



Your Strata Insurance Specialist.

Residential Strata Insurance

Product Disclosure Statement and Policy Wording

Coverholder at **LLOYD'S**



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1. Product Disclosure Statement

Introduction

Part 1 of this document is the Product Disclosure Statement (PDS) and provides general information only. It should be read in conjunction with Part 2 of this document which is the *Policy*. It sets out the specific terms, conditions and exclusions of the cover that *We* will provide. The PDS and *Policy* contain important information which *You* should read carefully before deciding to take out any insurance cover.

The information contained in this PDS is general information only and does not form part of *Your* contract with *Us*. The *Policy* is *Our* legal contract with *You* and contains details covering the terms, conditions and any exclusions relating to the insurance cover to be provided by *Us*. This PDS and the *Policy* are important documents so please keep them in a safe place for future reference. Should *You* require any further information about this or any other product, please contact *Your* authorised financial services provider.

Any documents will be dated and include a statement identifying them as part of the PDS. Any major changes, omissions, corrections or updates that need to be made will be made in a Supplementary PDS and this will be provided to *You* with the PDS.

This *Policy* has Seven Sections that *You* can choose from. Each Section provides a different type of cover relevant to *Your* Strata complex. The details of the cover can be found within each *Cover Section*, along with the conditions, definitions and exclusions which are particular to such *Cover Section*. There are also general conditions, general definitions, and general exclusions that apply to all *Cover Sections* of the *Policy*. Please read the *Policy* wording carefully to understand what is covered and what is not covered and seek advice from *Your* intermediary if *You* are unsure whether it will meet *Your* requirements.

Words or terms in italics indicate that those words or terms have a particular defined meaning. *You* should refer to the Definitions sections of this document to obtain the full meaning of such words or terms.

Throughout this document:

Words that begin with a capital letter have a special meaning when used in this PDS. The meaning of these words can be found in the *Policy* wording from page 11. *We* have used the same meanings throughout this PDS to be consistent.

'*You*', '*Your*', '*Yours*', '*Insured*' means the *Body Corporate* or corporation named in the schedule of insurance, or if there is no strata title, the person or company so named.

"*We*", "*Us*", "*Our*", "*Insurer*" means Certain underwriters at Lloyd's

Who is the insurer

This product is effected through Honan Insurance Group (hereinafter called the Coverholder) on behalf of certain underwriters at Lloyd's (Lloyd's) in accordance with the authority granted to them under the Agreement number referred to in the Schedule.

In return for payment of the *Premium* shown in the Schedule, certain underwriters at Lloyd's have agreed to insure *You*, in accordance with the *Policy* wording

You or *Your* representative can obtain further details of the syndicate numbers and the proportions of this insurance for which each of the Underwriters at Lloyd's is liable by requesting them from the Coverholder. In the *Event* of loss, each Underwriter (and their executors and administrators) is only liable for their own share of the loss.

In accepting this insurance, the Underwriters have relied on the information and statements that you have provided. *You* should read this Certificate, Schedule and *Policy* wording carefully and if it is not correct contact *Your* Broker or the Coverholder. It is an important document and *You* should keep it in a safe place with all other papers relating to this insurance.

The Underwriters accepting this insurance agree that;

- i. if a dispute arises under this insurance it will be subject to Australian law and practice and the Underwriters will submit to the jurisdiction of any competent court in the Commonwealth of Australia;
- ii. any summons notice or process to be served upon the Underwriters may be served upon:
Lloyd's Underwriters General Representative in Australia
Suite 2, Level 21 Angel Place, 123 Pitt Street, Sydney, NSW 2000
who has authority to accept service and to appear on the Underwriters' behalf;
- iii. if a suit is instituted against any of the Underwriters all Underwriters participating in this insurance will abide by the final decision of such Court or any competent Appellate Court.
- iv. In the *Event* of a claim arising under this insurance IMMEDIATE NOTICE should be given to Honan Insurance Group.

General Insurance Code of Practice

Lloyd's is a signatory to the General Insurance Code of Practice. The code aims to:

1. Promote more informed relations between insurers and their customers;
2. Improve consumer confidence in the general insurance industry;
3. Provide better mechanisms for the resolution of complaints and disputes between insurers and their customers;
and
4. Commit insurers and the professionals they rely upon to higher standards of customer service.

For more information please visit the Code of Practice website, www.codeofpractice.com.au or follow the links from the Insurance Council of Australia's website at www.ica.com.au

Insurance Council of Australia

Where the Coverholder cannot provide *You* with insurance cover, *We* will refer *You* to the Insurance Council of Australia (the ICA) for information about alternative insurance options (unless *You* already have someone acting on *Your* behalf). The ICA has established a dedicated telephone number for consumers who are asking for information about alternative insurance options which is: 1300 884 934

About Honan Insurance Group

Honan Insurance Group ("Honan Group") ABN 67 005 372 396 AFS Licence No. 246749 is an ASIC licenced insurance intermediary. Honan Group and its authorised representatives are intermediaries who act on *Our* behalf in arranging this insurance.

Honan Group contact details are:

Sydney:

Level 5, 35 Clarence Street, Sydney NSW 2000

Phone: (+612) 9299 0767 Fax: (+612) 9299 0747

Important Information and Notices

Statutory Notice – Section 40 Insurance Contracts Act 1984 (Cth)

This notice is provided in connection with but does not form part of the *Policy*.

Claims Made Cover

The insurance in some *Cover Sections* of this *Policy* is on a 'Claims Made' basis. The Office Bearer's Liability *Cover Section* only provides cover if a claim is made against an *Officer*, by some other person, during the *Period of Insurance*.

The Entity Liability Section only provides cover for:

- legal defence costs if a claim is made against the entity, by some other person
- workplace health and safety appeal costs if a notice is imposed or a determination is made
- taxation audit costs, if a notification is received by *You*, during the *Period of Insurance*

Some *Cover Sections* of this *Policy* do not provide insurance cover in relation to *Events* that occurred before the inception of the *Policy*.

The Entity Liability Section does not cover:

- facts or *Events* occurring prior to the commencement of this *Policy*, which *You* knew or ought to have known at the time of commencement of this *Policy*, would, or might, give rise to a claim;
- claims initiated, threatened or commenced prior to the commencement of this *Policy*;
- notices imposed or determinations made prior to the *Period of Insurance*;
- tax audits or investigations initiated, threatened or started prior to the commencement of the *Period of Insurance*

The Office Bearer's Liability *Cover Section* does not cover:

- actions made or threatened;
- notices to attend investigations received;
- circumstances known of, before the inception of the *Policy*

Section 40(3) of the Insurance Contracts Act 1984 (Cth) applies to this type of insurance. That sub-section provides that if an *Insured* becomes aware, during the *Period of Insurance*, of any occurrence or fact which might give rise to a claim against them by some other person, then provided that the *Insured* notifies the *Insurer* of the matter as soon as reasonably practicable after the *Insured* becomes aware of the occurrence or fact and before this *Policy* expires, the *Insurer* may not refuse to indemnify merely because a claim resulting from the matter is not made against the *Insured* prior to the end of the *Period of Insurance*..

If an *Insured*, inadvertently or otherwise, does not notify the relevant occurrence or facts to the Coverholder before the expiry of the *Policy*, the *Insured* will not have the benefit of section 40(3) and the Coverholder may refuse to pay any subsequent claim, notwithstanding that the *Events* giving rise to it or the circumstances alleged in it may have taken place during the *Period of Insurance*.

Our Strata Insurance

This Residential Strata Insurance product is designed to cover the insurance requirements of *Body Corporates* and Owners Corporations for residential Strata Titled property and combines cover for Building and Common Contents, Property Owner’s Liability, Machinery Breakdown, Fidelity Guarantee, Voluntary Workers and Personal Accident, Office Bearer’s Liability and Body Corporate Costs.

Summary of Cover

The following is a summary of the major benefits of covers available under the *Policy*. Please refer to each *Cover Section* for full details of coverage and applicable terms and conditions.

Section / Type of Cover Available	Section / Type of Cover Available	Benefits of covers available	Page No:
Cover Section 1	Building & Common Contents	Cover against physical loss or damage to <i>Your building</i> and <i>common contents</i> occurring during the <i>Period of Insurance</i> up to the <i>sum insured</i>	21
Cover Section 2	Legal Liability	Cover for claims for compensation or expenses, which <i>You</i> become legally liable to pay in respect of <i>personal injury</i> or <i>property damage</i> , happening as a result of an <i>occurrence</i> arising in connection with the ownership of the property	31
Cover Section 3	Machinery Breakdown	This provides cover for <i>Your</i> electrical, electronic and mechanical machinery and plant <i>as a result of breakdown</i> that occurs during the <i>Period of Insurance</i> .	35
Cover Section 4	Fidelity / Crime	Cover for the <i>Body Corporate</i> funds which are lost as a result of an <i>Event</i> where theft, embezzlement, misappropriation, conversion or fraud is first discovered during the <i>Period of Insurance</i> and reported to <i>Us</i> during the <i>Period of Insurance</i> (or extended reporting period).	37
Cover Section 5	Personal Accident (Voluntary Workers)	Following an accident causing an injury to a voluntary worker <i>We</i> will pay a capital benefit payment or weekly benefit payment	41
Cover Section 6	Office Bearers Liability	Cover for <i>Your Officers</i> against claims arising out of any actual or alleged wrongful act(s) occurring during the <i>Period of Insurance</i> , in managing the <i>Body Corporate</i> affairs.	43
Cover Section 7	Body Corporate Costs / Entity Liability	Cover for the professional costs and expenses associated with investigation by the Australian Tax Office or other statutory body, legal expenses incurred in appealing common property health and safety breaches and legal expenses incurred in defending actions arising out of the conduct of the <i>Body Corporate</i> .	46

Your individual requirements

When preparing this PDS *We* have not taken into account *Your* individual objectives, requirements or financial position. *We* generally distribute *Our* products through licensed insurance brokers or advisers (intermediaries).

You should discuss with *Your* intermediary the type of risks *You* need to insure against and the appropriate amount of cover that *You* need. Further, if *You* have any questions about the appropriateness of this product for *Your* objectives, requirements or financial position, *You* should seek advice from *Your* intermediary. If *You* wish to contact *Us* about this PDS please use the contact details given on page 5.

However, *We* can only provide *You* with factual information or general advice about this product and cannot advise *You* whether the product is appropriate for *Your* objectives, requirements or financial position.

If *Your* circumstances relevant to the risks *We* have agreed to insure change after taking out this insurance, *You* should notify *Us* (or ask *Your* intermediary to do so on *Your* behalf) as soon as possible.

Other issues to consider before taking out this insurance

Like all insurance contracts, the *Policy* contains exclusions, terms and conditions, as well as limits and sub-limits that *You* should be aware of when considering whether to purchase this product.

Our contract with you

Your Policy is a contract of insurance between *You* and the *Insurer* and contains all the details of the cover that *We* provide. *Your Policy* is made up of:

- the *Policy* wording, which tells *You* what is covered, sets out the claims procedure, exclusions and other terms and conditions of cover;
- the proposal, which is the information *You* provide to *Us* when applying for insurance cover;
- *Your* most current *Policy schedule of insurance* issued by *Us*. The *schedule of insurance* is a separate document unique to *You*, which shows the insurance details relevant to *You*. It includes any changes, exclusions, terms and conditions made to suit *Your* individual circumstances and may amend the *Policy*; and
- any other written changes advised by *Us* in writing (such as an *Endorsement* or a supplementary PDS). These written changes vary or modify the above documents.

Please note, only those *Cover Sections* shown as insured in *Your schedule of insurance* are insured.

This document is also the PDS for any offer of renewal *We* may make, unless *We* tell *You* otherwise. Please keep *Your Policy* in a safe place.

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

Significant issues to consider

Insurance contracts contain *Policy* exclusions, *Policy* terms and conditions and *Policy* limits and sub-limits that *You* should be aware of when deciding to purchase *Our* product. These things may affect the amount of the payment that *We* will make to *You* if *You* have a claim.

We may express some *Policy* terms, *Policy* limits or sub-limits as being either a dollar amount or a percentage of *Your sum insured* shown in *Your schedule of insurance* or some other amount, factor or item specified in the relevant clause of this document.

How to apply for this insurance and our contract with you

You may need to complete an application form. We will use the information You supply to determine the terms of cover We will provide. The terms of cover are contained in this PDS and the most recent Schedule, and the *Policy* wording that We issue to You.

