



**Community
Association**



**STRATA COMMUNITY
INSURANCE**



Community Associations incorporated under

New South Wales

Community Land Management Act 1989
Associations Incorporation Act 2009
Corporations Act 2001

Queensland

Body Corporate and Community Management Act 1997
Associations Incorporation Act 1981
Corporations Act 2001

South Australia

Community Titles Act 1996
Associations Incorporation Act 1985
Corporations Act 2001

Victoria

Subdivision Act 1988
Owners Corporations Act 2006
Associations Incorporation Reform Act 2012
Corporations Act 2001

Western Australia

Strata Titles Act 1985
Associations Incorporation Act 2015
Corporations Act 2001

Australian Capital Territory

Community Title Act 2001
Associations Incorporation Act 1991
Corporations Act 2001

Tasmania

Strata Titles Act 1998
Associations Incorporation Act 1964
Corporations Act 2001

Northern Territory

Unit Title Schemes Act 2009
Unit Titles Act 1979
Associations Act 2003
Corporations Act 2001



Contents

Important Information

Claims Made Notice

Product Disclosure Statement

General Information

Insurer

Authority to act for Us

About Strata Community Insurance

What You should read

About the Policy

How the Policy arrangement works

Summary of cover, significant benefits and risks

What You are covered for / not covered for

Section 1 – Community Property and income

Part A - Community Property

Part B - Community Rental Income

Part C - Fidelity guarantee

Part D - Machinery breakdown

Section 2 – Casualty Covers

Part A – Legal Liability

Part B - Voluntary Workers

Part C - Office Bearers liability

Part D - Government audit costs

Part E - Appeal expenses - health and safety breaches

Part F - Legal defence expenses

Part G - Workers compensation

6	Other important information	13
7	Review Your Sums Insured regularly	13
	Payment of Excesses	13
8	Goods and Services Tax (GST)	13
9	Applying for cover	14
9	The cost of this insurance	14
9	Cooling off period	14
9	Your duty of disclosure	14
9	The General Insurance Code of Practice	14
10	How to make a claim	14
10	Complaints	15
10	Privacy Notice	15
11	Updating Our Product Disclosure Statement	16
11	Intermediary remuneration	16
11	Financial Claims Scheme	16
11	Further information and confirmation of transactions	16
11	Terrorism Insurance Act	17
	Policy Wording: Community Association Insurance	18
12	Important information	19
12	Our contract with You	19
12	Payment of Premium	19
12	Adjustments on renewal	19
12	Other adjustments	20
12	Claims procedures	20
12	Acts or omissions of Your Association Manager	21
13	Cancelling Your Policy	21
	Goods and Services Tax (GST) notice	21
	General conditions	22
	General exclusions	23
	General definitions	24

Section 1 - Community Property and income

Part A - Community Property

What We cover / What We do not cover	28
Exclusions - What We do not cover	32
Claims - basis of settlement	34
Special condition applying to the Claims - basis of settlement	34

Part B - Community Rental Income

What We cover	35
Exclusions - What We do not cover	35
Optional Covers	36

Part C - Fidelity guarantee

Definitions applying exclusively to this Part:	37
What We cover	37
Exclusions - What We do not cover	37
Claims - basis of settlement	37

Part D - Machinery breakdown

Definitions applying exclusively to this Part:	38
What We cover	38
Exclusions - What We do not cover	38
Part D - Claims - basis of settlement	39

Section 2 - Casualty Covers

Part A – Legal Liability

Definitions applying exclusively to this Part	40
What We cover	41
Exclusions - What We do not cover	41

Part B - Voluntary Workers

Definitions applying exclusively to this Part	43
What We cover	43
Exclusions - What We do not cover	44
Special conditions	44

Part C - Office Bearers Liability

Definitions applying exclusively to this Part	45
What We cover	45
Exclusions - What We do not cover	46
Special conditions	47

Part D - Government audit costs

Definitions applying exclusively to this Part	48
What We cover	48
Exclusions - What We do not cover	49
Special conditions	49

Part E - Appeal expenses - health and safety breaches

Definitions applying exclusively to this Part	50
What We cover	50
Exclusions - What We do not cover	50

Part F - Legal defence expenses

Definitions applying exclusively to this Part	51
What We cover	51
Excess and Contribution	51
Exclusions - What We do not cover	52
Special conditions	52

Part G - Workers compensation

What We cover	54
Special provisions	54
Exclusions - What We do not cover	54



Important Information

Important Information

The Important Information set out below is provided for your information only. It does not form part of the insurance contract with you, and is not part of the policy.

Nothing contained in the Important Information imposes contractual obligations on you, or creates contractual rights. These are contained in the policy and any endorsement.

Claims Made Notice

Section 2 Part C of the policy operates on a 'claims made and notified' basis. This means that, **Section 2 Part C** covers you for claims as defined in **Section 2 Part C** first made against you and notified to us during the period of insurance.

Section 2 Part C does not provide cover in relation to:

- acts, errors or omissions actually or allegedly committed prior to the retroactive date of the policy (if such a date is specified);
- claims made after the expiry of the period of insurance even though the event giving rise to the claim may have occurred during the period of insurance;
- claims notified or arising out of facts or circumstances notified (or which ought reasonably to have been notified) under any previous policy;
- claims made, threatened or intimated against you prior to the commencement of the period of insurance;
- facts or circumstances of which you first became aware prior to the period of insurance, and which you knew or ought reasonably to have known had the potential to give rise to a claim under the policy section;
- claims arising out of circumstances noted on the proposal form for the current period of insurance or on any previous proposal form.

Where you give notice in writing to us of any facts that might give rise to a claim against you as soon as reasonably practicable after you become aware of those facts but before the expiry of the period of insurance, and provided the claim would otherwise be covered under the policy, you have rights under Section 40(3) of the *Insurance Contracts Act 1984* (Cth) to be indemnified in respect of any claim subsequently made against you arising from those facts notwithstanding that the claim is made after the expiry of the period of insurance.

Any such rights arise under the legislation only. The terms of the policy section and the effect of the policy section is that you are not covered for claims made against you after the expiry of the period of insurance.

Please note that the above may be affected by any continuous cover special conditions where applicable which may extend time for notification of a claim as defined.



Product Disclosure Statement

Product Disclosure Statement

General Information

This Product Disclosure Statement (PDS) contains important information required under the *Corporations Act 2001* (Cth). It seeks to help you to:

- decide whether the insurance cover will meet your needs; and
- compare it with other products you may be considering.

The information in this PDS is of a general nature only and does not take into account your objectives, financial situation or needs. Therefore, it is important that you read it carefully and in conjunction with the Policy before making a decision to purchase an insurance product to ensure you have a full understanding of the terms and conditions (including the limits and exclusions) of the Policy.

This PDS applies for any offer of renewal of the Policy We may make, unless We advise otherwise.

The Policy provides a number of covers which may or may not be provided to the insured as a retail client under the *Corporations Act 2001* (Cth) depending on their circumstances. Only the parts of the Policy document relevant to cover provided to the insured as a retail client and any other documents which We tell the insured are included at or prior to entry into the insurance contract or when permitted or required by law, make up the PDS for the purposes of the Act.

The preparation date for the PDS is 1 February 2021.

The details of the cover provided under the Policy are contained within the Policy Wording.

It is important that You comply with the conditions of Your duty of disclosure, which can be found under the section Your duty of disclosure.

If You do not comply We may reduce the amount We pay for a claim in whole or in part, cancel the Policy, or both. If Your non-disclosure is fraudulent We may avoid the Policy from its beginning.

In the Policy, some words that begin with a capital letter have a special meaning throughout the policy and their meaning is defined in General definitions. Certain words have special meanings applicable only to a particular **Part** of the Policy and their meaning is defined within that **Part** under the heading Definitions applying exclusively to this **Part** within those **Parts**.

Insurer

The Policy is underwritten by Allianz Australia Insurance Limited, ABN 15 000 122 850, AFSL No. 234708 (Allianz), of GPO Box 9870 Melbourne VIC 3000 except for workers compensation cover, if any, in some states in Australia (please see **Section 2 Part G** Workers Compensation for details). Allianz is referred to as We, Us, Our and Allianz in this document.

Authority to act for Us

Strata Community Insurance Agencies Pty Ltd, ABN 72 165 914 009, AFSL No. 457787 (Strata Community Insurance) have been given a binding authority by Us to market, underwrite, settle claims and administer the Policy on Our behalf.

Any matters or enquiries you may have should be directed to Strata Community Insurance in Your State. The contact details are shown on the back cover of this document.

Under the terms of this binding authority Strata Community Insurance act as Our agent, and not yours, and liability within the terms and conditions of the Policy remains at all times with Us.

About Strata Community Insurance

Strata Community Insurance is an insurance intermediary and holds an Australian Financial Service Licence (AFSL No. 457787) to issue and advise on general insurance products.

Their founders bring four decades of experience across six different countries and have assembled some of the leading strata insurance experts in this country. Such experience ensures that their products are innovative and provide comprehensive financial protection over Your insurable assets and liabilities.

What You should read

This Product Disclosure Statement (PDS) is an important document to help you understand the insurance cover outlined in the Policy Wording, and your rights and obligations under it. Please read it carefully before making a decision to purchase this product to ensure it provides the cover you need.

You should also carefully read:

1. The Policy Wording which tells you about:
 - (a) what makes up the insurance (i.e. the insured's contract with Us which We call a Policy);
 - (b) the General definitions and Definitions applying exclusively to this **Part** in a **Part** that set out what We mean by certain words;
 - (c) the cover We can provide;
 - (d) what Excesses you may have to pay (see Payment of Excesses below);
 - (e) when you are not insured (see General Exclusions and any other exclusions specified in each **Section** or **Part**);
 - (f) certain general rights and obligations that you and We have (see General conditions);
 - (g) what you and We need to do in relation to claims (see Claims procedures);
 - (h) the insured's and Our cancellation rights (see Cancelling Your Policy).
2. the relevant proposal form the insured, if so requested, needs to complete to apply for cover;
3. any Schedule (see definition under General definitions) when it is issued to the insured; and
4. any other documents (for example Schedules, Supplementary PDSs and/or Endorsements) We tell the insured form part of the Policy at or prior to entry into the insurance contract or when required or permitted by law that vary Our standard terms of cover set out in this document.

About the Policy

The insured named in the Schedule has entered into a contract of insurance with the insurer.

The insurer has agreed to extend the benefit of the insurance cover provided by the Policy to certain eligible

persons (see the definition of You and Your and other persons who may be entitled to claim in each cover **Part**) on the terms and conditions of this booklet. Any person who wishes to exercise a right to recover from the insurer needs to read this booklet carefully because the insurance cover provided by the Policy is subject to the terms and conditions of this booklet. It is an important document so please keep it in a safe place for future reference.

How the Policy arrangement works

The insured enters into a Policy with Allianz.

The benefit of the cover under the Policy is extended automatically to persons who meet eligibility criteria specified by the insurer in the definition of You and Your (see definition of You and Your in each cover **Part** and other persons who may be entitled to claim) – these persons are referred to in the below as eligible persons and elsewhere in this booklet as You and Your or Voluntary Worker.

If eligible persons suffer a loss of the type described in this booklet during the Period of Insurance, they have a right to recover the amount of their loss from Us in accordance with the Policy solely by operation of Section 48 of the *Insurance Contracts Act 1984* (Cth).

Eligible persons can make a claim for the benefits detailed in this booklet but do not enter into any agreement with Us and are not charged by Us for the right to make a claim for those benefits.

Eligible persons have no right to cancel or vary the Policy or its cover – only the insured (as the contracting party) and We can do this. If We cancel or vary the Policy or its cover, We do not need to obtain an eligible person's consent to do so.

We also do not provide any notices in relation to this insurance to eligible persons as they are not a contracting party to the Policy. We only send notices to the insured which is the only entity We have contractual obligations to under the Policy.

Eligible persons are not obliged to accept any of the benefits of this insurance, but if they wish to make a claim under the Policy then they will have the same obligations to Us as the eligible persons would have if they were the insured by reason of the *Insurance Contracts Act 1984* (Cth). We will have the same rights against the eligible persons as We would have against the insured.

The insurance cover is subject to the terms, conditions, limitations and exclusions set out in this booklet.

Neither We nor the insured hold anything on trust for, or for the benefit or on behalf of, eligible persons under this insurance arrangement. The insured does not:

- act on Our behalf or an eligible person's in relation to the insurance; and
- is not authorised to provide any financial product advice, recommendations or opinions about the insurance; and
- receive any remuneration or other benefits from Us.

Any person who may be eligible should consider obtaining advice as to whether the benefits are appropriate or useful for their personal needs from a person who is licensed to give such advice. No advice is provided by Us or the insured that the benefits are appropriate or useful for any person's needs. Nothing prevents such persons from entering into other arrangements regarding insurance.

Summary of cover, significant benefits and risks

The Policy includes separate **Sections**, containing individual **Parts** within each **Section**, which allows the insured to select covers. Within some **Parts** there are options which You can also select, subject to Strata Community Insurance agreeing to provide those covers. Cover under an individual **Part** is only available if this is shown as 'Included', or where a Sum Insured appears against it, on the Schedule. If a Sum Insured does not appear against a particular **Part** of the Schedule, or it indicates 'Not Included' then no cover is available and you are not insured for that **Part**.

The following is a summary only and as such does not form part of the terms of the insurance. The examples detailed herein are some of the benefits and risks but you do need to read the Policy which details the terms, conditions, limits and exclusions of the Policy to make sure it matches your expectations.

What You are covered for / not covered for

Section 1 – Community Property and income

Part A - Community Property

Part A covers Loss or Damage to Community Property (Building and Common Area Contents) which occurs during the Period of Insurance and includes cover up to specified limits, for example:

1. Loss or Damage to gates and fences as a result of Storm;
2. Loss or Damage caused by a Tsunami;
3. architects and professional fees;
4. removal, storage and/or disposal of debris;
5. up to \$100,000 for Loss or Damage to building alterations, additions or renovations You make during the Period of Insurance;
6. a reward of up to \$10,000 for information that leads to an arson, Theft, Vandalism or malicious damage conviction;
7. Fusion of electric motors up to \$5,000;
8. up to \$20,000 for rewriting or reproducing Your records that are damaged by an Event claimable under **Section 1 Part A**.



*Some Events We do not cover under **Part A** include, for example, Loss or Damage caused by:*

1. *Flood unless Optional Cover 1) Flood is shown as 'Included' on Your Schedule;*
2. *action of the sea, high water, tidal wave or Storm Surge;*
3. *the invasion of tree or plant roots nor the cost of cleaning pipes or drains blocked by any such invasion;*
4. *or to alterations, additions or renovations where the contract value of such work exceeds \$100,000 unless You notify Us and We otherwise agree in writing before the commencement of such work.*

Part B - Community Rental Income

Part B provides cover for loss of Community Rental Income (Community Property and/or Common Area leased to a Tenant) in specified circumstances which occur during the Period of Insurance.

Part C - Fidelity guarantee

Part C is an Optional Cover which provides cover against the fraudulent misappropriation of Your Funds that occurs during the Period of Insurance.

Part D - Machinery breakdown

Part D is an Optional Cover which provides cover in the event of Insured Damage to specified lifts, elevators, escalators and inclinators, electrical, electronic and mechanical machinery, boilers and pressure vessels during the Period of Insurance.

Section 2 – Casualty Covers

Part A – Legal Liability

Part A covers up to the Sum Insured shown in the Schedule where You become legally responsible to pay compensation (including plaintiff's legal costs) for:

- Personal Injury; or
- Property Damage;

resulting from an Occurrence happening in connection with Your Business.

Part B - Voluntary Workers

Part B provides benefits that are payable to a Voluntary Worker who sustains bodily injury while engaged in Voluntary Work for or on behalf of You during the Period of Insurance. These benefits include:

1. \$200,000 for accidental death, or total and permanent loss of the use of two hands, two feet or sight in two eyes;
2. \$100,000 for total and permanent loss of the use of one hand, one foot or all sight in one eye;
3. up to \$2,000 a week for lost income if totally disabled from engaging in his/her usual profession, business or occupation;
4. up to \$1,000 a week for lost income if partially disabled from engaging in his/her usual profession, business or occupation;
5. up to \$500 a week for hiring or employing domestic assistance if totally disabled from engaging in his/her usual profession, business or occupation, or usual household activities.



Some Events We do not cover include:

1. *weekly benefits for loss of income to Voluntary Workers not in receipt of wages, salaries or other remuneration from their personal exertion;*
2. *weekly benefits in excess of 104 weeks for loss of income or 10 weeks for domestic assistance and/or home tutorial expenses in the aggregate, for any one disablement;*
3. *a Voluntary Worker under the age of 12 years;*
4. *intentional self-injury or suicide or any attempt thereof.*

Part C - Office Bearers liability

Part C is an Optional Cover that covers the legal liability of Office Bearers, or against Your Association Manager while acting as an Office Bearer, for any Wrongful Act they commit. **Part C** is issued on a Claims made and notified basis which means it responds to Claims first made against You during the Period of Insurance and notified to Us during that same Period of Insurance.

