



**Landlord Residential
Building Insurance Policy**
Product Disclosure Statement
and Policy Wording

Australia's Leading Landlord Insurance Specialist
terriscbeer.com.au

Product Disclosure Statement and Policy Wording (PDS)

This Product Disclosure Statement (PDS) is an important document that sets out what we cover under this policy, what we don't cover, the limits on cover, and the terms and conditions that apply. Read this PDS carefully before you decide whether our cover is right for you.

This PDS is in two parts:

- Part 1: Important Information. This part includes important information about your excesses, the General Insurance Code of Practice and how you may contact us if you have a complaint.
- Part 2: Policy Wording. This part contains the terms, conditions, limits, and definitions of your insurance.

Updating information

The information in this PDS was current at the date it was prepared. From time to time, we may update some of the information in the PDS that isn't materially adverse to you without notifying you. Please contact us for a free copy of any of these updates. Other changes will be made by a Supplementary Product Disclosure Statement (SPDS) which we'll give to you.

You can ask us for a confirmation of a transaction relating to your policy or any claim by calling us on **1800 804 016**.

Using our products for financial abuse is unacceptable

An insurance policy and the rights under it, including making any claim or receiving claims proceeds, is no place for financial abuse or other types of abuse such as threatening, harassing, or controlling behaviour. Using the policy or the rights in an abusive way can have serious negative impacts on the abused.

We may report reasonable suspicions of financial or domestic abuse to relevant authorities, including law enforcement.

Date prepared: 10 February 2025

Part 1: Important Information

It's important that you:

- ◆ Read all of this PDS before you buy the insurance to make sure it gives you the protection you need
- ◆ Are aware of the limits on the cover provided, the amounts we'll pay you and any excess that applies.

Landlord Residential Building Insurance Additional Information Guide

In this PDS you will be referred to the Landlord Residential Building Insurance Additional Information Guide. This guide is available at www.terrischeer.com.au and contains further information about premiums, excesses and claims examples. Please contact us for a free copy.

Note: Some terms and words in this policy have special meanings (definitions) which apply to them. The terms and words with special meanings (definitions) are defined in the 'Defined terms' section on pages 93 to 104. This section may also refer you to where that special meaning can be found in this policy.

About Terri Scheer

The Terri Scheer brand has been around since 1995 and specialises in landlord insurance for owners of residential rental properties.

Terri Scheer is a member of the Suncorp Group.

Insurer

AAI Limited ABN 48 005 297 807, AFS Licence No. 230859 trading as Terri Scheer is the insurer and issuer of this insurance policy and PDS. References to 'us', 'we', 'Terri Scheer' and 'our' in this policy are to the insurer.

Type of tenancy

This policy provides cover for properties used principally and primarily by tenants as a place of residence which are rented for either:

- ◆ Permanent tenancies (see the 'Defined terms' section on page 100)
- ◆ Holiday let (where each holiday let period is less than **12** weeks in any calendar year).

You must declare to us if your property is used as a holiday let property (as defined in the 'Defined terms' section on page 98). This policy can provide cover, if we agree, should you elect to use your property as a holiday let property. An additional premium may apply for this type of tenancy.

How we'll keep in contact with each other

Communicating with you electronically

We may send your policy documents and policy related communications electronically. This will be by email, other types of electronic communication (for example SMS), or both. We'll obtain your express or inferred consent to do so. Each electronic communication will be deemed to be received by you at the time it leaves our information system.

Communicating with you by post

We may send your policy documents and policy related communications by post unless you've consented to receiving these electronically.

Let us know if your contact details change

You must keep your contact details, including your Australian mobile number, postal address, and email address up to date. If we don't have up to date contact details, you might not receive your important policy documents which could impact whether you have cover in place.

How to contact us

Phone :	1800 804 016
International phone:	+61 8 8205 5110
Post:	GPO Box 1619, Adelaide SA 5001

Cooling off period

You can contact us to return the policy within **30** days from the start date of your policy (including on renewal).

This is called the cooling off period. As long as you haven't made a claim during this period, we'll refund in full the money you paid for your policy (including GST if applicable). However, you won't have any cover under this policy.