The Schedule will contain important information about Your cover, including the *Period of Insurance*, the *Premium*, the level of cover (and the insured amounts) You have chosen. It will also contain details of the insured property, the *Excess* payable for any claim, and whether any standard terms have been varied by way of *Endorsement* to the *Policy*.

You should keep all of the *Policy* documents in a safe place, along with receipts and other evidence of Your ownership and the value of the items insured.

How to renew this insurance

Before the expiry date of the *Policy*, We will send You a notice advising whether We will offer to renew the *Policy* and on what terms. You should carefully check the information shown on each renewal notice to ensure that the details are correct.

We will provide You with a supplementary PDS if any information in the original PDS has changed since the insurance was first taken out.

The premium

We consider a number of factors when calculating the *Premium* for this insurance. They include the type of property being insured (including its age and construction), the *Location* of the property, the level of cover requested and Your previous insurance and claims history.

Premiums are also subject to Commonwealth and State taxes and/or charges, including Fire Services Levy (where applicable), GST and stamp duty as well as any additional charges including fees and commissions. These amounts will be shown on Your Schedule.

The *Premium* payment may also be increased or decreased when changes are made to Your *Policy* or upon renewal. Please note that the cover We provide is subject to the *Premium* being paid by You

Taxation

The *Policy* has provisions relating to GST. In summary, they are as follows but please read the provisions in full. They can be found in the *Policy* Wording part under 'Goods and Services Tax – how it affects any payments We make'.

- The amount of *Premium* payable by You for this *Policy* includes an amount on account of the GST on the *Premium* (including any administration fee charged by The Coverholder)
- The sum insured and other limits of insurance cover shown on Your *Policy* documentation are GST inclusive
- When We pay a claim Your GST status will determine the maximum amount We pay You

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

Your duty of disclosure

Before You enter into a general insurance contract with Us, You have a duty under the Insurance Contracts Act 1984 to disclose to Us every matter that You know, or could reasonably be expected to know, is relevant to Our decision whether to insure You and if so, upon what terms.

You have the same duty before *You* extend, vary or reinstate the insurance. This duty does not require disclosure of any matter that:

- Reduces the risk to *Us*;
- Is of common knowledge;
- *We* know, or in the ordinary course of *Our* business, ought to know; or
- Where compliance with this duty is waived by *Us*.

Non disclosure

If *You* fail to comply with this duty of disclosure, *We* may be entitled to reduce *Our* liability under the contract in respect of a claim or may cancel the contract. If *Your* nondisclosure is fraudulent, *We* may be entitled to cancel the contract from its beginning.

Who needs to disclose

You are answering questions on behalf of both *Yourself* and anyone else *You* want to be covered by this insurance. The duty of disclosure applies to *You* and everyone else insured by the *Policy*.

Cooling off

You have 21 days to consider the information contained in *Your Policy*. This is *Your* cooling off period. If *You* would like, and provided *You* have not made a claim under *Your Policy*, *You* have the right to cancel *Your* insurance. *We* will refund in full any *Premium* *You* have paid.

To exercise this right *You* must notify The Coverholder in writing or electronically within 21 days from the date *Your Policy* takes effect.

Cancellation

This *Policy* may be cancelled by *You* (if *Your Policy* permits) at any time by giving *Us* notice in writing of the future date the cancellation is to take effect. *We* may cancel this *Policy* in accordance with the Insurance Contracts Act (Cth) 1984. Should *We* or *You* cancel *Your Policy*, *We* shall retain a pro rata proportion of the *Premium* for the time the *Policy* has been in force.

Dispute resolution

Any enquiry or complaint relating to this insurance should be referred to **Honan Insurance Group** in the first instance.

Sydney:
Level 5, 35 Clarence Street, Sydney NSW 2000
Phone: (+612) 9299 0767 Fax: (+612) 9299 0747
info@honan.com.au

If Honan Insurance Group is unable to resolve the matter or *You* are not satisfied with the way a complaint has been dealt with, the *Insured* should then contact:

Lloyd's Underwriters General Representative in Australia
Suite 2, Level 21 Angel Place, 123 Pitt Street, Sydney, NSW 2000
Telephone: (02) 9223 1433
Facsimile: (02) 9223 1466
Email: idraustralia@lloyds.com

In cases where further information, assessment or investigation is required *We* will agree reasonable alternative time frames. If *We* cannot reach agreement *You* can report *Your* concerns to the Financial Ombudsman Service (FOS).

Where the FOS Terms of Reference do not extend to *You* or *Your* dispute, *We* will advise *You* to seek independent legal advice or give *You* information about other external dispute resolution options (if any) that may be available to *You*.

You can contact the FOS in the following ways:

By Phone: 1300 78 08 08

By Mail: Financial Ombudsman Service

GPO Box 3, Melbourne, VIC 3001

Information on the FOS may be obtained from its website at www.fos.org.au

Additional Information

Our complaints and disputes procedures follow the requirements of the General Insurance Code of Practice (the 'Code'). Visit www.codeofpractice.com.au for more information about the Code.

Privacy

Your Privacy

In the course of providing insurance and processing insurance claims, the Coverholder needs to collect personal information about persons The Coverholder insures and persons associated with *Insured* persons. If *You* do not give The Coverholder this information, The Coverholder may not be able to provide insurance or process a claim. In accordance with the Privacy Act 1988, The Coverholder's privacy policy statement contains the information required to be given to persons about whom The Coverholder collects personal information.

Our Privacy Policy

Our Privacy Policy statement is readily available on *Our* website at www.honan.com.au. The Privacy Policy contains information on how *You* may access *Your* personal information held by The Coverholder and how to seek correction of such information. It also provides information on how *You* can make a complaint against The Coverholder for a breach of the Australian Privacy Principles (APPs), or registered APP code(s), if any, that bind The Coverholder. On request, *We* can provide *You* with a copy of The Coverholder's Privacy Policy.

Your access to Your personal information

You can request access to personal information which The Coverholder holds about *You*. *Your* rights to access and The Coverholder's rights to refuse access are set out in the Privacy Act 1988.

The Coverholder's use of personal information

The Coverholder may at any time use personal information it collects about *You* for any of the following purposes:

- To provide a quotation or assess a proposal for insurance.
- To provide, amend or renew an insurance policy.
- To respond to a claim

The Coverholder's disclosure of personal information

The Coverholder may at any time disclose personal information The Coverholder collects about *You* to the following types of organisations (some of which may be outside Australia):

- Reinsurers;
- External valuers and appraisers;
- Loss adjustors and other investigators;
- Professional advisers, such as accountants and lawyers;
- Other organisations that provide services to The Coverholder in relation to the provision of insurance.

To assist *Us* in providing insurance services to *You*, *We* may transfer personal information overseas to the types of organisations listed above in Singapore and the United Kingdom

Further information on *Our* Privacy Policy can be accessed on our website at www.honan.com.au

Adequate Sum Insured – Building and Common Contents

In the *Event* of a loss, the Sum Insured should be sufficient to allow for replacement of the *Property* including all associated costs (e.g. the value of demolition work, removal of debris, surveying, engineering and architectural fees). To ensure adequacy of the Sum Insured, a professional replacement valuation should be obtained on a regular basis. There are specific requirements in each state and territory that deal with insurance for strata properties. The *Insured* should check that the insurance meets those requirements.

Updating Our PDS

We may need to update the information contained in *Our* PDS from time to time (where allowed to or required by law). *We* will issue *You* with a new PDS or a Supplementary PDS or other compliant document to update the 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 product, *We* may issue *You* with notice of this information in other forms or keep an internal record of such changes (*You* are welcome to get a paper copy free of charge by calling *Us*).

This PDS is dated 1st July 2014 and is issued by Honan Insurance Group ABN 67 005 372 396 AFS Licence No. 246749

2. Policy Wording

Our Agreement

Subject to all of the terms and conditions contained in *Your Policy* document and payment of the *Premium*, We will provide *You* with the cover shown in the relevant *Cover Sections* of *Your Policy* document up to the appropriate amount shown in *Your* schedule of insurance or other limits shown in *Your Policy*.

General Definitions applicable to all Cover Sections

The following definitions shall apply to these words when used in *Your Policy* (regardless of *Cover Section*), unless otherwise defined in the individual *Cover Sections*.

Act Of Terrorism

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

- i. Involves violence against one or more persons; or
- ii. Involves damage to property; or
- iii. Endangers life other than that of the person committing the action; or
- iv. Creates a risk to health or safety of the public or a section of the public; or
- v. Is designed to interfere with or disrupt an electronic system.

Aircraft

means any vessel, craft, machine or object made or intended to fly or move in or through the atmosphere or space.

Body Corporate

means the owner(s) of *Your Insured Property* and *Common Area* incorporated under the Strata Schemes Management Act, Strata Titles Act, Community Titles Act or similar legislation applying where *Your Insured Property* and *Common Area* is situated.

Common Area

means the area at *Your Situation* that is not part of any Lot or Unit.

Cover Section

means the relevant section of this *Policy* referred to, and shall, at any one time, be one or all of the following, depending on the context:

- Section 1 – Buildings and Common Contents
- Section 2 – Legal Liability
- Section 3 – Machinery Breakdown
- Section 4 – Crime
- Section 5 – Personal Accident (Voluntary Workers)
- Section 6 – Office Bearer's Liability
- Section 7 – Body Corporate Costs & Entity Liability

Endorsement

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

Erosion

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

Event, Events

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

Excess

means the first amount of each claim payable by *You* towards the claim. The amount of the excess applicable is shown in the schedule of insurance or *Policy* wording

Floating Floors

means laminated, veneered or similar type flooring not fastened to the sub-floor but held in position by its own weight, with or without skirting 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 which is equivalent to or substantially the same as but not better nor more extensive than its condition at the time of loss taking into consideration age, condition and remaining useful life.

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 damage and which would have affected the value had damage not occurred.

Location

means the place shown on the schedule of insurance where the property is physically located.

Lot/Unit

means an area shown on a plan as a lot or unit in terms of the *Strata Schemes Management Act*, *Strata Titles Act*, *Community Titles Act* or similar legislation applying where *Your Insured Property* is situated.

Lot Owner, Lot Owners'

means a person, persons or other entity registered as a proprietor or owner of an estate in fee simple in a *Lot/Unit* in *Your* building in terms of the *Strata Schemes Management Act*, *Strata Titles Act*, *Community Titles Act* or similar legislation applying where *Your Insured Property* is situated.

Lot Owners' Contents

means (but not so as to limit the generality thereof):

- a** built-in or freestanding appliances such as dishwashers, washing machines and dryers;
- b** computers, electronic and electrical equipment, garden equipment;
- c** *Lot Owners'* business and personal effects, furniture, furnishings, carpets, and floor rugs.

Members

means and is limited to the interest of Proprietors, *Members*, *Lot Owners* or Shareholders in respect of the ownership of *Your Insured Property* in terms of the *Strata Schemes Management Act*, *Strata Titles Act*, *Community Titles Act* or similar legislation applying where *Your Insured Property* is situated. Their interest or liability as an owner and/or occupier of a *Lot/Unit* is not included unless otherwise specifically provided by this *Policy*.

Money

means current coin, bank notes, currency notes, cheques, credit card sales and/or discount house vouchers, postal orders, *Money* orders, unused postage and revenue stamps and including the value of stamps contained in franking machines, whilst at the *Location* and whilst in transit to and from the *Location* anywhere in Australia, including whilst contained in the night safe of any bank or financial institution where *You* transact business, and in *Your* personal custody and/or persons authorised by *You* whilst contained in their private residences or elsewhere within the Strata complex in a duly locked safe / strong room / cabinet outside business hours.

Officer

means:

(a) Any person appointed (or previously appointed) to act as an office bearer or committee member for *You* in terms of the Strata Schemes Management Act, Strata Titles Act, Community Titles Act, or similar legislation, whilst acting in that capacity;

(b) Any person invited by an *Officer* to assist in the management or performance of *Your* affairs, whilst acting in that capacity;

(c) A Strata manager, director, employee or partner who is or was appointed to be a member of the committee of *Your* governing body, Building Management Committee or duly appointed member of a Sub Committee of *Your* Building(s), only to the extent that they are acting as an appointed Committee Member.

However this does not include any person or organisation engaged by *You* on a fee for service basis (except for an *Officer* bearer who receives an honorarium).

Period of Insurance

means the period of time *We* will insure *You* for as shown in *Your* schedule of insurance.