Part D - Government audit costs

Part D is an Optional Cover which provides cover up to the Sum Insured for Professional Fees You reasonably incur with Our written consent in connection with an Audit by the Australian Tax Office or another government organisation, first notified to You verbally or in writing during the Period of Insurance.

Part E - Appeal expenses - health and safety breaches

Part E is an Optional Cover which provides cover up to the Sum Insured for Appeal Expenses You reasonably incur with Our written consent in appealing against specified health and safety breaches in relation to Your Community Property.

Part F - Legal defence expenses

Part F is an Optional Cover which provides cover up to the Sum Insured for Legal Defence Expenses You necessarily incur with Our written consent in connection with litigation arising out of a claim first made or first brought against You during the Period of Insurance in defending specified litigation brought against You other than as covered under **Section 2 Part A** and **Part C**.

An Excess and Contribution payment applies to **Part F** and You should refer to the examples contained in **Part F**.

Part G - Workers compensation

Cover is provided for Your legal liability under the applicable workers compensation legislation of the state or territory where Your Community Property is situated.

Workers compensation cover is provided under a separate policy and is subject to the terms and conditions of that policy.

Cover is available if the Community Property is situated in New South Wales, Victoria, Northern Territory, Australian Capital Territory, Tasmania or Western Australia.

No workers compensation cover is provided in Queensland or South Australia.

Other important information

Some other important things to remember are:

1. Keep records such as receipts, invoices or other evidence of ownership and value of property that You insure as proof of ownership and value should You have to make a claim.
2. When the Community Property is a total loss and We have paid out the total Sum Insured, the cover under **Section 1 Parts A and B** ceases. If You rebuild or replace the Community Property, You will need to take out new cover and pay the applicable Premium.
3. Pay Your Premium on time because if We do not receive Your Premium by the due date or Your payment is dishonoured, We may be entitled to cancel the Policy in accordance with the process set out in the "Cancelling Your Policy" section. Strata Community Insurance will give You written notice of cancellation.
4. Throughout the Period of Insurance and when renewing Your insurance with Us You must advise if circumstances relevant to the Policy have changed where You know, or ought reasonably to have known, that the change is relevant to Our decision to insure You and the terms on which We will insure You. Strata Community Insurance will notify You in writing of any proposed effect a change may have on Your existing insurance or its renewal.

Further We may also cancel the Policy as permitted by law or refuse to pay or reduce the amount We pay under a claim to the extent We are prejudiced by Your non-compliance, or both, if you:

1. do not comply with the terms and conditions as detailed in the Policy;
2. do not comply with Your duty of disclosure; or
3. make a fraudulent claim.

Review Your Sums Insured regularly

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.

For example, if You don't have a sufficient Sum Insured to replace Your Community Property at new cost You will bear the shortfall. The cost of demolition and removal of debris from the site, and other costs such as the cost of employing an architect or surveyor, the Replacement of other structures such as driveways, roadways, kerbing, above and below ground services should all be included in the Sum Insured. If You are unsure whether Your Community Property is insured for the correct amount, You should seek professional advice.

You should also advise Strata Community Insurance of any changes in the details of the information You have given Us such as alterations or extensions to Community Property. If You do not do so, Your insurance may not be sufficient.

Payment of Excesses

Excesses may apply to any claim under this insurance. An Excess and/or Contribution is an amount You may have to pay as a contribution to each claim You make under this insurance Policy. The Excesses and/or Contribution that are applicable are shown on the Schedule, and/or within the relevant **Section** or **Part**. An Excess will be applied for each claim arising out of any one Event or Occurrence. An Excess and Contribution payment applies to **Section 2 Part F**. We will tell You the amount of any Excess and/or Contribution when You apply for cover. They may vary according to a number of factors, such as Your risk location and Your insurance history.

Goods and Services Tax (GST)

The Policy has provisions relating to GST that You should read in full (see Goods and Services Tax (GST) notice). In summary, they are as follows:

1. The amount of Premium payable by You for the Policy includes an amount on account of the GST on the Premium (and any administration fee charged by Strata Community Insurance).
2. The Sums Insured and other limits of insurance cover shown on Your Policy documentation are GST inclusive.
3. When We pay a claim, Your GST status will determine the maximum amount We pay You.

There may be other taxation implications affecting You, depending upon Your own circumstances. We recommend that You seek professional advice.

Applying for cover

When You apply for cover under the Policy We may, based on the information You provide, be able to offer cover and terms specific to You. Once We have agreed to cover You We will issue You with a Schedule confirming this, including the following information:

1. the Sum Insured and Situation of the Community Property;
2. Excess(es) applicable;
3. Premium including taxes and charges and any administration fee charged by Strata Community Insurance.

The cost of this insurance

In order to calculate Your Premium, We take various factors into consideration, including:

1. the cover required and Sum(s) Insured;
2. the address of the Community Property;
3. Your insurance history;
4. the security features of the Community Property;
5. the percentage of the total number of Lots within the Community Association that are insured under a policy separately with Us.

The total amount payable also includes amounts payable in respect of compulsory government charges including Stamp Duty, GST, any Fire Service Levy (where applicable) and Strata Community Insurance's administration fee (see their Financial Services Guide for details).

When You apply for this insurance, You will be advised of the Premium that You must pay or agree to pay Us and any additional amounts payable. If You choose to effect cover, the amount will be set out on the Schedule.

Cooling off period

You have twenty-one (21) days after buying or renewing Your Policy to decide if it meets Your needs and/or You wish to continue with the insurance. If You notify Us within this period that You wish to cancel Your Policy as from its start date, We will refund Your Premium less any government taxes or duties that are non-refundable or remain payable by Us.

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, however We may deduct certain amounts from any refund (see Cancelling Your Policy).

Your duty of disclosure

Before You enter into a contract of insurance with Us, You have a duty, under the *Insurance Contracts Act 1984* (Cth), to disclose to Us every matter that You know, or could reasonably be expected to know, is relevant to Our decision whether to accept the risk of the insurance and, if so, on what terms.

You have the same duty to disclose those matters to Us before You renew, extend, vary or reinstate the contract. This duty of disclosure applies until the contract is entered into (or renewed, extended, varied or reinstated as applicable).

Your duty however does not require disclosure of any matter:

1. that diminishes the risk to be undertaken by Us; or
2. that is of common knowledge; or
3. that We know or, in the ordinary course of Our business as an insurer, ought to know; or
4. as to which compliance with Your duty is waived by Us.

Non-disclosure

If You fail to comply with Your duty of disclosure, We may be entitled to reduce Our liability under the contract in respect of a claim, cancel the contract, or both.

If Your non-disclosure is fraudulent, We may also have the option of avoiding the contract from its beginning.

The General Insurance Code of Practice

The General Insurance Code of Practice was developed by the Insurance Council of Australia to further raise standards of practice and service across the insurance industry.

The Code Governance Committee (CGC) is an independent body that monitors and enforces insurers' compliance with the Code.

You can obtain more information on the Code of Practice and how it assists You by contacting Strata Community Insurance. Contact details are provided on the back cover of this PDS.

For more information on the Code Governance Committee (CGC) go to <https://insurancecode.org.au/>

How to make a claim

You should contact Strata Community Insurance as soon as reasonably possible to advise of any incident that could lead to a claim. If You do not, We may reduce or deny Your claim to the extent We are prejudiced by Your delay.

Having the required documentation and if possible photographs of the items will assist in having Your claim assessed and settled.

In order to be sure that You are covered under this Policy You should always contact Us for approval before You incur costs You wish to claim. If You do not, We will pay for costs incurred up to the amount We would have authorised had You sought approval from Us first.

When You make a claim You must:

1. provide details of the incident and when requested complete the claim form We send You;
2. allow Us or Strata Community Insurance to inspect the Community Property at reasonable times and frequency and take possession of any damaged item(s) for reasonable purposes and in any reasonable manner;
3. take all reasonable steps to reduce the Loss or Damage and prevent further Loss or Damage;
4. inform the police as soon as reasonably possible following Theft, Vandalism, malicious or intentional Loss or Damage or misappropriation of money or property;
5. take reasonable steps to keep any damaged items. To ensure You are covered, please contact Us or Strata Community Insurance for approval before any disposal; and
6. not get repairs done, except for essential temporary repairs, until We or Strata Community Insurance give You authority and subject to Our and Strata Community Insurance's right to choose the repairer or supplier. Please contact Us to confirm approval for these costs.

These are only some of the things that You must do if making a claim. Please refer to Claims procedures in the Policy Wording which sets out claims information and what You must do if making a claim.

Complaints

If You are dissatisfied with Our service in any way, please contact Us and We will attempt to resolve the matter in accordance with Our internal dispute resolution procedures.

If We do not make a decision within the period that We tell You We will respond, We will tell You about Your right to lodge a complaint with an external dispute resolution scheme.

If You are not happy with Our response, You can refer Your complaint to AFCA subject to its terms of reference. AFCA provides a free and independent dispute resolution service for consumers who have general insurance disputes falling within its terms.

AFCA's contact details are:

The Australian Financial Complaints Authority

Online: www.afca.org.au

Phone: 1800 931 678

Email: info@afca.org.au

Mail: GPO Box 3 Melbourne VIC 3001

For more information on how We handle complaints You can request a copy of Our procedures, using Our contact details on the back cover.

Privacy Notice

Both We and Strata Community Insurance give priority to protecting the privacy of Your personal information. We do this by handling personal information in a responsible manner and in accordance with the *Privacy Act 1988* (Cth).

Further information is available in Our Privacy Policy available at www.allianz.com.au and the Strata Community Insurance Privacy Policy available at www.stratacommunityinsure.com.au.

How We Collect your Personal Information

We and Strata Community Insurance usually collect Your personal information from You or Your agents. We may also collect it from Our or Strata Community Insurance's agents and service providers; other insurers and insurance reference bureaus; people who are involved in a claim or assisting in investigating or processing claims, including third parties claiming under the Policy, witnesses and medical practitioners; third parties who may be arranging insurance cover for a group that You are a part of; law enforcement, dispute resolution, statutory and regulatory bodies; marketing lists and industry databases; and publicly available sources.

Why We Collect your Personal Information

We and Strata Community Insurance collect Your personal information to enable the provision of products and services, including to process and settle claims; make offers of products and services provided by Us and Strata Community Insurance, related companies, brokers, intermediaries, business partners and others that We or Strata Community Insurance have an association with that may interest You; and conduct market or customer research to determine those products or services that may suit You. You can choose not to receive such product or service offerings by:

1. calling the Allianz Direct Marketing Privacy Service Line on 1300 360 529, EST 8am to 6pm Monday to Friday, or going to Our website's Privacy section at www.allianz.com.au; or
2. with respect to Strata Community Insurance, contacting them using the details on the back cover of this document.

If You do not provide Your personal information We require, We and Strata Community Insurance may not be able to provide You with our services, including settlement of claims.

Who We Disclose your Personal Information To

We and Strata Community Insurance may disclose Your personal information to others with whom We or Strata Community Insurance have business arrangements for the purposes listed in the paragraph above or to enable them to offer their products and services to You. These parties may include insurers, intermediaries, reinsurers, insurance reference bureaus, related companies, advisers, persons involved in claims, external claims data collectors and

verifiers. Disclosure may also be made to parties listed as co-insured on the Policy, government, law enforcement, dispute resolution, statutory or regulatory bodies, or as required by law.

Disclosure Overseas

Your personal information may be disclosed to other companies in the Allianz Group, business partners, reinsurers and service providers that may be located in Australia or overseas. The countries this information may be disclosed to will vary from time to time, but may include Canada, Germany, New Zealand, United Kingdom, United States of America and other countries where the Allianz Group has a presence or engages subcontractors. We and Strata Community Insurance regularly review the security of systems used for sending personal information overseas. Any information disclosed may only be used for the purposes of collection detailed above and system administration.

Access to your Personal Information and Complaints

You may ask for access to the personal information both We and Strata Community Insurance hold about You and seek correction by:

1. calling Us on 1300 360 529 EST 8am-6pm, Monday to Friday; or
2. with respect to Strata Community Insurance, contacting them using the details on the back cover of this document.

Our and Strata Community Insurance's Privacy Policies contain details about how you may make a complaint about a breach of the privacy principles contained in the *Privacy Act 1988* (Cth) and how Your complaints will be dealt with.

Telephone Call Recording

We and Strata Community Insurance may record incoming and/or outgoing telephone calls for training or verification purposes. Where Your telephone call is recorded, You can be provided with a copy at Your request, where it is reasonable to do so.

Your consent

By providing Us and/or Strata Community Insurance with personal information You and any other person You provide personal information for, consent to these uses and disclosures until You tell Us or Strata Community Insurance otherwise. If You wish to withdraw Your consent, including for things such as receiving information on products and offers by Us, Strata Community Insurance or persons We and/or they have an association with, please contact Us and/or Strata Community Insurance.

Updating Our Product Disclosure Statement

Information in the Product Disclosure Statement (PDS) may need to be updated from time to time if certain changes occur where required and permitted by law. Strata Community Insurance will provide You with a new PDS, Supplementary PDS or other compliant document to update the relevant information except in limited cases. Where the information is not something that would be materially adverse from the point of view of a reasonable person considering whether to buy this insurance, Strata Community Insurance may provide You with notice of this information in other forms or keep an internal record of such changes. A copy of any updated information is available to You at no cost by calling Strata Community Insurance.

Other documents may form part of the PDS and the Policy, for example Schedules, Supplementary PDSs and/or Endorsements. If they do We will tell You before You enter into this Policy and in the relevant document. We may also issue other documents forming part of Our PDS and the Policy where required or permitted by law.

Intermediary remuneration

When the Policy has been arranged through an intermediary (such as an insurance broker), remuneration (such as commission) may be payable by Us to them for arranging the insurance. You can ask them or Us for more information.

Financial Claims Scheme

In the unlikely event Allianz were to become insolvent and could not meet its obligations under the policy, a person entitled to claim may be entitled to payment under the Financial Claims Scheme. Access to the Scheme is subject to eligibility criteria. More information can be obtained from www.fcs.gov.au

Further information and confirmation of transactions

If you have any queries, need to clarify any of the information contained in this document or wish to confirm any transaction under the Policy, please contact Strata Community Insurance using the contact details shown on the back cover of this document. If you need to contact Us, Our address is shown under the 'Insurer' part of this PDS.

Terrorism Insurance Act

We have determined that the Policy (or part of it) is a policy to which the *Terrorism Insurance Act 2003* (Cth) (Act) may apply. We may elect to reinsure part or all of Our liability under the Act with the Commonwealth Government reinsurer, the Australian Reinsurance Pool Corporation (ARPC).

As a consequence, We may be required to pay a premium to ARPC and that amount (together with the cost of that part of the cover provided by Us and administrative costs associated with the Act) is reflected in the Premium charged to You. As with any other part of the Premium, it is subject to government taxes and charges such as GST, Stamp Duty and where applicable, Fire Service Levy.

Where We determine that the Policy (or part of it) may become a policy to which the Act may apply as a result of indexation of the Sum Insured during the Period of Insurance as provided for in Other adjustments – Indexation in the PDS, We may also charge You a pro rata Premium for the time during the Period of Insurance that the Policy may be a Policy to which the Act applies. This amount will be shown separately on the Schedule and is subject to government taxes and charges such as GST, Stamp Duty and where applicable, Fire Service Levy.

For further information contact Strata Community Insurance or the intermediary.



Policy Wording:
Community Association
Insurance

Important information

It is very important that You read the Policy carefully and make sure You are satisfied with the insurance. When You enter into the Policy You confirm and warrant that You have read or will read the Policy documents when provided to You.

Sections 1 and 2 of the Policy have been designed to provide insurance cover for the assets and liabilities of the Community Association.

Our contract with You

Where We agree to enter into a Policy with You it is a contract of insurance between Us and You. The Policy consists of:

- this document which sets out the standard terms of Your cover and its limitations;
- Your current Schedule issued by Us. The Schedule is a separate document, which shows the insurance details relevant to You. It may include additional terms, conditions and exclusions relevant to You that amend the standard terms of this document. Only those **Sections** or **Parts** shown as covered in Your Schedule are insured; and
- any other change to the terms of the Policy otherwise advised by Us in writing (such as an Endorsement or Supplementary PDS) at or prior to entry into the insurance contract or when required or permitted by law. These written changes may vary or modify the above documents.

These are all important documents and should be carefully read together and kept in a safe place for future reference.

We reserve the right to change the terms of the Policy where permitted to do so by law.

Any new or replacement Schedule We may send the insured, detailing changes to Your insurance or the Period of Insurance, will become the current Schedule, which You should carefully read and retain.

Some words and expressions have been given a specific meaning in the Policy and You will find their meaning in General definitions. Certain words have special meanings only within a single **Part** of the Policy and their meaning for that **Part** is defined within the **Part** they are applicable to under the heading Definitions applying exclusively to this **Part**.

Payment of Premium

Where We agree to issue a Policy, cover is provided on the basis that You pay or agree to pay Us the Premium We require, in which case We will insure You as set out in the Policy and the Schedule.

You must pay Your Premium by the due date. If We do not receive Your Premium by this date or Your payment is dishonoured, We may be entitled to cancel the Policy in accordance with the process set out in the "Cancelling Your Policy" section. Strata Community Insurance will give You written notice of cancellation.

