Strata Titles Act or Community Titles Act or similar legislation apply where Your Lot/ Unit is situated, or by the Articles or By-laws of Your Body Corporate.
  - h. caused by or arising out of the ownership, possession, or use by You of any Vehicle, Watercraft, aircraft or aircraft landing areas.
  - i. arising from vibration or from the removal or weakening of or interference with the support of land or buildings or any other property.
  - j. arising out of any liability imposed by contract or agreement except to the extent that such liability would have been implied by law.
  - k. arising out of the discharge, dispersal, release or escape into or upon property, land, the atmosphere or any water course or body of water or any costs and expenses incurred in the prevention or remediation of such contamination or pollution.
- 2 We will not pay any fine, penalty or punitive, exemplary, aggravated, multiple or similar additional compensatory damages imposed against You.

## Special definitions

The words listed below have been given a specific meaning and apply to Policy 7 when they begin with a capital letter.

### Occurrence

means an Event, including continuous or repeated exposure to substantially the same general conditions, which results in Personal Injury or Property Damage neither expected nor intended to happen by You.

### Personal Injury

means:

- a. bodily injury (including death and illness), disability, fright, shock, mental anguish or mental injury;
- b. false arrest, wrongful detention, false imprisonment or malicious prosecution;
- c. wrongful entry or eviction or other invasion of the right of privacy;
- d. a publication or utterance of defamatory or disparaging material;
- e. assault and battery not committed by You or at Your direction unless committed for the purpose of preventing or eliminating danger to person or property;

which happens at Your Situation during the Period of Insurance.

'Personal injury' does not include the publication or utterance of a libel or slander:

- made prior to the commencement of the period of insurance; or
- made by or at the direction of you with knowledge of its falsity; or
- relating to advertising, broadcasting or telecasting activities by or on behalf of you.

### Property Damage

means:

- a. physical damage to or destruction of tangible property including its loss of use following such physical damage or destruction; or
- b. loss of use of tangible property which has not been physically damaged or destroyed provided that the loss of use has been caused by an Occurrence;

which happens at Your Situation during the Period of Insurance.

## Policy 8 – Government audit costs

### What we insure

We insure You, up to the Sum Insured shown for **Policy 8** on the Schedule, for Professional Fees You reasonably incur with Our written consent arising from an Audit first notified to You verbally or in writing during the Period of Insurance, or within thirty (30) days thereafter, in connection with Your Lot/Unit or Investment Home at the Situation.

We will not pay more than the Sum Insured for Policy 8 in any one Period of Insurance.

### Special benefit

This Special Benefit is included in addition to Your Sum Insured for **Policy 8**.

#### 1 Record keeping audit

We will pay up to \$1,000 in any one Period of Insurance for Professional Fees You reasonably incur with Our written consent in connection with a Record Keeping Audit.

### Exclusions - what we do not insure

#### 1 We will not pay for Professional Fees:

- a. if prior to the commencement of the Period of Insurance You, or any person acting on Your behalf:
  - i. received any notice of a proposed Audit;
  - ii. had information that an Audit was likely to take place;
  - iii. had information that would indicate to a reasonable person that an Audit was likely to take place.
- b. if a return, or a document required to be lodged in relation to an Audit, has not been lodged:
  - i. at all;
  - ii. properly;
  - iii. by the due date.
- c. for any Audit that is conducted specifically for the purposes of determining if a fine, penalty or prosecution should be imposed in connection with:
  - i. any act or omission by You; or
  - ii. any failure, act or omission arising from or in connection with Your statutory obligations.
- d. charged by someone other than a Professional Adviser unless We have given Our prior written consent.

- e. relating to the Audit of Your taxation and financial affairs unless the return is first lodged:
  - i. during the Period of Insurance; or
  - ii. not more than twelve (12) months prior to the original inception date of Policy 8;
- f. or relates to a return for a financial year not more than three (3) years prior to the date You receive notification of an Audit.
- g. relating to an Audit if You fail to comply with any requirement or obligation imposed upon You by any relevant legislation if a return in relation to the Audit was not prepared or reviewed by Your Professional Adviser prior to dispatch.
- h. if You breach any conditions in this Policy, including failing to comply with any requirement imposed by any relevant legislation or failing to do what You must do if You intend to make a claim or You make a claim.