You can also cancel your policy at any time

Alternatively, you can cancel your policy at any time while you're insured unless you have made a claim that might result in payment of the full building sum insured. This is because all the cover under the building policy stops if the building is a total loss and there is no refund of that premium. You can otherwise cancel your policy as at the date you contact us, a future date, or another date if we agree, and you'll have cover up until that date. For more information, see 'What happens with cancellations' on page 76.

There are some things that we don't cover

Like every insurance policy, there are exclusions, conditions, and limits that apply to your policy. There are some things we don't cover whatever the circumstances. These are found in the 'Things we don't cover' section on pages 78 to 92. There are also specific things we don't cover for each of the specific insured events listed on pages 21 to 36.

When we may refuse to pay a claim or reduce the amount we pay

Where the effect of a term in this policy is that we may refuse to pay a claim (either in whole or in part) by reason of something you or another person did or didn't do after this policy was entered into then, in accordance with the Insurance Contracts Act 1984 (Cth), we may either:

- ◆ Refuse to pay a claim, however, only to the extent that such act or failure caused or contributed to the loss which gives rise to the claim
- ◆ Reduce our payment of a claim, however, only by an amount that fairly represents the extent to which our interests are prejudiced by the act or failure.

We may also cancel your policy.

Sometimes we can provide extra support

Sometimes your circumstances might mean you need additional support or assistance in dealing with us. This could be due to your physical or mental health, family or financial situation, or cultural background. If you're comfortable, you can tell us about your situation and we'll work with you to arrange support.

How to make a claim

As soon as possible after the event that causes loss, damage, or legal liability, you must follow the steps set out in 'Making a claim' on page 64.

Contact Terri Scheer on 1800 804 016, for more information about the claims process and assistance with next steps.

How your excess works when you make a claim

What's an excess?

An excess is the amount you pay towards the cost of your claim for each incident covered by your policy.

Sometimes you might have to pay more than one type of excess. The amount and types of excess are shown on your certificate of insurance or in this PDS.

Claim Type	Excess
Tenant damage	<p>This excess is shown on your certificate of insurance and applies to all claims for loss and damage under the insured event 'Tenant damage'.</p> <p>You may choose the amount of this excess from the range we offer and the amount of your excess will be shown on your certificate of insurance.</p>
Earthquake or tsunami	<p>This excess is shown on your certificate of insurance and applies to all claims for loss or damage under the insured event 'Earthquake or tsunami'. All loss, destruction, or damage occurring within a period of 48 hours after an earthquake or tsunami is regarded as the one event.</p> <p>You may choose the amount of this excess from the range we offer and the amount of your excess will be shown on your certificate of insurance.</p>
Building damage	<p>This excess applies to claims for building damage caused by an insured event other than 'Tenant damage' and 'Earthquake or tsunami'.</p> <p>You may choose the amount of this excess from the range we offer and the amount of your excess will be shown on your certificate of insurance.</p>
Loss of rent, Section 3: Liability to others or any 'Benefits within your sum insured' and 'Benefits in addition to your sum insured' listed in Section 1	No excess applies.

Unoccupied excess

If we have agreed to provide cover while the property is unoccupied for more than **90** consecutive days, an increased excess applies to all claims made during this period, in addition to any other applicable excess. The amount will be shown on your certificate of insurance. See page 76 for more details.

Refer to the **Landlord Residential Building Insurance Additional Information Guide** for more information about excesses.

When loss or damage results from more than one incident

If loss or damage results from more than one incident, then the excesses that apply for each applicable section of the policy will apply separately for each incident and you must contribute the total of all applicable excesses for each incident.

How to pay your excess

If any excess(es) applies to your claim, we'll do one of the following:

- ◆ Deduct the amount of the excess(es) from any cash payment we make
- ◆ Require you to pay the amount of the excess(es) to the supplier, repairer or us. We'll let you know when and how to pay.

We won't cover any legal or other costs that arise because of any delay in paying the excess.

General Insurance Code of Practice

We support the General Insurance Code of Practice. You can get a copy of the Code from the Insurance Council of Australia website (www.insurancecouncil.com.au) or by phoning (02) 9253 5100.