Adjustments on renewal

Notice

At least fourteen (14) days before Your Policy expires, We will send You a renewal Schedule detailing any changes to Your Sums Insured, Premium and charges, and if any, changes to the terms, conditions and Excesses that previously applied.

You should carefully check all these details and promptly advise Strata Community Insurance if You wish to vary any of the limits or any details are incorrect.

Indexation

On renewal, We will increase Your Sums Insured under **Section 1 Part A and B** by reference to the relevant pricing index increase during Your previous Period of Insurance as published by Cordell.

The renewal Schedule We send You will show Your updated Sum(s) Insured for Your Community Property and the applicable Premium. You should promptly advise Strata Community Insurance should You wish to vary these updated Sums Insured.



Indexation does not apply:

- i. *if Your Sums Insured under **Section 1 Part A and B** exceed \$100,000,000 in total;*
- ii. *to any other Policy limit contained in **Section 1 Part A and B**.*

Other adjustments

If a claim occurs in the previous Period of Insurance and You do not notify Us until after the Premium and other conditions for the next Period of Insurance are determined, We may propose an additional Premium in order to maintain cover. We may cancel Your policy if there is a change and We can't reach an agreement with You on altered terms and conditions or premium, or We are no longer prepared to insure You because there has been a material change to the risk. This condition does not affect any other rights that We have, including the rights We have under Your duty of disclosure.

Indexation

If Your Community Property suffers Loss or Damage during the Period of Insurance We will increase Your Sum Insured under **Section 1 Part A and B** by reference to the relevant pricing index increase since the start date of the current Period of Insurance as published by Cordell.



Indexation does not apply:

- i. *if Your Sums Insured under **Section 1 Part A and B** exceed \$100,000,000 in total;*
- ii. *to any other Policy limit contained in **Section 1 Part A and B**.*

Claims procedures

1. What You must do

As soon as You discover that something has happened that is likely to result in a claim, You must:

- (a) take all reasonable steps to reduce Loss or Damage and to prevent any further Loss or Damage;
- (b) inform the police as soon as reasonably possible following Theft, Vandalism, malicious or intentional Loss or Damage, or misappropriation of money or property.

2. What You should not do

Whatever the circumstances You should not:

- (a) admit guilt or fault (except in court or to the Police);
- (b) admit or deny liability if an incident occurs which is likely to result in someone claiming against You for something We insure;
- (c) offer or negotiate to pay a claim;
- (d) dispose of any damaged items without taking reasonable steps to keep the items or first seeking Our approval. To ensure You are covered, please contact Us before any disposal.

If You do make an admission, denial or offer or if You negotiate to pay a claim, We may reduce or refuse Your claim to the extent We are prejudiced by your admission, denial or offer.

3. How to make a claim

When You make a claim You must:

- (a) promptly inform Strata Community Insurance by telephone, in writing or in person. If Your notification is late and results in higher costs for Us or harms Our investigation opportunities Our liability may be reduced and it may even be reduced to nil;
- (b) provide details of what has occurred and when requested complete and return Our claim form promptly together with proof to support Your claim. Examples of proof include any letters, documents, valuations, receipts or evidence of ownership that You have been reasonably asked to provide;
- (c) comply with reasonable requests to provide written statements under oath if We require it;
- (d) comply with reasonable requests to be interviewed about the circumstances of the claim, if We require this;
- (e) allow Us to inspect Your Community Property at reasonable times and frequency and take possession of any damaged item to deal with it for reasonable purposes and in a reasonable way;
- (f) provide Us as soon as reasonably possible with every notice or communication received concerning a claim or potential claim by another person or concerning any prosecution, inquest or other official inquiry arising from the Event.

4. Approval needed for repairs

You should not commence repairs without Our approval except for essential temporary repairs permitted under Event 1 (h) of **Section 1 Part A**. Please contact Us to confirm approval for repair costs.

5. Repairs or Replacement

We have the right to nominate the repairer or supplier to be used. After We have assessed Your claim, if You are required to enter into a contract with a third party to replace or reinstate Loss or Damage to the Community

Property that We have agreed to pay You will enter into that agreement with the third party as Our agent unless We otherwise advise in writing.

6. You must assist Us

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

- (a) comply with all the requirements of the Policy. We may reduce or refuse Your claim to the extent We are prejudiced by Your non-compliance;
- (b) give Us all information and assistance which We reasonably require in relation to the claim and any proceedings; and
- (c) allow Us access to any and all documents that We reasonably require to ascertain the maintenance history of Your Community Property.

7. False or misleading information

We may deny part or all of Your claim and/or cancel the Policy if the 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 the Policy, We have the right at Our discretion to exercise all Your legal rights relating to the claim 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.

We will act reasonably having regard to Your interests, and will keep You informed if you ask us to.

9. Salvage value

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

At Our discretion (and if safe to do so), You may reclaim the item if You agree to pay the salvage price.

10. Contribution

Where a claim covered under the Policy is also insured elsewhere, We may exercise Our right to seek contribution from the other insurer or insurers.

You must provide Us with details of any other insurance which may cover the same risk to assist Us in this regard.

Acts or omissions of Your Association Manager

We will not deny liability for a claim, or reduce the amount of a claim (subject to any Sum Insured within the Policy not being exceeded), if Our right of denial or reduction is solely caused by an act, error or omission of Your Association Manager while acting on Your behalf.

Canceling Your Policy

1. The insured may cancel the Policy at any time by giving Us notice in writing.
2. We may cancel the Policy on any of the grounds set out in the *Insurance Contracts Act 1984* (Cth) and We will always tell the insured of this in writing.
3. On cancellation, a refund of Premium will be calculated on a pro-rata basis equal to the unexpired period of the Policy less any non-refundable Government charges or levies where applicable.
4. Where We have paid the total Sum Insured on a claim under any **Section** of Your Community Association Policy that **Section** of Your Community Association Policy with Us is deemed to have been fulfilled and there is no refund of any Premium payable on cancellation.

Goods and Services Tax (GST) notice

The amount of Premium payable by You for the Policy includes an amount on account of the Goods and Services Tax (GST) on the Premium.

When We pay a claim, Your GST status will determine the amount We pay.

When You are:

1. not registered for GST:
We will pay up to the Sum Insured, limit of indemnity or other Policy limit including GST.
2. registered for GST:
 - (a) and We have arranged services directly with the service provider, We will pay up to the relevant Sum Insured, limit of indemnity or other Policy limit including GST;
 - (b) and We settle direct with You We will pay up to the Sum Insured, limit of indemnity or other Policy limit and where You are liable to pay an amount for GST in respect of an Acquisition relevant to Your claim We will pay for the GST amount but We will reduce the GST amount We pay by the amount of any Input Tax Credits to which You are or would be entitled.

You must advise Us of Your correct Australian Business Number and Input Tax Credit entitlement. Any GST liability arising from Your incorrect advice is payable by You.

Where the settlement of Your claim is less than the Sum Insured or the other limits of insurance cover, We will only pay an amount for GST (less Your entitlement for Input Tax Credit) applicable to the settlement. This means that if these amounts are not sufficient to cover Your loss, We will only pay the GST relating to Our settlement of the claim.

GST, Input Tax Credit (ITC) and Acquisition have the same meaning as given to those expressions in *A New Tax System (Goods and Services Tax) Act 1999* (Cth) and related legislation as amended from time to time.

General conditions

These General conditions apply to all **Sections** unless otherwise stated. Please remember that if You do not comply with any term or condition, We may (to the extent permitted by law) decline or reduce any claim payment to the extent We are prejudiced by Your non-compliance and/or cancel Your Policy.

1. Alteration of risk

You must promptly advise Us of any changes in the details of the information You have given Us that You know or ought reasonably to have known is relevant to Our decision to insure You and the terms on which We will insure You, or if the nature of the occupation of the Community Property or other circumstances are changed in such a way as to increase the risk of Loss or Damage or the likelihood of liability losses. If We agree to the change We will do so in writing and, if necessary, We will propose any additional Premium We may require before We accept the risk.

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

We may cancel Your Policy if there is a change and We can't reach an agreement with You on altered terms and conditions or premium, or We are no longer prepared to insure You because there has been a material change to the risk.

2. Excess and/or Contribution

You must pay or contribute the amount of any Excess and/or Contribution shown in the Policy or on the Schedule in accordance with the relevant **Section** or **Part**. If We settle Your claim by cash settlement We will deduct the Excess from the amount We pay You. In other circumstances, You may need to pay the Excess as a contribution to Your claim.

Any Excess applying to Loss or Damage caused by an earthquake or seismological disturbance that occurs during any one period of seventy-two (72) consecutive hours will be considered as one Event and not within the period of any previous Event.

Should more than one Excess be payable for any claim under the Policy arising from the one Event or Occurrence, such Excesses will not be aggregated and the highest single level of Excess only will apply. However, an Excess and Contribution payment applies to **Section 2 Part F**.

3. Joint insureds and/or interested parties

- (a) When more than one party is named on the Schedule as an insured We will treat each as a separate and distinct party. The words You, Your, Yours will apply to each party in the same manner as if a separate Policy had been issued to each party;
- (b) when any other party or entity has a legal insurable interest in Your Community Property duly notated in Your records We will protect their interests

provided such interest is fully disclosed to Us in the event of Loss or Damage. We will only be liable to such third parties:

- (i) to the extent of their interest in the insured property; and
- (ii) where Our Notional Liability exceeds the amount of Our liability to You in respect of the Loss or Damage. 'Notional Liability' means the amount for which We would have been liable to You in respect of the particular claim if You had been the only person who had an interest in the insured property,

provided that with regard to both (a) and (b) Our liability for any Sum Insured or other Policy limit for any one Event is not thereby increased and We will never pay to such persons an amount exceeding the loss suffered by them.

Any act, breach or non-compliance with the terms and conditions of the Policy committed by any one such party or entity that has an interest in Your Community Property:

- (a) shall not be prejudicial to the rights and entitlements of the other insured party(ies) or interested party(ies); provided that
- (b) the other insured party(ies) upon becoming aware of any such act, breach or non-compliance which increases the risk of Loss or Damage or liability give Us written notice within a reasonable time.

4. Reinstatement of Sum Insured

After We have admitted liability for a claim We will:

- (a) for claims up to ten percent (10%) of Your Sum Insured:
automatically reinstate Your Sum Insured and/or other limits to their pre-loss amount without charge;
- (b) for claims in excess of ten percent (10%) of Your Sum Insured:
reinstatement of Your Sum Insured and/or other limits to their pre-loss amount, provided You pay or agree to pay an additional Premium as We may require, based on the amount of the claim and the unexpired term of the Policy.



This condition does not apply:

- (a) *when We pay a total loss or constructive total loss;*
- (b) *when We pay the full Sum Insured under any cover Section or Part;*
- (c) *to Section 1: Part A - Events 6, 9, 19, 21 and 22;*
- (d) *to Section 2.*

5. Governing Law and Jurisdiction

The Policy is governed by the laws of Australia. Any dispute relating to the Policy shall be submitted to the exclusive

jurisdiction of an Australian Court within the State or Territory in which the Policy was issued.

6. Subrogation

When We admit a claim under this Policy We will, subject to the *Insurance Contracts Act 1984* (Cth), be subrogated to all Your rights of recovery against all persons or organisations and You will take reasonable steps to execute and deliver instruments and papers and to do all that is necessary to assist Us in the exercise of such rights.



General exclusions

We will not pay for any Loss or Damage, benefit, legal liability, compensation, or any other loss, costs, fees, charges or expenses of whatsoever kind, arising directly or indirectly from, contributed to by, resulting from, or arising out of or in connection with:

1. Act of Terrorism

to the extent permitted by law (including but not limited to as provided under the *Terrorism Insurance Act 2003* (Cth)):

- (a) any Act of Terrorism;
- (b) any action taken in controlling, preventing, suppressing, retaliating against or responding to an Act of Terrorism;
- (c) biological, chemical, nuclear or radioactive contamination, pollution, weapons or explosion arising from an Act of Terrorism;
- (d) non-material damages or non-physical damages of any kind arising from or in any way connected with an Act of Terrorism; or
- (e) any threat of an Act of Terrorism.

2. Cyber and Electronic Data

- (a) the communication, display, distribution or publication of Electronic Data, provided that this exclusion does not apply to Personal Injury arising therefrom to the extent that cover is provided under **Section 2 Part A – Legal Liability**;
- (b) the total or partial damage to, loss, destruction, distortion, erasure, corruption, alteration, misinterpretation, theft or other dishonest, criminal, fraudulent or unauthorized manipulation of Electronic Data from any cause whatsoever (including, but not limited to Computer Attack and/or a Cyber War & Terrorism Event) or loss of use, reduction in functionality, loss, cost, expense and/or fee of whatsoever nature resulting therefrom; or
- (c) an error in creating, amending, entering, deleting or using Electronic Data; or
- (d) total or partial inability or failure to receive, send, access or use Electronic Data for any time or at all,

regardless of any other cause or event contributing concurrently or in any other sequence to the loss or damage.

However, in respect of Section 1, - Parts A, B and D, but for this exclusion, in the event that any Damage results from any of the matters described in this General Exclusion 2 (except for a Cyber War & Terrorism Event) the Policy, subject to all its terms, provisions, conditions, exclusions and limitations, will cover direct Damage and/or consequential loss arising therefrom occurring during the Period of Insurance to Insured Property.

3. Intentional damage

any deliberate or intentional damage or injury or act or omission caused or incurred by You or by any person acting with Your express or implied consent unless for the purpose of preventing or eliminating damage to Community Property or danger to persons.

4. Nuclear

ionising radiation from, or contamination by radioactivity from:

- (a) any nuclear fuel or nuclear waste; or
- (b) the combustion of nuclear fuel (including any self-sustaining process of nuclear fission); or
- (c) nuclear weapons material.

5. War

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.

6. Lawful seizure

the lawful seizure, detention, confiscation, nationalisation or requisition of the Community Property.

7. Land

land, provided that this exclusion shall not apply to structural improvements on or in the land if such structural improvements are not otherwise excluded under the Policy.

8. Crops

crops, growing timber, pastures, vines, vegetables or produce, or allotments.

9. Operational or Business activity

any business, profession, trade or manufacturing operations (other than Business conducted by the Community Association as owners of Community Property or Common Area the subject of the Policy) conducted by You or on Your behalf, or by a Tenant or any other person other than the insured.

10. Utilities

any variation in the supply of or any failure to adequately supply electricity, gas and/or water, except as otherwise specifically provided for in the Policy.

11. Sanctions

circumstances where any cover or benefit or any claim payment where the provision of cover or benefit or payment of claim would constitute a breach of any trade or economic sanction, embargo, prohibition or restriction imposed by any of the following: United Nations, United States of America, Australia, European Union, UK, or New Zealand. This clause shall apply where such geographical location, provision of goods, services or other reasons shall contravene such sanction, embargo, prohibition or restriction.

General definitions

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

There are other definitions that are specific to the individual **Parts** and these appear in the relevant **Parts**.

Act of Terrorism

means any act, or preparation in respect 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.

Association Manager

means a person or other entity appointed in writing by the Community Association with delegated functions including the authority to act as an Office Bearer in terms of legislation applying where the Community Property and Common Area is situated.

Business

means the operations and activities of the Community Association undertaken in relation to the ownership and maintenance of the Community Property and Common Area, including specified use or activities that We have agreed to provide cover for under the terms and conditions of the Policy. Business does not include any other activities undertaken at the Situation unless the insured otherwise advises Us and We agree to such inclusion in writing.

Catastrophe

means an Event in respect of which the Insurance Council of Australia issues a catastrophe code.

Common Area

means the area at the Situation owned by the Community Association not forming part of any individual Lot.

Community Association

means the owner(s) of the Community Property and Common Area, incorporated or registered pursuant to legislation applying where the Community Property and Common Area is situated, and named as the insured in the Schedule.

(Examples of applicable legislation may be found on the inside front cover of this document.)

Community Property

1. Building

means building or buildings, as defined by the legislation applying to the Community Property and Common Area at the Situation where applicable, not forming part of an individual Lot, that the Community Association owns or has legal responsibility to insure for, including:

- (a) outbuildings;
- (b) fixtures and structural improvements including fencing, gates, paths and roadways, retaining walls, awnings, external blinds and signs;
- (c) tennis courts, in-ground swimming pools and spas;
- (d) fixed or built-in plant, equipment and appliances;
- (e) floor coverings including Floating Floors but excluding carpets and floor rugs (whether fixed or un-fixed);
- (f) marinas, wharves, jetties, docks, pontoons, swimming platforms, or similar type facilities (whether fixed or floating) that are:
 - (i) used exclusively for non-commercial purposes; and
 - (ii) that do not provide fuel distribution facilities;
- (g) satellite dishes, radio, television and other antennas including their associated wiring, masts, footings, foundations, moorings and towers;
- (h) underground and overhead services at the Situation but not those services contained within the boundaries of an individual Lot;
- (i) unfixed building materials and uninstalled fittings that are to be fitted to the Community Property but limited to an amount not exceeding 10% of the Sum Insured shown on the Schedule for Buildings, or \$10,000 whichever is the lesser.