Policy

means the *Cover Sections* selected by *You* from the available *Cover Sections* in this booklet and as shown in *Your* schedule of insurance. *Your Policy* includes this *Policy* booklet, *Your* schedule of insurance, the proposal and any endorsements or alterations made, that *We* have agreed to.

Pollutants

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

Pollution / Contamination

pollution or contamination means physical loss or damage arising out of the discharge, dispersal, release or escape of *Pollutants* into or upon any property, land, atmosphere or any water course or body of water (including ground water)

Premium

means the amount *You* must pay *Us* for the *Cover Sections* *You* select. *Your Premium* is shown on the schedule of insurance.

Property

means the building and common contents (as defined in *Cover Section 1*) at the *Location* as shown in the schedule of insurance.

Rainwater

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

Rent

means, as regards any *Lot/Unit* or part of *Your Common Area* leased to a tenant, an amount of *Money* calculated on the basis of the annual rentable value (including any 'outgoings' payable by a tenant or lessee) that applied immediately prior to loss or damage.

Replacement

means:

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

b the extra costs necessarily incurred to alter or upgrade *Your Insured Property* to comply with Public, Statutory or Environmental Protection Authority requirements, but does not include:

- i. any costs that would have been incurred in complying with orders issued prior to the happening of the loss;
- ii. any extra costs to alter or upgrade any portion of *Your* undamaged Insured *Property* if the cost to rebuild, replace or repair the damaged portion is less than twenty five percent (25%) of what the cost would have been had *Your* Insured *Property* been totally destroyed.

Schedule of Insurance

means the document which sets out the specific details (e.g. limits of liability, *Excesses*) which apply to *You*. *We* give *You* this schedule of insurance when *You* first buy this insurance and includes any endorsements *We* issue to *You* each time *You* request an addition, alteration or renewal. The schedule of insurance forms part of *Your Policy*.

Situation

means the land at the address(es) shown on the Schedule where *Your* Insured *Property* is situated.

Storm

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

Storm Surge

means an abnormal rise in the level of the sea along a coast caused by the onshore winds of a cyclone

Sum Insured

means the maximum amount *We* will pay under each applicable *Cover Section* and is shown in *Your* schedule of insurance except as otherwise provided for specifically in a *Cover Section*.

Temporary Accommodation

means, as regards any *Lot/Unit* occupied by the *Lot Owner*, an amount of *Money* calculated on the basis of the annual rentable value (including any 'outgoings' that would have been payable by a tenant or lessee) that would have applied immediately prior to the happening of loss or damage.

Tsunami

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

Territorial Limits

means the Commonwealth of Australia.

Unit owner

means a person, persons or others registered as a proprietor or owner of an estate in a *Unit* in terms Strata Schemes Management Act, Strata Titles Act, Community Titles Act, or similar legislation applying in *Your* property's *Location*.

Vehicle

means any type of machine on wheels or self-laid tracks, except unregistered lawn-mowers, made or intended to be propelled by other than manual or animal power and any trailers or other attachments made or intended to be drawn by any of those machines.

Voluntary Worker

means a person engaged solely in work or duties on behalf of the *Body Corporate* without promise of reward or remuneration, other than an honorarium for duties associated with the position of an Office Bearer. Voluntary Worker does not mean employees, contractors or any person who receives a payment, reward or remuneration (other than provided herein) for their services.

Watercraft

means any vessel, craft, machine or object made or intended to be used on, in or under water.

Wear, Tear

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

We, Our, Us, Insurer

Means certain underwriters at Lloyd's

You, Your, Yours

means the *Body Corporate* or corporation named in the schedule of insurance, or if there is no strata title, the person or company so named.

General Exclusions applicable to all Cover Sections

These general exclusions apply to all *Cover Sections* within the *Policy*. However, each *Cover Section* also has specific exclusions to the cover offered under that *Cover Section* and those exclusions should be read in addition to the ones below.

None of the *Cover Sections* provide cover for loss, damage, destruction, injury or liability directly or indirectly caused by, arising from or as a result of:

1. an intentional act by *You* or a person acting with *Your* consent unless for the purpose of preventing or eliminating danger to persons or property;
2. any *Act of Terrorism* or any action taken in controlling, preventing, suppressing or in any way relating to any *Act of Terrorism*;
3. the presence of asbestos or asbestos products or asbestos contained in any products;
4. the lawful seizure, confiscation, nationalisation or requisition of the property;
5. destruction of, or damage to, *Property* by or under the order of any government or public or local authority, unless required to reduce further destruction or damage to the property;
6. war, invasion, act of foreign enemy, hostilities (whether war is declared or not), civil war or unrest, rebellion, revolution, insurrection, military or usurped power, looting, sacking or pillage following any of these;
7. the use, existence or escape of nuclear weapons material, or ionising radiation from, or contamination by radioactivity from, any nuclear fuel or nuclear waste from the combustion of nuclear fuel or action of nuclear fission.

General Terms and Conditions applicable to all Cover Sections

These terms and conditions apply to all *Cover Sections* within the *Policy* unless specified. Also, each *Cover Section* may have specific terms and conditions to the cover offered under that *Cover Section* and those terms and conditions should be read in addition to the ones below.

Breach of Condition

We may refuse to pay a claim if *You* are in breach of any of the conditions of this *Policy*.

Cancellation

You may cancel this *Policy* at any time by notifying *Us* in writing. *We* may cancel this *Policy* by notice in writing for any reason available to *Us* at law. If this *Policy* is cancelled by *You* or *Us*, and prior to the cancellation being notified, *You* have notified to *Us* a claim under the *Policy*, then:

- a) *You* will not be entitled to a refund of any *Premium* reflecting that proportion of the unexpired *Period of Insurance*; and
- b) *You* will remain liable to pay any instalments of *Premium* due under this *Policy* for the remainder of the *Period of Insurance*.

Care and Maintenance

You must take all reasonable care and precautions to prevent or minimise loss, damage, injury, illness or liability including complying with any law, by-law, ordinance or regulation that concerns the safety of persons or property. Should any damage have occurred prior to commencement of the insurance and such damage has not been repaired or made good, *We* shall not be liable for such damage or any consequential loss, destruction or damage. *Your Officers* (as defined in *Cover Section 6*) must use due diligence and act at all times to avoid or diminish any claim.

Changes and Alteration of Risk

You must tell *Us* as soon as possible if circumstances occur, or if changes or alterations are intended or made which increase the risk of loss, damage, injury or liability.

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

Claims Procedures

On the happening of any occurrence or *Event*, which may give rise to a claim, discovery of a crime, or claim made against *You*, *You* must:

- a) take all reasonable precautions to prevent further loss, damage or liability;
- b) notify the Police immediately if any of *Your Property* is lost, stolen, or maliciously or intentionally damaged;
- c) notify *Us* in writing as soon as possible, but if claiming under *Cover Section 6* notification must be during the *Period of Insurance*;
- d) supply *Us* with all information *We* require to investigate, settle or defend the claim;
- e) not arrange replacement of any *Property* in connection with any claim without *Our* consent;
- f) not admit liability if an incident occurs which is likely to result in someone claiming against *You* and for which *We* insure *You*, without *Our* prior written consent.
- g) *We* have the right to negotiate, defend or settle in *Your* name and on *Your* behalf any claim and will have full discretion in the conduct of any proceedings or in the settlement of any claim.

Excess

The amount *We* will pay for a claim will be reduced by the amount of the *Excess*. Some *Events* provided for in *Your Policy* are subject to an *Excess*. Please refer to *Your* schedule of insurance for particulars of any *Excesses* imposed.

Insurers liability several not joint

The liability of the *Insurer* under this contract is several and not joint with other insurers party to this contract. An insurer is liable only for the proportion of liability it has underwritten. An insurer is not jointly liable for the proportion of liability underwritten by any other insurer. Nor is an insurer otherwise responsible for any liability of any other insurer that may underwrite this contract.

The proportion of liability under this contract underwritten by an insurer (or, in the case of a Lloyd's syndicate, the total of the proportions underwritten by all the members of the syndicate taken together) is shown next to its stamp. This is subject always to the provision concerning "signing" below.

In the case of a Lloyd's syndicate, each member of the syndicate (rather than the syndicate itself) is an insurer. Each member has underwritten a proportion of the total shown for the syndicate (that total itself being the total of the proportions underwritten by all the members of the syndicate taken together). The liability of each member of the syndicate is several and not joint with other members. A member is liable only for that member's proportion. A member is not jointly liable for any other member's proportion. Nor is any member otherwise responsible for any liability of any other insurer that may underwrite this contract. The business address of each member is Lloyd's, One Lime Street, London EC3M 7HA. The identity of each member of a Lloyd's syndicate and their respective proportion may be obtained by writing to Market Services, Lloyd's, at the above address.

Other Interests

You must not transfer any interest in this *Policy* without *Our* written consent. All persons entitled to any benefit under this *Policy* are bound by the terms of this *Policy*. *We* insure only those interests of which *You* notify *Us* of when *We* issue cover, or which are notified to *Us* during the currency of this *Policy* and which *We* agree to insure.

Payments in respect of Goods and Services Tax

When *We* make a payment to *You*, or on *Your* behalf, under this *Policy* for the acquisition of goods, services or other supply (or as compensation instead of payment for the acquisition of goods, services or other supply), *We* will reduce the amount

of the payment by the amount of any input tax credit that *You* are, or will be, or would have been entitled to under A New Tax System (Goods and Services Tax) Act 1999, in relation to that acquisition, whether or not that acquisition is actually made.

Proper law and Jurisdiction

- a) The construction, interpretation and meaning of the provisions of this *Policy* shall be determined in accordance with Australian law.
- b) In the *Event* of any dispute arising under this *Policy*, including, but not limited to, its construction and/or validity and/or performance and/or interpretation, *You* will submit to the exclusive jurisdiction of any competent Court in the Commonwealth of Australia.

Restricting *Our* right of recovery

Where another person is liable to compensate *You* for any loss, damage or liability, which is covered by this *Policy* but *You* have agreed not to seek recovery of any monies from that person or have agreed to limit any amount so recoverable, either before or after the occurrence of such loss, damage or liability, *We* will not cover *You* under this *Policy* for that loss, damage or liability to the extent that *Our* right of recovery has been so restricted or limited.

Sanctions

The *Insurer* shall not be deemed to provide cover and the *Insurer* shall not be liable to pay any amount or provide any benefit hereunder to the extent that the provision of such cover, payment or provision of such benefit would expose the *Insurer*, or its parent or ultimate holding company, to any sanction, prohibition or restriction implemented pursuant to resolutions of the United Nations or the trade and economic sanctions, laws or regulations of the European Union, United Kingdom, Australia or United States of America.

Unoccupied Property

If the *Property* is totally unoccupied for a period of more than 60 consecutive days, *You* must tell *Us* in writing and obtain *Our* written agreement for cover to continue beyond that period. If *You* do not do so, the cover under *Your Policy* is limited to damage caused by lightning, thunderbolt, impact and earthquake during the period in excess of 60 consecutive days during which *You* have left the *Property* totally unoccupied. The period of 60 consecutive days is calculated from the date when the *Property* was last occupied, regardless of the commencement or renewal of *Your Policy*.

Cover Section 1 – Buildings and Common Contents

What You are insured against

We agree to indemnify You up to the Sum Insured shown on Your Schedule against physical loss or damage to Your Building and Common Contents occurring during the *Period of Insurance*.

