

STRATA**SELECT**INSURANCE

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About the Product Disclosure Statement

This Product Disclosure Statement (PDS) will assist You to make an informed decision about Your insurance. It contains information about the Policy, its features, benefits, risks and costs. Please read it carefully. We recommend You read the PDS in conjunction with the Policy.

This PDS is dated 21 July 2011
(ref: CCQUS ST 0711).

The Insurer

The insurer of this Policy and issuer of this PDS is:
Calliden Insurance Limited ABN 47 004 125 268
Level 7, 100 Arthur Street North Sydney, NSW 2060
Ph: 02 9551 1111

Calliden Insurance Limited (Calliden) is a public company incorporated in Australia. It is authorised under the Insurance Act 1973 (Cth) to conduct insurance business in Australia. That Act establishes a system of financial supervision of general insurers in Australia. As an authorised insurer, Calliden is regulated by the Australian Prudential Regulation Authority.

Calliden is also regulated under the Corporations Act 2001 and is the holder of an Australian Financial Services Licence (AFS Licence No. 234438) issued pursuant to that Act. As a holder of an AFS Licence, Calliden is regulated by the Australian Securities and Investments Commission (ASIC).

Calliden specialises in manufacturing general insurance products for individuals, the SME sector and groups across metro and regional Australia.

About the Agent

QUS Pty Ltd ABN 92 122 665 310, AFS Licence No. 321877

(QUS) arranges policies for and on behalf of Calliden. QUS acts under a binding authority given to it by the insurer to administer and issue policies, alterations and renewals. In all aspects of the Policy QUS acts as an agent for the insurer and not for You.

How to Contact Us

You may contact Calliden in any of the following ways:

- > By telephone on 02 9551 1111
- > By writing to Us at Calliden Limited, P0 Box 348, Milsons Point NSW 1565
- > By email through Our website www.calliden.com.au

Types of Cover

The Policy document comprises eight different types of cover, set out in sections, which You may require. You can choose the cover from one or more of these sections which You believe will best suit Your needs.

Significant Features and Benefits

The following is a summary of the significant benefits and features of the cover offered. This is a summary only. We suggest that You read the entire Policy to make Yourself aware of all the cover offered and to ensure the cover offered meets Your needs.

Section 1 – Property Insured

We provide cover for accidental loss and damage to Property Insured. We also provide cover for automatic and optional additional benefits following insured loss or damage which are included in the Sum Insured or paid in addition to the Sum Insured. These additional benefits include:

Product Disclosure Statement cont'd

Additional Benefits Paid in Addition to the Sum Insured	Amount Payable
Temporary Accommodation, Loss of Rent Receivable, Failure of Supply Services, Infectious or Contagious Diseases, Murder or Suicide, Reletting Costs, Maintenance Fees and Removal and Storage of Lot/ Unit Owners Contents	Up to 30% in total of the Sum Insured for Buildings per Incident
Rewriting of Records	Up to \$50,000 per Incident
Trees, Shrubs, Plants, Lawns and Rockwork	Up to \$10,000 per Incident
Money	Up to \$10,000 per Incident
Common Contents in the Open Air	Up to \$10,000 per Incident
Removal and Storage of Common Contents	Up to \$10,000 per Incident
Replacement of Locks and Keys	Up to \$5,000 per Incident
Fire Extinguishment Costs	Costs and expenses reasonably and necessarily incurred
Arson Reward	Up to \$10,000 per Incident
Personal Property	Up to \$5,000 per Incident
Claims Preparation Costs	Up to \$30,000 per Incident
Mortgage Discharge	Up to \$5,000 per Incident
Removal of Water from Basement	Up to \$2,000 per Period of Insurance
Additional Utility Charges	Up to \$2,000 per Incident
Exploratory Costs	Costs and expenses reasonably and necessarily incurred
Alterations and Additions	Covered when the cost of the alteration or addition is less than \$250,000
Maintenance Fees	Up to \$1,000 per Lot/Unit, per Incident
Emergency Accommodation	Up to \$1,000 per Lot/Unit, per Incident
Temporary Accommodation for Pets	Up to \$1,000 per Lot/Unit, per Incident
Modification Expenses	Up to \$25,000 per Incident
Fusion	Costs and expenses reasonably and necessarily incurred

Product Disclosure Statement cont'd

Additional Benefits Paid in Addition to the Sum Insured	Amount Payable
Increase Sum Insured by CPI	If You have a valid claim under Section 1 We will increase Your Sum Insured by the amount the CPI has increased since You last renewed the Policy
Common Contents	Automatic cover up to 1% of the Sum Insured for Buildings
Additional Benefits Included in the Sum Insured	Amount Payable
Removal of Debris	Costs and expenses reasonably and necessarily incurred
Architect and Professional Fees	Costs and expenses reasonably and necessarily incurred
Government Fees, Contributions or Imposts	Costs and expenses reasonably and necessarily incurred
Legal Fees	Costs and expenses reasonably and necessarily incurred
Temporary Protection	Up to \$10,000 per Incident
Storm Damage to Gates and Fences	Costs and expenses reasonably and necessarily incurred
Lot/Unit Owners Fixtures and Improvements in Residential Lot/Units	Up to \$250,000 per Lot/Unit, per Incident, for accidental loss or damage to Lot/Unit Owners Fixtures and Improvements in a Lot/Unit occupied solely for residential purposes
Optional Additional Benefits Paid in Addition to the Sum Insured	Amount Payable
Lot/Unit Owners Fixtures and Improvements in Commercial Lots/Units	Up to the amount shown in the Schedule per Incident, for accidental loss or damage to Lot/Unit Owners Fixtures and Improvements of Lot/Unit occupied partly or solely for commercial purposes
Catastrophe Cover	Up to the amount shown in the Schedule in addition to the Sum Insured for Buildings when Buildings are lost or damaged as a result of a government-declared catastrophe or emergency

Product Disclosure Statement cont'd

Section 4 - Voluntary Workers Personal Accident

Cover for Voluntary Workers who suffer bodily injury as a result of violent, accidental, external and visible means while they are engaged in unpaid work for You. Benefits payable include:

Please note that in some States it is compulsory to take out voluntary workers insurance.

Benefits Payable	Amount Payable
Death or total loss of: both hands both feet one hand and one foot	100% of the Capital Benefit shown in the Schedule
Total loss of sight in both eyes	100% of the Capital Benefit shown in the Schedule
Total loss of one hand or one foot or sight in one eye	50% of the Capital Benefit shown in the Schedule
Total disablement from engaging in or attending to usual profession, business or occupation	100% of the Weekly Benefit shown in the Schedule for a maximum of 104 weeks
Partial disablement from engaging in or attending to usual profession, business or occupation	50% of the Weekly Benefit shown in the Schedule for a maximum of 104 weeks
Travel expenses in obtaining medical treatment	Up to 1% of the Capital Benefit shown in the Schedule, in total, per Incident
Domestic assistance	Up to \$500 per week for a maximum of 10 weeks

Significant Features and Benefits – Other Sections of the Policy

Property Owners Legal Liability	Cover for compensation You become legally liable to pay for Personal Injury and Property Damage
Fidelity Guarantee	Cover up to the amount shown in the Schedule for fraudulent embezzlement or fraudulent misappropriation of funds set aside for the purpose of management of the Body Corporate
Office Bearer's Liability	Cover up to the amount shown in the Schedule for the legal liability of Office Bearers for any Wrongful Act they commit
Machinery Breakdown	Covers electrical, electronic and mechanical machinery, boilers and pressure vessels and other plant
Legal Expenses	Cover up to the amount shown in the Schedule for Legal Expenses in defence of workplace occupational health and other specified disputes
Audit Expenses	Cover up to the amount shown in the Schedule for the fees of a Professional Adviser in relation to an Audit of Your Business by the Australian Taxation Office or any other Government agency

Product Disclosure Statement cont'd

Significant Risks

Exclusions

The Policy will not provide insurance cover under certain circumstances. The following is a list of some of the circumstances where the Policy will not provide insurance cover. For full details of all the exclusions that apply, please read the Policy in full.

Section 1 - Property Insured

We will not be liable for any physical loss or damage caused directly or indirectly to:

- > retaining walls resulting from Storm and/or Tempest;
- > Property Insured as a result of construction, erection, demolition, alteration or addition other than where the value of such work does not exceed \$500,000;
- > the Building(s) by Rainwater or Storm water seeping or percolating through walls, roofs or floors or entering as a result of structural defects, faulty design or faulty workmanship in the Building(s).

We will not be liable in respect of any physical loss, destruction or damage directly or indirectly caused by or arising out of or in consequence of or contributed to by:

- > water from or action by The Sea, tidal wave, and high water, provided that this exclusion will not apply if loss, destruction or damage is directly or indirectly caused by or arising out of a tsunami or Earthquake;
- > Flood;
- > erosion, subsidence, earth movement or collapse unless resulting from Earthquake or tsunami;
- > mechanical, hydraulic, electrical or electronic breakdown, failure malfunction or derangement of any machine or electrical and/or electronic device;
- > loss or damage to property undergoing any process involving the application of heat whereby loss or damage is caused to such property by the application of heat;
- > the invasion of tree or plant roots, but if such invasion blocks Your drainage system this exclusion will not apply to any subsequent damage to Property Insured caused by the escape of water or liquids therefrom.

Section 4 - Voluntary Workers Personal Accident

No compensation is payable under Section 4 of the Policy in respect of:

- > children under the age of 12 years;
- > weekly benefits to Voluntary Workers who are not in receipt of wages, salaries or other remuneration;

- > any fees or charges that are covered by Medicare, private health insurance, a statutory insurance scheme such as workers compensation or which can only be covered by a registered health insurer. This includes those costs that the law states We cannot cover, such as Medicare 'gaps';
- > death or disablement resulting from a deliberately self-inflicted injury;
- > death or disablement resulting from neurosis, psychoneurosis, psychosis, mental, emotional, depression, stress or anxiety condition, disease or disorder.

Conditions

You must meet certain conditions for Your insurance cover to apply. For example, You must pay the premium. If You do not meet the conditions of cover, We may refuse to pay a claim or reduce the amount that We pay for any claim. For full details of all the conditions of cover that apply, please read the Policy in full.

Disclosure

If You do not comply with Your duty of disclosure (set out below under the heading 'Your Duty of Disclosure') We may:

- > refuse to pay a claim;
- > reduce the amount that We pay for a claim;
- > cancel the Policy.

Endorsements

We may impose additional terms, conditions or exclusions to Your cover or alter the terms, conditions or exclusions of Your cover. If We do this, it will be shown on the Schedule and You will be advised at the time You take out cover or when You alter Your cover. You should read these additional or altered terms, conditions or exclusions in conjunction with the Policy to make sure that You understand the effect that they have on Your insurance cover.

Limits of Cover

Our liability is limited to the amounts shown in the Schedule. Limits of cover may also be shown in certain sections of the Policy. You need to decide if the limits of cover are appropriate for You. If they are not, You may be underinsured and have to bear part of any loss Yourself. Please contact Your insurance broker if You require higher limits.

Product Disclosure Statement cont'd

Cost of Your Policy

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

- > the type of cover You choose;
- > the location of the property being insured;
- > the type of property being insured;
- > the construction of the property being insured;
- > the security of the property being insured;
- > the Sums Insured chosen by You;
- > whether Your Building contains commercial or residential Lots/Units or both;
- > if Your Building contains commercial Lots/Units, the occupation and use of those Lots/Units;
- > Your insurance history.

The total cost of Your Policy is shown on Your Schedule and is made up of Your premium plus Government Taxes such as, GST, Stamp Duty and Fire Service Fees.

What Happens if You Do Not Pay the Cost of Your Policy By the Due Date?

We will have the right to cancel Your Policy if You do not pay Your premium by the due date or if Your payment method is dishonoured and therefore We have not received Your payment by the due date. Unless We tell You, any payment reminder We send does not change the expiry of Your cover or the due date of Your premium.

Other Costs, Fees and Charges

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

Costs or Fees	Details
Cancellation Fee	<p>You may cancel Your Policy at any time. If You choose to cancel Your Policy We will retain a portion of premium which relates to the period for which You have been insured. We will refund the residue for the unexpired period, less any non-refundable government taxes or charges provided that:</p> <ul style="list-style-type: none">> no event has occurred where liability arises under the Policy; and> You pay the applicable cancellation fee. <p>For details of Your cancellation fee please refer to Your Financial Services Guide (FSG), Statement of Advice (SOA) or contact Your broker or insurance intermediary directly.</p>
Administration Fee	<p>Your broker or insurance intermediary may charge an administration fee for issuing Your Policy documentation. For details of Your administration fee please refer to Your FSG, SOA or contact Your broker or insurance intermediary directly.</p>
Commissions	<p>Your broker or insurance intermediary may receive a commission payment from Us when Your Policy is issued and renewed. In some cases insurance intermediaries belong to a member group and an additional commission may also be paid to that member group. This is generally around 1%.</p> <p>If You cancel Your Policy, this commission payment may be non-refundable.</p> <p>For details of the relevant commission paid, please refer to Your FSG, SOA or contact Your broker or insurance intermediary directly.</p>

Product Disclosure Statement cont'd

Excess

The Excess is the amount You must contribute towards the cost of any claim You make. The Excess applicable will be shown in the Schedule.

You must pay the Excess for each Incident if You make a claim.

We will deduct the Excess from the amount of cover under the Policy and then pay You, or We will ask You to pay the Excess to a supplier, repairer or to Us.

Excess Applicable to Section 1 - Property Insured

The standard excesses You will be required to pay under this Section are:

- > \$20,000 or 1% of the Sum Insured for Buildings (whichever is the lesser) each claim or series of claims during a period of 72 hours for loss or damage caused by Earthquake or tsunami;
- > \$250 for loss or damage caused by a malicious act. We may impose a higher excess for loss or damage caused by a malicious act due to factors such as Your loss or claims history;
- > \$500 for each claim for loss or damage (other than loss or damage caused by Earthquake) when greater than 60% of Lots/Units are unoccupied. We may impose a higher excess if more than 60% of the Lots/Units are unoccupied and We have agreed to cover the Building;
- > \$250 for all other claims under this Section.

We may at Our discretion increase any of the excesses listed above or impose additional excesses based on Our overall assessment of the risk and Your claims or loss history. If We increase any of the above listed excesses or impose additional excesses, this will be shown on Your schedule.

Excess Applicable to Section 4 - Voluntary Workers Personal Accident

The amount of any benefit payable under this Section may be reduced by an excess period. An excess is a period of time for which We will not pay any benefits. The amount of each excess will be shown on Your Policy Schedule.

The standard excess for this Section is 7 days. You may choose to increase this excess or We may at Our discretion increase any of the excesses listed above based on Our overall assessment of the risk and Your claims or loss history. If We increase the excess, this will be shown on Your schedule.

Excess Applicable to Other Sections of the Policy

Excesses applicable to other sections of the Policy will be shown in Your Schedule.

Taxation Information

If You are entitled to an input tax credit for the premium, You must inform Us of the extent of that entitlement at or before the time You make a claim under the Policy. We will not indemnify You for any GST liability, fines or penalties that arise from or are attributable to Your failure to notify Us of Your entitlement (or correct entitlement) to an input tax credit on the premium.

The amount that We are liable to pay under the Policy will be reduced by the amount of any input tax credit that You are or may be entitled to claim for the supply of goods or services covered by that payment.

If You are liable to pay an excess under the Policy, the amount payable will be calculated after deduction of any input tax credit that You are or may be entitled to claim on payment of the Excess.

Your Duty of Disclosure

Whether You are entering into a policy for the first time or are proposing to renew, vary, extend or reinstate a policy You have a duty of disclosure.