2. Common Area Contents

means contents at the Situation that the Community Association owns or has legal responsibility for, including:

- (a) furniture, furnishings, household goods, light fittings, internal blinds, curtains, unfixed artwork, curios, fire extinguishers and the like;
- (b) freestanding appliances such as refrigerators, freezers, washing machines and dryers, other electrical items;
- (c) carpets (whether fixed or unfixed) and floor rugs;
- (d) computers, electronic equipment and office equipment;
- (e) swimming pools or spas that are not in-ground including their covers and accessories;
- (f) wheelchairs, garden equipment including lawn mowers, golf carts, golf buggies or other similar type items but only if such item is not required to be registered.



However, Community Property does not include:

1. *aircraft, caravans, trailers, Vehicles (other than garden appliances not required to be registered), hovercraft and Watercraft including their accessories or spare parts whether fitted or not;*
2. *livestock, fish, birds or other animals;*
3. *money, other than as covered under Event 15 of Section 1 Part A;*
4. *plants, hedges, trees, shrubs, gravel, shale, stones, clay or soil on paths or driveways or tennis courts, soil or bark or mulch in gardens other than as covered under Event 13 of Section 1 Part A;*

Where anything in this definition of Community Property is contrary to the legislation applying where the Community Property and Common Area is situated, the requirements of the legislation will apply.

Community Rental Income

means, as regards to the Community Property or part of the Common Area leased to a Tenant, the amount of money calculated on the basis of the annual rent due under the existing lease (including any 'outgoings' charged by the Community Association payable by the Tenant or lessee) that applied immediately prior to the happening of Loss or Damage less any commission or charges the Community Association is not required to pay to a letting or rental collection agent.

Computer Attack

means any malicious direction of network traffic, introduction of malicious computer code, or other malicious attack directed at, occurring within, or utilising the computer system or network of whatsoever nature.

Cyber War & Terrorism Event

means any Act of Terrorism or Cyberterrorism, regardless of any other cause or event contributing concurrently or in any other sequence to the Loss or Damage.

Cyberterrorism

means any premeditated politically, religiously, or ideologically (or similar objective) motivated attack or disruptive activity, or the threat thereof, by a group or individual against a computer system or network of whatsoever nature or to intimidate any person in furtherance of such objectives.

Depreciation

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

Earth Movement

means heavage, landslide, land-slippage, mudslide, settling, shrinkage, subsidence or collapse.

Electronic Data

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

Endorsement

means a written alteration provided by Us to You that vary the terms, conditions, exclusions and/or limits of the Policy that are shown on and form part of the Schedule.

Erosion

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

Event(s)

means a happening or an incident not intended to happen that occurs during a particular interval of time, or a series of happenings or incidents consequent upon or attributable thereto, which causes or results in Loss or Damage or a legal liability to pay compensation which is payable under the Policy.

Excess

means the amount You must pay towards each and every claim arising out of one Event or Occurrence (as defined under **Section 2 Part A**). You will find the amount of any Excess shown on the Schedule or within the Policy.

Floating Floors

means engineered, laminated, veneered or similar (pre-finished) type flooring not fixed or attached to the sub-floor but held in position by its own weight and/or skirting boards at perimeter walls.

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) a 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 that is equivalent to or substantially the same as but not better nor more extensive than its condition at the time of Loss or Damage taking into consideration age, condition and remaining useful life.

Land Value

means the sum certified by the Valuer General as being the value of the land at the Situation after due allowance has been made for variations or other special circumstances affecting such value either before or after the Loss or Damage and which would have affected the value had Loss or Damage not occurred.

Loss or Damage

means direct physical loss or destruction of, or damage to, property from any sudden and accidental cause not otherwise excluded by the Policy.

Lot

means an individual parcel of land shown on a plan as a lot within a Community Association, but not the areas indicated as Community Property and/or Common Areas.

Lot Owner(s)

means a person, persons or other entity registered as a proprietor or owner of a Lot within the Community Association but not the Community Association itself.

Members

means and is limited to the interest of proprietors, Lot

Owners or shareholders in respect of the ownership of the Community Property and/or Common Areas in terms of legislation applying where the Community Property and Common Area is situated.

The interests or liabilities of Members as owners and/or occupiers of any Lot are not covered unless specifically provided for by the Policy.

Office Bearer

means:

1. a person or other entity appointed to act as an Office Bearer or committee member of the insured;
2. an Association Manager appointed as a delegate of an Office Bearer and/or committee member;
3. a person invited by an Office Bearer and/or committee member to assist in the management of the Community Association's affairs;

but does not include an Association Manager or any other contracted person(s), firm or company when acting in their professional capacity.

Period of Insurance

means the period of time that You are insured for as indicated by the commencement and expiry dates shown on the Schedule, unless ending earlier in accordance with the Policy terms and conditions or law.

Policy

means this PDS and Policy Wording, the Schedule (including any issued in substitution), any Endorsements or any other document We tell the insured forms part of the Policy at or prior to commencement of the Policy or when required or permitted by law, attaching to or contained within those documents, and which will be the legal contract between the insured and Us.

Premium

means any amount We require the insured to pay as consideration for the Policy. Government charges and/or levies and/or administration fees will be added where applicable and separately identified on the Schedule.

Rainwater

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

Replacement

means:

1. the reasonable cost of rebuilding, replacing or repairing the Community Property and/or Common Areas to a condition which is equivalent to or substantially the same as but not better nor more extensive than when it was new; and

2. the extra costs necessarily incurred to:
 - (a) alter or upgrade the Community Property and/or Common Areas to comply with public, statutory or Environmental Protection Authority requirements; or
 - (b) flush out the air in the repaired, replaced, or rebuilt Community Property and/or Common Areas with 100% outside air as required by The Green Building Council of Australia Green Star® or LEED® standards;

but does not include any costs that would have been incurred in complying with orders issued prior to the happening of Loss or Damage.

Schedule

means one of the following:

1. the document titled Schedule which includes the insured's name and address, the Premium and any other variations to Our standard Policy (including any Endorsement clauses); or
2. the renewal Schedule We issue the insured.

Either of these documents may be re-issued from time to time where required or permitted by law and each successor overrides the earlier document.

Situation

means the land at the address(es) shown on the Schedule or the registered address of the Community Association where the Community Property and/or Common Areas is situated.

Storm

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

Storm Surge

means an abnormal rise or fall in the level of the sea caused by the winds of an intense Storm or a named cyclone.

Sum Insured

means the amount(s) shown on the Schedule against the individual **Sections** or **Parts** You are insured for and is the maximum amount of Our liability, inclusive of claimant's costs and expenses recoverable from You, for all claims in the aggregate under each **Section** or **Part**:

1. during any one Period of Insurance; and
2. unless a specified limit is otherwise stated, or We state that amounts are payable in addition to the Sum Insured, in a particular **Section** or **Part** of the Policy.

Tenant

means any person authorised under the terms of a lease, rental or similar type agreement to occupy part of the

Community Property and/or Common Areas, including their invitees.

Theft

means any theft, burglary or housebreaking with or without forcible and violent entry into or exit from the Community Property and/or Common Areas.

Tsunami

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

Vandalism

means malicious or willful acts intended to cause Loss or Damage or harm for the sake of doing harm. Such acts do not mean Wear and Tear.

Vehicle(s)

means:

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

Watercraft

means any vessel or craft made or intended to float on or in water.

Wear and Tear

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

We, Our, Us

means:

1. Allianz Australia Insurance Limited (Allianz), as underwriters and insurers;
2. Strata Community Insurance Agencies Pty Ltd, (Strata Community Insurance), in their capacity as agent of Allianz;

except in respect of Workers Compensation, in which case the entities detailed under **Section 2 Part G** and in the separate Workers Compensation policy document apply.

You, Your, Yours, Yourself

means the insured as named on the Schedule.

Section 1 - Community Property and income

Part A - Community Property

What We cover / What We do not cover

Section 1 Part A provides cover for the Events listed below which occur during the Period of Insurance.

In order to be sure that You are covered under this Policy You should always contact Us for approval before You incur costs You wish to claim. If You do not, We will pay for costs incurred up to the amount We would have authorised had You sought approval from Us first.

1. We will pay up to the Sum Insured shown on the Schedule for **Section 1 Part A** for Loss or Damage to the Community Property on the basis set out in Claims - basis of settlement, including the necessary cost of:

- (a) (i) architect's fees, surveyor's fees and other professional fees;
- (ii) removal, storage and/or disposal of debris, being the residue of the damaged Community Property (including debris required to be removed from adjoining or adjacent public or private land) and of anything which caused the Loss or Damage;
- (iii) clearing, cleaning and repairing drains, gutters, sewers and the like where the blockage causes or is the result of physical Loss or Damage to the pipe or drain;
- (iv) dismantling, demolishing, shoring up, propping, underpinning, or other temporary repairs;
- (v) demolition and disposal of any undamaged portion of the Community Property including undamaged foundations and footings in accordance with a demolition order issued by a public or statutory authority;

- (b) fees, contributions or imposts required to be paid to any public or statutory authority to obtain their authority to rebuild, repair or replace the Community Property;



We will not pay for any fine or penalty imposed by any such authority;

- (c) legal fees You necessarily incur in making submissions and/or applications to any public or statutory authority, Builders Licensing Board, or Land and Environment Courts.

- (d) Loss or Damage to fences and gates as a result of Storm;



We will not pay:

- (i) *if gradually operating causes (such as but not limited to Wear and Tear, gradual corrosion, gradual deterioration, wet or dry rot, rust, vermin or insects) primarily contribute towards the Loss or Damage; and*

- (ii) *unless We are notified and given a reasonable time to inspect the Loss or Damage before any repair or Replacement is commenced. To ensure You are covered, please contact Us before any repair or Replacement to confirm consent for these costs.*

- (e) Loss or Damage caused by a Tsunami;

- (f) Loss or Damage caused by emergency services such as police, fire brigade, ambulance or others acting under their control, in gaining access to the Community Property in the lawful pursuit of their duty;

- (g) sudden and unforeseen Loss or Damage caused by smoke or smut from industrial operations;



We will not pay for Loss or Damage resulting from any gradually operating cause;

- (h) reasonable emergency repair costs You necessarily incur in pursuance of Your duty to minimise insured Loss or Damage and avoid further losses provided that if such costs are likely to exceed \$5,000 You should first obtain Our written consent prior to You incurring costs in excess of this amount. Please contact Us to confirm consent for these additional costs;

- (i) reasonable costs for the temporary protection and safety of the Community Property that You necessarily incur as a result of Loss or Damage that is admitted as a claim under **Section 1 Part A** provided that if such costs are likely to exceed \$5,000 You should first obtain Our written consent prior to You incurring costs in excess of this amount. Please contact Us to confirm consent for these additional costs.

2. Act of Terrorism

Where We determine that the Policy is not an eligible insurance contract as defined under the *Terrorism Insurance Act 2003* (Cth) and the total Sums Insured for the Community Property and/or Community Rental Income as shown on the Schedule under **Sections 1 Parts A and B** (if applicable) is less than \$100,000,000 then We may agree that General Exclusion 1(a) will not apply in relation to actual Loss or Damage, cost or expense otherwise covered under this **Section 1**.

If We agree to provide this cover it will be shown on the Schedule, however in such circumstances Our maximum liability in the aggregate in any one Period of Insurance will not exceed the Sum Insured of the Community Property and/or Community Rental Income as shown in the Schedule or \$100,000,000, whichever is the lesser. No cover is provided for events which are excluded under General Exclusions 1(b), (c), (d) or (e).

3. Exploratory costs, Replacement of defective parts

When the Community Property suffers Loss or Damage as a result of:

- (a) bursting, leaking, discharging or overflowing of water tanks, water apparatus or water pipes; or
- (b) bursting, leaking, discharging of gas tanks, gas apparatus or gas pipes; or
- (c) leakage of oil from any fixed oil installation, including tanks, apparatus and pipes;

We will pay the reasonable costs of locating the cause of the Loss or Damage and for any Loss or Damage caused in locating the leak.

We will also pay:

- (i) up to \$1,000 for the repair or Replacement of the defective part or parts of such tanks, apparatus, pipes or other installations giving rise to the Loss or Damage; and
- (ii) up to \$1,000 to rectify contamination damage or pollution damage to land at the Situation caused by the escape of the liquid giving rise to the Loss or Damage.



We will not pay for any of these costs if the bursting, leaking, discharging or overflowing is caused by a Building defect, Building movement or faulty workmanship. We will also not pay for these costs

if caused by rust, oxidation, corrosion, Wear and Tear, gradual corrosion, gradual deterioration, Earth Movement (unless the bursting, leaking, discharging or overflowing is caused by Earth Movement within 72 hours as a direct result of Events listed in Part A – Community Property of Section 1 Community Property and income) or by trees, plants or their roots.

Cover for Events 4 to 28 are included in addition to the Sum Insured for Section 1 Part A.

4. Fallen trees

We will pay up to \$10,000 for the reasonable professional costs You necessarily incur for:

- (a) the removal and disposal of trees or branches;
- (b) the cost of treating the stump or root to prevent re-growth;

if a tree or branch falls and causes Loss or Damage to the Community Property or landscaped gardens.



We will not pay for removal or disposal of:

- (a) *trees or branches that have fallen and not damaged the Community Property or landscaped gardens; or*
- (b) *tree stumps or roots.*

5. Alterations / additions

When You make alterations, additions or renovations to the Community Property during the Period of Insurance We will:

- (a) during the construction period:

pay up to \$100,000 for Loss or Damage to such alterations, additions or renovations by an Event claimable under **Section 1 Part A** provided:

- (i) the total contract value of such alterations, additions or renovations does not exceed that amount; or
- (ii) You notify Us and We otherwise agree in writing before the commencement of such alterations, additions or renovations and if requested pay or agree to pay Us any extra Premium We may require.



We will not pay if You have entered into a contract with a builder, contractor or similar entity and they are required by law to effect, and they have effected, insurance that insures material damage and liability risks.

However, as permitted by law, when You are required under the terms of a contract condition to effect insurance on the Community Property in the names of both You and the contractor We will cover the

interest of the contractor as a third party beneficiary as defined in the *Insurance Contracts Act 1984* (Cth), in respect of Loss or Damage to such alterations, additions or renovations provided You advise Us with details where the total contract value is in excess of \$100,000 prior to such work commencing.

(b) upon practical completion:

pay up to \$100,000 for Loss or Damage to the completed alterations, additions or renovations by an Event claimable under **Section 1 Part A** provided:

- (i) You notify Us as soon as reasonably possible after the practical completion of such alterations, additions or renovations, and if You do not, We may reduce or deny Your claim to the extent We are prejudiced by Your delay;
- (ii) You have the Community Property revalued for insurance purposes as soon as reasonably possible after such practical completion, and if You do not, We may reduce or deny Your claim to the extent We are prejudiced by Your delay; and
- (iii) if requested You pay or agree to pay Us any extra Premium We may require.

6. Arson reward

We will pay a reward of up to \$10,000 for information (We will only pay this reward once in any one Period of Insurance irrespective of the number of people supplying information) which leads to a conviction for arson, Theft, Vandalism or malicious damage provided such Loss or Damage is claimable under **Section 1 Part A**.

We will pay the reward to the person or persons providing such information or in such other manner as We may decide.

7. Electric motors

We will pay up to \$5,000 for the cost of repairing or replacing an electric motor forming part of the Community Property which has been burnt out by Fusion.

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 (for example 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 the closest match to an equivalent appliance will be the basis of any claim.



We will not pay for:

- (a) *motors if covered under a guarantee or warranty or maintenance agreement;*

(b) *other parts of any electrical appliance nor for any software;*

(c) *lighting or heating elements, fuses, protective devices or switches;*

(d) *Fusion which occurs as a result of sparking or arcing occurring during ordinary working;*

(e) *any benefit under this Event where **Section 1 Part D** is shown as 'Included' on the Schedule.*

8. Electricity, gas, water and similar charges – excess costs

We will pay up to \$2,000 any one Event for the cost of:

- (a) increased usage of metered electricity, gas, sewerage, oil and water;
- (b) accidental discharge of metered electricity, gas, sewerage, oil and water;
- (c) additional management charges;

You are required to pay following Loss or Damage to the Community Property by an Event which is admitted as a claim under **Section 1 Part A**.

9. Electricity, gas, water and similar charges – unauthorised use

We will pay up to \$2,000 any one Period of Insurance for the cost of metered electricity, gas, sewerage, oil and water You are legally required to pay following its Theft or unauthorised use by any person taking possession or occupying any part of the Community Property without Your consent.



We will not pay unless all reasonable steps are taken to terminate such unauthorised use as soon as reasonably possible after You become aware of it.

10. Environmental upgrades/improvements

If the Community Property is:

- (a) damaged by an Event claimable under **Section 1 Part A**; and
- (b) the cost to rebuild, replace or repair the damaged portion is more than twenty-five percent (25%) of what the cost would have been had the Community Property been totally destroyed;

We will, in addition to the cost of necessary environmental improvements payable under **Section 1 Part A**, also pay up to \$2,000 for the cost of additional environmental upgrades/improvements to the Community Property such as rainwater tanks, solar energy units, hot water heat exchange systems, and grey water recycling systems which are being replaced, repaired or reinstated.