Definitions specific to this Cover Section

In addition to the Definitions section of this *Policy*, the following additional Definitions apply to this cover Section 1:

Building

building means the residential building at the *Location* shown in the schedule of insurance, containing the *Units* or *Lots* and common *Property* and includes:

1. all outbuildings, improvements and fixtures of a structural nature including fixed plant and machinery, other than *Floating Floors*;
2. marinas, wharves, jetties, docks, pontoons, swimming platforms or similar type facilities (whether fixed or floating) which are used for non-commercial purposes and which do not provide fuel, distribution facilities, unless We are advised and otherwise agree in writing;
3. services (including underground) owned by You or for which You are responsible which are in and about the buildings.
4. paint and wallpaper in *Common Areas* and inside individual *Units*, except in New South Wales and the Australian Capital Territory
5. ducted air conditioners, stoves, ovens, hotplates, hot water systems, built-in cupboards and bathroom fittings.
6. any other items defined as buildings by the relevant legislation in the State or Territory where the building is located.

building does not mean or include:

1. temporary wall, ceiling or floor coverings.
2. paint and wallpaper in individual *Units*, in New South Wales and the Australian Capital Territory only.
3. window coverings, internal blinds, carpets or light fittings other than in *Common Areas*.
4. air conditioners that are not permanently mounted, clothes dryers, washing machines, microwave ovens and any free standing or portable appliance.
5. fixtures removable by a lessee or tenant at the end of the lease or tenancy.
6. *Property* in the course of construction, erection, alteration, addition or renovation where the contract value of the work exceeds \$500,000.
7. Illegal installations

Common Contents

Common Contents means:

1. domestic appliances, equipment, furniture and fittings for which You are responsible or for which You have assumed responsibility to insure:
 - a. in any *Common Area* at the *Location* shown in the schedule of insurance, or
 - b. while in the building or temporarily removed to another building for repair or service
2. rockeries, trees, shrubs and plants owned by You or for which You are responsible at the *Location*

Common Contents does not mean:

1. vehicles, watercraft, *Aircraft* or their accessories
2. personal *Property* owned by a *Unit* owner
3. works of art, curios and antiques, except up to \$10,000 in total, and then only in respect of such items that are in display in any *Common Area* of the building

Debris

debris means:

1. the residue of damaged buildings or common contents; or
1. material deposited on the *Location* excluding any material which can cause *Pollution* or contamination and which is deposited beyond the boundaries of the *Location*

Unable to be occupied

unable to be occupied means:

- a) the lot owner and / or their tenants are unable to inhabit the insured premises for its or their intended purpose due to the failure of electricity, gas, water or sewerage services, resulting from loss or damage to *Property* belonging to or under the control of the supplier of such services, for a period of more than forty eight hours; or
- b) by order of the police, a public or statutory authority or other body, entity or person so empowered by law, due to:
 - i. the discharge, release or escape of legionella or other airborne pathogens from water tanks, water systems, air-conditioning plant cooling towers and the like;
 - ii. a human infectious or contagious disease; or
 - iii. murder or suicide,occurring at the *Location*.

Unit owner's fixtures and improvements

Unit owner's fixtures and improvements means any item or structure installed by a *Unit owner* for their exclusive use and which is permanently attached to or fixed to the *building* so as to become legally part of it, including any improvements made to an existing fixture.

How much We will pay and how**Buildings repair, rebuild or replacement**

We will pay up to the *sum insured* for physical loss or damage to *Your building*. In the *Event* of a claim for a *building* We will at *Our* option:

1. repair, rebuild or replace the Building; or
2. pay the reasonable cost of repair, rebuilding or replacement of the Building, to a condition substantially the same as but not better or more extensive than when new; or
3. pay up to the Sum Insured.

We will not sell or dispose of any salvage without giving *You* the opportunity to purchase it at its salvage value, but this does not allow *You* to abandon any *Property* to *Us*.

Alternatively, and with *Our* prior written consent:

You may purchase another existing building to replace that destroyed. Such replacement shall be deemed to constitute 'repair' for the purposes of this insurance but *We* shall not, under any circumstances, be liable to make any payment beyond the *sum insured* or the actual cost of rebuilding the Building destroyed, whichever is the lesser.

The work of rebuilding, replacing, repairing, restoring or reinstating the *building*, as the case may be, must commence within six (6) months of the loss or damage occurring (or any other period which *We* agree with *You*), failing which *We* shall not be liable to make any payment beyond the amount which would have been payable had the delay not occurred and *You* may have to pay any increase in the cost.

Loss of land value

For claims for loss of *Land Value* under the Loss of *Land Value* Additional Benefit:

1. settlement shall be made following the ruling of the authority resulting in the loss of *Land Value*. Should settlement have been made, however, and subsequently the ruling of the authority be changed prior to completion of the reconstruction, resulting in an increase in the *Land Value*, after loss or damage, that part of the claim paid in excess of the revised *Land Value* shall be refunded to *Us*; and
2. all differences relating to *Your Land Value* arising out of this *Cover Section* may by agreement between *You* and *Us* be referred to the President of the Australian Property Institute Inc. who will appoint a registered and qualified valuer whose decision will, if *You* and *We* also agree, be final and who will at the same time decide as to payment of any costs of referral.

Architectural features

In the case where the *building* has architectural features and structural materials of a particularly ornamental, antique, heritage or historical character, or the materials are not readily available, it is agreed that in calculating the cost which would have been incurred in reinstatement if the whole *Property* had been destroyed, the basis to be adopted is the cost of a similar type of building of current design and materials and of a reasonably equivalent utility and capacity. It is further noted that the *sum insured* noted in the *schedule of insurance* has been based accordingly.

Contents repair or replacement

In the *Event* of a claim for *common contents* *We* will at *Our* option:

1. repair or replace the *common contents*; or
2. pay the reasonable cost of repair or replacement to a condition substantially the same as but not better or more extensive than when new. *We* will pay for *common contents*, other than rockeries, trees, shrubs and plants is:
 - a) \$100,000 or 1% of the total *sum insured*, whichever is the greater, for any one loss if the *common contents* were:
 - i. at the *Location* stated in the *schedule of insurance*, but not in the open air; or
 - ii. temporarily removed from the *Location* or in transit but not while in transit to or from a furniture repository.
 - b) \$10,000 for any one loss while in the open air at the *Location* stated in the *schedule of insurance*, but only if the *common contents* are designed to be used and kept outside.

Reinstatement of Sum Insured

The *sum insured* will be automatically reinstated to the amount shown on the *schedule of insurance* in the *Event* of a claim. Upon *Our* request, *You* will pay a pro rata additional *Premium* based on the amount of the claim.

Additional Benefits within the Sum Insured

Subject to *Our* liability not being increased beyond the *sum insured*, *We* will also indemnify *You* for:

Emergency mitigation costs

In the case of an emergency where *You* are required to protect against further loss or damage to any property, as a direct result of that emergency, and the *Property* is covered by *Your Policy*, *We* give *You* the authority to arrange these emergency mitigation costs on *Our* behalf. *We* will not pay more than \$2,000 unless *You* first obtain *Our* written consent prior to *You* incurring costs in excess of this amount.

Floor-space ratio index

If the *building* is totally destroyed or damaged and *We* declare it beyond economical repair, and the relevant statutory authority permits reinstatement only to a reduced floor-space ratio index, *We* will pay the difference between the actual cost of reinstatement to comply with the reduced floor-space ratio index, and the cost of reinstatement, had the reduced floor-space ratio index not applied.

Loss of land value

Up to \$500,000 or 50% of the *sum insured*, whichever is the greater, for loss of *Land Value* as a result of the requirements of any legal authority not allowing rebuilding or allowing only partial rebuilding at the *Location* where there has been loss or damage.

We calculate this amount by subtracting the sum of the *Land Value* after the loss or damage, plus the amount of any compensation paid to *You* by the authority, from the *Land Value* immediately before the loss or damage occurred.

Extra cost of reinstatement

The additional costs incurred by *You* for *Your* damaged *building* to comply with the requirements of any lawful authority that are imposed after the damage.

Provided that *We* will not pay for any costs that were imposed upon *You* by a lawful authority complying with Statutory Regulations that applied to the *Property* or *Location* prior to the damage.

Fusion

For the reasonable cost of repairing or replacing electric motors up which are damaged by *Fusion*, where *Fusion* is the process of fusing or melting together of the windings of an electric motor following damage to their insulating material as a result of overheating caused by electric current.

However, *We* will not pay for:

- a) the repair or replacement of a sealed or semi-sealed refrigeration unit after 20 years from the date of manufacture of the unit; or
- b) motors with an output in excess of five kilowatts
- c) motors under a guarantee or warranty or maintenance agreement
- d) loss or damage to lighting or heating element, fuses or protective devices; or
- e) loss or damage to electrical contacts at which sparking or arcing occurs in ordinary working

Exploratory costs

We will pay the reasonable costs of exploratory work *You* necessarily incur to locate the source of any:

- a) bursting, leaking, discharging or overflowing of water tanks, water apparatus or water pipes;
- 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 also pay:

- i. the reasonable costs incurred in repairing any damage caused to *Your* building or common contents by such exploratory work;
- ii. up to \$1,000 for the repair or replacement of the defective part or parts of such tanks, apparatus, pipes or other installations which is the cause of the bursting, leaking, discharging or overflowing tanks, apparatus, pipes or other installation; and
- iii. up to \$1,000 to rectify contamination damage or *Pollution* damage to land at the *Location* caused by the escape of liquid from such tanks, apparatus, pipes or other installation.

We will only pay the above costs if the cause of the bursting, leaking, discharging or overflowing is not excluded under this *Cover Section*.

Money

For loss of *Money*, to a limit of \$10,000 any one loss or series of losses arising out of one *Event*, whilst in the personal custody of an office bearer or committee member of the *Body Corporate*, but excluding fraudulent misappropriation, larceny or theft or any attempt thereof by:

- a) any person in *Your* employment;
- b) a *Unit owner* or a proxy of a *Unit owner* or any member of his/her family residing permanently with him/her;
- c) a duly appointed strata manager acting on behalf of the *Body Corporate*.

Water removal from car park / basement

We will pay up to \$5,000 for the reasonable costs *You* necessarily incur in removing water from the car park or basement of the *property*, after such inundation is directly caused by a *Storm* or a Rainwater.

Locks and Keys

If during the *Period of Insurance* keys used at the *Property* are accidentally lost or stolen We will pay the cost incurred to replace these keys and other costs that are necessarily incurred to restore the security of the *Property* to the same level of security that existed prior to the loss of these keys.

Provided that the maximum amount that We will pay is limited to \$5,000 in total, for any one *Event*.

Excess public utilities charges

We will pay up to \$5,000 for additional electricity, gas, sewerage, water and management charges *You* are required to pay following loss or damage to the *building* or *common contents* covered by this *Cover Section*.

Government fees, contributions or imposts

We will pay fees, contributions or imposts required to be paid to any public or statutory authority to obtain their approval to rebuild, repair or replace the *Property* as a result of covered physical loss or damage.

Legal fees

We will pay legal fees necessarily and reasonably incurred in making submissions and/or applications to any public or statutory authority, builders licensing board or Land and Environment Court as a result of covered physical loss or damage to the *property*.

Emergency services access

We will pay for physical loss or damage to the *Property* caused by emergency services or others acting under their direction in gaining access to the *Property* in the lawful pursuit of their duty.

Additional Benefits above the Sum Insured

We will pay the following Additional Benefits over and above the *sum insured* for a claim accepted by *Us* and under *Cover Section 1* of the policy.

Fees and costs

For architects', surveyors', and consulting engineers' fees and costs, including all incidental costs, bank imposed charges, legal and other fees and clerk of works' salaries for estimates, plans, specifications, quantities, tenders and supervision necessarily and reasonably incurred in the process of replacement or reinstatement following loss or damage to the *Property* but not the costs, fees and salaries for preparing any claim made under this *Policy* or any other *Policy*.

Approved claim preparation costs

We will pay up to \$30,000 for reasonable professional fees and such other expenses incurred by *You* for the preparation of a claim under this *Cover Section*.

Provided that before *You* incur these claims preparation costs *You* obtain *Our* written approval to incur these costs.

Fire extinguishing

For costs and expenses necessarily and reasonably incurred for the purpose of:

- a) extinguishing fire at, or in the vicinity of, the *Property* or threatening to involve the *property*;
- b) preventing or diminishing imminent damage to the *Property* by any other peril insured against by this *Policy*, including damage to gain access and the cost of replenishment of fire fighting equipment, including replacing used sprinkler heads; and
- c) shutting off the supply of water or other substance following accidental discharge from any fire protective equipment or otherwise escaping from intended confines.

Resetting fire and security systems

For costs and expenses necessarily and reasonably incurred for the purpose of resetting fire, smoke and security alarm systems following insured loss or damage.

Temporary protection

For costs and expenses necessarily and reasonably incurred for the purpose of the temporary protection and safety, including removing and storage, if required, of the *Property* pending repair or replacement following loss or damage.