Your Duty of Disclosure for New Policies

When answering Our questions You must be honest and You have a duty under law to tell Us anything known to You, and which a reasonable person in the circumstances, would include in the answer to the question. We will use the answers in deciding whether to insure You and anyone else to be insured under the Policy, and on what terms.

Your Duty of Disclosure for Renewals

If You have already entered into a policy and You are proposing to renew, vary, extend or reinstate the Policy Your duty of disclosure changes. You have a duty to tell Us of everything that You know, or could reasonably be expected to know, that is relevant to Our decision to insure You and to the terms of that insurance. If You are not sure whether something is relevant You should inform Us anyway.

Who Needs to Tell Us?

It is important that You understand You are answering Our questions in this way for Yourself and anyone else that You want to be covered by the Policy.

Product Disclosure Statement cont'd

What You Are Not Required to Disclose:

Your duty does not require disclosure of matters that:

- > reduce the risk;
- > are common knowledge;
- > We know or, in the ordinary course of Our business, ought to know; and
- > We have indicated We do not want to know.

If You Do Not Tell Us

If You do not answer Our questions in this way or disclose everything You know, We may reduce or refuse to pay a claim, or cancel the Policy. If You answer Our questions fraudulently, We may refuse to pay a claim and treat this Policy as never having been in force.

Cooling-off Period

If, after reading the Policy, You are not satisfied with the cover, You may cancel the Policy within 21 days of receiving it, and obtain a full refund less any non-refundable government charges and taxes that We have paid. You may notify Us in writing or electronically.

If You make a claim for any incident within the 21 day period, You must pay Your annual premium in full before You can cancel the Policy.

If the Policy is for an event that will finish within the 21 days cooling off period, You can only exercise Your right to cancel before the event starts.

Cancellation

You may cancel the Policy at any time by notifying Us in writing. If You cancel the Policy, a cancellation fee may apply. We may cancel the Policy where We are entitled to by law.

Further details about cancellation are shown on page 16 of the Policy.

Making Changes to the Policy

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

- > We agree to make the changes;
- > You pay Us any additional premium required; and
- > We confirm in writing that the change is effective.

How to Make a Claim

When You Need to Make a Claim

Before We can settle any claim under the Policy the premium must be paid. You must promptly tell Us about the claim and give Us all information about the claim. This can be done by telephone, facsimile or email.

Paying Your Excess

When You make a claim under the Policy We will advise You when and how to pay Your Excess. You must pay Your Excess when We request it or We will be unable to pay Your claim.

Damage to Someone Else's Property

If You make a claim for damage to someone else's property You must pay the Excess/es before We will settle the loss on Your behalf.

Dispute Resolution Process

How You Can Resolve a Complaint You Have With Us

If You would like to make a complaint, We will do everything We can to try to resolve it as quickly and fairly as possible. The following paragraphs provide details on how You can lodge Your complaint and how Calliden will try to resolve it.

You may contact Us at any time if You are dissatisfied with any matter relating to Your insurance with Calliden, including:

- > Our decision on Your claim;
- > Our handling of Your claim;
- > the service of Our representatives, assessors, loss adjusters or investigators; and
- > Your insurance Policy.

Contact Us

If You have a complaint regarding Your claim, please contact Your claims consultant.

If You have a complaint regarding Your insurance policy, please contact Us on 02 9551 1111 and We will try to resolve Your complaint straight away.

You can write to Us at:

- > Fax: 02 9551 1155
- > Address: PO Box 348, Milsons Point NSW 1565

Product Disclosure Statement cont'd

How We Resolve Complaints

- > We will address all complaints, except where specific circumstances apply, in accordance with Calliden's Complaints Handling Process. This process is compliant with the Insurance Council of Australia's Code of Practice. Both the Code of Practice and Our Complaints Brochure, which contains a guide to Our process, are available upon request.
- > We will handle all complaints without cost to You.
- > A complaints consultant will be assigned to the management of Your complaint and will acknowledge Your complaint within 2 business days of receipt. If further information is required to consider the complaint, it will be requested at this time.
- > The complaints consultant will aim to resolve Your complaint within a further 13 business days. In certain circumstances a longer period may be required, and We will request a later response date.
- > The outcome of the complaint will be advised to You in writing, stating Our reasons and any corrective action that will be undertaken.

If Your Complaint is Still Unresolved

If We cannot resolve Your complaint within 15 business days or You are not happy with Our response to Your complaint, You can seek an external review via Our external dispute resolution scheme, administered by the Financial Ombudsman Service (FOS).

This national scheme is for consumers, free of charge and is aimed at resolving disputes between insureds and their insurance companies.

For more information call 1300 78 08 08 or visit www.fos.org.au

If the FOS is unable to address Your complaint then Calliden may be able to provide You with details of an alternative external dispute resolution service.

General Insurance Code of Practice

Calliden is a signatory to the General Insurance Code of Practice (Code). The Code aims to raise standards of service between insurers and their customers. Calliden's service standards are in accordance with the Code.

For any information about the Code, including a copy of the Code, contact Us or the Financial Ombudsman Service on 1300 78 08 08 or look at www.codeofpractice.com.au

Privacy

Calliden and QUS respect Your privacy and operate at all times in accordance with their privacy policies. This privacy notification provides a summary of how Calliden treats Your privacy, and it is recommended that You read the Policy in conjunction with this notice.

Calliden collects personal information to assess Your request for insurance, to administer the Policy, provide other insurance services as requested by You, and also to notify You about Calliden's other services or promotions from time to time. At the time of collecting Your information We will inform You of the purpose for the collection and the consequences if You choose not to provide the information.

In order to provide its insurance services Calliden may need to share Your information with third parties including Your agent or broker and Calliden's reinsurers and claims providers (for a full list see Calliden's privacy policy).

In accordance with the Calliden's privacy policy You may obtain access at any time to information that Calliden or its service providers hold on You. If You would like to contact Calliden about privacy, or would like to obtain a copy of the privacy policy You may do so through one of the following means:

- > obtain the privacy policy online at www.calliden.com.au
- > by phone 02 9551 1111
- > by email to privacy@calliden.com.au
- > by letter to Privacy Officer, PO Box 348, Milsons Point NSW 1565.

Strata Select Insurance Policy



Our Agreement

The agreement between You and Us consists of:

- > Your application;
- > this PDS;
- > the Schedule; and
- > any Endorsement.

A Schedule is issued when We agree to cover You and You have paid (or agreed to pay) the premium including any relevant government charges by the inception/due date.

Our liability is limited to:

- > the Period of Insurance shown on the Schedule;
- > the Policy sections set out on the Schedule; and
- > the Sum(s) Insured set out in the Schedule unless We have agreed to pay more as an additional benefit.

General Definitions Applicable to All Policy Sections



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

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

Aircraft and Aerial Devices means any craft or device designed to travel in, on or through the atmosphere or space, but excluding model aircraft used for pleasure purposes.

Application means the form that You have completed and signed as being the application for this insurance contract.

Body Corporate means the owner(s) of the Buildings, Common Contents and Common Areas incorporated under the Strata Titles Act or Community Titles Act or Strata Schemes Management Act or similar legislation applying at Your Situation.

Building(s) means building(s) at the Situation including:

- > outbuildings;
- > fixtures and other improvements of a structural nature;
- > in-ground swimming pools, saunas and spas;
- > satellite dishes and radio and television antennas and their associated wirings, masts, and towers;
- > swimming platforms or wharfs, jetties, pontoons, or marinas not used for commercial purposes or to provide fuel distribution facilities;
- > the supply of services such as electricity, water, gas or sewerage;
- > any other items defined as buildings by the relevant Strata Titles Legislation in the State or Territory where the Building is located;
- > that You own or have legal responsibility for.

Building(s) does not mean, except where specifically included in the meaning of building for the purposes of any Strata Titles Legislation:

- > fixtures removable by a tenant at the expiration of a tenancy;
- > property that a tenant is liable for under the terms of a tenancy;
- > property You are not required to insure under the terms of any relevant Strata Titles Legislation in the State or Territory where the Building is located such as but not limited to:
 - > in New South Wales, paint, wall paper and temporary wall, floor and ceiling coverings within a Lot/Unit;

General Definitions cont'd

- > in Queensland, temporary wall, floor and ceiling coverings within a Lot/Unit and mobile or fixed air-conditioning units servicing any individual Lot/Unit.

Common Area means any area at the Situation that is not a Lot/Unit.

Common Contents means property in Common Areas at, in or adjacent to the Situation which You own or for which You are legally responsible and includes:

- > furniture and furnishings;
- > carpets, floating floors and floor rugs;
- > light fittings, household goods, internal blinds and curtains;
- > built-in or portable domestic appliances;
- > domestic garden maintenance equipment including garden appliances not required to be registered;
- > swimming pools and spas that are not in-ground;
- > swimming pool and spa covers and accessories;
- > any additional items listed in the Schedule that We agree to cover.

Common Contents does not mean:

- > unfix building materials and uninstalled fixtures;
- > plants, trees and shrubs, ground covering of any sort on a path, driveway or tennis court, hedges or soil, bark or mulch in gardens other than as covered by Additional Benefit 2.3, Trees, Shrubs, Plants, Lawns and Rockwork;
- > Money other than as covered by Additional Benefit 2.4, Money;
- > Lot/Unit Owner's Contents or any other goods, plant, machinery or equipment owned by a Lot/Unit Owner;
- > Vehicles, Watercraft, Aircraft and Aerial Devices and their accessories or spare parts whether fitted or not;
- > livestock, animals, birds or fish;
- > property You are not required to insure under the terms of any relevant Strata Titles Legislation in the State or Territory where the Building is located.

Earthquake means earthquake, subterranean fire, volcanic eruption or fire occasioned by or happening through or in consequence of earthquake, subterranean fire or volcanic eruption.

Electronic Data means facts, concepts and information converted to a form useable for communications, display, distribution, interpretation or processing by electronic and electromechanical data processing or electronically controlled equipment and includes programs, software and other coded instructions for such equipment.

Endorsement(s) means any amendment to the Policy or to Policy limits as specified in a document attached to the Policy or stated in the Schedule.

Excess(es) means the sum of money, which You may have to contribute towards any claim payment under the Policy.

Flood means the inundation of normally dry land by water escaping or released from the normal confines of any natural or artificial watercourse, lake, lagoon, reservoir, canal or dam.

Incident means a single occurrence or series of occurrences arising from one event, which occurs at a particular interval of time and causes or results in loss or damage that is insured by the Policy.

Indemnity Value means the cost to rebuild, repair or replace the Property Insured to a condition equal to but not better or more extensive than its condition at the time of loss or damage and taking into consideration age, wear, tear, depreciation and remaining useful life.

Limit(s) of Liability means the applicable Limit of Liability specified in the Schedule or as determined by the Policy where such limits are detailed.

Lot/Unit means a unit or lot on the registered plan or survey showing the division of the strata land at the Situation and the title relating to it.

Lot/Unit Owner's Contents means personal effects, furniture, appliances, electronic equipment and carpets, rugs and floating floors and any other items owned by a Lot/Unit Owner.

General Definitions cont'd

Lot/Unit Owner's Fixtures and Improvements means any item or structure installed by a Lot/Unit Owner for their exclusive use and which is permanently attached or fixed to the Building so as to become legally part of the Building, including any improvements made to an existing fixture.

Lot/Unit Owner means a person, persons or others registered as a proprietor or owner of an estate in a unit in terms of the Strata Titles Act, Community Titles Act or similar legislation applying at Your Situation.

Malicious Damage means damage to Property Insured caused by the deliberate and malicious acts of:

- > strikers, locked out workers or other labour disturbances;
- > persons attempting to gain unlawful entry to the premises;
- > any other person acting with malicious intent.

It also includes acts by any lawful authority in connection with any of the above.

Members means and is limited to the interest of Proprietors, Members, Lot/Unit Owners or Shareholders in respect of the ownership of Your Property Insured in terms of the Strata Titles Legislation in the State or Territory where the Property Insured is located. Their interest or liability as owner/occupier of a Lot/Unit is not included unless otherwise specifically provided by the Policy.

Money means currency coins, bank notes, cheques, postal orders, money orders, unused postage and revenue stamps.

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

Period of Insurance is the period stated in the Schedule during which the insurance cover provided by the Policy is in force.

Personal Injury means:

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

Policy means this PDS and policy document, the Application, the Schedule and any special conditions or Endorsements issued to You in either electronic or written form.

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

Product(s) means any goods, products and property after they have ceased to be in the possession or under Your control, manufactured, grown, extracted, produced, processed, constructed, erected, installed, repaired, serviced, treated, sold, supplied or distributed by You (including any container thereof other than a Vehicle).

Products Liability means liability for Personal Injury or Property Damage arising out of Your Product(s).

Property Damage means physical damage to or destruction of tangible property including its loss of use following such physical damage or destruction and/or loss of use of tangible property, which has not been physically damaged or destroyed provided that the loss of use has been caused by an Occurrence.

Property Insured means the Buildings, Common Areas and Common Contents at the Situation.

Rainwater means rain falling naturally from the sky including Rainwater runoff over the surface of the land.

Redevelopment Property means property subject to redevelopment or for which redevelopment is intended.

Reinstatement means:

- > where property is lost or destroyed, in the case of a Building, the rebuilding, or in the case of property other than a Building, the replacement of that property, by similar property, in either case in a condition equal to but not better or more extensive than its condition when new;
- > where property is damaged, the repair of the damage and the restoration of the damaged portion of the property to a condition substantially the same as but not better or more extensive than its condition when new.

Rent means payment for the use of land, Buildings, Common Area or a Lot/Unit, including any outgoings payable by the tenant or lessee.

General Definitions cont'd

Schedule means the current attachment to the Policy that specifies the Situation, those Sections and benefits that are in force and the details of the Sums Insured or Limits of Liability.

Situation means the situation(s) shown in the Schedule.

Storm and/or Tempest means violent wind (including cyclones and tornadoes), thunderstorms and hail, which may be accompanied by rain or snow.

Strata Manager means a person or company and its employee's with delegated functions, appointed by the Body Corporate in writing, to manage and administer the affairs of the Body Corporate.

Strata Titles Legislation means any Strata Titles Act, Strata Schemes Management Act, Community Titles Act or similar legislation in the State or Territory where the Property Insured is located.

Sum(s) Insured means the relevant amount shown in the Schedule.

The Sea means oceans, seas or tidal waters or the actions of any short period rise or fall of the sea level produced by a meteorological event, earthquake, tsunami, volcano or atmospheric disturbance such as a cyclone, hurricane, typhoon or tornado or produced by other means.

Vehicle(s) means any type of machine on wheels or on self-laid tracks made or intended to be propelled by other than manual or animal power and includes any trailer or caravan made or intended to be drawn by any such machine but does not mean wheelchairs, garden appliances, golf buggies or other vehicles not requiring registration by any legislation or competent authority.

Voluntary Worker(s) means a person engaged solely in work or duties on Your behalf without promise or reward of remuneration, other than an honorarium for duties associated with the position of an office holder. This definition specifically excludes Your employees, contractors or any person who receives reward or remuneration for their services, other than provided herein.

Watercraft means any vessel, craft or thing made or intended to float on or through water and which is powered or designed to be powered by motors, or is a sailing craft exceeding eight (8) metres in length.

We/Our/Us/Calliden means Calliden Insurance Limited (Calliden) ABN 47 004 125 268 and AFSL 234438.