11. Fire extinguishing

We will pay for the reasonable costs and expenses You necessarily incur in:

- (a) extinguishing a fire at the Situation, or in the immediate vicinity of the Situation and threatening to involve the Community Property or for the purpose of preventing or diminishing Loss or Damage including the costs to gain access to any property;
- (b) replenishing firefighting appliances, replacing used sprinkler heads, and resetting fire, smoke and security alarm systems;
- (c) shutting off the supply of water or any other substance following the accidental discharge or escape of such substances from fire protective equipment.

12. Keys, lock replacement

If keys to the Community Property are accidentally lost or stolen, We will pay up to \$2,000 for the reasonable costs You necessarily incur in:

- (a) re-keying or re-coding locks together with replacement keys; or
- (b) replacing locks with locks of a similar type and quality if they cannot be re-keyed or re-coded;

to restore security to the same level of security that existed prior to when the keys were lost or stolen.

13. Landscaping

We will pay up to \$10,000 for the reasonable costs You necessarily incur in replacing or repairing damaged trees, shrubs, plants, lawns or rockwork at the Situation damaged by an Event payable under **Section 1 Part A**.

14. Meeting room hire

We will pay up to \$5,000 for the cost of hiring temporary meeting room facilities for the purpose of holding Your annual general meeting or committee meetings if You are unable to occupy the meeting room facilities forming part of the Community Property due to Loss or Damage which is admitted as a claim under **Section 1 Part A**.

We will pay from the time of the Event until the time when access to Your meeting room facilities are re-established.

15. Money

We will pay up to \$10,000 for loss of Your money while in the personal custody of an Office Bearer or committee member of Yours, or of Your Association Manager while acting on Your behalf.



We will not pay for fraudulent misappropriation, larceny or Theft or any attempt thereof by any persons, including:

- (a) *any person in Your employment;*
- (b) *a Lot Owner or Member (including in their capacity and whilst engaged in duties of an Office Bearer or committee member of Yours), including any family member permanently residing with them; or*
- (c) *a proxy of a Lot Owner or Member.*

16. Personal property of others

We will pay up to \$10,000 for the Indemnity Value of personal property of others (including employees) that suffers Loss or Damage by an Event payable under **Section 1 Part A**, while in Your physical or legal control.

17. Purchaser's interest

When a purchaser has signed an agreement to buy part of or all of Your Community Property, Section 50 of the *Insurance Contracts Act 1984* (Cth) may operate to allow cover under this **Section 1 Part A** of the Policy for the purchaser, but only to the extent provided by law within Section 50 of the *Insurance Contracts Act 1984* (Cth).

18. Records

We will pay up to \$20,000 for the reasonable expenditure You necessarily incur in collating information, preparing, rewriting or reproducing records, books of account, Electronic Data (subject to General exclusion 2) and valuable papers directly related to the Community Property that are damaged by an Event claimable under **Section 1 Part A**, while anywhere in Australia.

19. Removal of nests

We will pay up to \$1,000 any one Period of Insurance for the cost of removing wasps' or bees' nests from the Community Property that represent a danger to You or the public.



We will not pay:

- (a) *unless You first obtain Our consent to incur such costs. Please contact Us to confirm approval for these costs;*
- (b) *for the cost of removing any nests that existed prior to the commencement of Section 1 Part A.*

20. Removal, storage costs

We will pay up to \$10,000 for the reasonable costs You necessarily incur in:

- (a) removing any undamaged portion of the Community Property to the nearest place of safe keeping;
- (b) storing such undamaged portion at that place or an equivalent alternate place;
- (c) returning such undamaged portion to the Situation when restoration work is completed;
- (d) insuring the undamaged Community Property during such removal, storage and return;

following Loss or Damage to the Community Property that is admitted as a claim under **Section 1 Part A**.

21. Removal of illegally deposited rubbish

We will pay up to \$5,000 any one Period of Insurance for the reasonable costs and expenses incurred by You with Our consent in the clearing and removal of any property illegally deposited at the Situation.



We will not pay if such a happening is not reported to the appropriate authority such as police or local council within a reasonable time.

You must by way of Excess pay or contribute the first \$1,000 for each and every claim.

22. Removal of squatters

We will pay You up to \$1,000 any one Period of Insurance for legal fees necessarily incurred to repossess the Community Property if squatters are living in it.



We will pay if You or they first obtain Our consent to incur such legal fees.

23. Signwriting

We will pay up to \$5,000 for the costs You necessarily incur in replacing signwriting, ornamentation, reflective materials or alarm tapes affixed to glass forming part of the Community Property if such glass suffers Loss or Damage by an Event payable under **Section 1 Part A**.

24. Title deeds

We will pay up to \$5,000 for the costs You necessarily incur in replacing title deeds to the Community Property if they are lost or damaged by an Event payable under **Section 1 Part A**, while the Title Deeds are anywhere in Australia.

25. Water removal from basement

We will pay up to \$5,000 for the reasonable costs You necessarily incur in removing water from the basement or undercroft area of the Community Property:

- (a) if such inundation is directly caused by Storm or Rainwater; or
- (b) if inundation is directly caused by Flood and Optional Cover 1) Flood is shown as 'Included' on the Schedule.



*We will not pay if the inundation is caused by any other Event which is not payable under **Section 1 Part A**.*

26. Professional fees

We will pay up to \$50,000 for the reasonable cost of professional fees and other expenses You necessarily incur with Our written consent in the preparation of a claim under **Section 1 Parts A and B**.

27. Temporary Removal of Community Property

We will pay up to \$20,000 for Loss or Damage to Community Property whilst temporarily removed for a period of up to thirty (30) days from the Situation including whilst such property is in transit, providing such Loss or Damage is not otherwise excluded under the Policy.

28. Temporary office hire

We will pay up to \$3,000 for the cost reasonably incurred to hire offices for the purpose of temporarily conducting the Business of the Community Association if You or an Association Manager:

- (a) permanently occupy an office for the purpose of administration of the Community Association, and
- (b) the office forms part of the Community Property, and
- (c) the office is unable to be occupied as a result of Loss or Damage which is admitted as a claim under **Section 1 Part A**.

We will pay from the time of the Event until the time when reasonable access to Your office facilities is re-established.



Exclusions - What We do not cover

1. *In addition to the General Exclusions, We will not cover You under this **Section 1 Part A** for any Loss or Damage, benefit, legal liability, compensation, or any other loss, costs, fees, charges or expenses of whatsoever kind, arising directly or indirectly from, contributed to by, resulting from, or arising out of or in connection with:*

- (a) *Flood.*

However, We will pay if Optional Cover 1) Flood is shown as 'Included' on the Schedule.

- (b) *or to retaining walls resulting from Storm, Storm Surge or Rainwater.*

- (c) (i) *moths, termites or other insects, vermin, mice, rats;*

- (ii) *rust or oxidisation, mildew, mould, contamination or pollution, wet or dry rot, corrosion, gradual corrosion or deterioration, change in colour, dampness of atmosphere or other variations in temperature, evaporation, disease;*

- (iii) *inherent vice or latent defect;*

- (iv) *loss of weight, change in texture or finish or pecking, biting, chewing or scratching by birds or animals;*

- (v) *Wear and Tear, fading, concrete or brick cancer, gradual deterioration or developing flaws;*

- (vi) *lack of maintenance or failure to maintain the Community Property in a reasonably good state of repair.*

However, We will pay under c) if any of these causes directly results in Loss or Damage from any other Event claimable under **Section 1 Part A**.

- (d) *non-rectification of a defect, error or omission that You were aware of, or should reasonably have been aware of.*

- (e) *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:

- (i) Fusion of electric motors as covered under Event 7 of **Section 1 Part A**;
 - (ii) lightning;
 - (iii) power surge when such Event is confirmed by the supply authority; or
 - (iv) resulting fire damage.
- (f) *any action of the sea, high water, tidal wave or Storm Surge.*

However, We will pay if the Loss or Damage is due to Tsunami.

- (g) *vibration or the removal or weakening of, or interference with, the support of land or buildings or any other property, Erosion or Earth Movement.*

However, We will pay if the Loss or Damage is due to:

- (i) earthquake or seismological disturbance, Tsunami, explosion, physical impact by aircraft;
- (ii) bursting, leaking or overflowing of water tanks, pipes, drains, gutters or other water or liquid carrying apparatus; and
- (iii) Flood, if Optional Cover 1) Flood is shown as 'Included' on the Schedule.

- (h) *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 which is otherwise not excluded.

- (i) *the invasion of tree or plant roots nor for the cost of clearing pipes or drains blocked by any such invasion.*

However, We will pay for water or liquid damage resulting from blocked pipes or drains.

- (j) *the movement of swimming pools or spas or the accidental breakage, chipping or lifting of tiles of swimming pools or spas or their surrounds.*

However, We will pay if the Loss or Damage is due to bursting, leaking or overflowing of water tanks, pipes or drains which is not otherwise not excluded.

- (k) *smut or smoke from industrial operations.*

However, We will pay if such Loss or Damage is sudden or unforeseen.

- (l) *any process involving the application of heat being applied directly to any part of the Community Property.*

However, We will pay if any other part of the Community Property is damaged or destroyed by fire.

- (m) *the normal settling, creeping, heaving, seepage, shrinkage, or expansion in Buildings, foundations / footings, walls, bridges, roadways, kerbing, driveways, paths, garden borders and other structural improvements.*

- (n) *or to water in swimming pools, spas or water tanks, streams, rivers, creeks, dams, irrigation channels, ponds, fountains or other water features.*

- (o) *or to glass caused by artificial heat, during installation or removal, that has a crack or imperfection, or is required to be insured by any other party in terms of an occupancy agreement.*

- (p) *or to carpets and other floor coverings resulting from staining, fading or fraying.*

However, We will pay if the Loss or Damage directly results from any other Event claimable under **Section 1 Part A**.

- (q) *or to the Community Property if it is vacant and undergoing demolition unless Our written consent to continue cover has been obtained before the commencement of demolition.*

- (r) *or to the Community Property directly resulting from construction, erection, alteration or addition where the value of such work exceeds \$100,000 unless Our written consent to continue cover has been obtained before the commencement of such work.*

However, We will pay for Loss or Damage that results from any other Event payable under **Section 1 Part A**.

- (s) *or to any boiler (other than a boiler used for domestic purposes) economiser or other pressure vessel, including pipes, valves and other apparatus thereof in respect of which a certificate is required to be issued under the terms of any statute or regulation occasioned by or arising from explosion, rupture, collapse, bursting, cracking or overheating thereof provided that this exclusion shall be limited to the aforementioned items immediately affected and shall not extend to other property as a result of such destruction, Loss or Damage.*

2. We will not pay for:

- (a) *demolition ordered by any public or statutory authority as a result of Your failure, or the failure of anyone acting on Your behalf, to comply with any lawful requirement or due to the incorrect siting of the Community Property;*
- (b) *the cost of rectifying faulty or defective materials or faulty or defective workmanship;*
- (c) *consequential loss, meaning We don't cover You for anything not expressly described under this **Section 1 Part A**. Some examples of what We won't pay for include loss of use or Depreciation;*
- (d) *the cost of clearing blocked pipes or drains unless the blockage causes or is the result of physical Loss or Damage to the pipe or drain.*

However, We will pay for water or liquid Loss or Damage to the Community Property resulting from the overflow of such blocked pipes or drains.

Claims - basis of settlement

1. Replacement

- (a) If the Community Property is damaged, We may choose (acting reasonably) to either rebuild, replace, repair the damaged property or pay the amount it would cost to rebuild, replace or repair the damaged property.
- (b) The amount We pay under **Section 1 Part A** will be the cost of Replacement at the time of Replacement subject to the following provisions:
 - (i) the necessary work of rebuilding, replacing or repairing (with Our prior written agreement this may be carried out upon another site or in any manner suitable to Your requirements provided Our liability is not increased) must be commenced and carried out without unreasonable delay (provided that You will not be responsible for any delay caused by Us);
 - (ii) where the Community Property contains any architectural or structural feature of an ornamental, heritage or historical character or where materials used in the original construction are not readily available We will use the nearest reasonably equivalent available to the original materials;
 - (iii) if it is lawful, and with Our prior written consent, You will not be required to actually rebuild any building destroyed but may purchase an alternative existing building or part thereof to replace all or part of the one destroyed. Such Replacement will be deemed to constitute Replacement for the purpose of this insurance provided Our liability is not increased;
 - (iv) if You cause unreasonable delays in commencing or carrying out Replacement, We will not pay any extra costs that result from that delay;
 - (v) when We wish to rebuild, replace or repair and You do not want this to occur We will only pay the Indemnity Value (less any labour components) of the damaged property.



We will not pay for the cost to:

- (a) *rebuild or replace the undamaged Community Property;*
- (b) *rebuild, replace or repair illegal installations.*

For each and every claim You have to pay the amount of Excess shown on the Schedule or in **Section 1 Part A**.

2. Undamaged part of Community Property, foundations and footings

If the Community Property is damaged and any public or statutory authority requires Replacement to be carried out on another site We will pay for the value of any undamaged part of the Community Property, including foundations and footings, as though they had been destroyed.

If the sale value of the original Situation with such undamaged part is greater than without them We will deduct the amount of such difference from any settlement otherwise payable by Us.

3. Floor space ratio

If the Community Property is damaged and Replacement is limited or restricted under an ordinance or regulation issued by a public or statutory authority requirement that results in the reduction of the floor space ratio index, We will pay the difference between:

- (a) the actual costs incurred in Replacement in accordance with the reduced floor space ratio index; and
- (b) the estimated cost of Replacement at the time of Loss or Damage had the reduced floor space ratio index not applied.

4. Land value

We will pay the difference between Land Value before and after Loss or Damage if any public or statutory authority refuses to allow the Community Property to be replaced or only allows partial Replacement, less any sum paid by way of compensation by any such authority. The maximum We will pay will be up to \$500,000.

Special condition applying to the Claims - basis of settlement

Under Clauses 2, 3 and 4 of Claims - basis of settlement Our maximum liability is limited to the extent to which the Sum Insured for **Section 1 Part A** is not otherwise exhausted.

If We disagree with You over the values determined under 2, 3 or 4 Our disagreement will be referred to two registered valuers for a decision. We will each appoint one valuer. If the two registered valuers do not agree, a third registered valuer appointed by the President of the Australian Property Institute as an expert will decide the loss of Land Value and that decision will be final and binding on both parties. The third registered valuer will at the time of determining the loss of Land Value decide which party is to pay the costs for this referral.

Part B - Community Rental Income

What We cover

1. Community Rental Income

When the Community Property and/or Common Area has been leased out, or it can be substantiated by means of a signed agreement that the Community Property and/or Common Area would have been leased out, We will pay You up to the Sum Insured shown on the Schedule for the Community Rental Income that is lost or would have been lost if the Community Property and/or Common Area (as applicable) is made unfit to be occupied for its intended purpose by Loss or Damage that is admitted as a claim under **Section 1 Part A**.

We will pay:

- (a) from the time of the Event until the time the Community Property is let or re-let following completion of rebuilding, repairs or Replacement provided You demonstrate that all reasonable actions have been taken to obtain a new Tenant; or



We will not pay for a period longer than twenty-four (24) months, and in any case no longer than three (3) months from the practical completion of the rebuilding, repairs or Replacement.

- (b) if the Community Property is not rebuilt or replaced, for the time it would have reasonably taken to rebuild or replace the Community Property up to a maximum of twelve (12) months.

2. Disease, murder and suicide

We will pay You for Community Rental Income that is lost if the Community Property cannot be occupied by order of the police, a public or statutory authority, other body, entity or person so empowered by law, due to:

- (a) the discharge, release or escape of legionella or other airborne pathogens from water tanks, water systems, air-conditioning plant cooling towers and the like;
 - (b) a human infectious or contagious disease; or
 - (c) murder or suicide;
- occurring at the Situation.

We will pay for Community Rental Income lost from the time the order is invoked until the time the order is revoked, or for a period of thirty (30) days, whichever first occurs.



We will not pay for loss, costs or damage caused by, arising from or in any way connected with Highly Pathogenic Avian Influenza in Humans or any disease declared to be a listed human disease under the Biosecurity Act 2015 (Cth) (including amendments), or listed under successor Commonwealth legislation dealing with quarantine or biosecurity matters (including delegated legislation) whether occurring at Your Situation or elsewhere;

3. Failure of supply services

We will pay You for Community Rental Income that is lost if the Community Property is made unfit to be occupied for its intended purpose by the failure of electricity, gas, water or sewerage services resulting from Loss or Damage by an Event claimable under **Section 1 Part A** happening to property belonging to or under the control of any such supply authority.

Provided the failure of services extends for more than twenty-four (24) hours We will pay from the time of the failure until the time such services are reinstated, or for a maximum period of thirty (30) days, whichever first occurs.

4. Cost of re-letting

When any part of the Community Property has been leased out and it is made unfit to be occupied for its intended purpose by Loss or Damage that is admitted as a claim under **Section 1 Part A** and Your Tenant at the time of the Event subsequently advises they will not be reoccupying the Community Property previously leased, We will pay You reasonable reletting costs up to \$1,500.