The Code Governance Committee is an independent body which monitors and enforces the Code and has powers to impose sanctions on Code subscribers for non-compliance.

Report insurance fraud

Insurance fraud isn't a victimless crime. It imposes additional costs on honest policyholders and wastes the valuable resources of our community. This means it affects everyone.

We actively pursue fraudulent and inflated claims.

Fraudulent claims will be investigated and may be reported to the police.

Help us fight insurance fraud by reporting:

- ◆ Inflated home repair bills
- ◆ Staged home incidents
- ◆ False or inflated home claims
- ◆ Home fires which may be intentionally started, including by someone known to you.

To report suspected insurance fraud call: 1300 881 725.

Let's work together to reduce the impact of insurance fraud on the community.

About your sum insured

Make sure your sum insured meets your needs if your building is damaged or destroyed

Underinsurance, where your sum insured is insufficient to cover the building being damaged or destroyed, can expose you to serious financial loss. It's your responsibility to select a sum insured for the building that meets your needs in the event the building is damaged or destroyed.

To help you estimate the replacement value of the residential building (other than strata properties), we provide a 'Home Building' calculator that you can access at our website www.terriscbeer.com.au.

You can also choose to seek the services of an architect, builder, quantity surveyor, valuer, or other suitably qualified professional for an expert opinion.

Review your sums insured regularly

For you to ensure your building and weekly rent sums insured are accurate when you first insure them and each time you renew your policy. To ensure your building and weekly rent sums insured are adequate it's important to review them regularly, being mindful of any additions, enhancements, or renovations that you may make and ask us to change the building and weekly rent sums insured when required.

For example, upgrading the size and standard of your building may increase the cost to rebuild the building. You'll need to consider whether you want your building sum insured to reflect these types of changes, because if it doesn't, you're likely to be underinsured.

We don't pay extra because you over-insure

We won't pay more than the sum insured for your building for loss or damage to your building. We also won't pay more than the amount of the assessed quote to rebuild or repair the building. We won't refund any premium paid for over-insuring, where your sum insured is higher than the assessed quote to rebuild or repair the building.

We may adjust your sum insured at your renewal offer

We may choose to adjust the building sum insured shown on your certificate of insurance as part of your renewal offer. We do this to account for various factors including inflationary trends.

If we do this, any revised building sum insured won't have taken into account your specific building or specific circumstances and needs. You will still need to consider if any revised building sum insured is suitable for your needs and consider whether it is adequate to meet the cost to reinstate your building.

Limits and amount we pay include Goods and Services Tax (GST)

Limits and the most we pay amounts stated in this PDS and on your certificate of insurance include GST.

How to contact us with a complaint

Let us know

If you experience a problem, aren't satisfied with our products or services or a decision we've made, let us know so that we can help.

Contact us:

By phone: **1800 804 016**

By email: customerservice@terriscbeer.com.au

In writing: GPO Box 1619,
Adelaide, South Australia 5001

Complaints can usually be resolved on the spot or within **5** business days.

Review by our Customer Relations Team

If we're not able to resolve your complaint or you would prefer not to contact the people who provided your initial service, our Customer Relations team can assist:

By phone: **1300 264 783**

By email: idr@terriscbeer.com.au

In writing: Customer Relations,
Terri Scheer, PO Box 14180,
Melbourne City Mail Centre VIC 8001

Customer Relations will contact you if they require additional information or if they've reached a decision.

When responding to your complaint you'll be informed of the progress of and the timeframe for responding to your complaint.

Seek review by an external service

We expect our procedures will deal fairly and promptly with your complaint. However, if you remain dissatisfied, you may be able to access the services of the Australian Financial Complaints Authority (AFCA). AFCA provides fair and independent financial services complaint resolution that's free to consumers. Any determination AFCA makes is binding on us, provided you also accept the determination. You don't have to accept their determination and you have the option of seeking remedies elsewhere.

AFCA has authority to hear certain complaints. Contact AFCA to confirm if they can assist you.