You/Your/Insured means:

- > in respect of Section 1:
 - the Body Corporate, Corporation, Owners' Corporation, Plan or Company named in the Schedule including, but limited to, the interest therein of Proprietors, Members, Owners or Shareholders which includes the Committee however named.
- > in respect of Section 2:
 - the Body Corporate, Corporation, Owners' Corporation, Plan or Company named in the Schedule including the Committee however named, but limited to:
 - (a) the interest therein of Proprietors, Members, Owners or Shareholders;
 - (b) Voluntary Worker whilst engaged solely in work or duties on behalf of the Body Corporate, Corporation, Owners Corporation, Plan or Company named in the Schedule.
- > in respect of Section 5:
 - the past, present or future Office Bearer(s) and/or Committee Members of the Body Corporate, Corporation, Owners' Corporation, Plan or Directors of the Company, however named, including those persons':
 - (a) estate, heirs, legal representative or assigns;
 - (b) legal representative or assigns if he/she is incompetent, insolvent or bankrupt;
 - but does not include any Strata Manager or professionally contracted person(s), firm or company when acting in a professional capacity.
- > in respect of Sections 3,4, 6,7 and 8: the Body Corporate, Corporation, Owners' Corporation, Plan or Company named in the Schedule.

Some other words have special meanings and these are explained where they occur in the Policy.

General Conditions



These General Conditions apply to all sections of the Policy.

1. Reasonable Care

You must take all reasonable care:

- > for the safety of Your Property Insured;
- > to ensure that only competent employees are employed;
- > to maintain the structure, fittings, fixtures, furnishings, appliances, machinery, implements and plant in sound condition at the Situation;
- > to prevent bodily injury or loss of or damage to Property;
- > to comply with any law, by-law, safety requirement, Australian Standard or regulation of any Government or Local Government body, including but not limited to those covering the disposal of waste products and the handling, storage or use of flammable liquids or substances, gasses or toxic chemicals.

We will not be liable for loss, destruction, damage, liability, accidental injury or illness caused or contributed to by Your failure to comply with any of the above conditions.

2. Alteration of Risk

You must immediately notify Us in writing of any changes You know of which materially alter any of the facts or circumstances that existed at the commencement of the Policy. If We do not agree to insure the altered risk or if You do not pay the additional premium, We will not indemnify You for any loss, destruction, damage, liability, accidental injury or illness caused by or arising directly or indirectly out of or in connection with such alteration.

3. Unoccupancy

Cover will be entirely suspended where every Lot/Unit at the Situation is unoccupied for any period of more than 60 consecutive days, unless Our prior written consent has been issued.

This suspension of cover only applies to Section 1 – Property Insured and Section 6 – Machinery Breakdown.

4. Joint Insureds

The Policy only covers the interests of the Insured(s) named in the Schedule and any other interests notified to Us in writing which are accepted by Us and noted in the Schedule. No interest in the Policy may be transferred without Our written consent.

Where there is more than one person or organisation insured under the Policy:

- > any notice given by Us under the Policy to any one of You will be deemed to be notice given to all of You;
- > the duty of disclosure will apply to every person or organisation. Failure by any insured person or organisation to comply with the duty of disclosure will be deemed a failure by all of You;
- > any misrepresentation or fraudulent actions or statements made by any person or organisation will be deemed to be made by all of You; and/or
- > any claim made by any person or organisation will be deemed to be a claim made by all of You.

5. Cancellation

You may cancel the Policy at any time by notifying Us in writing in which case We will retain the pro-rata rate for the time the Policy has been in force.

We may cancel the Policy by giving You written notice to the effect where You have:

- > failed to comply with the duty of utmost good faith;
- > failed to comply with the duty of disclosure at the time when the Policy was entered into;
- > made a misrepresentation to Us during the negotiations for the Policy before We entered into the Policy;
- > failed to comply with a provision of the Policy;
- > failed to pay the premium or failed to pay any instalments for longer than one month;
- > made a fraudulent claim under the Policy or any other policy of insurance (whether with Us or some other insurer) that provided insurance cover during any part of the period during which the Policy of insurance provides insurance cover; or
- > failed to notify Us of any specific act or omission where such notification is required under the terms of the Policy.

We may cancel the Policy pursuant to any right at law but subject to the provisions of the Insurance Contracts Act 1984. When We cancel the Policy it will have effect from whichever of the following times is the earliest:

- > the time when another policy of insurance replacing the Policy is entered into; or
- > 4pm of the third business day after the day on which notice was given to You, unless the Policy was in force by virtue of Section 58 of the Insurance Contracts Act, whereby the cancellation will take effect from the fourteenth business day after the day on which notice was given to You.

General Conditions cont'd

6. Other Insurance

If You effect (or if there exists to Your knowledge) any other insurance covering loss, damage or liability insured by the Policy, You must notify Us immediately and provide Us with details of such other insurance.

7. Subrogation

We have the right on Your behalf (and in Your name) to conduct any negotiation, settlement or legal proceeding, whether prosecuting or defending. Your full co-operation is required in these matters. Where You have entered into an undertaking with any other party which prevents or limits Your/Our right to recover from that party all benefit under this agreement is forfeited unless You have Our prior written consent.

8. Fraud

All benefit may be forfeited, Our liability reduced and/or the Policy(ies) cancelled if You or any person acting with Your knowledge or consent or on Your behalf:

- > engages in any dishonest or fraudulent activity as a means to obtain benefit from the Policy; or
- > wilfully causes any loss, damage, or liability.

9. Goods and Services Tax

Where We make a payment under the Policy 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. Where We make a payment under the Policy as compensation instead of payment for the acquisition of goods, services or other supply, We will reduce the amount of payment by the amount of any input tax credit that You would have been entitled to under A New Tax System (Goods and Services Tax) Act 1999 had the payment been applied to acquire such good, service or other supply.

10. Claim Matters

As soon as possible after an event occurs which may result in a claim under the Policy You must at Your own expense:

- > take all reasonable precautions to prevent or minimise further loss, damage or liability;
- > notify the police immediately if any of Your property is lost, stolen, maliciously or intentionally damaged, or such loss is attempted or suspected;
- > take all reasonable steps to recover lost or stolen property, and assist in apprehending any guilty party;

- > contact Us and provide Us with details of what has happened by:

Tel: 1300 668 386

Fax: 1300 78 77 55

Postal address: PO Box 2717, Taren Point NSW 2229

Email: claims@calliden.com.au

- > complete and submit a claim form for Our consideration with full particulars of Your loss including details of any party who may be responsible if We request You complete a claim form;
- > give Us the opportunity to inspect any loss or damage before You carry out any repairs;
- > keep any damaged or recovered stolen property and allow Us to inspect it if necessary;
- > obtain Our consent before You authorise or commence repairs or otherwise incur any cost, unless the repair or cost is necessary to protect the Property Insured from further loss; and
- > not admit, deny, or negotiate any claim with any person.

11. Conduct of Legal Proceedings and Claim Administration

In circumstances that give rise to or may give rise to a claim under this Policy, We may take over and conduct, in Your name, the defence or settlement of any claim and We will have full discretion in the conduct of any proceedings in connection with a Claim.

If You refuse to consent to any settlement recommended by Us and elect to contest or continue any legal proceedings, Our liability for the Claim will not exceed the amount for which the Claim could have been settled plus the costs and expenses incurred up to the date of such refusal.

12. Excess

Where an Excess is shown in the Schedule or within the Policy You or any other person insured must pay or contribute the amount of any Excess shown in the Schedule or Policy for each and every claim arising out of the one Incident or Occurrence before becoming entitled to cover under the Policy. Where two or more different Excesses apply to an Incident or Occurrence giving rise to a claim under one or more Sections of the Policy, only the greatest of those Excesses will be applied to the whole claim.

General Conditions cont'd

13. Interests of Other Parties

We will not be required to recognise the interests of any third party under the Policy unless required by law and/or We have been given written notice of such interest and it has been accepted by Us.

14. Hazardous Goods

The storage of hazardous goods usual to the proprietor(s)/ occupier(s) at the Situation is only allowed where the quantities and the manner are permitted by any relevant law, by-law or municipal regulation (including the operational health and safety and workcover organisations) pertaining to such goods.

15. Workers Compensation

The insurances provided by the Policy do not include Workers Compensation. Where it is compulsory for all employees to be insured for Workers Compensation, a separate policy must be arranged in accordance with the law in the State or Territory where the Situation is located.

16. Jurisdiction

All disputes arising out of or under the Policy will be subject to determination by any court of competent jurisdiction within Australia according to the law applicable to that jurisdiction.

17. Inspection of Property

We will be permitted but not obligated to inspect Your property and operations at any time. Neither Our right to inspect or Our failure to inspect or the making of any inspection or any report of an inspection may be used by You or others in any action or proceedings involving Us. Any inspection by Us will be restricted to matters, which in Our opinion, are relevant to the Policy.

General Exclusions



These General Exclusions apply to all Sections of the Policy. In addition to these General Exclusions, each Section of the Policy will be subject to specific exclusions.

We do not insure You under the Policy in the following circumstances:

1. Warlike Activities, Nuclear Material and Terrorism

We will not pay any claims arising directly or indirectly from or in consequence of:

- > war, invasion, act of foreign enemies, hostilities (whether war be declared or not), civil war, rebellion, insurrection or civil commotion;
- > any Act of Terrorism;
- > any action taken in controlling, preventing, suppressing or in any way relating to war, invasion, act of foreign enemies, hostilities (whether war be declared or not), civil war, rebellion, insurrection, civil commotion, or any Act of Terrorism;
- > ionising radiation or contamination by radioactivity from any nuclear fuel or from any nuclear waste from the combustion of nuclear fuel;
- > the radioactive toxic, explosive or other hazardous properties of any explosive nuclear assembly or nuclear component thereof.

2. Consequential Loss

We will not pay for any consequential loss of any description except as specifically stated in the Policy.

3. Electronic Data

We will not pay for any loss or damage directly or indirectly caused by, resulting from or in connection with:

- > total or partial destruction, distortion, erasure, corruption, alteration, misinterpretation or misappropriation of Electronic Data; or
- > error in creating, amending, entering, deleting or using Data; or
- > total or partial inability or failure to receive, send, access or use Electronic Data for any time or at all; or
- > the use of an intranet or the Internet (including but not limited to the World Wide Web and electronic mail systems) by You or on Your behalf;
- > from any cause whatsoever, regardless of any other contributing cause or event whenever it may occur.

4. Your Wilful Act, Omission or Recklessness

We will not pay for any wilful act, omission or recklessness or those of Your agents or representatives, provided that this exclusion will only apply to physical loss, destruction or liability caused by those proprietor(s) or member(s) committing the wilful act or omission or recklessness or that of their agents or representatives.

5. Infectious Diseases

We will not cover any claim arising directly or indirectly as a result of infectious disease, where the infectious disease is defined as Highly Pathogenic Avian Influenza or any diseases declared to be quarantinable diseases under the Quarantine Act (1908) or any subsequent amendments to, or versions of this Act.

6. Pollution

We will not be liable for any claim for:

- > Personal Injury or Property Damage or financial loss or loss of, damage to, or loss of use of property, directly or indirectly arising out of the actual, alleged or threatened discharge, dispersal, release, seepage, migration, emission or escape of Pollutants; or
- > the cost of testing, monitoring, containing, removing, nullifying or cleaning up Pollutants; except liability otherwise excluded that:
 - > arises from a sudden identifiable, unintended and unexpected happening, which takes place in its entirety at a specific time and place; and
 - > is indemnified in not more than one annual Period of Insurance.

Section 1 – Property Insured



1. The Indemnity

We will pay You up to the Sum Insured specified in the Schedule for Building(s) and Common Contents, for accidental loss or damage to the Building(s) or Common Contents which occurs during the Period of Insurance.

We will not pay You under Section 1 of the Policy in respect of any of the matters set out in the Specific Exclusions or the General Exclusions. You must comply with the Specific Conditions in Section 1 and the General Conditions.

2. Additional Benefits

Following loss or damage by any cause not excluded, the following Additional Benefits will be paid in addition to the Sum Insured.

2.1. Temporary Accommodation, Loss of Rent Receivable, Reletting Costs, Maintenance Fees and Removal and Storage Costs of Lot Owners Contents.

We will pay, in total, for the following benefits 2.1 A-G, up to 30% of the Building Sum Insured.

2.1.A Temporary Accommodation

Where an owner occupied Lot/Unit is uninhabitable or unfit for its intended purpose or access to the Building is prevented as the result of an Incident covered under Section 1 of the Policy, We will pay to the Lot/Unit Owner, an amount equal to the amount that the Lot/Unit could have been Rented for.

We will pay this amount until the Lot/Unit becomes fit for occupation or until access to the Building has been re-established, for maximum period of 24 months.

2.1.B Loss of Rent Receivable

Where a Lot/Unit or Common Area that is Rented or would have been Rented (and You can verify this by way of lease or rental agreement), becomes uninhabitable, unfit for its intended purpose or access to the Building is prevented as a result of an Incident covered under Section 1 of the Policy, We will pay:

- > to the Lot/Unit Owner, an amount equal to the Rent that the Lot/Unit Owner was receiving, averaged out using total Rent received in the last 6 months prior to the date of loss, divided by 6 then applied per month;
- > to You, an amount equal to the Rent that You were receiving for habitation of any Common Area, averaged out using total Rent received in the last 6 months prior to the date of loss, divided by 6 then applied per month.

We will pay this amount until the Lot/Unit or Common Area becomes fit for occupation or until access to the Building has been re-established, for a maximum period of 24 months.

2.1.C Failure of Supply Services

Where an occupied Lot/Unit or Common Area that is Rented becomes uninhabitable or unfit for its intended purpose as a result of the failure of services including electricity, water, gas or sewerage services but excluding telephone or television services, We will pay to:

- > the Lot/Unit Owner, if the Lot/Unit is Rented, an amount equal to the Rent that the Lot/Unit Owner was receiving averaged out using total Rent received in the last 6 months prior to the date of loss, divided by 6 and then applied per month;
- > the Lot/Unit Owner, if the Lot/Unit is owner occupied, an amount equal to the amount that the Lot/Unit could have been Rented for;
- > You, an amount equal to the Rent that You were receiving for habitation of any Common Area, averaged out using total Rent received in the last 6 months prior to the date of loss, divided by 6 and then applied per month.

We will only pay this amount after the service(s) has failed for more than 48 hours and for a maximum period of 30 days.

2.1.D Infectious or Contagious Diseases, Murder or Suicide

Where an occupied Lot/Unit or Common Area that is Rented becomes uninhabitable or unfit for its intended purpose as a result of murder, suicide or infectious or contagious disease and a government or local authority prohibits occupation of the Building or Common Areas, We will pay to:

- > the Lot/Unit Owner, if the Lot/Unit is Rented, an amount equal to the Rent that the Lot/Unit Owner was receiving averaged out using total Rent received in the last 6 months prior to the date of loss, divided by 6 and then applied per month;
- > the Lot/Unit Owner, if the Lot/Unit is owner occupied, an amount equal to the amount that the Lot/Unit could have been Rented for;
- > You, an amount equal to the Rent that You were receiving for habitation of any Common Area, averaged out using total Rent received in the last 6 months prior to the date of loss, divided by 6 and then applied per month.

We will pay this amount from the time that any government or local authority first prohibits access to the Building or Common Areas, for a maximum period of 30 days.

Section 1 - Property Insured cont'd

2.1.E Reletting Costs

Where a Lot/Unit that is Rented to a tenant cannot be occupied for its intended purpose as a result of an Incident covered under Section 1 of the Policy and the tenant indicates they will not reoccupy the Lot/Unit when it again becomes fit for occupation, We will pay to the Lot/Unit Owner, the reasonable and necessary reletting costs up to \$1,000 per Incident.

2.1.F Maintenance Fees

We will pay to You, up to \$1,000 per Lot/Unit, per Incident, maintenance fees and levies owed to You by Lot/Unit Owners during any period where a Lot/Unit is uninhabitable or unfit for its intended use as a result of an Incident covered under Section 1 of the Policy.