Removal of debris, fallen trees, demolition of property

For costs and expenses necessarily and reasonably incurred for the purpose of:

- a) the removal of debris or the demolition, dismantling, shoring up, propping, underpinning or other temporary repairs following loss or damage to the *property*, but not in connection with a contractual liability or liability for *Pollution* of any kind;
- b) removing and disposing of fallen trees or parts and costs of treating the stump to prevent regrowth if a claim for impact loss or damage to *Your building* or *common contents* by a falling branch or tree is accepted by *Us*; and

- c) the demolition and removal of any *Property* belonging to *You* which is no longer useful for the purpose it was intended, provided such demolition and removal is necessary for the purpose of the reinstatement or replacement of the *Property* and is following loss or damage but not in connection with a contractual liability or liability for *Pollution* of any kind.

Loss of rent

We will pay the relevant *Unit owner* for loss of rent where the *Unit* is leased out or can provide evidence by means of a signed lease agreement that it would have been leased out, after:

- a) an insured loss or damage:
 - i. renders a *Unit* or *Units* unfit to be occupied for its or their intended purpose; or
 - ii. to the *Property* in the immediate vicinity prevents reasonable access to *Your building*; or
- b) it is *unable to be occupied*.

The basis of *Our* calculation will be the annual rent as per the lease agreement in place at the time of loss. We do not pay for:

- i. any loss of rent after the *Unit* is fit again to be occupied for its intended purpose or, in the case of being *unable to be occupied*, after the services are restored or when the order is revoked, as applicable; or
- ii. any loss of rent for all *Units* in the aggregate in excess of 15% of the *sum insured*.

Temporary costs and accommodation

In the *Event* of an insured loss or damage rendering *Your building* or any *Unit* or *Units* unfit to be occupied for its or their intended purpose, or if *Your building* or any *Unit* or *Units* are *unable to be occupied*, We will pay:

- a) all maintenance fees and levies applicable to the *Unit(s)* payable to *You* up to a maximum of \$2,000 per *Unit*.
- b) for the boarding out of pets normally domiciled at the premises being owned by the *Unit owner's* up to a maximum of \$1,000 per *Unit*
- c) the reasonable temporary accommodation costs of *Your Unit owners*, including:
 - a. the removal and storage of their undamaged personal property;
 - b. returning such *Property* to the *Location*; and
 - c. insuring such *Property* during its removal, storage and return,

up to an aggregate amount of 15% of the *sum insured*, and until *Your building, Unit* or *Units* are fit again to be occupied for its or their intended purpose or, in the case of being *unable to be occupied*, when the services are restored or when the order is revoked, as applicable.

Reletting costs

We will pay the relevant *Unit owner* reasonable reletting costs up to a maximum of \$1,500 per *Unit* if an insured loss or damage renders a leased out *Unit* unfit to be occupied for its intended purpose and the tenant who has had to vacate the *Unit* gives notice that they will not be reoccupying it.

Travel costs

In the *Event* of an insured loss or damage rendering a *Unit* unfit to be occupied for its intended purpose, We will pay reasonable travel costs incurred with *Our* prior written consent that are necessary for the relevant *Unit owner* to visit the *Unit* for the purpose of consulting with claims adjusters and/or building repairers, up to a maximum of \$250 per *Unit*.

Rewriting *Your* records

For reasonable costs up to \$50,000 for the rewriting or reconstruction of *Your* records and books of accounts following their loss or damage. This will include replacement of *Your* title deeds, including any *unit owner's* title deeds held in trust by the *Body Corporate*.

Meeting room hire

We will pay up to \$5,000 for the cost to hire temporary meeting room facilities for the purpose of holding annual general meetings or committee meetings in the *Event* of physical loss or damage to *Your* designated meeting room. We will only pay for meetings held during the period of time that is reasonably necessary for repairs to be carried out and access to be re-established.

Modification expenses

If a *Unit* owner is diagnosed as being paraplegic or quadriplegic within 12 months as a direct result of an insured *Event* occurring at the *Location*, We will pay up to \$25,000 for the cost incurred by *You* in modifying *Your* building to cater for the needs of the *Unit* owner.

Arson reward

In the *Event* of loss or damage, We will pay a reward up to \$10,000 for information (irrespective of the number of people supplying information) which leads to a conviction for arson, theft, vandalism or malicious damage in connection with that *Event* covered by the *Cover Section*. We will pay the reward to the person or persons providing such information or in such other manner as We may decide.

Mortgage discharge

We pay up to \$5,000 to discharge any mortgage over *Your* building if it becomes a total loss, and is not being replaced and We have paid the amount due under this *Cover Section*.

Purchaser's interest

We will cover a purchaser's legal interest in the property, when the purchaser has signed an agreement to buy all of or part of the property.

Funeral expenses

Up to \$5,000 in any one *Period of Insurance* for the funeral costs for any *Lot Owner* or member of a *Lot Owner's* family permanently residing in the *Lot*, where death occurs as a direct result of loss or destruction of or damage to *Your* Insured Property.

Unit owner's fixtures and improvements

In the *Event* of loss or damage, We will include the *Unit* owner's fixtures and improvements to which at *Our* option, either repair, replace or pay the amount it would cost to repair or replace. We will pay the cost of replacement at the time of replacement subject to:

- a) the necessary work of replacing or repairing must be commenced and carried out without unreasonable delay;
- b) if *You* caused unreasonable delays in commencing or carrying out replacement or repair, We will not pay any extra costs that result from that delay;
- c) where material used in the original construction are not readily available, We will use the nearest equivalent available;
- d) when We wish to repair or replace and *You* do not want this to occur, We will only pay the *Indemnity Value*.

The maximum amount that We will pay in the aggregate will be 15% of the sum insured. Provided that We will not pay for the cost to:

- i. replace undamaged *Unit* owner's fixtures and improvements; or
- ii. replace or repair illegal installations

Optional Extensions Of Cover

Catastrophe cover

If *Your Property* suffers loss or damage which is covered by this *Cover Section* and *We* declare it beyond economical repair and that loss or damage was caused by:

- a. an *Event* which causes damage leading to the declaration by the relevant authority of a state of emergency or natural disaster at the *Location*; or
- b. another *Event* which occurs not later than sixty (60) days after such declaration, provided the *Property* has been continuously insured with *Us* for that period,

We will:

- i. increase the *sum insured* on the *Property* and all other Additional Benefits in this *Cover Section* by up to 30% if the *Property* is rebuilt; and
- ii. include, as an Additional Benefit within the increased *sum insured*, cover for the costs that *Your Unit owners* necessarily incur to evacuate from the *building* to a place of safety following an order to evacuate the *building* issued by the police, a public or statutory authority or other body, entity or person so empowered by law and to return from the place of evacuation to the *building* once it is fit again to be occupied, where such costs are not otherwise compensated by any public or statutory authority.

In all other respects, the normal terms and conditions of this *Policy* apply.

This optional extension of cover only applies:

- a) when indicated on *Your schedule of insurance*; and
- b) to loss or damage which is otherwise covered by the *Cover Section*.

Internal Paint & Wallpaper within Lot Owners Lots

Where *Your* applicable Strata Act excludes paint and wallpaper within *Lot Owners Lots* from the definition of building, and this optional cover is specified in *Your Policy* Schedule as included, *We* will cover paint and wallpaper as if they were Building.

Lot Owner's Floating Floorboards

Where *You* have included this Optional Benefit, and it is specified in *Your Policy* Schedule as included, *We* will cover *Lot Owners Floating Floorboards* as if they were Building.

Exclusions of Cover

We do not insure *You* against loss or damage caused by:

- 1) an animal kept by *You* or anyone living at, or visiting the *Location*.
- 2) water or rain to the exterior of the *building*, unless by a sudden and unforeseen *Event*.
- 3) water seeping or percolating through walls, roofs or floors or by water entering as a result of structural defects, faulty design, any gradual process or faulty workmanship in the *building* or water entering through an opening made for the purpose of alterations, additions, renovations or repairs.
 - a. Exclusion 3. will not apply to any subsequent damage to *Your building* or *common contents* if *You* were not aware of, and a reasonable person in the circumstances could not be expected to have been aware of, the structural defect, faulty design, any gradual process or faulty workmanship.
- 4) hydrostatic pressure, popping or the accidental breakage, chipping or lifting of swimming pools, spas and their surrounds including tiles or pavers.

- 5) *Flood*
- 6) *Erosion*, subsidence, earth movement or collapse resulting from the action of the sea, high water or tidal wave.
 - a. Exclusion 6. will not apply to any damage to *Your building* or *common contents* if caused by an earthquake or *tsunami*. An earthquake *Excess* of \$200 applies for each claim or series of claims during a period of 72 hours. Each earthquake *Event* is measured over a 72 hour period from when the first earthquake starts. Another *Event* will occur if earthquake activity continues past the first 72 hour period which means *You* will be required to pay another *Excess*
- 7) normal settling, seepage, shrinkage or expansion in buildings or foundations, walls, pavements, roads and other structural improvements, creeping, heaving and vibration.
- 8) the removal or weakening of supports or foundations for the purpose of alterations, additions, renovations or repair.
- 9) birds, moths, termites or other insects, vermin or wildlife, rust or oxidation, mildew, mould, contamination or *Pollution*, wet or dry rot, corrosion, change of colour, algae, dampness of atmosphere or other variations in temperature, evaporation, disease, inherent or latent defect, change in texture or finish, smut or smoke from industrial operations, the process of cleaning involving the use of chemicals, dilution or contamination of chemicals or contamination of water in a swimming pool or spa.
- 10) the invasion of tree or plant roots. However if such an invasion blocks *Your* drainage system, this Exclusion will not apply to any subsequent damage to *Your* building or common contents caused by the escape of water or liquids from the damaged pipes.
- 11) error or omission in design, plan, specification, failure of design, faulty material or faulty workmanship.
- 12) mechanical, hydraulic, electrical or electronic breakdown (other than *Fusion* of an electric motor as provided for in Additional Benefits within the Sum Insured), failure, malfunction or derangement, computer virus or processing error, of any machine or electrical and/or electronic device.

We do not insure *You* for:

- 13) loss or damage to *Property* undergoing construction, erection, alteration, addition or renovation where the contract value of the work exceeds \$500,000.
- 14) loss or damage to carpets or window applications by staining, fading or fraying, unless by a sudden and unforeseen *Event*.
- 15) *Lot Owner* contents
- 16) loss or damage to glass or windows by chipping, scratching or discolouration, unless the loss or damage is through the entire thickness of the glass or window.
- 17) any consequential loss other than specifically covered by this *Policy*.
- 18) wear and tear, fading, chipping, scratching or marring, rust, gradual corrosion or gradual deterioration or concrete or brick cancer or developing flaws, or wet or dry rot or normal upkeep or making good. However, this Exclusion will not apply to any subsequent damage to *Your* building or common contents if *You* were not aware of, and a reasonable person in the circumstances could not be expected to have been aware of, the wear and tear, gradual corrosion or gradual deterioration or developing flaws.
- 19) to retaining walls resulting from Storm or Rainwater

In addition to these Exclusions, please refer to the General Exclusions which are applicable to *Your Policy*.

Cover Section 2 – Legal Liability

What You are insured against

We will indemnify You in respect of any claim for compensation or expenses which You become legally liable to pay in respect of:

- 1) *personal injury*; or
- 2) *property damage*;

in connection with Your ownership of the *Property* as a result of an *occurrence* happening during the *Period of Insurance*.

Definitions specific to this Cover Section

Computer equipment

computer equipment means data or part of data, computer hardware, operating system, computer network, equipment, web sites, servers, extranet, software, applications software, computer chip including microprocessor chip and coded instructions as well as any new technology, product or service replacing or improving existing technology, product or service.

Personal injury

personal injury means:

- a) bodily injury, death, sickness, disease, shock, fright, mental anguish, psychiatric or psychological disorder, mental injury or loss of consortium;
- b) false arrest, false or wrongful detention or imprisonment, malicious prosecution or humiliation;
- c) the publication or utterance of libellous or slanderous comments;
- d) wrongful eviction or entry or other invasion of privacy; and
- e) assault or battery not committed by You or at Your direction unless for the purpose of preventing or eliminating danger to persons or property.

Property damage

property damage means:

- a) physical damage to, or loss or destruction of, tangible property including any subsequent loss of use from the damage or destruction;
- b) loss of use of tangible property, which has not been physically damaged or destroyed, provided the loss of use is as a direct result of an *occurrence*

Occurrence

occurrence means:

- a) in relation to part (a) of the Definition of *personal injury* and the Definition of *property damage*, any *Event*, including continuous or repeated exposure to substantially the same general conditions, which causes *personal injury* or *property damage* which is neither expected nor intended by You to happen. All *personal injury* and *property damage* arising directly or indirectly from one original source or cause shall be deemed to be the one *occurrence*.
- b) in relation to parts (b) to (e) of the Definition of *personal injury* any act or series of acts of the same or similar nature, which cause *personal injury* which is neither expected nor intended by You to happen. Any such act or series of acts regardless of their frequency or the number of claimants shall be deemed to be the one *occurrence*.