You can contact AFCA:

By phone: **1800 931 678**

By email: info@afca.org.au

In writing: Australian Financial Complaints Authority,
GPO Box 3, Melbourne VIC 3001

By visiting: www.afca.org.au

Part 2: Policy Wording

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Our agreement with you

Your policy is a legal contract of insurance between you and us. If you buy this product from us and you're named as the insured on your certificate of insurance, you'll have entered into the contract of insurance with us. Your policy is made up of your certificate of insurance, this PDS, and any SPDS that we've given you.

These are your responsibilities during the period of insurance

Things you need to do:

- ◆ Follow all of the terms and responsibilities set out in your policy
- ◆ Take steps to prevent theft, loss, damage, or legal liability (for example, ensuring there are working smoke detectors in your building)
- ◆ Maintain door locks and window locks in good working condition
- ◆ Ensure that any security devices we asked about and you have told us are installed, are in fact installed
- ◆ Provide honest and complete information for any claim, statement, or document supplied to us
- ◆ Don't behave in a way that's abusive, dangerous, hostile, improper, or threatening when engaging with us and our service providers
- ◆ Ensure that the building complies with local council requirements and building laws and regulations when construction, alterations, or repairs are undertaken. For example, obtain all required permits and permissions prior to work commencing and ensure that all requirements, including height limits, are met (see also page 88)
- ◆ Ensure that regular and routine inspections of your building (including at tenant entry and exit) are undertaken and evidence of those inspections are kept (including photographs).

Keeping your building well maintained and in good condition:

The following responsibilities are also linked to some things we don't cover. You need to:

- ◆ Fix any inherent defect, faulty design, structural defect, structural fault, or faulty or poor workmanship at the insured address as soon as possible after you identify it or are told about it (see also page 90)
- ◆ Keep your building (including all sheds, outbuildings, and other structural improvements at the insured address) structurally sound and safe and fit to live in (see also page 84)
- ◆ Fix things that are blocked, broken, damaged, loose, have fallen down, are missing, are rusted through, or are in a general state of disrepair (for example, the roof leaks when it rains or there are holes in walls) (see also page 84)
- ◆ Keep the building free of infestation from vermin and termites (see also page 84)
- ◆ Remove mould (see also page 86).

We can reduce or deny cover if you don't meet your responsibilities

Your policy may not provide cover if you haven't met your responsibilities, and it may lead us to reduce or refuse to pay your claim (see page 4).

If you don't meet your responsibilities, we may cancel your policy in accordance with the Insurance Contracts Act 1984 (Cth).

Information you need to tell us

Changing your policy

If you want to make a change to your policy, the change becomes effective when we agree to it, and when we give you a new certificate of insurance in writing showing the revised details of the insurance.

When you must contact us

During the period of insurance, you must tell us as soon as possible about any of the following:

- ◆ You've been convicted of a criminal act or offence
- ◆ You've had another insurer cancel, decline, or not offer to renew an insurance policy, impose specific conditions on a policy, or refuse a claim
- ◆ You or your property manager become aware your tenant starts to or intends to operate a business activity at the insured address
- ◆ You start farming, manufacturing, or undertaking repair work at or from the insured address, or you or your property manager become aware your tenant does farming, manufacturing, or repair work at or from the insured address
- ◆ You or your property manager become aware of changes to any business activity operated at the insured address, for example, the type of business activity changes, people start to come to the insured address, business signage is installed, or chemicals are kept at the insured address
- ◆ You need to change your building or weekly rent sums insured
- ◆ You intend to demolish your building, have lodged an application to do this, or a government authority has issued a demolition order
- ◆ You've demolished the building and construction of a new building has or will commence
- ◆ If your building is being raised, repositioned, or relocated
- ◆ The insured address ceases to be used as a rental property

- ◆ You transfer the management of your property from one licensed real estate agency to another licensed real estate agency
- ◆ The management of your property changes from being self-managed to being managed by a real estate agent, on-site manager or letting agent, or vice versa
- ◆ Your building becomes unoccupied for **90** consecutive days or more (See 'Unoccupied properties' on page 76 for further details)
- ◆ Trespasser or squatters use or stay at the insured address
- ◆ Any detail on your certificate of insurance isn't accurate, for example, the description of your building
- ◆ You no longer have a lease agreement for the insured address.