We will pay this Additional Benefit provided that You have exhausted all practical measures to collect the maintenance fees or levies. We also reserve Our right of subrogation to collect the outstanding fees or levies.

2.1.G Removal and Storage Costs of Lot/Unit Owner's Contents

Where a Lot/Unit becomes uninhabitable or unfit for its intended purpose as a result of an Incident covered under Section 1 of the Policy, We will pay the reasonable and necessary costs incurred in the removal of, storage of and return of Lot/Unit Owner's Contents, from the time of loss up until when the Building(s) is deemed habitable.

2.2 Rewriting of Records

We will pay to You, the cost up to a limit of \$50,000 per Incident, of preparing and/or rewriting of Your records, books or accounts, title deeds and Electronic Data pertaining to the Property Insured, which are lost or damaged as the result of an Incident covered under Section 1 the Policy, while the records are anywhere in Australia.

2.3 Trees, Shrubs, Plants, Lawns and Rockwork

We will pay to You, the cost up to a limit of \$10,000 per Incident, necessarily incurred by You:

- > in replacing or repairing any trees, shrubs, plants, lawns and rockwork at Your Situation, lost or damaged as the result of an Incident covered under Section 1 of the Policy;
- > for the professional removal and disposal of Your fallen trees and/or branches (but not tree stumps or roots) for such trees that have caused damage to the Building or Common Contents.

2.4 Money

We will pay You for loss of Money, up to a limit of \$10,000 per Incident, while it is in the personal custody of a committee member or office bearer of the Body Corporate or Strata Manager while acting on Your behalf, that was destined to be used in connection with the Property Insured, but excluding fraudulent misappropriation, larceny or theft or any attempt there-at by:

- > any person in Your employment; or
- > any Lot/Unit Owner or member of their family or any person who usually resides with the Lot/Unit Owner.

2.5 Common Contents in the Open Air

We will pay to You, the cost up to a limit of \$10,000 per Incident, for loss or damage to Common Contents as the result of an Incident covered under Section 1 of the Policy, while they are in a Common Area but not located within a fully enclosed structure.

2.6 Removal and Storage Costs

We will pay to You the costs up to \$10,000 per Incident, necessarily incurred in the removal of, storage of and return of undamaged Common Contents, from the time of loss up until when the Building(s) is deemed habitable or fit for its intended purpose.

2.7 Replacement Locks and Keys

In the event of keys used for common entrance points only, being stolen as a consequence of forcible entry to any Building or if there are reasonable grounds to believe keys or codes have been duplicated, We will pay to You, the cost up to \$5,000 per Incident, for the re-keying or re-coding of locks or the replacement with locks of a similar type and quality, if they cannot be re-keyed or re-coded.

We will not pay to re-key or re-code locks or for replacement locks if there are reasonable grounds to suggest that the keys or codes have been duplicated by an occupant or former occupant of the Building or their family or friends.

Section 1 - Property Insured cont'd

2.8 Fire Extinguishment Costs

We will pay to You the costs and expenses You necessarily and reasonably incur for the purpose of:

- > extinguishing a fire at or in the vicinity of Property Insured or threatening to involve such Property; or
- > preventing or diminishing imminent damage to Property Insured, including damage to gain access to fire fighting appliances, the cost of replenishment of fire fighting appliances and charges incurred for the purpose of shutting off the supply of water or other substance following accidental discharge from any Fire Protective Equipment or otherwise escaping from intended confines.

2.9 Arson Reward

We will pay a reward for information which leads to the conviction of any arsonist in connection with an Incident covered under Section 1 of the Policy. We will pay up to \$10,000 per incident, irrespective of the number of people providing information. We will only pay this Additional Benefit if We have the consent of the Police to do so.

2.10 Personal Property

We will pay to You, the cost to a limit of \$5,000 per Incident, for the market value of the personal property of others (including employees) in Your care, custody and control or for which You have assumed legal responsibility, when the property is lost or damaged as the result of an Incident covered under Section 1 of the Policy.

2.11 Claims Preparation Costs

We will pay to You, the costs up to a limit of \$30,000 per Incident, reasonably and necessarily incurred with Our written consent, in the preparation of a claim following loss or damage to Property Insured as a result of an Incident covered under Section 1 of the Policy.

2.12 Mortgage Discharge

We will pay to You the reasonable legal costs up to a limit of \$5,000 per Incident, to discharge a mortgage or mortgages on the Property Insured where the Property Insured is a total loss (whether actual or constructive), We have paid Your claim under Section 1 and the Property Insured will not be replaced.

2.13 Removal of Water from Basement

We will pay to You the reasonable costs You incur, up to a limit of \$2,000 per Period of Insurance, if Rainwater has entered the basement or if water has entered the basement as a result of Storm and removal of the water is required.

We will not pay You under this Additional Benefit if water has entered the basement as a result of Flood or in respect of any Incident that is not covered under Section 1 of the Policy.

2.14 Additional Utility Charges

We will pay to You, up to a limit of \$2,000 for any additional utility charges You incur following loss or damage to Property Insured as a result of an Incident covered under Section 1 of the Policy.

2.15 Exploratory Costs

If We have agreed to pay a claim for damage sustained to Your property as a result of water or other liquid damage, We will pay to You the reasonable costs You incur, of identifying and locating the source of damage, where the damage is caused by the escape of liquid from fixed apparatus, fixed appliances, fixed pipes or other systems used to hold or carry liquid of any kind.

We will also pay for the reasonable costs of:

- > repairing any damage caused by Us in locating the source of the escaping liquid;
- > repairing or replacing damaged or defective parts of any fixed apparatus, fixed appliances, fixed pipes or other systems to a limit of \$1,000;
- > clean up of pollution or contamination at the Situation caused by the escape of liquid from any fixed apparatus, fixed appliances, fixed pipes or other system up to a limit of \$1,000.

We will not pay for loss or damage caused as a result of the gradual escape of liquid over a period of time:

- > where You or a reasonable person in the circumstances could be expected to have been aware of such gradual escape of liquid;
- > due to lack of maintenance, wear and tear, or neglect.

2.16 Alterations and Additions

If You make alterations or additions to the Property Insured during the Period of Insurance, We will pay for loss or damage to any alteration or addition as a result of an Incident covered under Section 1 of the Policy.

We will not pay for loss or damage:

- > where the total contract value (including GST) of all work to be carried out in the alteration or addition exceeds \$250,000;
- > where You have entered into a contract with a third party in relation to the alteration or addition which requires that third party to effect Contract Works or similar insurance to cover material damage and liability risks.

Section 1 - Property Insured cont'd

2.17 Emergency Accommodation

We will pay to Lot/Unit Owners, the reasonable and necessary costs of emergency accommodation up to \$1,000 per Lot/Unit, per Incident, where the Lot/Unit is occupied solely for residential purposes and cannot be lived in following loss or damage to Property Insured or access to the Building being prevented, as a result of an Incident covered under Section 1 of the Policy.

2.18 Temporary Accommodation for Pets and Security Dogs

Where a Lot/Unit is owner occupied, We will pay to Lot/Unit Owners, the reasonable costs up to \$1,000 per Lot/Unit, per Incident, of temporary accommodation for a Lot/Unit Owner's domestic pets or security dogs, where the Lot/Unit cannot be occupied as a result of an Incident covered by this Section, and any temporary accommodation utilised by the Lot/Unit Owner does not allow pets.

2.19 Modification Expenses

We will pay to Lot/Unit Owners who occupy their Lot/Unit, the reasonable and necessary costs up to \$25,000, to modify the Lot/Unit to assist a Lot/Unit Owner's mobility in the event that they become paraplegic or quadriplegic following loss or damage to Property Insured as a result of an Incident covered under Section 1 of the Policy.

Cover under this Additional Benefit only applies if a medical practitioner certifies that the Lot/Unit Owner is a paraplegic or quadriplegic and that the Lot/Unit Owner's paraplegia or quadriplegia has continued for a period of at least 12 months.

2.20 Fusion

We will pay to You, the necessary and reasonable costs You incur to repair, reinstate or replace, electric motors forming part of the Property Insured that are no bigger than 5kW and less than 20 years old that have burnt out.

We will not pay for loss or damage to:

- > electrical contacts where arcing or sparking occurs in ordinary working;
- > motors that are under warranty or guarantee;
- > lighting or heating elements, fuses or protective devices.

2.21 Increase Sum Insured by CPI

If You have a valid claim under Section 1 We will increase Your Sum Insured by the amount the Consumer Price Index (all groups) has increased since You took out the Policy or last renewed it.

2.22 Common Contents

We will pay to You, up to a limit of 1% of the Building Sum Insured or the amount specified in the Schedule, for the loss of or damage to Common Contents as the result of an Incident covered under Section 1 of the Policy, while they are in, on or under Your Building.

3. Special Benefits

Following loss or damage as the result of an Incident covered under Section 1 of the Policy and subject to Our liability not being increased beyond the Limit(s) of Liability stated herein and Your Building Sum Insured not being exhausted, We will also indemnify You for.

3.1 Removal of Debris

The costs and expenses You reasonably and necessarily incur following loss or damage to Property Insured as a result of an Incident covered under Section 1 of the Policy for:

- > the removal, storage and/or disposal of the debris of Property Insured or the demolition, dismantling, shoring up, propping, underpinning or other temporary repairs to Property Insured, but not in connection with liability for pollution of any kind;
- > Your legal liability in respect of removal, storage and/or disposal of debris, notwithstanding Exclusion 6.9, in relation to premises, roadway services, railways or waterways of others, consequent upon damage to the Property Insured by a peril hereby Insured against, for such costs together with the cost of cleaning provided that such liability was not assumed under any agreement entered into by You unless that liability would have attached in the absence of such agreement;
- > Provided that the insurance under this Section does not extend to any liability that You may incur as a consequence of pollution of any kind;
- > the demolition and removal of any Property Insured 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 Insured.

3.2 Architect and Professionals' Fees

The reasonable cost of architects', surveyors' and consulting engineers' fees, including all incidental costs, legal and other fees and clerk of works' salaries for estimates, plans, specifications, quantities, tenders and supervision, necessarily incurred in reinstatement of Property Insured, but not costs, fees and salaries for preparing any claims hereunder.

Section 1 - Property Insured cont'd

3.3 Government Fees, Contributions or Imposts

Any fee, contribution or other impost payable to any Government, Local Government or other Statutory Authority, where payment of such fee, contribution or impost is required to obtain consent to reinstate any Property Insured, provided that We will not be liable for payment of any fines and/or penalties imposed upon You by any such authorities.

3.4 Legal Fees

Legal fees necessarily incurred with Our written consent in making applications and/or submissions to any Local, State or Federal Government authorities or land and environment courts following loss or damage to Property Insured as the result of an Incident covered under Section 1 of the Policy.

3.5 Temporary Protection

The costs up to a limit of \$10,000 per Incident, reasonably and necessarily incurred by You for temporary protection or safety of Your Property Insured pending its repair, following loss or damage as the result of an Incident covered under Section 1 of the Policy.

3.6 Storm Damage to Gates and Fences

The costs reasonably and necessarily incurred by You to repair or replace any gate or fence lost or damaged as a result of Storm and or Tempest.

We will not pay:

- > for loss or damage caused by wear, tear, gradual corrosion or gradual deterioration, wet or dry rot, rust, oxidation, vermin or insects;
- > unless You allow Us a reasonable time to inspect the loss or damage before repair or replacement occurs.

3.7 Lot/Unit Owner's Fixtures and Improvements in Residential Lots/Units

The costs up to a limit of \$250,000 per Lot/Unit, per Incident to Reinstate, repair or replace Lot/Unit Owner's Fixtures and Improvements in a Lot/Unit that is occupied solely for residential purposes, that are lost or damaged as the result of an Incident covered under Section 1 of the Policy.

We will not pay You for of loss or damage to Lot/Unit Owner's Fixtures and Improvements in a Lot/Unit that is occupied partly or solely for commercial purposes.

3.8 Extra Costs of Re-instatement

Applicable to Buildings insured by the Policy lost or damaged as a result of an Incident covered under Section 1 of the Policy.

The Policy extends to include the extra cost of reinstatement including demolition or dismantling necessarily incurred to comply with the requirements of any Act of Parliament or Regulation or any By-Law or Regulation of any Municipal or other Statutory Authority, subject to the following provisions and subject also to the terms, conditions, limit(s) or sub limit(s) and exclusions of the Policy:

- > the work of reinstatement (which may be carried out wholly or partially upon another site if any of the above mentioned Act, By-Law or Regulation of any Municipal or other Statutory Authority so requires, subject to Our liability not being thereby increased) must be commenced and carried out within 12 months, failing which We will not be liable to make any payment beyond the amount which would have been payable under the Policy if this provision has not been incorporated herein;
- > the amount recoverable will not include the additional cost incurred in complying with any such Act, Regulation, By-Law or requirement with which You were required to comply with prior to the damage happening;
- > if the cost of reinstatement of the damage claimable under the Policy is less than fifty per cent (50%) of what would have been the cost of reinstatement of the property Insured had such property been totally destroyed, the amount recoverable will be limited to the extra cost necessarily incurred in reinstating only that portion damaged excluding extra costs in relation to any portion of Your Building not damaged. In any event the loss will not exceed the amount We would have been called upon to pay if Your Building had been wholly destroyed;
- > no cost will be payable to replace any illegal installations;
- > the indemnity provided in respect of the extra cost of reinstatement will apply to the extent to which the Sum(s) Insured on the Building is not otherwise exhausted or unless otherwise stated in the Schedule.

Section 1 - Property Insured cont'd

3.9 Floor Space Ratio Index (Plot Ratio)

If any Building(s) is damaged as the result of an Incident covered under Section 1 of the Policy, so as to constitute total loss or constructive total loss and, where the exercise of statutory powers and/or authority by any Government Departments, Local Government or any other Statutory Authorities only permits reinstatement subject to a reduced floor space ratio index, We will pay the difference between:

- > the actual cost of reinstatement incurred in accordance with the reduced floor space ratio index; and
- > the cost of reinstatement which would have been incurred had a reduced floor space ratio index not been applicable.

In arriving at the amount payable under this Special Benefit, any payments made by Us will include the extra cost of reinstatement, including demolition or dismantling of the Property Insured, necessarily incurred to comply with the requirements of any Act of Parliament or Regulation of any Municipal or other Statutory Authority.

Any payments made for the differences between the actual cost of reinstatement and the costs of reinstatement that would have been incurred, will be made as soon as the difference is ascertained upon completion of the rebuilding works and certified by the architect acting on Your behalf in the reinstatement of the Building(s).

3.10 Loss of Land Value

In the event of the absolute refusal by the competent Local or Government Authority to allow the reconstruction of any Building following loss or damage, We will pay the difference between the land value before and after the loss or damage.

In the event of the competent Local or Government Authority allowing partial reconstruction only of any Building after loss or damage, We will pay the difference between the land value after such reconstruction and the land value before the loss or damage, less any sum paid by way of compensation by any Authority arising out of the action referred to above.

4. Optional Additional Benefits

You will only be insured for these Optional Additional Benefits when they are shown in the Schedule.

4.1 Lot/Unit Owner's Fixtures and Improvements in Commercial Lots/Units

If Lot/Unit Owner's Fixtures and Improvements in a Lot/Unit that is occupied partly or solely for commercial purposes are lost or damaged as the result of an Incident covered under Section 1 of the Policy, We will pay, per Incident, up to the Sum Insured shown in the Schedule, to repair, Reinstatement or replace the Lot/Unit Owner's Fixtures and Improvements.

We will not pay to repair, reinstate or replace any:

- > undamaged Lot/Unit Owner's Fixtures and Fittings;
- > illegal installation;
- > item insured by any other policy of insurance.