The combined total amount We will pay arising out of any one Event that is admitted as a claim under **Section 1 Part B** (clauses 1) to 4) inclusive) is limited to the Sum Insured shown on the Schedule for **Section 1 Part B**.



Exclusions - What We do not cover

*In addition to the General Exclusions, We will not cover You under this **Section 1 Part B** for any Loss or Damage, benefit, legal liability, compensation, or any other loss, costs, fees, charges or expenses of whatsoever kind, arising directly or indirectly from, contributed to by, resulting from, or arising out of or in connection with:*

1. **Flood.**
However, We will pay if Optional Cover 1) Flood is shown as 'Included' on the Schedule.
2. *any consequential loss, meaning We don't cover You for anything not expressly described under this **Section 1 Part B**. An example of what We won't pay for is loss of use.*

Optional Covers

The following Optional Covers are operative only when **Section 1 Part A** and/or **Part B** and the Optional Cover(s) are shown as 'Included' on the Schedule.

1) Flood

We will cover;

- (a) **Section 1 Part A** (if shown on the Schedule) - Loss or Damage to the Community Property; and/or
- (b) **Section 1 Part B** (if shown on the Schedule) - Loss of Community Rental Income,

caused by Flood which occurs during the Period of Insurance.

The maximum We will pay for any one Event, under **Section 1 Part A** and/or **Part B** for Flood, whether designated as a Catastrophe or not, is the Sum Insured shown within the Flood Endorsement on the Schedule.

2) Catastrophe

If the Insured Property is destroyed or We declare it a constructive total loss following Loss or Damage caused by an Event that occurs during the Period of Insurance due to:

- (c) the happening of a Catastrophe; or
- (d) an Event that occurs not later than sixty (60) days after a Catastrophe, provided the Community Property has been continuously insured with Us for that period,

providing the Event giving rise to the Loss or Damage is admitted as a claim under **Section 1 Part A** and You are replacing and reinstating the Community Property We will increase the Sum Insured shown on the Schedule against **Section 1 Part A** up to thirty percent (30%) or such other percentage as We may agree in writing.

Part C - Fidelity guarantee

Section 1 Part C is an optional cover and is only operative when a Sum Insured for Fidelity Guarantee is shown on the Schedule. If no Sum Insured appears against **Section 1 Part C**, then **Section 1 Part C** is not insured.

Definitions applying exclusively to this Part:

Funds

means money, securities or other negotiable instruments received by You, or collected on Your behalf, which has been or was to be set aside for the financial management of Your affairs. Funds do not include the personal money, securities or negotiable instruments of Lot Owners or Members.

What We cover

We will indemnify You up to:

1. the Sum Insured shown on the Schedule for **Section 1 Part C** in respect of fraudulent misappropriation of Your Funds that occurs during the Period of Insurance;
2. \$2,500 for the cost of fees payable to external auditors that are reasonably and necessarily incurred to support a valid claim under clause 1. above.



Exclusions - What We do not cover

In addition to the General Exclusions, We will not cover You under this **Section 1 Part C** for any:

1. *fraudulent misappropriation unless and until You have exhausted Your rights and entitlements to payment pursuant to any other fidelity bond or fidelity fund of whatsoever nature that might exist pursuant to any law;*
2. *fraudulent misappropriation committed after the initial discovery of loss;*
3. *fraudulent misappropriation conducted, condoned or ignored by You or by another person with Your express or implied consent;*
4. *losses arising out of fraudulent misappropriation committed prior to the commencement of **Section 1 Part C**;*
5. *claims arising out of losses discovered more than twelve (12) months after the expiry of **Section 1 Part C**.*

Claims - basis of settlement

We will not pay the amount shown in the Schedule as the Excess for **Section 1**.

Part D - Machinery breakdown

Section 1 Part D is an optional cover and is only operative when a Sum Insured for Machinery breakdown is shown on the Schedule. If no Sum Insured appears against **Section 1 Part D**, then **Section 1 Part D** is not insured.

Definitions applying exclusively to this Part:

Insured Damage

means sudden and accidental physical Loss or Damage to the Insured Item that occurs during the Period of Insurance and requires repair or replacement to allow continuation of use.

Insured Item

means:

1. lifts, elevators, escalators and incliners provided they are subject to a current comprehensive maintenance agreement;
2. all other electrical, electronic and mechanical machinery, boilers and pressure vessels;

providing they are owned by You and form part of the Community Property or its services.

What We cover

You are covered for the following Events that occur during the Period of Insurance.

In order to be sure that You are covered under this Policy You should always contact us for approval before You incur costs You wish to claim. If You do not, We will pay for costs incurred up to the amount We would have authorised had You sought approval from Us first.

1. We will pay up to the Sum Insured shown on the Schedule for **Section 1 Part D** for Insured Damage to an Insured Item on the basis set out below in Claims - basis of settlement, including the cost of:
 - (a) expediting repair including overtime working;
 - (b) express or air freight on recognised/scheduled services;
 - (c) replacing oil and refrigerant gas from air-conditioning units or refrigeration units;
 - (d) hiring a temporary replacement item where such cost is necessary to maintain a vital service of Yours;and provided that the Insured Item is:
 - (a) contained at the Situation; and
 - (b) in the ordinary course of working at the time Insured Damage occurs.

2. Community Rental Income

When the Community Property and/or Common Area has been leased out, or it can be substantiated by means of a signed agreement that the Community Property and/or Common Area would have been leased out, We will pay You for the Community Rental Income that is lost or would have been lost if Insured Damage occurs and the Community Property and/or Common Area is made unfit to be occupied for its intended purpose by Insured Damage that is admitted as a claim under Event 1. above.

We will pay:

- (a) from the time of the Insured Damage until the time the Community Property is re-let following completion of repairs or Replacement provided You demonstrate that all reasonable actions have been taken to obtain a new Tenant; or
- (b) the amount of any reasonable rental rebate that is negotiated with an existing Tenant following the happening of Insured Damage until completion of repairs or Replacement.

The total amount We will pay under Event 2. is limited to fifteen percent (15%) of the Sum Insured shown on the Schedule for **Section 1 Part D** or such other percentage as We may agree in writing.

3. Professional fees

We will pay up to \$10,000 for the reasonable cost of professional fees and other expenses You necessarily incur with Our prior written consent in the preparation of a claim under **Section 1 Part D**.



Exclusions - What We do not cover

*In addition to the General Exclusions We will not cover You under this **Section 1 Part D** for any Insured Damage, Loss or Damage, benefit, legal liability, compensation, or any other loss, costs, fees, charges or expenses of whatsoever kind, arising directly or indirectly from, contributed to by, resulting from, or arising out of or in connection with:*

1. *any amount that is payable or any matter excluded under **Section 1 Part A** of the Policy, other than where cover is provided within **Section 1 Part D**.*
2. *any of the following*
 - (a) *Wear and Tear, smut, smoke, soot, rust, corrosion, oxidisation or scale formation;*

- (b) *Erosion, Earth Movement, action of the sea, high water, Storm Surge, high tide, tidal wave, or Flood;*
 - (c) *chipping, scratching or discolouration of painted, polished or finished surfaces;*
 - (d) *the deterioration of any pre-existing crack, fracture, blister, lamination, flaw or grooving that had not previously penetrated completely through the entire thickness of the material of the Insured Item, notwithstanding that repair or renewal of the part affected may be necessary either immediately or at some future time, except where caused by Insured Damage and You did not know or should not reasonably have known of the pre-existing condition;*
 - (e) *the wearing away or wasting of material caused by or naturally resulting from atmospheric conditions or ordinary use;*
 - (f) *the tightening of loose parts, recalibration or adjustments;*
 - (g) *the carrying out of tests involving abnormal stresses or the intentional overloading of any Insured Item.*
3. *or to:*
- (a) *glass, porcelain or ceramic components;*
 - (b) *defective tube joints or other defective joints or seams;*
 - (c) *any valve fitting, shaft seal, gland packing joint or connection except where caused directly by Insured Damage;*
 - (d) *foundations, brickwork, and refractory materials forming part of an Insured Item;*
 - (e) *television, video or audio equipment other than security system equipment;*
 - (f) *expendable items such as electrical and electronic glass bulbs, tubes, lamps and x-ray tubes;*
 - (g) *electrical contacts, fuses, heating elements, commutators, slip rings, conducting brushes, thermal expansion (TX) valves, thermostats, microprocessor and/or controller units, protective and controlling devices, over-loads, chains, belts, ropes, tyres, pressure switches, bearings, valves, valve plates, filters and dryers;*
 - (h) *computers, telecommunication transmitting and receiving equipment, Electronic Data processing equipment, electrical office machines, coin operated machines, gaming machines, storage tanks and vats, stationery and mobile pressure vessels containing explosive gases, mobile machinery, ducting, reticulating electrical wiring, water and gas piping and all other plant and equipment not owned by You;*
 - (i) *plant that has been hired or is on loan unless We specifically agree in writing;*
 - (j) *any boiler (other than a boiler used for domestic purposes) economiser or other pressure vessel, including pipes, valves and other apparatus thereof in respect of which a certificate is required to be issued under the terms of any statute or regulation occasioned by or arising from explosion, rupture, collapse, bursting, cracking or overheating thereof provided that this exclusion shall be limited to the aforementioned items immediately affected and shall not extend to other property as a result of such loss or destruction or damage.*
4. *consequential loss of any kind other than that which is specifically stated. This means We don't cover You for anything not expressly described in the cover sections of this Policy. Some examples of what We won't pay for include loss of use or depreciation.*
 5. *the application of any tool or process in the course of maintenance, inspection, repair, alteration, modification or overhaul.*
 6. *or occurring during installation or erection other than the dismantling, movement and re-erection for the purpose of cleaning, inspection, repair or installation in another position within the Situation.*
 7. *or that is claimable from any manufacturer, supplier, engineer or other person under the provisions of any maintenance or warranty agreement.*
 8. *loss of oil, liquid or gas resulting from leakage from glands, seals, gaskets, joints or from corroded, pitted or deteriorated parts.*
 9. *the cost of converting refrigeration/air-conditioning units from the use of CFC (chlorofluorocarbon) refrigerant gas to any other type of refrigerant gas.*

Part D - Claims - basis of settlement

We will at Our option (acting reasonably) repair or replace the Insured Item or pay for the cost of same to a condition equal to but not better or more extensive than its condition immediately before the Insured Damage. Whenever an Excess is shown on the Schedule, You have to pay or contribute the stated amount for each loss arising out of or consequent upon that Event.

We will not make any deduction for Depreciation in respect of parts replaced.

Where components or manufacturer's specifications are no longer available due to obsolescence, the basis of settlement will be the cost of providing alternative suitable components equal to but not better or more extensive than the original component being substituted.



We will not pay for the cost of any alterations, additions, improvements, modifications or overhauls.

Section 2 - Casualty Covers

Part A – Legal Liability

Definitions applying exclusively to this Part

Compensation

means monies paid or payable by judgment or settlement together with any liability on Your behalf to pay legal costs and expenses (other than those amounts referred to in Automatic extensions - 2. Cost of defending a claim) for:

- Personal Injury; or
- Property Damage;

in respect of which cover is provided under this **Section 2 Part A**.

Occurrence

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

Personal Injury

means:

1. bodily injury (including death and illness), disability, fright, shock, mental anguish or mental injury;
2. false arrest, wrongful detention, false imprisonment or malicious prosecution;
3. wrongful entry or eviction or other invasion of the right of privacy;
4. a publication or utterance of defamatory or disparaging material;
5. assault and battery committed by You or any Lot Owner at direction of the insured for the purpose of preventing or eliminating danger to person or property;

that happens during the Period of Insurance anywhere in Australia.

Pollutants

means any solid, liquid, gaseous or thermal irritant or contaminant, including but not limited to smoke, vapour, soot, fumes, acids, alkalis, chemicals and waste. Waste includes material to be recycled, reconditioned or reclaimed.

Professional Advice or Service

means the imparting of knowledge or action in relation to any form of professional training, but not where that knowledge or action is contributed in the spirit of any Good Samaritan legislation.

Property Damage

means:

1. physical Loss or Damage to or destruction of tangible property including its loss of use following such physical Loss or Damage or destruction; or
2. loss of use of tangible property that has not been physically damaged or destroyed provided that the loss of use has been caused by an Occurrence;

that happens during the Period of Insurance anywhere in Australia.

You, Your

means:

1. the insured as named on the Schedule;
2. any other organisation over which the insured exercises active management control;
3. any new organisation acquired by the insured during the Period of Insurance through consolidation, merger, purchase of the assets of or assumption of control and active management or creation, provided that:
 - (a) such acquisition is notified to Us in writing as soon as reasonably possible after the acquisition, and if You do not, We may reduce or deny Your claim to the extent We are prejudiced by Your delay; and
 - (b) We provide notice in writing to the insured that such new organisation shall be covered by the Policy;
4. any past, present or future Officer Bearer, employee, voluntary worker, work experience person (including the personal representative of any officer bearer, employee, voluntary worker, work experience person) of the parties referred to in 1. to 3. above, only whilst acting within the scope of their duties in such capacity;
5. any social and/or sporting clubs, first aid, fire and ambulance services formed with the consent of the parties referred to in 1. to 3. above, including any office bearer or member only whilst acting within the scope of their duties in such capacity as a representative of such club or services facility.

What We cover

In order to be sure that You are covered under this Policy You should always contact Us for approval before You incur costs You wish to claim. If You do not, We will pay for costs incurred up to the amount We would have authorised had You sought approval from Us first.

1. We will pay up to the Sum Insured shown in the Schedule for **Section 2 Part A** where You become legally liable to pay Compensation (including plaintiff's legal costs) for:

- Personal Injury; or
- Property Damage;

resulting from an Occurrence happening directly in connection with the insured's Business.

Automatic extensions

We will pay up to the Sum Insured shown in the Schedule for **Section 2 Part A** where You become legally responsible to pay Compensation for Personal Injury or Property Damage resulting from an Occurrence happening in connection with the insured's Business:

- (a) Bridges, roadways, kerbing, footpaths, services arising from bridges, roadways, kerbing, footpaths, underground and overhead services the insured owns at the Situation.
- (b) Car park liability to Vehicles in Your actual control where such Property Damage occurs while the Vehicle is being operated in a car park or designated parking area the insured owns at the Situation.
- (c) Use of facilities by Lot Owners arising from the use by Lot Owners of facilities the insured owns at the Situation.
- (d) Recreational and other activities arising from recreational, social or other activities arranged by the insured at the Situation for the exclusive benefit of Lot Owners, including the hiring of facilities at the Situation.
- (e) Services arising out of the service or services the insured arranges, for the benefit, general use and enjoyment of Lot Owners and occupiers of Lots, at the Situation.
- (f) Watercraft arising from any Watercraft (not exceeding 8 metres in length) owned by the insured, whilst in Your possession or physical or legal control.
- (g) Garden equipment and unregistered vehicles arising from any wheelchair, garden equipment including lawn mowers, golf cart, golf buggy or other unregistered vehicle owned by the insured, whilst in Your possession or physical or legal control.

2. Cost of defending a claim

We will pay in addition to the Sum Insured under **Section 2 Part A**:

- (a) all reasonable legal costs and expenses incurred by Us;
- (b) the reasonable cost of legal representation the insured necessarily incurs with Our written consent at a coronial inquest or inquiry into any death that may be the subject of a claim for compensation under **Section 2 Part A**;
- (c) other reasonable expenses the insured necessarily incurs that We have agreed to reimburse; and
- (d) all interest accruing after judgment has been entered against the insured until We have paid, tendered or deposited in court the amount that We are liable to pay following judgment.

3. Court appearance

We will pay compensation of \$250 per day if We require an Office Bearer, committee member or the Association Manager to attend a Court as a witness in connection with a claim under **Section 2 Part A**.

4. Vicarious Liability of the Association Manager

If the insured's Association Manager is joined in an action commenced against You, solely by virtue of their relationship with You, We will indemnify the Association Manager as though they were You.



However, We shall not provide indemnity to the Association Manager in respect to claims directly or indirectly arising from or attributable to a negligent or wrongful act, error or omission of theirs when acting in a professional capacity, including but not limited to performance of their obligations with respect to any management agreement or other contractual arrangement they may have in place with the insured.



Exclusions - What We do not cover

*In addition to the General Exclusions We will not cover You under this **Section 2 Part A** for any, benefit, legal liability, Compensation, or any other loss, costs, fees, charges or expenses of whatsoever kind, arising directly or indirectly from, contributed to by, resulting from, or arising out of or in connection with:*

1. *a Vehicle which is owned or being used by You*
2. *any liability in respect of which You are or would be entitled to indemnity under any fund, scheme, policy of insurance or self-insurance pursuant to or required by any legislation relating to workers compensation whether or not such insurance has been effected.*
3. (a) *damage to property belonging to, rented to or leased to You or in Your physical or legal control, other than as specifically provided by this **Section 2 Part A** Automatic extension 1.(b);*

- (b) *damage to property belonging to any person who is deemed Your worker or employee within the provisions of any workers compensation, accident compensation or similar legislation applying where the Community Property is situated;*
- (c) *injury to or death of animals on the Common Area;*
- (d) *Personal Injury or Property Damage caused by animals on the Common Area, other than guard or watch dogs the insured employs for security purposes.*

4. *the rendering or failure to render Professional Advice or Service by You or on Your behalf or any error or omission connected therewith.*

This exclusion does not apply for the rendering of first aid services.