Tell us about any of these matters from previous periods of insurance

If you haven't told us about any of the above matters having occurred in any other period of insurance you held this policy with us, you must also tell us as soon as possible.

What we'll do when you contact us

When you tell us about any of the above matters, an additional excess, additional premium, or special condition may be applied to your policy. In some cases, in accordance with the Insurance Contracts Act 1984 (Cth), it may lead us to either:

- ◆ Refuse to pay a claim by reason of something you or another person did, or failed to do, however, only to the extent that such an act or failure caused or contributed to the loss which gives rise to the claim
- ◆ Reduce our payment of a claim by reason of something you or another person did, or failed to do, however, only by an amount that fairly represents the extent to which our interests are prejudiced by the act or failure.

If what you tell us means we can no longer insure you, we'll cancel your policy in accordance with the Insurance Contracts Act 1984 (Cth).

If you don't contact us when you should

If you don't notify us, then in accordance with the Insurance Contracts Act 1984 (Cth), we may do either of the following:

- ◆ Refuse to pay a claim by reason of something you or another person did, or failed to do, however, only to the extent that such an act or failure caused or contributed to the loss which gives rise to the claim
- ◆ Reduce our payment of a claim by reason of something you or another person did, or failed to do, however, only by an amount that fairly represents the extent to which our interests are prejudiced by the act or failure.

This includes a failure to notify us of a change in accordance with this clause.

It may lead us to cancel your policy in accordance with the Insurance Contracts Act 1984 (Cth).

Section 1: Building

Where we cover

The insured address is the land within the boundaries of the address/location shown on your certificate of insurance. It also includes all land adjoining the insured address that you have a legal right to occupy (for example, an easement), if the land adjoining the insured address isn't subject to any communal or common property conditions (for example, community title/strata title arrangements). The insured address doesn't include common property.

We cover as the building

We cover the building at the insured address that you own or are responsible for and used by tenants primarily for domestic purposes and described as 'The building' on your certificate of insurance (if it shows a description of 'The building'). We include the following located on or within the boundaries of, the insured address as the building:

- ◆ Garages, carports, outbuildings and any structural improvements on land
- ◆ Decks, pergolas, pagodas, gazebos, verandas, and balconies, fixed water tanks, fixed swimming pools and spas (including their pumps and accessories), granny flats, sheds, and tennis courts
- ◆ Garden borders, sealed pathways, and paved or concreted floor areas
- ◆ Sealed driveways or sealed roads
- ◆ Outdoor walls, free-standing outdoor walls, gates, fences and retaining walls
- ◆ Services, both above and below ground, that you own and you're responsible for
- ◆ Any permanently housed, connected, or wired electrical appliances (for example, a wired oven)
- ◆ Any permanently fixed outdoor items, including solar panels, satellite dishes, play equipment, clothes lines, animal housing, and outdoor lights

- ◆ Gas appliances permanently plumbed to a gas supply
- ◆ Any item permanently attached to the building including wall, ceiling, and floor coverings (not carpet or floating floorboards)
- ◆ External blinds and shutters
- ◆ Lino or vinyl flooring installed, whether permanently attached or not
- ◆ Sewer storage tanks or treatment tanks permanently plumbed to the building or unit
- ◆ Uninstalled building fittings, fixtures, and materials to be used for the building. However, only when kept in a locked and secured building at the insured address.

We don't cover as the building

Your building doesn't include any of the following:

- ◆ Any landlord contents or other contents in the building
- ◆ Any building (or part of a building) that's covered under an insurance policy taken out by any owners corporation or similar body and/or is required to be insured by any owners corporation or similar body under the strata or community title laws applicable to that state or territory.

However, we'll cover a flat or unit or part of a block of flats or body corporate units that are on the same title, are owned by you, and are insured under this policy.

- ◆ Common property
- ◆ Any building in the course of being demolished, or is vacant pending demolition
- ◆ Any new building in the course of construction
- ◆ Any part of the building used for farming of any description (including buildings used in relation to hobby farm activities) such as, but not limited to, a barn, dairy, shearing shed, silo, or stable. This limitation doesn't include any building which could be used for farming, however isn't used for that purpose

Continued on next page

We don't cover as the building (cont.)