The Additional and Special Benefits under Section 1 of the Policy are not available following loss or damage to Lot/Unit Owner's Fixtures and Improvements in a Lot/Unit that is occupied partly or solely for commercial purposes.

4.2 Catastrophe Cover

In the event of Your Building being lost or damaged as a result of a government-declared catastrophe or emergency, We will increase the Sum Insured for Your Building by the amount shown in the Schedule, for the purpose of settling any valid claim under section 1 arising from that event.

Section 1 - Property Insured cont'd

5. Basis of Settlement

5.1 Reinstatement or Replacement

The basis upon which the amount payable to You is calculated will be the cost of Reinstatement of the Property Insured damaged at the time of its Reinstatement, subject to the following provisions and subject also to the terms, conditions and limit(s) or sub-limit(s) of liability of the Policy:

- > the work of rebuilding, or replacing, or repairing, or restoring or reinstating, as the case may be (which may be carried out at another site and in any manner suitable to Your requirements, but subject to Our liability not being increased), must be commenced and carried out within a reasonable time, failing which We will not be liable to make any payment beyond the amount of the Indemnity Value of the Property Insured at the time it was lost or damage;
- > when Property Insured is damaged in part only, Our liability will not exceed the sum representing the cost which We could have been called upon to pay for Reinstatement if such property had been wholly damaged;
- > no payment beyond the amount which would have been payable under the Policy if this clause had not been incorporated therein will be made until a sum equal to the cost of Reinstatement shall have been actually incurred;
- > with Our prior consent and where it is lawful, You are not be bound to actually rebuild any Building destroyed, but may purchase an alternative existing building to replace the destroyed Building. Such replacement will be deemed to constitute "Reinstatement" for the purpose of this insurance, but We will not under any circumstances be liable to make any payment beyond the actual cost of rebuilding the Building destroyed;
- > We will not be liable for the cost of Reinstatement of any illegal installations.

5.2 Redevelopment Property

On Redevelopment Property, the cost of repair or Reinstatement or replacement is subject to an allowance for wear and tear, depreciation and betterment subject to Exclusion 6.9. If the property is not repaired or reinstated, settlement will be restricted to the cost of demolition and/or removal of debris.

5.3 Replacement by Similar

In those cases where the architectural features and structural materials of the Building(s) insured possess a particularly ornamental, antiquarian or historical character, or the materials are not readily available, in calculating the cost which would have been incurred in Reinstatement if the whole of the property had been destroyed as referred to in the Basis of Settlement Clause, the basis to be adopted is the cost of a similar type of building of current design and materials and of reasonably equivalent utility and capacity, and it is further noted that the Sum Insured under the Policy has been based accordingly.

5.4 Reinstatement of Cover

In the event of loss or damage following an Incident covered under Section 1 of the Policy, the amount by which the Sum Insured or Limits of Liability is reduced as a consequence of the loss or damage will be automatically re-instated as from the date of loss provided that:

- > there is no written request from You or written notice by Us to the contrary;
- > this section is an operative Section of the Policy;
- > the claim has been notified to Us;
- > You pay the premium We require for the reinstatement; and/or
- > the loss or damage is not a total loss, whether actual or constructive.

5.5 Undamaged Foundations

If foundations are not destroyed following loss or damage as the result of an Incident covered under Section 1 of the Policy and any Government or Statutory Authority requires reinstatement of the Building to be carried out on another site, the abandoned foundations will be considered as destroyed. If the resale value of the original building site is increased due to the presence of the abandoned foundations, the increase in resale value will be paid to Us at the time of sale.

5.6 Undamaged Portion any Building

If any Building or portion of a Building is not destroyed or totally destroyed following loss or damage as the result of an Incident covered under Section 1 of the Policy and any Government or Statutory Authority requires reinstatement of the Building to be carried out on another site, the abandoned undamaged portion of the Building will be considered as destroyed. If the resale value of the original building site is increased due to the presence of the abandoned undamaged portion of the Building, the increase in resale value will be paid to Us at the time of sale.

Section 1 - Property Insured cont'd

6. Exclusions

We will not be liable for any physical loss or damage caused directly or indirectly to:

- 6.1 Money, jewellery, furs, bullion, precious metals or stones, other than the specific cover provided under Additional Benefit 2.4;
- 6.2 retaining walls resulting from Storm and/or Tempest;
- 6.3 Property Insured resulting from construction, erection, demolition, alteration or addition other when the value of such work does not exceed \$500,000 (including GST);
- 6.4 empty premises undergoing demolition;
- 6.5 carpets resulting from staining, fading or fraying;
- 6.6 the popping and/or movement of swimming pools and/or the accidental breakage, chipping or lifting of tiles of swimming pools and/or their surrounds;
- 6.7 all Machinery (as defined in this exclusion 6.7), electronic data processing equipment or electronic control equipment occasioned by or happening through any mechanical, electrical, electro-mechanical, electronic or hydraulic malfunction, failure, derangement, breakdown or non operation of whatsoever kind.

This exclusion will not apply to any subsequent loss, destruction of or damage to such machinery, electronic data processing equipment or electronic control equipment occasioned by or happening through any cause or event not otherwise excluded which results from any of the events referred in this Exclusion.

For the purpose of this exclusion, "Machinery" means any apparatus whether or not functioning independently or as any component part of a collection of apparatus which generates, contains, controls, transmits, receives, transforms or utilises any form or source of energy or power.
- 6.8 the Building(s) by Rainwater or Storm water seeping or percolating through walls, roofs or floors or entering as a result of structural defects, faulty design or faulty workmanship in the Building(s).

We will not be liable in respect of any physical loss, destruction or damage directly or indirectly caused by or arising out of or in consequence of or contributed to by:

- 6.9 any legal liability of whatsoever nature;
- 6.10 consequential financial loss of any kind associated with any commercial or private activity carried out on or reliant on the premises specified in the Schedule, other than Loss of Rent as detailed under Additional Benefits 2.1.B,C and D;
- 6.11 incorrect siting of Buildings;
- 6.12 water from or action by The Sea, tidal wave, and high water, provided that this exclusion will not apply if loss, destruction or damage is directly or indirectly caused by or arising out of a tsunami or Earthquake (see exclusion 6.13 for the applicable excess for each claim or series of claims arising from tsunami or Earthquake);
- 6.13 erosion, subsidence, earth movement or collapse unless resulting from Earthquake or tsunami. In the case of Earthquake or tsunami, there is an Excess for each claim or series of claims during a period of 72 hours of \$20,000 or one percent (1%) of the Sum Insured for Buildings (excluding any separate amount shown for Additional Benefit Temporary Accommodation or Loss of Rent Receivable) whichever is the lesser amount;
- 6.14 normal settling, seepage, shrinkage or expansion in Buildings or foundations, walls, pavements, roads and other structural improvements, creeping, heaving and vibration;
- 6.15 birds, moths, termites or other insects, vermin, rust, or oxidation, mildew, mould, contamination or pollution, change of colour, dampness of atmosphere or other variations in temperature, evaporation, disease, inherent vice or latent defect, loss of weight, change in flavour, texture or finish, smut or smoke from industrial operations;
- 6.16 wear, tear, fading, gradual corrosion or gradual deterioration, concrete or brick 'cancer', wet or dry rot, rust, oxidation, chipping, scratching or marring, normal upkeep, making good or any developing flaws;
- 6.17 error or omission in design, plan or specification or failure of design;
- 6.18 faulty materials or faulty workmanship;

Section 1 - Property Insured cont'd

- 6.19 mechanical, hydraulic, electrical or electronic breakdown, failure malfunction or derangement of any machine or electrical and/or electronic device;
- 6.20 kidnapping, bomb threat, threat of contamination, hoax, extortion or any attempt thereat;
- 6.21 any boiler (other than a boiler used for domestic purposes) economiser or other pressure vessel, including pipes, valves and other apparatus thereof in respect of which a certificate is required to be issued under the term of any statute or regulation, occasioned by or arising from explosion, rupture, collapse, bursting, cracking or overheating thereof provided that this exclusion will be limited to the aforementioned items immediately affected and will not extend to other property as a result of such loss, destruction or damage;
- 6.22 smut or smoke stains (other than when damage that occurs is sudden and unforeseen);
- 6.23 demolition ordered by any Federal, State or Local Government or their authorities, or statutory authority as a result of Your failure, or the failure of anyone acting on Your behalf, to comply with any lawful requirement;
- 6.24 loss or damage to property undergoing any process involving the application of heat whereby loss or damage is caused to such property by the application of heat;
- 6.25 Flood;
- 6.26 vibration from, the removal or weakening of, or interference with, the support of land or Buildings or any other property, erosion, subsidence, landslide, mudslide, shrinkage or any other earth movement or collapse resulting there from, but this exclusion will not apply if the loss or damage is caused by or arises out of Earthquake or seismological disturbance, explosion or physical impact by Aircraft;
- 6.27 the invasion of tree or plant roots, but if such invasion blocks Your drainage system this exclusion will not apply to any subsequent damage to Your Building or Common Area Contents caused by the escape of water or liquids there from.

We will not be liable for any physical loss or damage:

- 6.28 Under the Reinstatement or Replacement, Extra Cost of Reinstatement, Plot Ratio or Loss of Land Value clauses for Redevelopment Property.

7. Special Conditions

7.1 Sprinkler Systems

Where any property, being Property Insured by the Policy has an automatic sprinkler system installed which You own or where You are responsible for the operation or maintenance of the automatic sprinkler system, You must:

- > ensure that the property is protected, as required by law, by an approved installation of automatic sprinklers, automatic external alarm signal and automatic alarm signal connected with a Fire Brigade Station or other legally approved monitoring organisation;
- > exercise due diligence to ensure that any system and alarm signal are at all times maintained in good working order;
- > maintain the system regularly in accordance with Australian Standard AS1851 (Part 3);
- > notify Us, in writing as soon as reasonably practicable, of any changes to the automatic sprinkler installation.

Section 2 – Property Owners Legal Liability



1. The Indemnity

We will pay on Your behalf all amounts which You become legally liable to pay for compensation for Personal Injury or Property Damage, happening during the Period of Insurance, as the result of an Occurrence in connection with:

- > Your ownership of the Property Insured, the Situation, and the services that You provide to and for the Lot/Unit Owners and occupiers of any Lot/Unit;
- > Your ownership of any underground or overhead services, roads, footpaths or bridges that form part of the property at the Situation;
- > the hire by any person of sporting or recreational facilities owned by You;
- > any social or recreational activities arranged for or on behalf of the Lot/Unit Owners or occupiers of any Lot/Unit;
- > the application of pesticides, herbicides or fertilisers to Common Areas at the Situation or the Property Insured;
- > Your ownership, use, control or possession of garden appliances, wheel chairs and golf buggies or Vehicles that do not require registration by any legislation or competent authority;
- > Your ownership, use, control or possession of any Watercraft that is less than 8 metres in length, provided that the Watercraft is not or should not have been insured under legislation of the State or Territory of Australia in which it is being used;
- > Lot/Unit Owner's Fixtures and Improvements, but only Lot/Unit Owner's Fixtures and Improvements of a Lot/Unit that is occupied solely for residential purposes; provided that Our liability under the Policy for all compensation payable as a result of any Occurrence will not exceed the Limit of Liability shown in the Schedule.

We will not pay You under Section 2 of the Policy in respect of any of the matters set out in the Specific Exclusions or the General Exclusions. You must comply with the Specific Conditions in this section and the General Conditions.

2. Legal costs

We will also pay:

- > costs and expenses incurred by Us, or by You with Our prior written consent, in the investigation, settlement or defence of any claim for compensation for which You are entitled to indemnity under the Policy; and
- > legal costs taxed or assessed against You in any claim referred to in paragraph 1 - The Indemnity, above and all interest accruing from the entry of judgment against You until We have paid, tendered or deposited in court the amount that We are liable to pay following judgement.

Payment of costs and expenses under Section 2 of the Policy is in addition to the Limit of Liability.

3. Exclusions – Applicable to Section 2 - Property Owners Legal Liability

We will not be liable for claims for:

- 3.1 Personal Injury or Property Damage arising out of liability in connection with any business, profession, trade or manufacturing operations conducted by You or any other person(s) insured or otherwise, other than as the owner of the Property Insured at the Situation shown in the Schedule;
- 3.2 Personal Injury or Property Damage arising out of the occupation of tenant(s) of the Building(s) or Common Area(s) including the maintenance, upkeep or housekeeping of the tenant(s) at the Situation;
- 3.3 Personal Injury or Property Damage caused by or arising directly or indirectly out of or in connection with the ownership, possession, maintenance, use or control of any Watercraft (exceeding 8 metres in length), Aircraft and Aerial Devices or Vehicles;
- 3.4 Personal Injury or Property Damage arising out of liability arising under any agreement unless such liability would have attached in the absence of such agreement.

This exclusion will not apply to liability assumed:

- > under any contract or lease of property;
- > by You under any contract or agreement with Your Strata Manager pertaining to Your ownership of the Property Insured, provided that the liability does not arise out of the negligence of Your Strata Manager or the failure of Your Strata Manager to fulfil their duties or obligations under the contract or agreement;

Section 2 – Property Owners Legal Liability cont'd

- 3.5 Personal Injury or Property Damage arising out of the construction, erection, or demolition of Building(s) or alteration and/or addition to Building(s) insured by the Policy, by You or on Your behalf other than alterations and/or additions when the value of such work does not exceed \$500,000 (including GST);
- 3.6 Personal Injury or Property Damage arising out of or directly or indirectly from vibration, subsidence or from the removal or weakness of or interference with support to land, buildings or any other property;
- 3.7 Personal Injury or Property Damage arising directly or indirectly from explosion of boilers or other vessels under pressure in respect of which a certificate is required to be issued under the terms of any Statute or Regulation thereunder;
- 3.8 Personal Injury or Property Damage arising out of a liability imposed upon You by reason of Your ownership, occupation or control of any property or structure used as a landing area for aircraft. The term "landing area" will include any area on which aircraft land, take off, are housed, maintained or operated;
- 3.9 fines, punitive, exemplary, liquidated or aggravated damages regardless of any other provisions of this insurance;
- 3.10 Personal Injury or Property Damage arising out of a breach of the duty owed in a professional capacity by You and/or persons for whose breaches of such duty You may be legally liable provided that this exclusion does not apply to the rendering or failure to render professional medical advice by a legally qualified medical practitioner, legally qualified registered nurse, dentist or first aid attendant You use to provide first aid services at the Situation;
- 3.11 Personal Injury or Property Damage arising out of claims:
- > brought against You in any country outside the Commonwealth of Australia;
 - > for Personal Injury or Property Damage occurring outside the Commonwealth of Australia;
- 3.12 Personal Injury or Property Damage arising out of the publication or utterance of a libel or slander made prior to the commencement of this Period of Insurance or made by or at the direction of You with knowledge of that it was false;
- 3.13 Personal Injury or Property Damage arising out of any liability which arises from any deliberate or intentional act committed by You or by any person acting with Your express or implied consent;
- 3.14 the cost of litigation or proceedings initiated by You without Our prior written consent;
- 3.15 Personal Injury or Property Damage arising out of or in connection with marinas, wharves, jetties, docks, pontoons or similar type facilities (whether fixed or floating) if they are used for commercial purposes or fuel distribution, unless noted on the Schedule;
- 3.16 Property Damage to:
- > property owned or leased by You;
 - > property in Your physical and legal control, But this exclusion will not apply to liability for Property Damage to:
 - (a) premises (including landlord's fixtures and fittings) which are leased or rented to You;
 - (b) premises (or their contents) not owned, leased or rented by You but temporarily occupied by You for work therein but no cover is granted for damage to that part of the property on which You are working and which arises out of such work;
 - (c) Vehicles (not belonging to or used by or on Your behalf) in Your physical or legal control where Property Damage occurs while vehicles are in a car park owned or operated by You. Cover under this paragraph does not apply if You own or operate a car park for reward;
 - (d) Employees' property;
 - (e) any other property not specified in clauses a) to d) inclusive, which is in Your physical and legal control subject to Our liability not exceeding \$50,000 for any one Occurrence.
- However We will not be liable for:
- > Property Damage to goods or property while being transported or carted;
 - > Property Damage to that part of any property which You have been working on where the Property Damage arises from such work.