Pollutant

pollutant 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.

How much We will pay

We will pay up to the *sum insured* for all compensation or expenses in relation to any one *occurrence*.

Additional Benefits

We agree to extend cover in accordance with the following, subject to the Terms and Conditions and Exclusions of this *Policy*, unless expressly stated otherwise. No Additional Benefit (other than 'Payments in addition to the sum insured') increases the *sum insured*, unless expressly stated otherwise.

Payments in addition to the sum insured

We will pay, in addition to the *sum insured*:

- a) reasonable and necessary legal costs and expenses (including the costs of representation at any coronial hearing or other official investigation into the circumstances) incurred by *You* and approved by *Us* in the defence or settlement of any claim; and
- b) compensation of \$250 to an *Officer* for each day that the *Officer* attends court as a witness, at *Our* request, in connection with a claim under this *Cover Section*.

Recreational activities

This *Cover Section* is extended to cover *Your* liability for *personal injury* or *property damage* as a result of an *occurrence* arising from social or recreational activities arranged for and on behalf of *Unit owners* and occupiers of *Units* happening during the *Period of Insurance*. For the purposes of this Additional Benefit, '*Your* liability' will also mean the liability of the individuals organising the activities, with respect to claims arising from their duties connected with such activity.

Cover For Others

Provided that they observe, fulfil and are subject to the Terms and Conditions and Exclusions of this *Policy*, We will also cover, as though they were *You*, any *Officer* or employee of the *Body Corporate*, but only for liability incurred by them while acting within the scope of their duties in such capacity.

Exclusions

We will not indemnify *Your* claims in respect of:

Employer's liability

personal injury to any person:

- a) arising out of, or in the course of, their employment with *You*; or
- b) employed by *You* where such claims arise from a liability imposed by the provisions of any workers compensation legislation, an industrial award or agreement or determination.

Vehicles

personal injury or *property damage* arising out of the ownership, possession, operation, control, maintenance or use by *You* of any *vehicle* which is:

- a) registered; or
- b) required to be registered by law; or
- c) wholly or partly insured by *You* or on *Your* behalf by or under any legislation including any compulsory statutory insurance or accident compensation scheme, or would have been, but for the failure to register the *vehicle* or to apply for cover under the scheme or to comply with a term or condition of the scheme.

Exclusion (c) does not apply to *personal injury* or *property damage* caused by or arising:

- I. from the delivery or collection of goods to or from any *vehicle* which is beyond the limits of any public road i.e. off a public road; or
- II. out of the loading or unloading of, or the delivery or collection of, goods to or from any *vehicle* used in work undertaken by *You* or on *Your* behalf but not in *Your* physical or legal control.

Property owned by You or in Your physical or legal control

property damage to property owned by *You* or in *Your* physical or legal control.

However, this Exclusion shall not apply to personal property at the *Location*, which has suffered loss or damage arising from an insured *Event* covered under *Your* Building and Common Contents *Cover Section*. The maximum *We* will pay is \$10,000 any one *occurrence* and \$20,000 any one *Period of Insurance* for all *occurrences*.

Contractual liabilities

any contract, warranty or agreement requiring *You* to be liable for *personal injury* or *property damage* regardless of fault except to the extent that the liability:

- a) would have been implied by law in the absence of contract, warranty or agreement;
- b) arises from a provision in a contract for lease of real or personal property; or
- c) arises from a provision in a managing agreement with the company, person or firm appointed as *Your* strata management agent, other than where liability arises out of:
 - I. any act of negligence on the part of such strata management agent; or
 - II. their default in performing their obligations under such agreement.

Professional indemnity

any liability arising out of any breach of the duty owed in a professional capacity by *You* or persons for whose breaches of such duty *You* may be legally liable.

However, this Exclusion shall not apply to the rendering of or the failure to render first aid at the *Location*.

Watercraft and Aircraft

any liability caused by or arising directly or indirectly out of or in connection with the ownership, custody, use or operation of any *watercraft*, *Aircraft* or *Aircraft* landing strip and all operations necessary and incidental to such craft.

Business or profession

the conduct of any business or profession other than the ownership of the *property*.

Goods sold

any liability caused by the nature, condition or quality of goods (which includes containers) sold or supplied by *You*.

Building alterations

any liability arising directly or indirectly out of or in connection with the construction, erection, alteration, addition, renovation or demolition of a building by *You* or on *Your* behalf where the contract value of the work exceeds \$500,000.

Vibration / Removal of support

any liability arising directly or indirectly from vibration, removal or the weakening or interference with support to land, buildings or other property.

Territorial limits

any actions or claims against *You* instituted outside the Commonwealth of Australia.

Pollution

any liability caused by or arising out of contamination or *Pollution* by the harmful nature of any substance discharged, released or which has escaped into or upon land, the atmosphere or any watercourse or body of water.

However, this Exclusion shall not apply where the liability arises from a sudden identifiable, unintended and unexpected *Event* which takes place in its entirety at a specific time and place and the maximum *We* will pay, inclusive of all costs and in the aggregate, in respect of such liability is the *sum insured*.

Asbestos

any liability arising out of asbestos or asbestos products or asbestos contained in any products.

Libel or Slander

any liability arising as a result of libel or slander made by *You* or at *Your* direction with *Your* knowledge of its falsity.

Fines and penalties

any liability for fines, penalties, punitive, exemplary, liquidated or aggravated damages of any kind regardless of any other provisions of this *Policy*.

Information Technology Hazards

any liability caused or contributed by or arising directly or indirectly out of or in connection with any:

- a) total or partial destruction, distortion, erasure, corruption, alteration, misuse, misinterpretation, misappropriation or other use of *computer equipment*;
- b) error in creating, amending, entering, directing, deleting, or using *computer equipment*; or
- c) total or partial inability or failure to receive, send, access or use *computer equipment* for any time or at all.

In addition to these Exclusions, please refer to the General Exclusions which are applicable to *Your Policy*.

Cover Section 3 – Machinery Breakdown

What You are insured against

We agree to indemnify You against *breakdown* of Your machinery occurring during the *Period of Insurance*.

Definitions specific to this Cover Section

Breakdown

breakdown means sudden and unforeseen physical damage which requires immediate repair or replacement to enable normal operation to continue.

Machinery

machinery means:

- a) lifts, elevators, escalators and inclinator provided they are subject to a current comprehensive maintenance agreement; and
- b) all other electrical machinery, mechanical machinery, boilers and pressure vessels.

Material Defect

material defect means any physical imperfection, which impairs worth or usefulness.

How much We will pay

We will pay up to the *sum insured* for the cost of repairing or, at *Our* option, replacing:

1. *machinery* that is damaged as a result of *breakdown*; and
2. *property* belonging to You or to *Property* for which You are responsible that is damaged by flying fragments from *machinery*,

provided that the damage to the *machinery* occurs during the *Period of Insurance*.

Additional Benefits

We will pay the following Additional Benefits when the *sum insured* is not otherwise expended in respect of any one *Event*.

Increased Costs

We will pay the following reasonable expenses following a *breakdown*:

- a) temporary repairs;
- b) overtime and express freight; and
- c) hiring of temporary plant.

We will not pay for:

- I. expenses for overseas specialists or consultants to carry out or supervise repairs;
- II. air freight by *Aircraft* specifically chartered for the purpose;
- III. overtime charges greater than fifty percent (50%) of the cost of carrying out the repairs at ordinary rates; or
- IV. any repairs or replacement of hired or loaned plant.

Insulating Oil Refrigerant Cost

We will pay for the cost of liquids or refrigerant gas for air conditioning or refrigeration units following a *breakdown*. We will also pay the cost of insulating oil from transformers or capacitors, subject to the *sum insured*

Special Terms and Conditions

- 1) This *Cover Section* only applies after You have fulfilled all relevant provisions for installation and certification of the *machinery* and it must be in sound working order without any *material defects*.
- 2) Where components or manufacturer's specifications are no longer available because they are obsolete, We may choose to either:

- I. pay the costs which would have been incurred if the components or manufacturer's specification had still been available; or
- II. pay the actual value of the item immediately before the *breakdown* occurred, whichever is the lesser.

Exclusions

We will not pay for:

- 1) damage caused by fair wear and tear. This means the wasting or wearing out of any part of *machinery* due to natural, ordinary use or gradual deterioration including (but not limited to):
 - a. *Erosion*, corrosion, rust, boiler scale or oxidation, fatigue fractured pipes or damage due to cavitation;
 - b. tightening of loose components, recalibration or adjustments, other than as a result of the *breakdown*;
 - c. slowly developing deformation, distortion or cracking; or
 - d. any crack, blister, flaw or grooving which has not penetrated the entire thickness of the *machinery's* material although repair or replacement may be necessary at some time in the future.
- 2) damage caused by a deliberate act ordered or carried out by *You* or by any person acting with *Your* permission, except when it is to avoid or reduce *breakdown* which would otherwise happen.
- 3) damage caused by theft or any attempted theft.
- 4) damage caused by testing (involving the imposition of abnormal conditions), intentional overlooking or experiments of any kind, unless agreed by *Us* and noted on the *schedule of insurance*.
- 5) consequential loss of any kind.
- 6) damage to expendable or consumable parts, such as:
 - a. (a) seals, gaskets, joints, belts, ropes, wires, chains, links, felts, sieves, fabrics, joining's or packing's, unless damaged as a result of the *breakdown*;
 - b. electric heating elements, electric contacts, fuses, filaments, glass, porcelain or ceramic components other than when used as electrical insulation;
 - c. cutting edges, tyres, rails, wear plates, dies, engraved cylinders, moulds, patterns, exchangeable tools; or
 - d. concrete, brickwork or refractories, unless damaged as a result of the *breakdown*.
- 7) excluded plant, which is:
 - a. electronic apparatus other than control equipment associated exclusively with and forming part of the *machinery*. This Exclusion does not apply if the apparatus is specifically listed on the *schedule of insurance*;
 - b. lighting equipment, reticulating electrical wiring and sub distribution switchboards, reticulating liquid and gas piping, ducting;
 - c. storage tanks, vats or vessels containing explosive gases, unless required to be registered by a Statutory Authority as a registered pressure vessel;
 - d. mobile *machinery* unless specifically listed on the *schedule of insurance*; or
 - e. coin/card operated machines.
- 8) the cost of removing or reinstalling pump units from bores or loss or pumps units within bores, unless listed on the *schedule of insurance*.
- 9) costs due to the modification or replacement of *machinery* due to any legal requirement relating to the use of refrigerant gases. This Exclusion applies regardless of whether a *breakdown* has occurred.
- 10) damage that is claimable from any manufacturer, supplier, engineer or other person under the provisions of any maintenance or warranty agreement.
- 11) damage caused by the application of any tool or process in the course of maintenance, inspection, repair, alteration, modification or overhaul.
- 12) loss of oil, liquid or gas resulting from leakage from glands, seals, gaskets, joints or from corroded, pitted or deteriorated parts.
- 13) damage 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 *Location*.

In addition to these Exclusions, please refer to the General Exclusions which are applicable to *Your Policy*.

Cover Section 4 – Crime

What You are insured against

We will indemnify You for any loss which results directly from any crime which is first discovered during the Period of Insurance or any extended reporting period (if applicable) but only with respect to crimes committed prior to the expiry date of the period

Definitions specific to this Cover Section

In addition to the Definitions section of this Policy, the following additional Definitions apply to this Cover Section 4:

Computer fraud

computer fraud means loss of Your Money or securities due to any fraudulent or dishonest misuse or manipulation by a third party of the computer systems, programs or funds transfer systems owned or operated by You.

Corporate transaction

corporate transaction means any transaction involving the purchase or sale of shares, equity, debt or assets of any entity.

Counterfeit or Counterfeiting

counterfeit or *counterfeiting* means the intentional imitation of any currency notes or coins such that You are deceived on the basis of the quality of the imitation to believe that the imitation is the authentic original currency.

Crime

crime means any fraudulent or dishonest single, continuous or repeated act(s) or series of acts committed by an employee, or office bearer or strata manager acting alone or in collusion with others with the intention to cause a loss to You or to obtain an improper financial gain from You.