#### 2 We will not under any circumstances pay for the cost of:

- a. any fines, penalties, interest or adjustment of tax, additional tax, duty, government impost or similar charges.
- b. any review pertaining to You maintaining any industry status, licence, membership or compliance with any employee related legislation or regulations.
- c. the gathering of data or information by any government, statutory body, authority or agency that is not directly part of an Audit.

### Special conditions

#### 1 You must:

- a. make all efforts to comply with the relevant legislation, procedures and guidelines issued by the Australian Taxation Office, or Commonwealth, State or Territory Department, Statutory Body or Agency in relation to the maintenance of records, books and documents;
- b. lodge taxation and other statutory returns within the prescribed time limits or if an extension is granted within the further period granted;
- c. upon becoming notified of an Audit or impending Audit promptly inform CHU Underwriting Agencies Pty Ltd by telephone, in writing or in person;



- d. obtain CHU Underwriting Agencies Pty Ltd written approval before engaging a Professional Adviser, other than Your accountant, and notify them of all Professional Fees Your accountant proposes to charge.

## 2 An Audit commences:

- a. at the time You first receive notice that an Auditor proposes to conduct an Audit; and
- b. is completed when:
  - i. the Auditor has given written notice to that effect; or
  - ii. the Auditor notifies You that it has made a Final Decision of a Designated Liability; or
  - iii. the Auditor has issued an assessment or amended assessment of a Designated Liability.

## Special definitions

The words listed below have been given a specific meaning and apply to Policy 8 when they begin with a capital letter.

### Audit

means an audit or investigation of Your taxation and financial affairs by the Australian Taxation Office, or by a Commonwealth, State or Territory Department, Statutory Body or Agency in relation to and following the lodgement of Your return(s), including but not limited to Business Activity Statement (BAS), Capital Gains Tax, Fringe Benefits Tax, Income Tax, Prescribed Payment and Group Tax Returns, Payroll Tax, Stamp Duty, Compliance with Superannuation Industry Supervision Act 1993 and Workers Compensation Returns.

### Auditor

means an officer who is authorised under Commonwealth, State or Territory legislation to carry out an Audit of Your taxation or financial affairs.

### Designated Liability

means Your obligation to pay an amount under Commonwealth, State or Territory Legislation.

### Final Decision

means a written notification of the Auditors' completed views in connection with a Designated Liability and includes any written statement which is intended by the Auditor to be its findings or the basis upon which it proposes to act in connection with a Designated Liability.

## Professional Adviser

means:

- a. an accountant who is a member of a nationally recognised accounting body, registered tax agent or tax consultant;
- b. any other professional person or consultant engaged by or at the recommendation of the accountant with Our prior written approval, but does not mean You or any person working for You under a contract of employment.

## Professional Fees

means the reasonable and necessary fees, costs and disbursements incurred in connection with an Audit that would be payable by You to Your Professional Adviser for work undertaken in connection with an Audit, but does not mean or include fees, costs and disbursements that:

- a. form part of an annual or fixed fee or cost arrangement; or
- b. relate to any subsequent objection or appeal or request for review in respect of the Audit, or any assessment, amended assessment or Final Decision of the Auditor; or
- c. were rendered by a third party in relation to which Our written consent was not obtained before those fees were incurred; or
- d. relate to or are associated with the preparation of any accounts, financial statements or documents or to any attendance or service which would have been or would or should ordinarily or prudently have been prepared prior to or at the time that the lodgement of any return or document was required to be lodged in connection with a Designated Liability.

## Record Keeping Audit

means any enquiry or investigation to determine the extent of your compliance with the record keeping requirements of relevant legislation that You have to comply with.



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# Landlords Insurance for Strata Product Disclosure Statement and Policy Wording

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