Section 2 – Property Owners Legal Liability cont'd

- 3.17 Personal Injury or Property Damage or financial loss or loss of, damage to, or loss of use of property directly or indirectly arising out:
- > of the actual, alleged or threatened discharge, dispersal, release, seepage, migration, emission or escape of Pollutants; or
 - > the cost of testing, monitoring, containing, removing, nullifying or cleaning up Pollutants except liability otherwise excluded under this exclusion that:
 - (a) arises from a sudden identifiable, unintended and unexpected happening, which takes place in its entirety at a specific time and place; and
 - (b) is indemnified in not more than one annual Period of Insurance.
- We will not provide cover for:
- 3.18 Personal Injury to any employee arising directly or indirectly out of or in the course of their employment with You. For the purpose of this exclusion, "Employee" will mean any person engaged under a contract of service or apprenticeship with You but does not include any person employed under such a contract who is excluded from the definition of worker under any Worker's Compensation legislation;
- 3.19 any claim or claims arising out of the provisions of any Workers Compensation legislation or any industrial award or agreement or determination;
- 3.20 any claim or claims which You are or would have been entitled to seek indemnity under any policy of insurance required to be taken out pursuant to any legislation relating to worker's or workmen's compensation including any State or Territory (whether insurance is effected or not);
- 3.21 any claim or claims for any actual or alleged liability caused by or arising directly or indirectly out of or in connection with the molestation of, or physical or psychological interference with, any person;
- 3.22 any claim or claims for any Products Liability whatsoever including but not limited to any liability:
- > for Property Damage to Your Product caused by or arising directly or indirectly out of or in connection with any defect or lack of quality in Your Product, the harmful nature of Your Product or unsuitability or ineffectiveness of Your Product;
 - > caused by or arising directly or indirectly out of or in connection with the withdrawal, inspection, removal, reinstallation, repair, replacement or loss of use of Your Product, or of any property of which Your Product forms a part, if Your Product is recalled from the market or from use because of any known or suspected defect or deficiency in it;
 - > for the cost of repairing, correcting, performing or improving any work or service undertaken or provided by You or on Your behalf.
 - > in connection with the design, plan, formula or specification of Your Product or any instructions, warnings, advice or information on the characteristics, use, storage or application of Your Product;
 - > for loss of use of tangible property (not physically lost, destroyed or damaged) caused by or arising directly or indirectly out of the failure of Your Product to meet the level of performance quality, fitness or durability expressly or impliedly warranted or represented by You;
- 3.23 any claim or claims for any actual or alleged liability caused by or arising directly or indirectly out of or in connection with Lot/Unit Owner's Fixtures and Improvements of any Lot/Unit that is occupied solely or partly for commercial purposes;
- 3.24 any claim or claims for Personal Injury or Property Damage (including loss of use of property) directly or indirectly caused by or arising from exposure to asbestos or materials containing asbestos.

Section 2 – Property Owners Legal Liability cont'd

4. Special Conditions Applicable to Section 2 - Property Owners Legal Liability

- 4.1 Notice in writing must be given as soon as possible to Us of every Occurrence, clause, writ, summons, proceeding, impending prosecution, inquest and all information in relation thereto that will come to Your knowledge in respect of which there may arise liability under the Policy. Such notice must be given by You and Your knowledge will be deemed to include the knowledge of any person whose knowledge would in law be that of You.
- 4.2 You must not without Our written consent make any admission, offer, promise or payment in connection with any Occurrence or claim and We will be entitled to take over and conduct in Your name the defence or settlement of any claim.
- 4.3 You must use the best endeavour to preserve all property, appliances, plant or things which might provide necessary or useful evidence in connection with any claim and so far as may be reasonably practicable no alteration or repair should be made to any premises, fencing, machinery, furnishings, fittings, appliances or plant without Our consent, until We have had an opportunity of inspection.
- 4.4 We will be entitled to prosecute in Your name and at Our expense and for Our benefit any claim for indemnity or damages or otherwise.
- 4.5 We will have full discretion in the conduct of any proceedings in connection with any claim and You must give all information and assistance as We may require in the prosecution, defence or settlement of any claim.
- 4.6 You must take and cause to be taken all reasonable precautions to comply with all Statutory Obligations and Regulations imposed by any Authority.

Section 3 – Fidelity Guarantee



1. The Indemnity

We agree to indemnify You in respect to the fraudulent embezzlement or fraudulent misappropriation of funds set aside for the purpose of management of the Body Corporate/Company affairs up to the Sum Insured shown in the Schedule.

2. Exclusions - Applicable to Section 3 - Fidelity Guarantee

We will not be liable for:

- 2.1 any payment under the Policy if You have not otherwise exhausted Your rights and entitlements under any bond effected under the Strata Schemes Management Act 1996 of New South Wales or its equivalent in the legislation of other States or any fund providing for infidelity;
- 2.2 any fraudulent misappropriation committed after the initial discovery of loss;
- 2.3 any claim arising out of losses discovered more than twelve (12) months after the expiry of the Policy or termination of the employment of any person who caused the loss, whichever occurs first;
- 2.4 any losses arising out of misappropriations committed prior to the inception of the Policy;
- 2.5 any losses attributable to any member or committee of the governing body of the Building who is an authorised Strata Manager, director, partner, representative or employee of a strata managing company with whom You or any Lot/Unit Owner has entered into any management agreement.

Section 4 – Voluntary Workers Personal Accident



1. The Indemnity

We will pay compensation to any Voluntary Worker or in the case of his/her death to the Voluntary Worker's executors or administrators, if any Voluntary Worker sustains bodily injury:

- > caused solely and directly by violent, accidental, external and visible means; and
- > while performing voluntary work on Your behalf during the Period of Insurance; and
- > which independently of any other cause, results in or occurs within 12 months of sustaining such bodily injury, in the Compensation Events listed below.

We will not pay compensation under Section 4 of the Policy in respect of any of the matters set out in the Specific Exclusions or the General Exclusions. You must comply with the General Conditions.

2. Compensation Events

Compensation Event	Amount Payable
2.1 Death	100% of the Capital Benefit shown in the Schedule
2.2 Total and irrecoverable loss of all sight in both eyes	100% of the Capital Benefit shown in the Schedule
2.3 Total and permanent loss of the use of both hands or of the use of both feet or of the use of one hand and one foot	100% of the Capital Benefit shown in the Schedule
2.4 Total and permanent loss of use of one hand or of the use of one foot	50% of the Capital Benefit shown in the Schedule
2.5. Total and irrecoverable loss of all sight in one eye	50% of the Capital Benefit shown in the Schedule
2.6 (a) Total disablement from engaging in or attending to usual profession, business or occupation in respect of each week of disablement	100% of the Weekly Benefit shown in the Schedule
(b) Partial disablement from engaging in or attending to usual profession, business or occupation in respect of each week of disablement	50% of the Capital Benefit shown in the Schedule
2.7 Travel expenses incurred in obtaining medical treatment following bodily injury to a Voluntary Worker	1% of the Capital Benefit shown in the Schedule
2.8 Reasonable cost of domestic assistance following bodily injury to a Voluntary Worker	Up to \$500 per week for a maximum of 10 weeks

Section 4 – Voluntary Workers Personal Accident cont'd

3. Restrictions on Cover

- 3.1 The Policy will only apply in respect of work organised by and at the direction of the Body Corporate, its Committee or the duly appointed delegate of the Body Corporate or its Committee.
- 3.2 If the Voluntary Worker becomes entitled to compensation under more than one of the Events 2.1 to 2.6 in respect of the same bodily injury:
- > compensation will not be payable under any Event if such Event is included in any other item for which greater compensation is payable;
 - > compensation payable will not exceed in the aggregate the compensation for Event 2.1.
- 3.3 After the occurrence of any one of Events 2.2 to 2.5 there will be no further liability under this Section for these Events for the same Voluntary Worker.
- 3.4 Compensation will not be payable:
- > under item 2.6 in excess of one hundred and four (104) weeks in all in respect of any one injury or series of injuries arising from any one accident ;
 - > under item 2.6 for the first 7 days of disablement;
 - > under item 2.6 where the Voluntary Worker was not in receipt of wages, salary or any form of remuneration gained from their personal exertion at the time the bodily injury occurred;
 - > unless the injured Voluntary Worker will as soon as possible after the occurrence of any bodily injury, obtain and follow medical advice from a legally qualified medical practitioner;
 - > for more than one (1) of item 2.6(a) and 2.6(b) in respect of the same period of time;
 - > under item 2.7 in excess of 1% of the Capital Benefit shown in the Schedule in all in respect of any one injury or series of injuries arising from any one accident;
 - > under item 2.8 in excess of 10 weeks in all in respect of any one injury or series of injuries arising from any one accident;
 - > in respect of children under the age of 12 years;
 - > for any fees or charges that are covered by Medicare, private health insurance, a statutory insurance scheme such as workers compensation or which can only be covered by a registered health insurer. This includes those costs that the law states We cannot cover, such as Medicare 'gaps'.

4. Exclusions - Applicable to Section 4 - Voluntary Workers Personal Accident

We will not be liable in respect of any injury, death, disablement or sickness directly or indirectly caused by or arising out of or in consequence of, regardless of any other cause or event contributing concurrently or in any other sequence, or contributed to by:

- 4.1 Death or disablement that results from:
- > a deliberately self-inflicted injury;
 - > the Voluntary Worker:
 - > being under the influence of intoxicating liquor or of a drug, other than a drug taken or administered by or in accordance with the advice of a duly qualified medical practitioner;
 - > being addicted to intoxicating liquor or to a drug;
 - > taking part in a riot or civil commotion;
 - > acting maliciously;
 - > engaging in any criminal act; or
 - > engaging in professional sporting activities.
- 4.2 Any sexually transmitted disease, herpes or acquired immune deficiency syndrome (AIDS).
- 4.3 Neurosis, psychoneurosis, psychosis, mental, emotional, depression, stress or anxiety condition, disease or disorder or is sustained whilst the Voluntary Worker is in a state of insanity.
- 4.4 Childbirth, miscarriage, termination of birth or any complications with pregnancy.
- 4.5 Any injury giving rise to a right to claim any compensation from his/her employer or any person liable to pay compensation under or by virtue of any Workers' Compensation Act or Ordinance or any other Statutory Enactment providing for payment in the nature of compensation whether such right is exercised or not.

Section 5 – Office Bearer’s Liability



1. The Indemnity

You

We will indemnify You against any Loss in connection with any claim:

- > made against You during the Period of Insurance; and
- > immediately notified to Us in writing during the Period of Insurance; and
- > arising out of a Wrongful Act which occurred subsequent to the Retroactive Date; and
- > for which You have not been indemnified, and are not entitled to be indemnified, by the Body Corporate.

The Body Corporate

We will indemnify the Body Corporate against any Loss in connection with any claim:

- > made against You during the Period of Insurance for which the Body Corporate has indemnified You, as permitted or required by law and for which the Body Corporate is vicariously liable at law;
- > immediately notified to Us in writing during the Period of Insurance; and
- > arising out of a Wrongful Act which occurred subsequent to the Retroactive Date.

Strata Manager while Acting as Office Bearer

We will indemnify the Strata Manager while acting as an Office Bearer of the Body Corporate against any Loss in connection with any claim:

- > made against the Strata Manager during the Period of Insurance; and
- > immediately notified to Us in writing during the Period of Insurance; and
- > arising out of a Wrongful Act which occurred subsequent to the Retroactive Date; and
- > for which the Strata Manager has not been indemnified, and is not entitled to be indemnified, by the Body Corporate.

The amount payable in respect of all claims under Section 5 of the Policy, inclusive of claimant’s costs and expenses and the costs and expenses incurred by or with Our written consent in the investigation, defence or settlement of any claim during the Period of Insurance, will not exceed the Limit of Liability, regardless of the number of claims made or reported during one Period of Insurance.

We will not pay You under Section 5 of the Policy in respect of any of the matters set out in the Specific Exclusions or the General Exclusions. You must comply with the Specific Conditions in Section 5 of the Policy and the General Conditions.

2. Definitions Applicable to Section 5 - Office Bearers Liability

The meaning of some of the important words and terms used in Section 5 of the Policy only, are shown below.

Claim means any:

- > written complaint containing a demand for compensation or damages alleging a Wrongful Act; or
- > a civil proceeding brought by a third party for recovery of compensation or damages in relation to a Wrongful Act; or
- > criminal proceeding brought against You alleging a Wrongful Act.

Loss means the amount payable in respect of a Claim made against You for a Wrongful Act and will include damages, judgements, settlement and costs, cost of investigation (excluding salaries of Officer Bearers and Your employees) and costs of defence of legal actions, claims or proceedings and appeals therefrom but does not include any amount payable in respect of punitive, exemplary or aggravated damages. All losses arising out of the same act or inter-related acts of one or more Officer Bearers will be considered a single Loss only.

Office Bearer means a person appointed by the Body Corporate to act as an Office Bearer or committee member in terms of the Strata Titles Legislation applying where the Property Insured is situated:

- > a Strata Manager appointed as an agent of an Office Bearer and/or committee member;
- > a person invited by an Office Bearer and/or committee member to assist in the management of the Body Corporate affairs.

Retroactive Date means the date from which officers of the Insured have been continuously insured under one policy, or successive policies, of claims made insurance which provided the same or similar cover to this Policy.

Wrongful Act means any actual or alleged error or misstatement, misleading statement, act or omission or neglect or breach of duty committed or alleged to have been committed by You or any matter claimed against You solely by reason of You acting as an Office Bearer of the Body Corporate.

Section 5 – Office Bearer’s Liability cont’d

Company Title means where the Building is subject to a Company Title this cover extends to the directors of the Company Title board and all references to any Office Bearer or the Body Corporate in the Policy will be deemed to refer to any director or to the Company as the case may be.

3. Additional Benefits

3.1 Continuous Cover

Notwithstanding Exclusions 4.8 and 4.9, We will cover You under this Section for any Claim first made against You during the Period of Insurance arising from circumstances of which You were aware prior to the Period of Insurance provided that:

- > We were the issuer of the Office Bearers Liability Insurance Policy at the time that You first became aware of the circumstance and We have continued to be the issuer of Your Office Bearers Liability Insurance Policy; and
- > the Limit of Liability under this Additional Benefit will be the lesser available under the terms of the Policy in force at the time that You first became aware of the circumstance and the Policy. The terms of the Policy will otherwise apply.

3.2 Extended Reporting Period

Notwithstanding Exclusion 4.10, if a Claim, fact or circumstance arises within 30 days of the expiry of the Period of Insurance, We will accept notification of the Claim, fact or circumstance provided that You renew the Policy with Us within 30 days of the expiry of the Period of Insurance.

The Limit of Liability, applicable Excess and Policy terms and conditions under this Additional Benefit will be those available under the Policy in force at the expiry of the Period of Insurance.