In respect of any crime committed by any employee, or Officer who is engaged in trading or dealing in stocks, shares, equities, bonds, securities, valuable papers, commodities, foreign exchange, derivatives, loans, transactions in the nature of a loan or other extension of credit and the like, You must prove that such internal crime was committed by such person with the intention of causing You to suffer such loss or to obtain an improper financial gain for that person or for any other individual or organisation.

Discovered or Discovery

discovered or *discovery* means the moment which You or any Officer, not in collusion with any person(s) committing the crime, becomes aware of any fact or facts that give reasonable grounds to believe that loss has been or may be incurred even though the exact amount or details of the loss may not then be known.

Employee

employee means:

- (a) any natural person who is employed under a contract of service by You (which shall include the first 60 days after the cessation of such service) in the ordinary course of Your business whom You compensate by payment of salary, wages or commissions and have the right to govern and direct in the performance of such service; or
- (b) any natural person who works under Your supervision and who is subject to the same controls and procedures as the person mentioned under (a) above; or
- (c) any natural person whose identity You are unable to discover, but whose crime caused a loss under this Policy and the evidence proves beyond reasonable doubt that the loss was sustained due to a crime of a person under (a), (b) or (c) above; but excluding any external auditor, broker, factor, commission merchant, consignee, contractor, other agent, representative, or equivalent thereof.

Extended reporting period

extended reporting period means the relevant period stated in the schedule of insurance.

Financial institution

financial institution means any bank including any merchant or investment bank, finance company, insurance or reinsurance company (other than a captive owned by the Insured), mortgage bank, savings and loan association, building

society, credit union, stockbroker, investment trust, asset management company, fund manager or any entity established principally for the purpose of carrying on commodities, futures or foreign exchange trading or any other similar entity.

Financial instrument

financial instrument means cheques, drafts or similar written promises, orders or directions to pay a sum of *Money* that are made, drawn by or drawn upon an *Insured* or by anyone acting or purporting to be acting as the *Insured's* agent.

Forgery

forgery means:

- a) the signing by hand of another natural person's name; or
- b) the endorsing or amending by hand without authority,

of any cheque, draft, promissory note or bill of exchange given or received by *You* with the intent to deceive in consequence of which *You* have acted or transferred funds or goods. Mechanically or electronically produced or reproduced signatures shall be treated as hand written signatures.

Fraudulent alteration

fraudulent alteration means a material alteration to any *financial instrument* for a fraudulent or dishonest purpose by a person other than the person who was authorized to sign such *financial instrument*.

Improper financial gain

improper financial gain means any person gaining any *Money* or *securities* from *You* to which that person was not legally entitled to. *Improper financial gain* shall in no *Event* include salaries, bonuses, fees, commissions, promotion, emoluments or other remuneration.

Investigation costs

investigation costs means all reasonable and necessary costs incurred by *You* (with *Our* written consent) to establish the amount of a *loss*, other than remuneration payable to *Your employees*, partners, *directors* or *Officers* for the cost of their time and / or *Your* costs or overheads in connection with a *loss* to be paid under this *Policy*.

Investment activities

investment activities means the act or purported act of investing or trading in *securities*, commodities, futures or foreign exchange.

Loss

loss means the direct financial loss of any *Money* or *securities* sustained by *You* as a direct result of a *crime*.

Property

property means *Your* tangible property other than *Money* or *securities*.

Securities

securities means any bond, debenture, note, share, stock or other equity or security for debt, and will include any certificate of interest or participation in, receipt for, warrant or other right to subscribe to or to purchase, voting trust certificate relating to, or other interest in any of the foregoing items representing *Money* or *property*. *Securities* shall not include *Money* or *property*.

Theft

theft means the intentional permanent deprivation of *Money* or *securities*.

Third party

third party means any other person or entity than *You*, or the *Officers*, *Your employees* or persons or acting in collusion with *Your employees*.

Voluntary exchange or Purchase

voluntary exchange or *purchase* means the voluntary giving or surrendering (whether or not such giving or surrendering is induced by deception) of *Money*, *securities* or *property* in any exchange or purchase.

How much We will pay

The sum insured as stated the schedule of insurance shall be *Our* maximum liability payable under this *Policy* for all loss sustained by *You* and first discovered during the *Period of Insurance* or any extended reporting period (if applicable) under this *Cover Section 4*.

The sum insured shall apply over and above the applicable deductible.

All indemnification and sub-limits provided by the extensions pursuant to the Benefits within the sum insured in this *Cover Section 4* shall be part of, and not in addition to the sum insured for the *Period of Insurance* and the extended reporting period (if applicable) under this *Cover Section 4*.

Where more than one loss arises from one crime or from a series of crimes which are connected causally with another or which are by any means inter-related or inter-connected, they shall be deemed to be a single loss notwithstanding the number of loss notifications that have been made and such single loss shall be attributed solely to the *Period of Insurance* or the extended reporting period (if applicable) during which the first loss arising from such series of crimes was first discovered.

Benefits within the Sum Insured

Subject to *Our* liability not being increased above the *sum insured*, *We* will also indemnify *You* in respect of the following where there is cover under clause 4.1 of this *Cover Section 4*:

Care, Custody and Control

We shall indemnify *You* for the *loss of Money or securities* which is under *Your* control and custody and for which *You* are legally liable.

Court attendance costs

We agree to provide up to \$250 per day for actual loss of earnings and reasonable expenses incurred by *You*, or an *employee* in attending a civil proceeding as a witness in a claim covered by this *Policy*, where such attendance is legally compulsory. *Our* total aggregate liability during any one *Period of Insurance* for all court attendance costs shall not exceed \$50,000.

Extended reporting period

If this *Policy* upon termination is neither renewed nor replaced by any other *Policy* covering the same or a similar risk, *You* shall have the right to a single *extended reporting period* as stated in the *schedule of insurance* and subject to payment of the additional *Premium* stated in the *schedule of insurance* with respect to any *loss* first *discovered* during such *extended reporting period* and notified to *Us* during such *extended reporting period*, but only with respect to *crimes* committed during the *Period of Insurance*. This *extended reporting period* shall not apply in the *Event* of cancellation of this *Policy* due to the non-payment of the *Premium*.

The right to the single *extended reporting period* shall terminate unless *You* give written notice to *Us* within thirty (30) days of the effective date of the non-renewal of this *Policy*. Once the *extended reporting period* has been elected the entire *Premium* for the *extended reporting period* shall be deemed earned at its commencement.

Interest

We shall indemnify *You* for the amount of any interest that would have been payable on a *loss* covered by this *Policy*, calculated by applying the average base rate in force by the Reserve Bank of Australia, between the time of sustaining such *loss* and the date of *discovery* of such *loss*.

Exclusions specific to this Cover Section

We will not indemnify *You* under this *Cover Section 4* in respect of any:

Consequential loss

consequential *loss* directly or indirectly arising from or in connection with any *loss*, unless included and insured under *Cover Section 4* 'Benefits within the Sum Insured'

Fire

loss caused by any fire.

Fraudulent employee

loss caused by any *employee*, *Officer* or strata manager:

- a) who *You* were aware had previously committed a *crime* before or after the date of commencement of employment by *You*; and
- b) who committed or condoned a *crime* which caused the *loss*.

Intellectual property rights and Trade secrets

loss of or arising from the accessing of any confidential information including but not limited to trade secrets, computer programs, customer information, patents, trademarks, copyrights or processing methods, except to the extent that any such information is used to support or facilitate the committing of a *crime* covered by this *Policy*.

Kidnap and Ransom

loss arising from or in connection with kidnap, ransom or any threat thereof:

Prior and Pending

loss which is directly or indirectly arising from or attributable to any facts or circumstances of which *You*, an *employee*, the strata manager or *Officer*, were aware or of which a reasonable person in such position would have been aware, prior to the commencement of the *Period of Insurance*, as matters out of which a *loss* might arise;

Property

crime insofar as it relates to *property*

Specific documents

loss in connection with the *forgery*, *counterfeit* or *fraudulent alteration* of, on or in, any account receivable, or assignments thereof, bills of lading, warehouse or trust receipts, or receipts serving a similar purpose.

Subsequent Loss

loss sustained in consequence of any *crime* occurring after the date of the *discovery* of, or the reasonable cause for suspicion of, a *crime*.

Territorial limits

- a) *loss* suffered; or
- b) a *crime* committed;

outside of the *territorial limits* of this *Policy*.

Trade finance and Trade loans

the full or partial non-payment of or default under any:

- a) credit agreement, extension of credit or hire purchase agreement;
- b) loan or transaction of the nature of a loan;
- c) lease or rental agreement; or
- d) invoice, account, agreement or any other evidence of debt.

Cover Section 5 – Voluntary Workers

What *You* are insured against

This Section covers death or Injury to Insured Persons in the *Period of Insurance* while engaged in Voluntary Work. Should any of the *Events* set out in the Benefits happen to the Insured Person as the result of an Injury *We* will pay the benefit set out next to that *Event*. The following Benefits sets out the *Events* covered and the amount of the benefits. The amount of Benefit shown applies to each Insured Person.

Definitions specific to this Cover Section

In addition to the Definitions section of this *Policy*, the following additional Definitions apply to this *Cover Section 5*:

Insured Events

insured events means the *Events* listed below in ‘How much *We* will Pay’.

Voluntary Worker

voluntary worker means any *Unit Owner* or other person performing works on *Your* behalf on the *Property* and at *Your* direction without fee or reward or any expectation of fee or reward.

How much *We* will pay (capital and weekly benefits)

Subject to the Special Terms and Conditions section below and the exclusions in section below, *We* will pay the amount specified below for the following *insured Events* suffered by a *voluntary worker*:

- 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 both feet or the loss of use of one hand and one foot: \$200,000.
- 4) permanent quadriplegia, paraplegia or incurable paralysis of all limbs: \$200,000.
- 5) total and permanent loss of use of one hand or the use of one foot: \$100,000.
- 6) total and irrecoverable loss of all sight in one eye: \$100,000.
- 7) total disablement from carrying out the principal duties of their usual profession, business or occupation and not able to work in a similar profession, business or occupation for which the *voluntary worker* is qualified by education, training or experience – in respect of each week of disablement: a weekly benefit of \$2,000 up to a maximum of 104 weeks.
- 8) partial disablement from carrying out all the normal duties of their usual profession, business or occupation – in respect of each week of disablement: a weekly benefit of \$1,000 up to a maximum of 104 weeks.

Special Terms and Conditions applicable to this Cover Section

Compensation to each voluntary worker injured will be paid provided that:

- 1) if a voluntary worker suffers more than one insured *Event* as a result of an injury, *We* will pay only the highest of the amounts of compensation shown for the disabilities suffered and will not pay any amount for the other insured *Events*. In the *Event* of a claim under clause 5.3(7) for weekly benefits, the maximum number of weeks that will be paid for is 104.
- 2) if the voluntary worker dies as a result of an injury for which an amount is otherwise payable for an insured *Event*, *We* will reduce the amount *We* pay for death by the amount previously paid for any other insured *Event*.
- 3) the voluntary worker is not entitled to compensation under any workers compensation insurance, transport accident scheme or other statutory scheme or fund. If they are so entitled, then *We* will not pay any amount to the voluntary worker.

- 4) if total or partial disablement is claimed, that the voluntary worker earned a regular income derived from their physical exertion immediately prior to the time of the accident.
- 5) after the occurrence of any one of the insured *Events* 2 to 7 there will be no further liability under this *Cover Section* 5 in respect of the same voluntary worker for any future injuries.
- 6) the voluntary worker at the time of an accident was 12 years and over.
Compensation to each voluntary worker injured will not be paid:
 - a. for more than one total or partial disablement in respect of the same accident or period of time.
 - b. under total or partial disablement for the first week of disablement.
 - c. under total or partial disablement in excess of a maximum of 104 weeks.
 - d. unless the injured voluntary worker has, as soon as possible after the injury, procured and followed medical advice from a legally qualified medical practitioner.

Exclusions specific to the Cover Section

We shall not pay any compensation for any injury or insured *Event* arising out of or attributable to:

- 1) intentional self-injury or suicide, including injuries suffered as a result of attempted suicide.
- 2) a mental illness.
- 3) a voluntary worker being under the influence of alcohol or any drug, other than a drug prescribed by a qualified medical practitioner and taken according to instructions.
- 4) a voluntary worker's pregnancy or childbirth notwithstanding that miscarriage or childbirth may have been accelerated or induced by the accident resulting in the bodily injury.
- 5) for which the voluntary worker who, at the time of the accident, was under 12 years of age.
- 6) any pre existing condition.