- ◆ Any building used for business or trade, except for properties used principally and primarily as a place of residence that also contain an office
- ◆ Any temporary or mobile structures, including caravans, houseboats, watercraft, motorised vehicles, or craft of any type
- ◆ A vehicle stacker
- ◆ Inflatable, portable or above-ground swimming pools and spas and their accessories
- ◆ Any jetty or other marine structure including any fixed or temporary dead weight moorings, mushroom moorings, or screw in moorings
- ◆ Any carpets, floating floorboards, rugs, internal blinds and shutters, drapes, or curtains
- ◆ Air conditioners attached within a window
- ◆ Loose or compacted soil, sand, lawn, grass, artificial grass, bark (mulch), gravel (including on roads, driveways, and tracks), pebbles, stones, shale, rocks, or granular rubber
- ◆ Used or applied chemicals, fertilisers, or pesticides
- ◆ Plants, trees, shrubs, or hedges in the ground
- ◆ A hotel, motel, nursing home or boarding house
- ◆ Any electrical or electronic items that are no longer able to be used for the purpose they were intended.

What we cover (building) – Insured events

If any of the insured events listed in this Section 1 occurs during the period of insurance, we cover resulting loss or damage to your building:

- ◆ On the basis set out under the heading ‘Basis on which claims are paid’ on page 41
- ◆ Subject to the limits, conditions, and exclusions applicable to the insured event and in this section
- ◆ Subject to the ‘General terms and conditions’ on page 72
- ◆ Subject to the ‘Things we don’t cover’ section on pages 78 to 92
- ◆ Together with the requirements outlined under the heading ‘Making a claim’ on page 64.

Accidental glass breakage

✓ We cover

We cover the accidental breakage, that happens during the period of insurance, of the following glass or ceramic items:

- ◆ Fixed glass in windows, doors, skylights, mirrors fixed to the building, and other fixed glass (including glass tint if fitted)
- ◆ Fixed light fittings in the building
- ◆ Fixed cooking or heating appliances
- ◆ Cooktops or cooking surfaces
- ◆ Fixed sinks, basins, baths, or shower-bath combinations, cisterns, and toilets
- ◆ Shower bases.

When we pay for the whole appliance, top, or surface

If we can't replace the glass in a cooking or heating appliance or the whole cook top or cooking surface because it isn't available (for example, it's obsolete or just unavailable at the time), then we'll pay you as a cash settlement to replace the whole appliance, top, or surface.

We'll cover frames if necessary to replace glass

We'll also cover the frame of any window, door, or shower screen, however, only if this is necessary to enable the glass to be replaced.

✗ We don't cover

We don't cover anything in the 'Things we don't cover' section on pages 78 to 92. We also don't cover any of the following:

- ◆ Glass in a glasshouse, greenhouse, or conservatory
- ◆ Any loss or damage caused by the broken ceramic or glass item (for example, scratches or dents caused to another item or the building)
- ◆ Ceramic tiles
- ◆ The cost to modify any part of the building to fit any replacement cooking or heating appliance if the dimensions differ
- ◆ The cost to remove broken glass from carpets or other parts of the building
- ◆ Any loss or damage if the breakage doesn't extend through the entire thickness of the damaged item (for example, chips or scratches)
- ◆ Loss or damage that's covered under an insured event under Section 1 of this policy
- ◆ Glass that was damaged or that had imperfections before the breakage
- ◆ Breakage which arises from any imperfections in the glass.

Accidental loss or damage

✓ We cover

We cover the building for accidental loss or damage (for example, breaking or damaging a component of the building) at the insured address during the period of insurance, which is caused by you, your family, or your non-paying guests.

Accidental loss or damage doesn't include loss or damage that's caused by any of the insured events.