4. Exclusions – Applicable to Section 5 - Office Bearers Liability

We will not be liable under the Policy to make any payment for any Loss in connection with any Claim in respect of or by reason of:

- 4.1 You gaining or having gained any personal profit or advantage to which You were not legally entitled or for which You may be held accountable to the Body Corporate or any individual Member thereof;
- 4.2 moneys or gratuity given to You without authorisation by the Body Corporate where such authorisation is necessary or prescribed by law;

- 4.3 any circumstances of which notice has been given under any other policy the term of which has expired prior to the inception of this Policy;
- 4.4 Personal Injury or Property Damage except as arising from any negligent failure by You to effect valid Public Liability Insurance on behalf of the Body Corporate as required by law;
- 4.5 fines or penalties imposed by law;
- 4.6 a conflict of duty or interest of any Office Bearer;
- 4.7 any intentional exercise of the powers of an Office Bearer for a purpose other than the purpose or which such powers were conferred by the articles of the Body Corporate.

We will not be liable under the Policy to make payment for any Loss in connection with any Claim:

- 4.8 made or threatened or in any way intimated on or before the inception date of this Policy specified in the Schedule;
- 4.9 arising from any circumstances You had become aware of prior to the inception date of the Policy specified in the Schedule and which a reasonable person in the position would, at any time prior to the inception date, have considered may give rise to a Claim under this Policy;
- 4.10 first notified to Us after the expiry of this Policy;
- 4.11 brought against You in a court of law outside the Commonwealth of Australia;
- 4.12 for libel or slander;
- 4.13 brought about or contributed to by any dishonest, fraudulent, criminal or malicious act or omission of Yours, providing that this exclusion will not apply to the costs of a successful defence;
- 4.14 arising from, attributable to or in any way connected with any:
 - > breach or alleged breach of duty, or error or omission, relating to the rendering or failure to render services and/or advice; or
 - > breach or alleged breach of, or error or omission in connection with, any contract for the provision of services and/or advice;
- 4.15 for exemplary, aggravated, punitive or liquidated damages;

Section 5 – Office Bearer’s Liability cont’d

4.16 brought against the Strata Manager (other than as covered under paragraph 1- The Indemnity, of Section 5 of the Policy) or any other contracted person(s), firm or company when acting in their professional capacity.

5. Proviso

It is agreed that any fact pertaining to any Office Bearer will not be imputed to any other Office Bearer for the purpose of determining the application of Exclusions 4.1 to 4.7.

6. Special Conditions Applicable to Section 5 - Office Bearer’s Liability

- 6.1 Payment of the costs and expenses in the investigation, defence or settlement of any Claim where We have not yet agreed to indemnify You under Section 5 of the Policy will be at Our discretion.
- 6.2 If You refuse to consent to any settlement recommended by Us and elect to contest or continue any legal proceedings, Our liability for the Claim will not exceed the amount for which the Claim could have been settled plus the costs and expenses incurred up to the date of such refusal.
- 6.3 The inclusion in the Policy of more than one (1) Insured Party will not extend to increase Our Limit of Liability.
- 6.4 The insurance will be governed by the law of State or Territory where the Policy was issued whose courts will have jurisdiction in any dispute arising hereunder.
- 6.5 Any sum paid by Us in the discharge or settlement of any threat or intimidation of a Claim in relation to any circumstances which might give rise to a Claim, will be deemed to be a payment made in the discharge or settlement of a Claim under this Policy and in particular and without limiting the generality of the foregoing, will be deemed to be a payment for the purpose of calculating the aggregate of all Claims under the Policy pursuant to the Indemnity Clause.
- 6.6 It is a condition precedent to liability under the Policy that immediate notice in writing be given to Us of:
- > any Claim made against You;
 - > the receipt of notice from any person of an intention to make a Claim against You; or

> any circumstances of which You become aware and which may give rise to a Claim against You and/or a claim under this Policy, and You will in any case upon request give Us such information and assistance as We may reasonably require. Any Claim subsequently arising from any matter or circumstances so notified to Us will be deemed to have been made during the Period of Insurance.

6.7 You or any person acting on behalf of the Body Corporate must not admit liability for or settle any Claim, or incur any costs or expenses without Our consent. We will be entitled at any time to take over and conduct in Your name of any proceeding arising out of or relating to any Claim, but We will not exercise any rights of subrogation against any employee of the Insured unless the employee was guilty of dishonest, fraudulent, criminal or malicious conduct or serious wilful misconduct.

6.8 Where Section 5 of the Policy insures more than one party, if one or more of party or parties:

- > fails to comply with their duty of disclosure as set out in the Insurance Contracts Act 1984; or
- > misrepresents information supplied to Us before the Policy was entered into or when it was renewed;
- > fails to comply with any terms of conditions of this Section or the Policy;

the conduct of one or more party or parties will not prejudice the rights of the remaining party or parties provided that the remaining party or parties, immediately on becoming aware of any conduct that increases the risk insured by the Policy, gives notice in writing to Us and pays any additional Premium that We may require.

Section 6 – Machinery Breakdown



1. The Indemnity

We will pay You in accordance with the Basis of Settlement below, in respect of items appearing under Option A and/or Option B in the Schedule, as follows:

- > for Machines, against Breakdown;
- > for Boilers and Pressure Plant, against Breakdown, Collapse or Explosion; occurring at the Situation during the Period of Insurance.

We will not pay You for loss or damage caused by an event for which cover is available under Section 1- Property Insured of the Policy or in respect of any of the matters set out in the Specific Exclusions or the General Exclusions. You must comply with the General Conditions.

2. Definitions Applicable to Section 6 - Machinery Breakdown

The meaning of some of the important words and terms used in Section 6 only, are shown below.

Boilers and Pressure Plant means those parts of the permanent structure of boilers and pressure plant separately specified in the Schedule which are subject to internal steam, gas or fluid pressure (other than atmospheric pressure) or vacuum, including:

- > fittings, pipes and direct attachments which are connected to the permanent structure without any intervening valve or cock;
- > supports for the structure (other than foundations, masonry or brickwork) such as furnace doors, access doors, external combustion chambers, smoke boxes and casings; and
- > metal parts of pressure and water gauges and their connections to the permanent structure.

Provided that these items:

- > have successfully completed initial commissioning; and
- > are owned by You or for which You are legally responsible.

Breakdown means sudden and unforeseen physical loss or damage to Machines and Boilers and Pressure Plant from any cause not excluded, which requires repairs or replacement to enable normal working to continue.

Collapse means the sudden distortion of the furnace of a boiler or any part of a pressure vessel caused by the bending or crushing of the permanent structure by the force of steam, gas, fluid pressure or vacuum including sudden and unforeseen physical loss or damage caused by overheating resulting from a deficiency of water.

Explosion means the sudden, unforeseen and violent rending of any Boilers and Pressure Plant by force of internal steam, gas or fluid pressure or the pressure of ignited flue gases.

Machine(s) means mechanical and electrical plant and machinery owned by the Body Corporate and listed under Option A and/or Option B in the Schedule but not:

- > Boilers and Pressure Plant unless specifically noted under Option B of the Schedule;
- > central air-conditioning plant unless specifically noted under Option B of the Schedule;
- > lifts escalators or elevators unless specifically noted under Option B of the Schedule;
- > submersible pumps unless specifically noted under Option B of the Schedule;
- > Vehicles or other mobile plant.

3. Insured Items

Option A

Machine(s) driven by motors not exceeding 5HP or 4kW.

Option B

Machines and Boilers and Pressure Plant individually listed and described in the Schedule.

4. Limit of Liability

Under Option A, the most We will pay is the Sum Insured for all claims in respect of any one Incident.

Under Option B, the most We will pay is the Sum Insured specified per individually listed item appearing in the Schedule.

Section 6 – Machinery Breakdown cont'd

5. Basis of Settlement

5.1 Breakdown

In the event of a claim payable under Section 6 of the Policy for Breakdown of Machines or Boilers and Pressure Plant, (subject to any limitation or restriction applying under paragraph 6 - Automatic Temporary Cover, of Section 6 of the Policy) We will at Our option repair or replace the items that suffered loss or damage or pay a cash equivalent of such repair or replacement. We will also pay the cost of:

- > liquids or refrigerant gases or insulating oil necessary to complete the repairs;
- > transport, labour and the on-site cost of parts.

Provided that:

- > if necessary parts are unavailable or obsolete, Our liability will be limited to the estimated cost of similar parts for similar equipment to that which suffered loss or damage that is currently available;
- > if necessary parts are found to be unobtainable, Our liability will be limited to the manufacturer's or supplier's last list price;
- > We will not pay for the cost of alterations, improvements, maintenance or overhauls carried out in conjunction with the repair or replacement.

Where We choose to repair a Machine, We will also pay:

- > up to 10% of the Sum Insured of the insured item towards the cost of hiring a temporary replacement Machine during the time taken to repair any insured loss or damage;
- > for costs of dismantling and reassembly and/or reinstallation;
- > for removal of debris;
- > for any overtime or similar penalty rate costs;
- > for freight charges within Australia up to a limit of 10% of the Sum Insured of the insured item;
- > for statutory charges including sales tax and/or customs duties.

5.2 Collapse or Explosion

In the event of a claim payable under Section 6 of the Policy for Collapse or Explosion of Boilers and Pressure Plant, We will at Our option repair or replace the damaged or destroyed item or pay the cash equivalent of such repair or replacement.

Provided that:

- > if the damage is repairable We will pay the necessary costs to restore the item to its condition immediately before the Collapse or Explosion;
- > if restoration costs exceed the value of a new and equivalent replacement item then We will replace the damaged or destroyed item with an item of similar quality and size. If the item is replaced with one that is of a better quality or size, We will pay the cost that would have been incurred if an exact replacement had been installed;
- > if repair or replacement is not effected within 12 months from the date of Collapse or Explosion, We will not pay more than the Indemnity Value of the item immediately before the Collapse or Explosion;
- > We will not pay for the cost of alterations, improvements, maintenance or overhauls carried out in conjunction with the repair or replacement.

6. Automatic Temporary Cover (Applicable to Option A only)

We will automatically extend cover under the terms, conditions and exclusions of the Policy for a period of ninety (90) days, on any additional machine installed or brought into use at the Situation provided that:

- > You will notify Us within ninety (90) days and pay to Us on demand the premium for the additional machine from the date of installation or bringing into use;
- > the additional machine is be free from known defects and complies with any Statutory requirements;
- > this temporary cover will not be provided until the additional machine has worked satisfactorily for eight (8) hours and has become Your responsibility;
- > the temporary cover will only apply if Option A is selected and the new machine is driven by a motor which does not exceed 5HP or 4kW;
- > if, following inspection, any additional machine is unacceptable to Us for insurance, You will be notified by mail. We will give You not less than three (3) business days written notice advising that the additional machine is no longer covered by the Policy; and
- > the Limit of Liability and Excess in respect of the additional machine will be that currently specified under Option A in the Schedule.

Section 6 – Machinery Breakdown cont'd

7. Specific Exclusions applying to Section 6 - Machinery Breakdown

7.1 We will not pay for any costs associated with:

- > cleaning or maintenance services;
- > alterations, additions, improvements or overhauls, adjustments or replacement of undamaged components whether carried out in the course of repairs or as a separate operation;
- > replacement or restoration following gradual deterioration (including rust, corrosion, erosion, oxidation or scale formation);
- > repair of or claims for scratches to, or discolouration, of painted or polished surfaces;
- > adjustment, cleaning or recharging of refrigeration or air conditioning equipment unless necessary as part of the repair of any Machine insured under Section 6 of the Policy;
- > provisional repairs or remedial action unless such repairs or action constitute part of the final repairs and do not increase the total repair costs;
- > loss of refrigerant, oil or lubricant due solely to worn or deteriorated seals or valves;
- > the cost of converting refrigeration/air-conditioning units from the use of CFC (chlorofluorocarbon) refrigerant gas to any other type of refrigerant gas.

7.2 We will not pay for the cost of repair or replacement of:

- > worn or spent belts, filters, refrigerant dryers, fuses, electric heating elements, electrical contacts, thermostats, thermostatic expansion valves, lamps gland packing, seals, cutting blades, commutators, slip rings, conducting brushes, chains, ropes, tyres, pressure switches, bearings, glass or ceramic components, fuel lamps, collecting brushes, belts, joints or non metallic parts and all operating media;
- > component parts necessitated by wear and tear caused by or resulting from ordinary use or working or gradual deterioration;
- > storage tanks and vats.

7.3 We will not pay for loss, destruction or damage caused by:

- > any crack, fracture, blister, lamination, flaw or grooving even when accompanied by leakage, which has not penetrated completely through the entire thickness of the material of the Machine or Boilers and Pressure Plant;

- > any slowly developing deformation or distortion to any Machine or Boilers and Pressure Plant;
- > fire, smoke or soot, extinguishment of a fire or subsequent demolition, spontaneous combustion;
- > lightning, Earthquake, hail, wind, rain, Flood, Storm and/or Tempest, action of The Sea, tidal wave, erosion, collapse, subsidence, landslide, mudslide, settling or movement of earth;
- > impact by Aircraft and Aerial Devices, falling trees, Vehicles, Watercraft, external antennas, communication towers, masts, satellite dishes or any animal;
- > theft or attempted theft or malicious damage;
- > leakage of water or liquid from any pipe, tank, guttering or fixed apparatus including automatic fire sprinkler systems;
- > any process of heat treatment, welding, grinding, cutting, drilling, shaping or the application of tools to the Machine or Boilers and Pressure Plant;
- > unloading or delivery to, or loading prior to dispatch from the Situation;
- > testing and commissioning, intentional overloading or experiments, and any usage beyond or outside the manufacturers specifications.

7.4 We will not pay for any additional costs due to:

- > delay or detention; or
- > penalties.

7.5 We will not pay for any loss or damage to any Machine or Boilers and Pressure Plant for which the manufacturer or supplier or other parties are responsible under any maintenance or service agreement or manufacturers or suppliers warranty, or would have been responsible but for a breach of the conditions of such agreements or warranty by You.

7.6 We will not pay for any loss, damage or destruction to:

- > reticulated electrical wiring, liquid or gas piping; or
- > a safety or protective device caused by its own operation.

7.7 We will not pay for consequential loss of any kind or description whatsoever unless specifically included in this Section.

Section 7 – Legal Expenses



1. The Indemnity

1.A Health and Safety Breaches

We will indemnify You, for Legal Expenses incurred with Our written consent, in the pursuit of an appeal against:

- > any improvement or prohibition notice issued to You pursuant to any workplace occupational health or safety legislation, by any authority, body or person legally entitled to issue such a notice;
- > any determination made against You under any workplace occupational health or safety legislation by any authority, body or person legally entitled to make such a determination;
- > provided that the improvement or prohibition notice is issued or determination made during the Period of Insurance and any claim for Legal Expenses in pursuit of an appeal are notified to Us during the Period of Insurance.

1.B Legal Defence Expenses

We will indemnify You on the basis set out below, for Legal Expenses incurred in connection with Legal Event 1 or 2 arising out of a dispute that occurs during the Period of Insurance.

We will pay Your Legal Expenses in relation to Legal Event 1 or 2 arising out of a dispute if:

- > the dispute arises in connection with Your Business and;
- > there are reasonable prospects of a successful defence of an action or proceeding and;
- > it is reasonable for Legal Expenses to be provided in the circumstances and;
- > the dispute occurs in Australia and;
- > any legal proceedings take place in Australia and;
- > only Australian law is applicable to the action or proceedings and;
- > You are first notified of the dispute during the Period of Insurance; and
- > You notify Us of any claim for Legal Expenses during the Period of Insurance.

We will not pay You under Section 7 of the Policy in respect of any of the matters set out in the Specific Exclusions or the General Exclusions. You must comply with the Specific Conditions in Section 7 and the General Conditions.

2. Definitions Applicable to Section 7 - Legal Expenses

The meaning of some of the important words and terms used in Section 7 of the Policy only, are shown below.