In addition to these Exclusions, please refer to the General Exclusions which are applicable to *Your Policy*

Cover Section 6 – Office Bearers Liability

What You are insured against

We will indemnify:

- a) an *Office Bearer/s* against *Loss*, arising from any *Claim* first made during the *Period of Insurance* for a *Wrongful Act* occurring before or during the *Period of Insurance*

Definitions specific to this Cover Section

In addition to the Definitions section of this *Policy*, the following additional Definitions apply to this *Cover Section 6*:

Claim(s) means:

A written demand for monetary damages;

A civil Proceeding

An arbitration, mediation, conciliation or alternative dispute resolution proceeding;

A criminal proceeding.

Defence Costs means:

That part of *Loss* consisting of reasonable costs, charges, fees (including but not limited to counsels and/or experts fees) and expenses (other than regular or overtime wages, salaries or fees of You and/or Office Bearer/s), incurred with *Our* written consent, in defending, investigation, settling or appealing any *Claim*.

Loss means:

The amount that the *Office Bearer/s* becomes legally obligated to pay on account of any covered *Claim*, including:

- a) *Defence costs*;
- b) Awards of damages, settlements or orders made by a court or tribunal to pay compensation;
- c) Judgements;
- d) Sums payable due to settlements to which *We* consent; and

Awards of claimants costs.

Wrongful Act means:

Any actual or alleged act or omission, including but limited to, any breach of duty, neglect, error,, misstatement, misleading statement, libel, slander and omission, committed or allegedly committed by any *Office Bearer* in their capacity of an *Office Bearer*

Where by any such *Wrongful Act/s* result in more than one *Claim*, the *Claims* will constitute one *Loss* and be deemed to have been notified to *Us* in the *Period of Insurance* the original notification was made.

How much We will pay

Subject to any *Excess*, the total amount of *Loss* *We* will pay in respect of all *Claims* under this *Cover Section* shall not exceed the *Sum Insured* during any one *Period of Insurance* regardless of the number of *Claims* made or reported.

Additional benefits

We agree to extend cover in accordance with the following, subject to the Terms and Conditions and Exclusions of this *Policy*, unless expressly stated otherwise. No Additional Benefit increases the *sum insured*, unless expressly stated otherwise.

Advance Payment of Defence Costs

We agree, in respect of a *Claim* prior to final adjudication or finalisation of the *Claim*, unless or until *We* have denied indemnity, to pay *Defence Costs* in advance as they are incurred by an *Officer*.

We reserve the right to recover any such *Defense Costs* advanced by Us to an *Officer* in the *Event* that the *Officer* is not entitled to the payment of those costs and expenses under this *Cover Section*.

Continuous Cover

Notwithstanding the *Prior Claims and Circumstance Exclusion*, We will accept notification of any *Claim* or circumstance that ought to have been notified to Us in a previous *Period of Insurance*.

Provided that:

- i. We have continuously held, without interruption, the Office Bearer's Liability, since the time when the notification ought to have occurred; and;
- ii. The *Claim or circumstance* has not been notified to Us earlier or to any other *Insurer* under any *Policy* at any time. The *Policy* and its terms and conditions will be applicable at the time the matter ought to have been notified.

4.4 Extended Reporting Period

If a *Claim* or circumstance arises within 30 days after the expiry of the *Period of Insurance*, We will accept the notification within the expired *Period of Insurance*, provided that You review the *Policy* with Us within 30 days of the expiry of the *Period of Insurance*. Any benefit under this Additional Benefit will be those available under the *Policy* in force at the time of the expiry of the *Period of Insurance*.

Exclusions specific to the Cover Section

We will not cover any Loss in respect of any *Claim* based upon, arising from or in consequence of:

Bodily Injury or Property Damage

- a) any actual or alleged bodily injury, sickness, disease or death of any person;
- b) any actual or alleged damage to or destruction of tangible property, including loss of use of the property; or
- c) any mental anguish or emotional distress.

Dishonesty

Any dishonest, fraudulent, criminal or malicious act or omission of any Office Bearer.

Asbestos

Loss directly or indirectly caused by, in respect of or in any way connected with, including the use, removal or, or exposure to any asbestos or any material containing asbestos in any way.

Fines and Penalties

a fines, penalty, punitive, exemplary, liquidated or aggravated damages of any kind regardless of any other provisions of this *Policy*.

Prior Claims and Circumstances

Claim/s arising from circumstances which You knew of prior to the *Period of Insurance*, or a reasonable person ought to have known to be circumstances which may give rise to a *Claim* against You..

Improper Gain

Any personal profit or advantage to which You were not legally entitled to or may be held accountable to any party named in the *Schedule* and/or any *Unit Owner*.

Unauthorised Payments

any *Office Bearer* being given or taking *Money* or a gratuity without Your authorisation where Your authorisation is necessary pursuant to either the constitution, any governing rules or any other written contract.

Conflict

any conflict of duty or interest of an *Office Bearer*.

Abuse of Power

any intentional exercise of power by any *Office Bearer* where the exercise of that power is for a purpose other than that for which the power was conferred.

In addition to these Exclusions, please refer to the General Exclusions which are applicable to *Your Policy*

Cover Section 7 – Body Corporate Costs & Entity Liability

What You are insured against

Legal Defence Costs

We will pay the *Body Corporate's* and/or *Entity Defence Costs* arising from any *Claim/s* first made during the *Period of Insurance* provided the *Claim/s*:

- is in connection with the conduct of *Your* Business affairs;
- is under or is alleging a breach by *You* of the Australian Consumer Act 2010 or any other similar consumer protection legislation; or
- is arising out of a dispute with a current, past or prospective employee concerning their employment and any actual or alleged breaches of any discrimination legislation.

Workplace health and safety appeal costs

We will pay the *Body Corporate* and/or *Entity Defence Costs* in an appeal made against *You* first made during the *Period of Insurance* for:

1. the imposition of an improvement or prohibition notice under any workplace or occupational health and safety legislation or similar legislation; or

the determination by any review committee, arbitrator, tribunal or Court made under any workplace or occupational health and safety legislation or similar legislation

Taxation Audit Costs

We will pay the *Body Corporate* and/or *Entity Taxation Audit Costs* for work undertaken in connection with an *Audit* first made during the *Period of Insurance*.

Statutory liability costs

We will pay the *Body Corporate's* and/or *Entity Statutory Liability*, and *Defence Costs* arising from any *Claim* first made during the *Period of Insurance*

Definitions specific to this Cover Section

Appeal Costs means

reasonable *Defence Costs* in relation to a *audit* means an audit or investigation by a federal or state Commissioner of Taxation relating to the *Body Corporate's* liability to pay income tax, fringe benefits tax, capital gains tax, wholesale and sales tax, payroll tax, goods and services tax or superannuation contributions tax in respect of *Your* management of the *Body Corporate*.

Claim(s) means:

A written demand for monetary damages;

A civil Proceeding

An arbitration, mediation, conciliation or alternative dispute resolution proceeding;

A criminal proceeding.

Defence Costs mean:

reasonable costs, charges, fees (including but not limited to counsels and/or experts fees) and expenses (other than regular or overtime wages, salaries or fees of *You* and/or *Office Bearer(s)*), incurred with *Our* written consent, in defending, investigation, settling or appealing any *Claim*.

Taxation Audit Costs means

necessary and reasonable costs, charges, fees and expenses (other than regular or overtime wages, salaries or fees of You and/or Office Bearer/s), incurred with *Our* written consent, in relation to professional fees paid to Accountants, Registered Tax Agents or other professional persons/consultants engaged by or at the recommendation of Your Accountant for work undertaken in connection with an *Audit*.

Statutory Liability means

- a) civil fines and civil penalties awarded against *You* for breach of an Act; and
- b) pecuniary penalties awarded in criminal proceedings, but solely in respect of accidental and/or unintentional breaches by *You* of any workplace health and safety legislation or similar legislation.;

How much We will pay

Subject to any *Excess* and the provisions of this *Cover Section*, *Our* Liability will not be increased beyond the amount in the *Schedule* for any one *Period of Insurance*.

Additional Benefits**Extended Reporting Period**

If a *Claim* or circumstance arises within 30 days after the expiry of the *Period of Insurance*, *We* will accept the notification within the expired *Period of Insurance*, provided that *You* review the *Policy* with *Us* within 30 days of the expiry of the *Period of Insurance*. Any benefit under this Additional Benefit will be those available under the *Policy* in force at the time of the expiry of the *Period of Insurance*.

Special Terms and Conditions applicable to this Cover Section

- a) *We* have the right to negotiate, defend or settle in *Your* name and on *Your* behalf any *claim* and will have full discretion in the conduct of any proceedings or in the settlement of any *claim*.
- b) Any sum paid by *Us* in the discharge or settlement of any threat or intimation of a *claim* or in relation to any circumstance which might give rise to a *claim*, shall be deemed to be a payment made in the discharge or settlement of a *claim*.
- c) *You* must give all reasonable assistance and cooperate with *Us* in the defence of *claim*.
- d) *You* must not admit liability, settle any *claim* or incur any costs without *Our* prior written agreement.
- e) *You* must use due diligence and act at all times to avoid or diminish any *claim*.

Exclusions specific to this cover section

1. *We* will not be liable for any *loss* in relation or liability in relation to or arising out of:

- a. costs for fines, penalties, punitive, exemplary, liquidated or aggravated damages of any kind regardless of any other provisions of this *Policy*, unless covered under the *Statutory Liability* benefit in this *Cover Section*
- b. *legal defence costs* that arise from *claims* arising from or relating to dishonesty, deliberate and/or intentional violence or misconduct.
 1. This Exclusion only applies where the conduct in question has been finally established by written admission or by final non-appealable adjudication.
- c. *legal defence costs* that arise from *claims* for or relating to defamation or slander;
- d. *legal defence costs* that arise from *claims* arising from or relating to facts or *Events*, occurring prior to the commencement of this *Policy*, which *You* knew or ought to have known at the time of commencement of this *Policy*, would, or might, give rise to a *claim*;
- e. *legal defence costs* that arise from *claims* for *vehicle, watercraft or Aircraft* offences;
- f. *legal defence costs* that arise from *claims* initiated, threatened or commenced prior to the commencement of this *Policy*;

- g. *legal defence costs* that arise from *claims* under or relating to any workers compensation legislation, industrial award or agreement, or statutory accident compensation scheme or compulsory third party insurance; or
- h. *legal defence costs* that arise from *claims* which are covered under the *Legal Liability Cover Section* of this *Policy*.
- i. for fines, penalties, compensation or awards for damages, including aggravated, exemplary or punitive damages;
- j. in respect of any notice imposed or determination made prior to the *Period of Insurance*;
- k. in respect of any notice or determination arising from or relating to any intentional violation or breach of any law or regulation by the *Body Corporate*.
 - 1. This Exclusion only applies where the conduct in question has been finally established by written admission or by final non-appealable adjudication.
- l. for the imposition of any tax, fines, penalties, court costs, penalty tax or interest;
- m. for *taxation audit costs* incurred after completion of the audit or investigation;
- n. in respect of any audit or investigation initiated, threatened or started prior to the commencement of the *Period of Insurance*;
- o. in respect of any audit or investigation arising from *Your* improper, unwarranted or unjustified refusal or failure to comply with any lawful request made by a state or federal Commissioner of Taxation for the production of documents or the supply of information. Refusal or failure to comply will not be deemed improper, unwarranted or unjustified if *You* refuse or fail to comply upon the advice of *Your* accountant or tax agent;
- p. in respect of any audit or investigation under customs legislation;
- q. in respect of any audit or investigation of income received or earned, or where the source of income is outside Australia or where the services giving rise to the claim are performed by persons or entities who ordinarily reside outside Australia;
- r. in respect of any fraud or fraudulent act or omission committed by *You* or on *Your* behalf; or
- s. in respect of any audit or investigation which results in *You*, or any person acting on *Your* behalf, becoming aware of any error or deficiency in any return of income or other documentation supplied to a state or federal Commissioner of Taxation and failing to notify the Commissioner of Taxation without delay.

In addition to these Exclusions, please refer to the General Exclusions which are applicable to *Your Policy*.