✗ We don't cover

We don't cover anything in the 'Things we don't cover' section on pages 78 to 92. We also don't cover any of the following:

- ◆ Scratching, denting or chipping
- ◆ Accidental loss or damage if the property is permanently occupied by you, your family or your non-paying guests
- ◆ Loss or damage caused by neglect, or wear, tear, or gradual deterioration.
- ◆ Loss or damage:
 - That's covered under an insured event as you can make a claim for loss or damage under the applicable insured event
 - That has occurred gradually, except to the extent it's covered under insured event 'Escape of liquid' see page 29
 - If you're unable to establish the accidental loss or damage took place at a certain time and date
- ◆ Loss or damage to any of the following:
 - Retaining walls, sea walls, revetments, garden borders, and free-standing outdoor walls
 - Shower bases (tiled or otherwise), including loss or damage from liquid escaping
 - Sporting surfaces or courts including a tennis court, squash court, or multi-court surface
 - Boat jetties, pontoons, mooring poles and their attachments and accessories
 - Swimming pool liners or covers
 - Gates or fences that would be considered by a reasonable person to be in an obvious state of disrepair before the loss or damage occurred
 - The building caused by earthworks or construction undertaken by a neighbour
 - Driveways, paths, paving, or underground services caused by road vehicles, cranes, or earthmoving equipment

Continued on next page

Accidental loss or damage (cont.)

X We don't cover

- ◆ Loss or damage arising from:
 - Scorching or burning by cigars, cigarettes, or pipes
 - Pollution or vapour from a home heater or cooking appliance
 - Insects, vermin, or rodents
 - Failure or shutdown of the electricity supply from any cause or spoilage of food resulting from this
 - Liquid escaping from agricultural pipes or overflow pipes
 - Animals or birds pecking, biting, clawing, scratching, tearing, or chewing the building, or damage caused by their urine or excrement
 - Building, renovating, or altering the building (except for spilling paint)
- ◆ Loss or damage caused by:
 - Wear, tear, deterioration, rust, fading, rising damp, mould, mildew, corrosion, and rot
 - Physical assaults or death
 - Tenants, paying guests, or boarders
- ◆ The cost:
 - To modify any part of the building to fit replacement cooking or heating appliances if the dimensions differ
 - Of repairing or replacing tanks or containers that burst or leak, such as a hot water tank bursting or leaking
- ◆ Cracking of sealed paths, sealed driveways, and sealed roads
- ◆ Wear, tear, and deterioration.

\$ Limit

The most we'll pay for any one incident is the building sum insured.

Break-in, vandalism, or theft

✓ We cover

Loss or damage to the building intentionally caused by break-in, vandalism, or theft by unknown persons.

✗ We don't cover

We don't cover anything in the 'Things we don't cover' section on pages 78 to 92. We also don't cover any of the following:

- ◆ Accidental loss or damage under this insured event
- ◆ Scratching, denting, or chipping
- ◆ Damage that hasn't been caused by a single incident
- ◆ Loss or damage caused by neglect, wear, tear, or gradual deterioration
- ◆ Loss or damage caused by either:
 - You or someone who lives at the insured address
 - Someone who entered the insured address with either:
 - Your consent
 - The consent of someone who had your authority to allow them access to the insured address.
- ◆ Loss or damage caused by someone entering your insured address without signs of forced entry from any of the following areas: common property, shared clothes line areas, storage areas, a car parking lot on or within the insured address, or garages (however, not from a fully enclosed car garage which is restricted for your use only).

Earthquake or tsunami

✓ We cover

Loss or damage caused by an earthquake or tsunami.

✗ We don't cover

We don't cover anything in the 'Things we don't cover' section on pages 78 to 92. We also don't cover any of the following:

- ◆ Loss or damage caused by actions or movements of the sea (Note: 'tsunami' isn't an action or movement of the sea, see the 'Defined terms' section on page 93)
- ◆ Loss or damage that occurs more than **72** hours after the earthquake or tsunami
- ◆ Loss or damage caused by erosion, vibration, subsidence, landslip, landslide, mudslide, collapse, shrinkage, or any other earth movement. However, we'll cover damage to the building caused by a landslide or subsidence proved to have occurred within **72** hours of, and directly because of, an earthquake or tsunami and not caused by erosion, structural fault, or design fault.

Electric motor burnout

✓ We cover

We cover the burning out or fusing of electric motors, that happens in the period of insurance, in household equipment or appliances which are part of the building and where the motor is less than **7** years old.