5. *the publication or utterance of a defamation, libel or slander by You or at Your direction:*
- (a) *made prior to the commencement of **Section 2 Part A**; or*
 - (b) *when You knew it to be false.*
6. *the ownership, possession or use of any vehicle, Watercraft, hovercraft, aircraft or aircraft landing areas other than as specifically provided in **Section 2 Part A** Automatic extensions 1.(f) and (g).*
7. *the ownership of marinas, wharves, jetties, docks, pontoons or similar type facilities (whether fixed or floating) if such facilities:*
- (a) *are used for commercial purposes; or*
 - (b) *provide fuel distribution facilities,*
unless We otherwise agree in writing.
8. *construction, erection, demolition, alterations or additions to the Community Property where the cost of such work exceeds \$100,000, unless the insured advises Us and obtains Our written consent to provide cover before commencement of such works.*
9. *vibration or from the removal or weakening of or interference with the support of land or buildings or any other property.*
10. *or under the terms of any agreement unless such liability would have attached to the insured at law in the absence of such agreement.*

This exclusion does not apply to:

- (a) liability assumed by the insured under any written contract where the insured will lease or rent real or personal property for use in its Business which belongs to a third party other than You, and provided that the liability does not arise by reason of an obligation to insure the leased or rented property, or an obligation to indemnify the property owner, in the absence of or irrespective of fault on the insured's behalf; or

- (b) liability assumed by the insured in the course of its Business under the terms of any written agreement with a company, person or firm appointed by any Court or Tribunal to manage the insured's Business except where liability arises out of:

- (i) any act of negligence on their part; or
- (ii) by their default in performing their obligations under such agreement.

11. *the discharge, dispersal, release of or escape of Pollutants into or upon property, land, the atmosphere, or any water course or body of water.*

This exclusion does not apply if such discharge, dispersal, release or escape is sudden, identifiable, unexpected and unintended by You and takes place in its entirety at a specific time and place during the Period of Insurance.

However, no cover will be provided under this clause if such discharge, dispersal, release or escape is in connection with waste disposal unit(s) or waste disposal repositories (other than transfer stations) or landfill operations.

12. *the prevention, removing, nullifying or clean-up of any contamination or pollution.*

This exclusion does not apply to clean-up, removal or nullifying expenses that are incurred by You after a sudden and identifiable happening, unexpected and unintended by You, that takes place in its entirety at a specific time and place during the Period of Insurance.

However, no cover will be provided under this clause if such discharge, dispersal, release or escape is in connection with waste disposal unit(s) or waste disposal repositories (other than transfer stations) or landfill operations.

13. *fines or penalties or for punitive, aggravated, exemplary or additional damages (including interest and costs) imposed against any person indemnified by the Policy.*
14. *the actual or alleged use or presence of asbestos or in any way involving asbestos or asbestos contained in any materials in whatever form or quantity.*
15. *the application of any fertiliser, pesticide or herbicide.*

However, this exclusion will not apply to property of others if the fertiliser, pesticide or herbicide has been applied in conformity with any public or statutory authority requirement or, in the absence of any such requirement, in conformity with the manufacturer's recommendations.

16. *any wheelchair, garden equipment including lawn mowers, golf cart, golf buggy or other Vehicle owned by You, in Your possession or physical or legal control if any such item or Vehicle is or should have been registered and/or insured under legislation in the state or territory of Australia in which it is being used.*
17. *any Watercraft which is subject to hire for fee or reward.*

Part B - Voluntary Workers

Definitions applying exclusively to this Part

Injury Date

means the earlier of:

1. the date the Voluntary Worker's Medical Adviser reasonably diagnoses as the most likely date of the bodily injury;
2. the date Our Medical Adviser reasonably diagnoses as the most likely date of the bodily injury;
3. the date the Voluntary Worker first became aware of the bodily injury or a reasonable person in the circumstances would have been aware of the bodily injury;
4. the date the Voluntary Worker first received medical treatment for the bodily injury; and
5. the date the bodily injury is first diagnosed by a Medical Adviser.

Medical Adviser

means a legally qualified doctor of medicine or dentist registered to provide the relevant service in the place the Voluntary Worker receives the medical service.

Partial Disablement

means a bodily injury which entirely prevents a Voluntary Worker from:

1. carrying out a substantial part of the normal duties of such person's usual occupation, profession or business; or
2. where such person engages in more than one occupation, profession or business, engaging in **any of them**;

as certified by a Medical Advisor.

Total Disablement

means a bodily injury which entirely prevents a Voluntary Worker from:

1. carrying out all of the normal duties of such person's usual occupation, profession or business; or
2. where such person engages in more than one occupation, profession or business, engaging in **all of them**;

as certified by a Medical Advisor.

Voluntary Worker

means a person aged twelve (12) years or over engaged solely in Voluntary Work.

Voluntary Work

means work or duties performed during the Period of Insurance for and on the request of You for no income, fee, remuneration or other reward.

You, Your, Yours

means the insured as named on the Schedule.

What We cover

We will pay to a Voluntary Worker, or that person's estate, the compensation detailed hereunder in the event of such Voluntary Worker sustaining bodily injury during the Period of Insurance:

1. whilst voluntarily engaged in work for or on behalf of You; and
2. caused solely and directly by violent, accidental, external and visible means; and
3. which, independently of any other cause, results in the following insured Events.

Events

- | | |
|--|-----------|
| 1. Death | \$200,000 |
| 2. Total and irrecoverable loss of all sight in both eyes | \$200,000 |
| 3. Total and permanent loss of the use of both hands or of the use of both feet or the use of one hand and one foot | \$200,000 |
| 4. Total and permanent loss of the use of one hand or of the use of one foot | \$100,000 |
| 5. Total and irrecoverable loss of all sight in one eye | \$100,000 |
| 6. (a) Total Disablement from engaging in or attending to the Voluntary Worker's usual profession, business or occupation - in respect of each week of Total Disablement: | |
| (i) a weekly benefit of | \$1,000 |
| or | |
| (ii) if the Voluntary Worker substantiates that the amount of their average weekly wage, salary or other remuneration earned from personal exertion is greater than \$1,000 per week - the amount of such remuneration up to a maximum per week of | \$2,000 |
| (b) Partial Disablement from engaging in or attending to the Voluntary Worker's usual profession, business or occupation - in respect of each week of Partial Disablement: | |

- | | |
|---|---|
| <p>(i) a weekly benefit of \$500</p> <p>or</p> <p>(ii) if the Voluntary Worker substantiates that the amount of their average weekly wage, salary or other remuneration earned from personal exertion is reduced by more than \$500 per week - the amount of such reduction up to a maximum per week of \$1,000</p> | <p>(e) <i>Event 7 and Event 9 in excess of an aggregate of ten (10) weeks in all, in respect of any one disablement;</i></p> <p>(f) <i>bodily injury unless the applicable Event occurs within twelve months of the Injury Date;</i></p> <p>(g) <i>an injury to a Voluntary Worker unless, as soon as possible after the occurrence of the injury, the Voluntary Worker procures and follows proper medical advice from a Medical Adviser;</i></p> <p>(h) <i>any amounts recoverable under a Medicare benefit or payable by any registered health benefits insurer;</i></p> <p>(i) <i>any fees or charges which would result in Us contravening the Health Insurance Act 1973 (Cth), the Private Health Insurance Act 2007 (Cth), the National Health Act 1953 (Cth) or which We are otherwise prohibited from paying by law.</i></p> |
|---|---|
7. The reasonable and necessary cost of hiring or employing domestic assistance if a Voluntary Worker is totally disabled from performing:
- (a) his/her usual profession, business or occupation;
- or
- (b) usual household activities;
- in respect of each week of Total Disablement a weekly benefit not exceeding \$500
8. The reasonable cost of travel expenses necessarily incurred at the time of, or subsequent to, the sustaining of bodily injury and not otherwise recoverable from any other source - a benefit not exceeding \$2,000
9. The reasonable cost of home tutorial expenses if the Voluntary Worker is a full time student - in respect of each week of Total Disablement a weekly benefit not exceeding \$250
10. The reasonable cost of burial or cremation of a Voluntary Worker following a claim payable under Event 1 - a benefit not exceeding \$5,000
2. *We will not pay compensation in respect of claims:*
- (a) *arising out of illness;*
- (b) *arising out of intentional self-injury or suicide, or any attempt thereat;*
- (c) *attributable wholly or in part to childbirth or pregnancy, notwithstanding that miscarriage or childbirth may have been accelerated or induced by the bodily injury sustained; or*
- (d) *arising out of a Voluntary Worker being under the influence of alcohol or any drug, other than a drug prescribed by a Medical Adviser.*



Exclusions - What We do not cover

*In addition to the General Exclusions We will not cover You under this **Section 2 Part B** for any, benefit, legal liability, compensation, or any other loss, costs, fees, charges or expenses of whatsoever kind, arising directly or indirectly from, contributed to by, resulting from, or arising out of or in connection with:*

1. (a) *more than one of Events 6 (a) and 6 (b) in respect of the same period of time;*
- (b) *a bodily injury to a Voluntary Worker unless, as soon as possible after the occurrence of the bodily injury, the Voluntary Worker procures and follows proper medical advice from a Medical Adviser;*
- (c) *Event 6 (a) and Event 6 (b) in respect of Voluntary Workers not in receipt of wages, salaries or other remuneration from their personal exertion;*
- (d) *Event 6 (a) and Event 6 (b) in excess of an aggregate of one hundred and four (104) weeks in all, in respect of any one disablement;*

Special conditions

1. If a Voluntary Worker becomes entitled to compensation under more than one of the Events 1 to 5 in respect of the same bodily injury, the compensation payable will be cumulative up to one hundred percent (100%) of the compensation payable for Event 1.
2. After the occurrence of any one of the Events 1 to 5 there will be no further liability under **Section 2 Part B** for these Events in respect of the same Voluntary Worker.
3. In the event of a claim involving the death of a Voluntary Worker We will, at Our discretion, be entitled to have a post-mortem examination carried out at Our expense.
4. Whenever an Excess is shown on the Schedule, You have to pay or contribute the stated amount for each claim arising out of or consequent upon that Event.

Part C - Office Bearers Liability

This Office Bearers Liability cover is issued on a Claims made and notified basis. This means it responds to Claims first made against You during the Period of Insurance and notified to Us during that same Period of Insurance.

Section 2 Part C - Office Bearers Liability is an optional cover and is only operative when an amount for Office Bearers Liability is shown on the Schedule. If no amount appears against **Section 2 Part C**, then **Section 2 Part C** is not insured.

Definitions applying exclusively to this Part

Claim, Claims

means:

1. a written or verbal allegation of any Wrongful Act; or
2. a civil proceeding commenced by the service of a complaint, summons, statement of claim or similar pleading alleging any Wrongful Act; or
3. an official investigation into the affairs of Yours.

Defence Costs

means costs, charges and expenses (other than Your fees, salaries or salaries of Your employees) incurred by Us or with Our written consent (such consent not to be unreasonably withheld):

1. in the investigation, defence, monitoring or settlement of any Claim or proceedings and appeals therefrom together with the costs of appeal; or
2. in the legally compellable attendance by an Office Bearer at any official investigation into the affairs of Yours.

Documents

means deeds, wills, agreements, maps, plans, records, books, letters, certificates, forms and documents of any nature whether written, printed or reproduced by any other method but does not include currency notes or negotiable instruments of any kind.

Loss

means the amount payable in respect of a Claim made against You for a Wrongful Act and will include damages, judgements, settlements, orders for costs and Defence Costs.

Wrongful Act

means any error, misstatement, act or omission, or neglect or breach of duty made, committed, attempted or allegedly made, committed or attempted by You or any matter claimed against You solely by reason of You performing the duties and responsibilities of an Office Bearer or committee member of the Community Association.

Where any such Wrongful Act results in more than one Claim covered by Us under this or another policy, all such Claims will jointly constitute one Loss and be deemed to have originated in the earliest Period of Insurance in which any of such Wrongful Acts is first reported to Us.

You, Your, Yours

means the past, present or future Office Bearers or committee members of the Community Association, including those persons':

- i. estate, heirs, legal representative or assigns;
- ii. legal representative or assigns if he/she is incompetent, insolvent or bankrupt.

However, this does not include an Association Manager or any other contracted person(s), firm or company when acting in their professional capacity.

What We cover

In order to be sure that You are covered under this Policy You should always contact Us for approval before You incur costs You wish to claim. If You do not, We will pay for costs incurred up to the amount We would have authorised had You sought approval from Us first.

1. We will pay up to the Sum Insured:
 - (a) (i) on Your behalf, all Loss for which You are not indemnified by the Community Association;
 - (ii) on behalf of the Community Association, all Loss for which they grant indemnification to You, as permitted or required by law, or for which the Community Association is vicariously liable at law;

arising from any Claim first made against You individually or otherwise, or against the Association Manager while acting as an Office Bearer, during the Period of Insurance; and

(b) reported to Us during the Period of Insurance,

provided that Claims which do not comply with all of (a) and (b) above are not, other than as provided under Special condition 1 Continuous Cover, the subject of this insurance or any indemnity.

2. Defence costs

We agree that in relation to any Claim:

- (a) where indemnity has been confirmed by Us in writing, We will advance Defence Costs arising from such Claim;
- (b) where indemnity has not been confirmed by Us in writing, We will:
 - (i) where We elect to conduct the defence or settlement of such Claim, pay Defence Costs arising from such Claim; or
 - (ii) in any other case, We may at Our discretion advance the Defence Costs arising from such Claim.

In the event the Claim is withdrawn or that indemnity is subsequently withdrawn or denied We will cease to advance Defence Costs and You will refund any Defence Costs advanced by Us to the extent that We are satisfied that You were not entitled to such Defence Costs, unless We agree in writing to waive recovery of such Defence Costs.

3. Reinstatement of the Sum Insured

When We have paid a Claim and the total amount paid equals, or but for the Sum Insured would exceed, the Sum Insured We will reinstate the Sum Insured once only to that shown on the Schedule for **Section 2 Part C**, subject to the insured paying or agreeing to pay Us any additional Premium that We may require.



This reinstatement shall not apply to:

- (a) *any Claim, fact or circumstance that should have been or could have been notified to Us during the preceding Period of Insurance or under an earlier Office Bearers Liability policy issued by Us;*
- (b) *any Claim notified to Us for which a Loss payment has not been made;*
- (c) *any existing Claim on which a Loss payment has been made including any subsequent Claim that may arise from the same event.*

4. Total limit of Our liability

The most We will pay for all Claims in the aggregate in respect of any one Period of Insurance is:

- (a) the Sum Insured shown on the Schedule for **Section 2 Part C**; and
- (b) when We have reinstated Your cover under insuring clause 3 above, an additional amount equal to that Sum Insured;

inclusive of claimant's costs and expenses and Defence Costs incurred by Us.



Exclusions - What We do not cover

*In addition to the General Exclusions We will not cover You under this **Section 2 Part C** for any Loss, Defence Costs, benefit, legal liability, compensation, or any other loss, costs, fees, charges or expenses of whatsoever kind, arising directly or indirectly from, contributed to by, resulting from, or arising out of or in connection with:*

1. *the actual or alleged use or presence of asbestos or in any way involving asbestos or asbestos contained in any materials in whatever form or quantity.*
2. *facts or circumstances that You knew of prior to or at the commencement of **Section 2 Part C**, or that a reasonable person in the circumstances could be expected to know, that may give or has given rise to a Claim against You.*
3. *Claims brought about or contributed to by any dishonest or fraudulent, criminal or malicious act or omission.*

However, this exclusion does not apply to any Office Bearers not committing, colluding in or condoning any such act or omission.

4. *Claims for death, personal injury, mental anguish or mental injury, disability, fright, shock, sickness, disease, or loss or damage to property.*
5. *Claims resulting from Your failure to obtain, effect or maintain adequate insurances as required by legislation applying where the Community Property and Common Area is situated, Your by-laws or management statement, or the terms of any other agreement or arrangement You have entered into.*
6. *Claims arising out of a publication or utterance of a libel or slander or other defamatory or disparaging material.*
7. *finances, penalties, punitive or exemplary or aggravated damages or any additional damages resulting from the multiplication of compensatory damages.*
8. *You gaining or having gained any personal profit or advantage to which You are not legally entitled or for which You may be held accountable to the Community Association or any individual Member thereof.*
9. *any money or gratuity given to or taken by You without authorisation by the Community Association where such authorisation is necessary pursuant to the Articles of the Community Association or prescribed law.*
10. *Claims arising from a conflict of duty or interest of Yours.*

11. *any intentional exercise of power by You where the exercise of that power is for a purpose other than the purpose for which such power was conferred by the Articles of the Community Association or prescribed law.*
12. *any Wrongful Act made or threatened or in any way intimated on or before the commencement date specified on the Schedule, subject to the application of Special condition 1.*
13. *Claims brought against You in a Court of Law outside Australia.*

Special conditions

1. Continuous cover

We agree that if there is a fact or circumstance that should have been notified to Us under an earlier Office Bearers Liability policy issued by Us, We will accept the notification of such fact or circumstance under the Policy subject to the following provisos:

- (a) You held an Office Bearers Liability policy with Us on a continuous basis including from the date when such notification should have been given and the date when such notification was in fact given; and
- (b) the fact or circumstance is not subject to a fraudulent misrepresentation; and
- (c) the terms and conditions applicable to this Special condition 1 and to that notification will be the terms and conditions, including any Excess applicable to **Section 2 Part C**, under the current Period of Insurance, with the exception of the Sum Insured (refer below); and
- (d) the Sum Insured which applies to this Special condition 1 will be the lesser of:
 - (i) the Sum Insured under the Policy for the current Period of Insurance; and
 - (ii) the sum insured or limit of liability (as applicable) under the prior policy.