Legal Event 1 means a dispute arising from:

- > the operation of the Trade Practices Act 1974;
- > the operation of any Australian consumer protection legislation.

Legal Event 2 means a dispute arising from:

- > a contract or alleged contract of employment with any employee, ex-employee or a prospective employee;
- > any alleged act or omission of You or an employee arising out of or in the course of their normal employment in Your Business that leads to civil or criminal proceedings being taken against You or them under any Australian anti-discrimination legislation.

Legal Expenses means reasonable legal costs and disbursements incurred by You with Our consent.

Your Business means Your ownership of the Property Insured.

Your Solicitor means the solicitor appointed to act for You when Our approval is obtained in accordance with the terms and conditions of the Policy.

3. Limit of Liability

The most We will pay for all claims during the Period of Insurance under Section 7 of the Policy is the amount shown in the Schedule.

4. Basis of Settlement (1.B Legal Defence Expenses only)

We will pay for Legal Expenses resulting from Legal Event 1 or Legal Event 2, incurred directly in relation to:

- > the defence by You of any claim or counter claim;
- > the defence of a prosecution against You;
- > the defence of any claim made against You which threatens legal proceedings.

5. Excess

You must pay the first 10% of all Legal Expenses or \$1,000, whichever is the greater.

Section 7 – Legal Expenses cont'd

6. Specific Exclusions applying to Section 7 - Legal Expenses

The following exclusions are only applicable to 1.B Legal Defence Expenses.

We will not be liable for any claim in respect of or arising from:

- 6.1 civil proceedings where the amount in dispute is less than \$5,000;
- 6.2 an act, omission or dispute between any person or entity insured by the Policy;
- 6.3 the molestation of, the interference with, the mental abuse of or the physical abuse of any persons;
- 6.4 any dispute with Us or Our agents arising from the Policy;
- 6.5 libel, slander or defamation;
- 6.6 patents, copyrights, trade marks, merchandise, secrecy, restraint of trade and confidentiality agreements;
- 6.7 bodily injury or loss of or damage to property or financial loss resulting from pollutants which have escaped into or upon land, or pollution caused by any trade waste, smoke, soot, fumes, liquids, gases or other substances discharged, dispersed, released or atmosphere or any watercourse or body of water unless that discharge, dispersal, release or escape is instantaneously caused by a sudden, unexpected and unintended happening;
- 6.8 payment of fines or other penalties which You or an employee may be ordered to pay;
- 6.9 any legal liability or any Legal Expenses which would be covered under any other Section of the Policy, regardless of whether You have selected cover under that Section or not.

The following exclusions are applicable to both 1.A Health and Safety Breaches and 1.B Legal Defence Expenses.

We will not be liable for any claim arising from:

- 6.10 any act, omission or dispute which occurred prior to the Period of Insurance and which You knew or ought reasonably to have known was likely to give rise to a claim or legal proceedings against You;
- 6.11 Legal Expenses incurred prior to the written acceptance of a claim by Us or incurred without Our consent;

- 6.12 the breach or alleged breach of any professional duty, including advice or treatment advice, by You or an employee;
- 6.13 damages for death, bodily injury, disease or illness of or to any person;
- 6.14 a criminal act committed deliberately by You or an employee;
- 6.15 any matter where You or an employee;
 - > defend a claim or legal proceedings or commence an appeal without Our consent or against the advice of or in a different manner from that advised by Your Solicitor;
 - > fail to give proper instructions in a reasonable or required time to Your Solicitor;
 - > are responsible for a delay which has resulted in a costs order against You, additional costs being incurred or which is prejudicial to the successful outcome of the proceedings or appeal.
- 6.16 the salary or wages or other financial loss of You or any employee in respect of time absent from work arising from the claim, proceedings or appeal including but not limited to, attending upon solicitors, providing statements, attending any informal conference, settlement conference or court proceedings.

We will not indemnify You for:

- 6.17 any claim notified after the expiry of the Period of Insurance;
- 6.18 any costs or Legal Expenses whatsoever in any way connected with any claim, dispute or legal proceedings initiated by You;
- 6.19 any costs or Legal Expenses unless We consider that there are reasonable prospects of successfully appealing against any notice or determination issued pursuant to any occupational health, safety or workplace legislation;
- 6.20 any costs or Legal Expenses unless We consider that there are reasonable prospects of successfully defending any claim or legal proceedings bought against You.

Section 7 – Legal Expenses cont'd

7. Special Conditions Applicable to Section 7 - Legal Expenses

7.1 Making a Claim

- > You must obtain and send to Us at Your expense a written opinion from Your Solicitor which addresses the following:-
 - (a) the facts of the claim;
 - (b) the law applicable to the dispute;
 - (c) the prospects of successfully defending the claim or legal proceedings or appealing against any notice or determination;
 - (d) the estimated Legal Expenses for defending the proceedings or pursuing the appeal;
 - (e) the fee structure and any costs agreement (actual or proposed) in relation to legal services directly connected to the dispute.
- > We will pay the reasonable cost of obtaining this opinion if We agree to pay Legal Expenses under Section 7 of the Policy.
- > If We refuse to accept or discontinue a claim We will give You Our reasons in writing. If We refuse or discontinue a claim and You commence or continue the claim or legal proceedings and are successful, We will pay Legal Expenses as if We had given Our consent in the first place.
- > We will deem a claim first notified to Us at the time You give Us written notice that You have received oral or written notice from any person, entity or authority:
 - (a) of their intention to commence legal proceedings against You;
 - (b) of their assertion of a right to or a demand for compensation;
 - (c) of an unfavourable determination in regards to any occupational health, safety or workplace breach which You wish to appeal;
 - (d) of any improvement or prohibition notice issued pursuant to any occupational health, safety or workplace legislation which You wish to appeal.

7.2 Legal Representation

- > Upon making a claim You can nominate a Solicitor of Your choice.
- > We reserve the right to refuse Your nomination of a solicitor without giving any reason and prior to Our acceptance of a solicitor We may make any enquires We consider relevant with respect to that solicitor.

- > We reserve the right to direct You to terminate the services of the Your Solicitor if it is in Your interests. You must terminate the services of the solicitor and a new solicitor shall be appointed to act for You either nominated by You or appointed by Us.
- > We reserve the right to take over and conduct the claim or legal proceedings in Your name.
- > We are entitled to instruct a solicitor on Your behalf if We consider this necessary to protect Your interests.

7.3 Claim Administration and Control

- > We must have direct access to Your Solicitor at all times. You must co-operate fully with Us in all respects and keep Us fully and continually informed of all material developments in the legal representation or proceedings. If We ask, You must instruct Your Solicitor to produce to Us immediately any documents, information or advice in their possession and You must give them any instructions in relation to the conduct of the claim We may require.
- > We are only liable for the costs or fees of counsel, accountants or any expert witness if We have given Our consent to the appointment of that person and agreed the proposed fee.
- > Any Legal Expenses We may agree to pay will not be affected by any agreement, undertaking or promise made or given by You to Your Solicitor or to any counsel, witness expert or agent.
- > Your Solicitor or You must inform Us immediately in writing of any offer or payment into court made with a view to settling the claim and:
 - a) no agreement to settle must be made without Our prior consent;
 - b) if You do not accept any offer or payment into court but that amount is equal to or in excess of the total damages eventually recovered by You, We shall have no liability in respect of any Legal Expenses incurred after that offer or payment unless We agreed to the continuation of the legal proceedings after being advised of the offer or payment into court.

Section 7 – Legal Expenses cont'd

- > On Our request, You must require Your Solicitor to have the Legal Expenses taxed, assessed or audited by a costs assessor or any relevant authority.
- > If for any reason Your Solicitor refuses to continue acting for You or if You withdraw Your instructions from Your Solicitor then any liability We have will finish immediately unless in Our discretion We agree to the appointment of another solicitor to continue with the claim.
- > If You withdraw from the claim without Our prior consent then the Legal Expenses will become Your responsibility and We will be entitled to be reimbursed by You for any Legal Expenses.
- > Where You are awarded costs, You must take steps to recover Legal Expenses. Any recoverable Legal Expenses, whether recovered or not, will be taken into account for the calculation of Our liability under the Policy.
- > If You settle a dispute and the settlement amount includes Legal Expenses, We will be entitled to be reimbursed by You for such Legal Expenses.

7.4 Dispute Resolution

- > If We direct You, You must use any alternative dispute resolution (ADR) process available before taking legal action in respect of an insured dispute.
- > You must use Your best endeavours to have any dispute resolved through ADR and propose the use of ADR to other parties to the dispute.

7.5 Subrogation

- > We are entitled to institute any claim for indemnity or damages in Your name for Our own benefit.
- > You must co-operate with Us fully in any proceedings which We may commence and We shall have full discretion in the conduct of these proceedings and in the settlement of any claim.

Section 8 – Audit Expenses



1. The Indemnity

We will indemnify You on the basis set out below for Your liability to pay the fees of a Professional Adviser engaged by You in connection with an Audit of Your Business.

We will pay Your Professional Adviser's fees in relation to an Audit of Your Business if:

- > the Audit arose out of the normal course of Your Business; and
- > notification of the Audit occurred during the Period of Insurance; and
- > notification of the Audit is given to Us during the Period of Insurance.

We will not pay You under Section 8 of the Policy in respect of any of the matters set out in the Specific Exclusions or the General Exclusions. You must comply with the Specific Conditions in Section 8 and the General Conditions.

2. Definitions Applicable to Section 8 - Audit Expenses

The meaning of some of the important words and terms used in this Section only, are shown below.

Audit means:

- > an investigation of Your tax or financial affairs conducted by a relevant statutory body in relation to Business Activity Statements, Capital Gains Tax, Prescribed Payments and Group Tax Returns, Stamp Duty and Workers Compensation Returns;
- > an investigation of Your tax or financial affairs conducted by a relevant statutory body pursuant to the:
 - (a) Income Tax Assessment Act 1936;
 - (b) The Fringe Benefits Tax Assessment Act 1986 and Fringe Benefits Act 1986;
 - (c) Section 10 of the Crimes Act (Cth) 1910 (d) Payroll Tax Act (relevant state act);
 - (e) Sales Tax Assessment Act 1992 (f) Taxation Administration Act 1953;
 - (g) Superannuation Guarantee Charge Act 1992;
 - (h) A New Tax System (Goods and Services Tax) Act 1999 (i) Superannuation Industry Supervision Act 1933 or any other legislation intended to replace such legislation, related to statutory tax audits which incur accounting costs arising in the course of and in the normal conduct of Your Business.

Your Business means Your ownership of the Property Insured.

Professional Adviser means:

- > an accountant who is a member of a nationally recognised accounting body, including registered tax agents or consultants;
- > a professional person or consultant recommended by Your accountant and retained by You with Our consent, but excluding You or any person employed or contracted by You.

Professional Fees means fees, charges, expenses and disbursements rendered by any accountant, assessor, consultant, investigator or by any mediator appointed by any alternative dispute resolution centre which are reasonably and properly incurred in relation to any Audit.

3. Limit of Liability

The most We will pay for all claims during the Period of Insurance under Section 8 of the Policy is the Sum Insured shown in the Schedule.

4. Specific Exclusions applying to Section 8 - Audit Expenses

We will not be liable for:

- 4.1 the imposition of any, tax, fines, penalties, court costs, penalty tax or interest;
- 4.2 costs incurred after completion of the Audit;
- 4.3 any claim in respect of an Audit where any Audit was initiated, threatened or started prior to the commencement of the Period of Insurance;
- 4.4 arising from Your improper, unwarranted or unjustified refusal or failure to comply with any lawful request made by a Federal or State Commissioner of Taxation or other statutory body for the production of documents or the supply of information. We will not deem refusal or failure to comply to be improper, unwarranted or unjustified if You refuse or fail to comply upon the advice of Your Accountant or tax agent;
- 4.5 costs from Audits under customs legislation;
- 4.6 any claim in respect of an Audit arising out of fraud or any criminal or fraudulent act or omission committed by You or on Your behalf;

Section 8 – Audit Expenses cont'd

- 4.7 any claim in respect of an Audit, arising from Audits which result from 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 Federal or State Commissioner of Taxation and failing to notify the Commissioner of Taxation without delay;
- 4.8 any claim in respect of an Audit when You are or become bankrupt or commit an act of bankruptcy, make or enter into a scheme of arrangement with creditors, being a corporation, are in liquidation or come under the control of a receiver or receiver and manager or an agent for a mortgagee in possession;
- 4.9 any claim in respect of an Audit arising out of any delay in the submission of a tax return;
- 4.10 any claim in respect of an Audit arising out of the failure of a third party to submit an income tax return;
- 4.11 any claim in respect of an Audit where the returns for the period in question were not prepared by or approved by an independent accountant or registered tax agent prior to lodgement with the Australian Tax Office;
- 4.12 any claim in respect of an Audit conducted specifically to determine if any fine, penalty or prosecution should be imposed in relation to any act by You in relation to statutory or legal obligations;
- 4.13 accountant's costs incurred more than 12 months after the commencement of the Audit unless You can prove that any delay was due to the conduct of the Auditor;
- 4.14 Audits where You have not properly kept records which You are required to keep or where You are notified by an Auditor that You have failed to keep required records or records kept are not satisfactory;
- 4.15 any Professional Fees incurred without Our Consent;
- 4.16 any Professional Fees or other costs associated with an objection, appeal or review of an Audit or assessment or final determination of an auditor;
- 4.17 costs or expenses charged by any person who is not a Professional Adviser, unless We have agreed to the cost or expense before it was incurred;
- 4.18 any claim in respect of an Audit of Your taxation or financial affairs unless the return is first lodged:
- (a) during the Period of Insurance;
 - (b) 12 months before the original inception date of this Policy;
- 4.19 any claim in respect of an Audit of Your taxation or financial affairs which relates to a return lodged more than 3 years before You receive notification of the Audit;
- 4.20 any costs associated with the gathering of data or preparation of documents that does not related directly to the Audit;
- 4.21 any costs associated with any review relating to You maintaining industry status, licence, membership or compliance with any employee related legislation or regulations.

5. Special Conditions Applicable to Section 8 - Audit Expenses

5.1 Duration of Audit

For the purpose of this Section, the Audit commences at the time You first receive notice that the auditor proposes to conduct an Audit, and is completed when:

- > the auditor has given written notice to that effect; or
- > the auditor notifies You that it has made a concluded decision about a designated liability; or
- > when the auditor has issued an assessment or amended assessment of a designated liability.

5.2 Consent

- > We have no liability to pay any Professional Fees unless they are incurred with Our prior consent.
- > We have the right to have any Professional Fees evaluated for their reasonableness by an external party or expert.
- > You must at all times exercise due care and take all necessary precautions to avoid incurring any liability which might give rise to a claim under the Policy and must not pursue any course of action which is probable to result in a claim under Section 8 of the Policy.
- > You must lodge taxation and other statutory returns within the time limits applicable to those returns as prescribed by statute or through extension of time granted by a Federal or State Commissioner of Taxation. You must make full and complete disclosure of all assessable income (including capital gains), as required by any relevant legislation.

Section 8 – Audit Expenses cont'd

5.3 Claims

- > In the event of a claim arising:
 - (a) You must advise Us immediately of any claim or circumstance that might give rise to a claim;
 - (b) You must at all times keep Us fully and continually informed of all material developments in relation to the claim and in relation to any Audit;
 - (c) You must take all necessary and reasonable steps to minimise any delays and the amount of any costs incurred or likely to be incurred in connection with any Audit; and
 - (d) You must ensure that Your Professional Adviser must cooperate with Us and where necessary, assist Us in relation to any claim, and assist Us with any matter We wish to pursue with the Commissioner of Taxation or other statutory body which is or may be the subject of a claim.

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