2. Excess

Whenever an Excess is shown on the Schedule, You have to pay or contribute the stated amount for each Claim covered under **Section 2 Part C**.

If more than one person or entity makes a Claim for the same Wrongful Act, this is deemed to be a single Claim for the purpose of application of the Excess.

Only one Excess is payable for Claims arising from the one originating cause or source.

3. Reporting and notice

A Claim, fact or circumstance will be considered to have been first reported to Us the time You first give written notice to Us.

4. Settlement

If You refuse to consent to any settlement recommended by Us and elect to continue any legal proceedings in connection therewith, Our liability for the Claim will not exceed the amount for which the Claim was recommended to be settled for including the costs and expenses incurred up to the date of such refusal.

5. Severability and non-imputation

We agree that where **Section 2 Part C** insures more than one party, any conduct on the part of any party or parties whereby such party or parties:

- (a) failed to comply with the duty of disclosure in terms of the *Insurance Contracts Act 1984* (Cth); or
- (b) made a misrepresentation to Us before this contract of insurance was entered into; or
- (c) failed to comply with any terms or conditions of **Section 2 Part C**;

will not prejudice the rights of the remaining party or parties to indemnity as may be provided by **Section 2 Part C**, subject to the following provisos:

- (a) such remaining party or parties be entirely innocent of and have no prior knowledge of any such conduct; and
- (b) as soon as is reasonably practicable upon becoming aware of any such conduct advise Us in writing of all known facts in relation to such conduct.

6. General Condition 3 does not apply to Section 2 Part C.

Part D - Government audit costs

Section 2 Part D - Government audit costs is an optional cover and is only operative when a Sum Insured for Government audit costs is shown on the Schedule. If no Sum Insured appears against **Section 2 Part D**, then **Section 2 Part D** is not insured.

Definitions applying exclusively to this Part

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* (Cth) 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 Auditor's completed views in connection with a Designated Liability and includes any written statement that 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:

1. an accountant who is a member of a nationally recognised accounting body, registered tax agent or tax consultant; or
2. any other professional person or consultant engaged by You 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:

1. form part of an annual or fixed fee or cost arrangement; or
2. 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
3. were rendered by a third party in relation to which Our written consent was not obtained before those fees were incurred; or
4. relate to or are associated with the preparation of any accounts, financial statements or documents or to any attendance or service that 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, other than an Audit, to determine the extent of Your compliance with the record keeping requirements of relevant legislation that You have to comply with.

What We cover

In order to be sure that You are covered under this Policy You should always contact Us for approval before You incur costs You wish to claim. If You do not, We will pay for costs incurred up to the amount We would have authorised had You sought approval from Us first.

1. We will pay up to the Sum Insured shown on the Schedule for **Section 2 Part D** for Professional Fees You reasonably incur with Our written consent in connection with an Audit first notified to You verbally or in writing during the Period of Insurance.
2. 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 first notified to You verbally or in writing during the Period of Insurance.



We will not pay more than the Sum Insured for:

- (a) any Audit first notified to You during the Period of Insurance including any such Audit notified but not finalised until a subsequent Period of Insurance;
- (b) all Audits notified to You in any one Period of Insurance.



Exclusions - What We do not cover

In addition to the General Exclusions We will not cover You under this **Section 2 Part D** for any Professional Fees, benefit, legal liability, compensation, or any other loss, costs, fees, charges or expenses of whatsoever kind, arising directly or indirectly from, contributed to by, resulting from, or arising out of or in connection with:

1. or 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 Your taxation return is first lodged:
 - (i) during the Period of Insurance; or
 - (ii) not more than twelve (12) months prior to the original commencement date of **Section 2 Part D**;

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.

- (f) 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.
 - (g) to the extent We are prejudiced if You fail to take all reasonable steps to comply with any requirement imposed by any relevant legislation.
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 Strata Community Insurance by telephone, in writing or in person;
 - (d) obtain Strata Community Insurance's written approval before engaging a Professional Adviser, other than Your accountant, and notify them of all Professional Fees Your Professional Adviser or accountant proposes to charge. Please contact Us to seek approval for these costs.
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) when the Auditor has issued an assessment, or amended assessment of a Designated Liability.

Part E - Appeal expenses - health and safety breaches

Section 2 Part E - Appeal expenses – health and safety breaches is an optional cover and is only operative when a Sum Insured for Appeal expenses – health and safety breaches is shown on the Schedule. If no Sum Insured appears against **Section 2 Part E**, then **Section 2 Part E** is not insured.

Definitions applying exclusively to this Part

Appeal Expenses

means legal costs, professional costs and other disbursements necessarily and reasonably incurred by You with Our consent in connection with a claim brought against You.

What We cover

In order to be sure that You are covered under this Policy You should always contact Us for approval before You incur costs You wish to claim. If You do not, We will pay for costs incurred up to the amount We would have authorised had You sought approval from Us first.

We will pay up to the Sum Insured shown on the Schedule for **Section 2 Part E** for Appeal Expenses You necessarily incur with Our consent in appealing against:

1. an improvement or prohibition notice issued to You under any workplace, occupational health and safety or similar legislation applying where the Community Property is situated; or
2. a determination made against You by a review committee, arbitrator, tribunal or Court under any workplace occupational health, safety or similar legislation applying where the Community Property is situated.



We will not pay more than the Sum Insured for:

- (a) *any notice or determination first made or first brought against You during the Period of Insurance including any such notice or determination not finalised until a subsequent Period of Insurance;*
- (b) *all notices and determinations first notified or brought against You in any one Period of Insurance.*



Exclusions - What We do not cover

*In addition to the General Exclusions, We will not cover You under this **Section 2 Part E** for any Appeal Expenses, benefit, legal liability, compensation, or any other loss, costs, fees, charges or expenses of whatsoever kind, arising directly or indirectly from, contributed to by, resulting from, or arising out of or in connection with any such notice or determination unless it is first made or first brought against You during the Period of Insurance and You report it to Us during that same Period of Insurance.*

The improvement or prohibition notice must arise out of Your failure to provide and maintain so far as is reasonably practicable:

1. a safe working environment;
2. a safe system of work;
3. plant and substances in a safe condition;
4. adequate facilities of a prescribed kind for the welfare of Your employees.

Part F - Legal defence expenses

Section 2 Part F - Legal defence expenses is an optional cover and is only operative when a Sum Insured for Legal defence expenses is shown on the Schedule. If no Sum Insured appears against **Section 2 Part F**, then **Section 2 Part F** is not insured.

Definitions applying exclusively to this Part

Appointed Representative

means a solicitor, barrister, assessor, consultant, investigator or other appropriately qualified person instructed to act on Your behalf in connection with any claim with respect to which Legal Defence Expenses are payable under **Section 2 Part F**.

Contribution

means the proportion of Legal Defence Expenses payable by You in addition to the Excess, and is payable on the net Legal Defence Expenses after deduction of the Excess.

Legal Defence Expenses

means:

1. fees, expenses and other disbursements necessarily and reasonably incurred by You through an Appointed Representative in connection with any claim brought against You including costs and expenses of expert witnesses as well as those incurred by Us in connection with any such claim;
2. legal fees, expenses and other disbursements reasonably and necessarily incurred by You in appealing or resisting an appeal from the judgment or determination of a Court, arbitrator or Tribunal.

What We cover

In order to be sure that You are covered under this Policy You should always contact Us for approval before You incur costs You wish to claim. If You do not, We will pay for costs incurred up to the amount We would have authorised had You sought approval from Us first.

We will pay up to the Sum Insured shown on the Schedule for **Section 2 Part F** for Legal Defence Expenses You necessarily incur with Our written consent in connection with litigation arising out of a claim first made or first brought against You during the Period of Insurance and notified to Us during that same Period of Insurance:

1. in connection with the conduct of Your ordinary Business and affairs;

2. under the *Competition and Consumer Act 2010* (Cth) or under any other consumer protection legislation;
3. arising out of any dispute with an employee, former employee or prospective employee:
 - (a) concerning the terms and conditions of their contract of employment or alleged contract of employment with You;
 - (b) leading to civil or criminal proceedings under any race relations, sexual discrimination or any other Australian anti-discrimination legislation.

Legal Defence Expenses associated with any appeal which We consent to or which We bring under **Special condition 1** are included in the Sum Insured for the Period of Insurance in which the claim under appeal was first made or brought against You.



We will not pay:

1. *unless:*
 - (a) *any such claim is first made or first brought against You during the Period of Insurance; and*
 - (b) *You report it to Us during the Period of Insurance; and*
 - (c) *We agree there are reasonable grounds for the defence of any such claim.*
2. *more than the Sum Insured for Section 2 Part F for:*
 - (a) *any claim first made or first brought against You during the Period of Insurance including any such claim not finalised, or appeal not brought or finalised, until after the Period of Insurance has expired;*
 - (b) *all claims first made or first brought against You in any one Period of Insurance and any appeals in relation to those claims.*

Excess and Contribution

For each and every claim made or brought against You, You must pay:

1. by way of Excess - the amount shown on the Schedule; plus
2. by way of Contribution - the percentage shown on the Schedule.

Examples based on a Sum Insured of \$50,000:	(1)	(2)	(3)
Cost of Legal Defence Expenses	\$20,000	\$50,000	\$80,000
less Your Excess (e.g. \$10,000)	\$10,000	\$10,000	\$10,000
Net fees after the deduction of the Excess	\$10,000	\$40,000	\$70,000
less Your Contribution (e.g. 10% of the net fees)	\$1,000	\$4,000	\$7,000
Amount claimable (*Sum Insured limit)	\$9,000	\$36,000	*\$50,000



Exclusions - What We do not cover

In addition to the General Exclusions We will not cover You under this **Section 2 Part F** for any Legal Defence Expenses, benefit, legal liability, compensation, or any other loss, costs, fees, charges or expenses of whatsoever kind, arising directly or indirectly from, contributed to by, resulting from, or arising out of or in connection with:

1. any claim:
 - (a) that You have defended without Our written consent;
 - (b) that You have defended contrary to or in a different manner from that advised by the Appointed Representative, to the extent that any additional Legal Defence Expenses, legal liability, compensation, or any other loss, costs, fees, charges or expenses are incurred or any benefit is payable as a result;
 - (c) arising from an act, omission, liability or Event for which indemnity is otherwise provided under the terms and conditions of **Section 2 Part A** (Legal Liability) and **Section 2 Part C** (Office Bearers Liability) or would have been provided if these Sections had been selected by You and shown on the Schedule;
 - (d) arising from circumstances that You knew of prior to the commencement of **Section 2 Part F**, or that a reasonable person in the circumstances could be expected to know, to be circumstances that may give rise to a claim against You;

- (e) arising from a deliberate act, including a deliberate act of fraud or dishonesty, on Your part if a judgment or other final adjudication adverse to You establishes that such act was committed or attempted by You with actual dishonest purpose or intent and was material to the cause of action so adjudicated;
 - (f) between You and Us including Our directors, employees or servants;
 - (g) that involves a conflict of duty or interest of Yours;
 - (h) made or threatened or in any way intimated on or before the commencement date shown on the Schedule.
2. We will not pay for:
 - (a) the cost of litigation or proceedings initiated by You;
 - (b) the payment of any compensation or damages of any kind; or
 - (c) Legal Defence Expenses associated with any appeal unless the claim under appeal was first made or brought against You during the Period of Insurance and notified to Us during that same Period of Insurance.

Special conditions

1. Appeal procedure

If You are dissatisfied with any decision made by a Court or Tribunal and wish to appeal against that decision, You must:

- (a) make a further written application to Us for Our written consent at least five (5) clear business days prior to the expiry of the time for instituting an appeal; or
- (b) if the time allowed by law to appeal is less than five (5) clear business days, You must advise Us as soon as practicable.

Your application or advice must state the reasons, as fully as possible, for making an appeal.

If We are dissatisfied with any decision made by a Court or Tribunal and wish to appeal that decision You must reasonably co-operate with Us in the bringing of such an appeal. In this event We will pay all costs involved.

2. Bill of costs

You must forward Us all bills of costs or other communications relating to fees and expenses as soon as practicable after receipt by You. If requested by Us, You will instruct the Appointed Representative to submit the bill of costs for taxation or adjudication by any relevant professional body, Court or Tribunal.

You must not without Our written approval enter into any agreement with the Appointed Representative as to the level of fees and expenses to be charged. Further You must not represent to the Appointed Representative that all fees and expenses charged to Your account are insured by **Section 2 Part F**.

3. Consent

We will not be liable to indemnify You unless You have first obtained Our written consent to incur Legal Defence Expenses in the defence of any claim made or brought against You. Please contact Us to confirm consent to these Legal Defence Expenses. The granting of any such consent will not be unreasonably withheld.

4. Information to be given to the Appointed Representative

You will at all times and at Your own expense give to the Appointed Representative all such information and assistance as reasonably required. You will take reasonable steps to ensure that You give a complete and truthful account of the facts of the case, supply all documentary and other evidence in Your possession relating to the claim, obtain and sign all documents required to be obtained and signed and attend any meetings or conferences when requested.

5. Nomination of Appointed Representative

You may request Us to nominate a solicitor to act as Your Appointed Representative or if You elect to nominate Your own solicitor to act as the Appointed Representative, You must submit the name and address of that solicitor to Us. We may accept or refuse such nomination and We cannot unreasonably withhold Our consent.

If agreement cannot be reached on the appointment the President of the Law Society within Your State will be requested to nominate an Appointed Representative. During this period, We will be entitled but not bound to instruct an Appointed Representative on Your behalf if We consider it necessary to do so to safeguard Your immediate interests.

In all cases the Appointed Representative will be appointed in Your name and will act on Your behalf.

6. Offer of settlement

You must inform Us as soon as reasonably possible if You receive an offer to settle a claim. If You do not, We may reduce or deny Your claim to the extent We are prejudiced by Your delay.

If such offer of settlement is, in Our judgment, considered to be fair and reasonable and You withhold Your agreement to such a settlement and elect to continue legal proceedings Our liability will not exceed the amount of Legal Defence Expenses incurred up to the date of such settlement offer.

Further if You refuse a recommendation by the Appointed Representative to settle a claim and elect to continue legal proceedings, Our liability will not exceed the amount of Legal Defence Expenses incurred up to the date of such refusal.

7. Our access to the Appointed Representative

You will do all things reasonably necessary to allow Us to obtain from the Appointed Representative any information, report, documents or advice relating to the claim. However, You will not be prejudiced if the Appointed Representative refuses to make such information, report, documentation or advice available to Us on the grounds that to do so might prejudice Your interests in any litigation that is involved or may be commenced.

8. Recovery of Legal Defence Expenses

If You are awarded costs, You must take all reasonable steps to recover such fees and expenses for which You are indemnified by **Section 2 Part F**. All such fees and expenses actually recovered will be taken into account when calculating Our liability.

9. Reporting and notice

A claim will be considered to have been first reported to Us at the time You first give written notice to Us of the receipt of written or oral notice from any party or entity that it is the intention of such party or entity to hold You responsible for a civil or criminal act.

Part G - Workers compensation

What We cover

When the Schedule shows Workers Compensation as 'Included', cover is provided for Your legal liability under the applicable workers compensation legislation of the state or territory where the Community Property is situated.

Workers compensation cover is provided under a separate policy and is subject to the terms and conditions of that policy.

Special provisions

When shown on the Schedule as 'Included' cover is provided:

1. by Allianz Australia Insurance Limited
in the Australian Capital Territory, Northern Territory, Western Australia and Tasmania; or
2. in New South Wales, by Allianz Australia Workers' Compensation (NSW) Limited ABN 17 003 087 545, GPO Box 5429, Sydney, NSW, 2000, authorised agent for icare NSW. We act as the agent of this insurer in arranging insurance in NSW, and not as Your agent;
3. in Victoria, Allianz Australia Workers Compensation (Victoria) Limited ABN 98 059 835 791, GPO Box 9870, Melbourne, VIC, 3000, authorised agent of WorkSafe Victoria. We act as the agent of this insurer in arranging insurance in Victoria, and not as Your agent.



Exclusions - What We do not cover

Cover remains subject to the relevant terms, conditions, limits and exclusions provided in the applicable Workers Compensation policy.

No Workers Compensation cover is provided in South Australia or Queensland.



The Strength of **Experience.**

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