Cover includes the cost to repair or replace the following:

- ◆ The electric motor or compressor containing the motor
- ◆ An entire sealed unit, filter, dryer and re-gassing if the electric motor is inside a sealed refrigeration or air conditioning unit
- ◆ A swimming pool water pump, combined with its electric motor, if the replacement pump motor can't be bought on its own.

We'll aim to engage a member of our supplier network to repair or replace your motor (see below). If you have obtained your own quote or repaired or replaced the motor refer to the section 'Paying you' (page 28) for how we will settle your claim.

Repairing your motor

We'll engage a repairer within our repairer network who is able to complete the repairs to your motor to provide a quote. If the quoted cost to repair the electric motor or motor in an appliance is less than the cost of replacement, we'll authorise the repairs. If you don't accept the offer to repair, we'll pay you the quoted cost.

We'll replace your motor in some circumstances

If the quoted cost to repair the electric motor or motor in an appliance is more than the cost of replacement, the motor can't be repaired, or the motor isn't available (for example, it's obsolete or just unavailable at the time), you have the option for a replacement of an equivalent motor or motor in a sealed unit of the same specification and standard available at the time of the loss and damage.

If you don't accept the offer, you'll be paid the value of our replacement motor. This may be less than what it would cost you to arrange the replacement in the market as we're able to secure supplier discounts from within our supplier network.

✓ We cover

Replacing the whole appliance

If a member of our supplier network determines that the cost to repair or replace the motor is more than the cost to replace the whole appliance containing the motor, you have the option for a replacement of the whole appliance of the same specification and standard available at the time of the loss and damage, sourced through our suppliers network. If you don't accept the offer, you'll be paid our suppliers quoted cost to replace the item through our supplier network.

This may be less than what it would cost you to arrange the replacement in the market as we're able to secure supplier discounts from within our supplier network.

Paying you

If you have obtained a quote, we or a member of our supplier network will review this quote and we'll pay you the reasonable cost to repair or replace the motor or to replace the whole appliance containing the motor (if the cost to repair or replace the motor is more than the cost to replace the whole appliance).

If you've already had the motor repaired or replaced when you lodge a claim, this means we're not able to repair or replace the motor or arrange for someone to do this and we'll pay you the reasonable cost of the repair or replacement of the motor. This also means the second dot point under the heading 'What you must not do' on page 65 doesn't apply to motor burnout.

✗ We don't cover

We don't cover anything in the 'Things we don't cover' section on pages 78 to 92. We also don't cover any of the following:

- ◆ The cost of extracting or reinstalling a submersible pump
- ◆ Any amount you can recover under a manufacturer's guarantee or warranty
- ◆ Loss or damage to motors forming part of equipment or appliances used in conjunction with your trade, business activity or occupation
- ◆ Loss or damage to a refrigerator or freezer caused by spoiled food.

\$ Limit

Any claim covered under this cover will be settled in addition to the building sum insured (where relevant).

Escape of liquid

✓ We cover

Sudden and unexpected loss or damage

We cover sudden and unexpected loss or damage caused by liquid escaping from any of the following:

- ◆ A drain, sewage system, or fixed pipe (not forming part of a shower floor or base or shower cubicle wall, and not overflow drains or pipes)
- ◆ Water main, fire hydrant, or the main water supply to the insured address
- ◆ Fixed tanks
- ◆ Swimming pools or spas
- ◆ A bath, sink, toilet, basin, or a tap spindle (not forming part of a shower floor or base or shower cubicle wall)
- ◆ Fixed heating or cooling systems
- ◆ A refrigerator, freezer, dishwasher, or washing machine
- ◆ A waterbed or an aquarium

Gradual loss or damage

We also cover loss or damage caused by liquid escaping from the items above, that has occurred gradually when the loss or damage, that was occurring, wasn't easily visible to a reasonable person in the circumstances.

Exploratory costs and related repair work

If your claim for loss or damage is covered under this insured event, we'll cover the reasonable cost of locating, at the insured address, the source of the escape of liquid and to repair and restore the damage to the building caused by the exploratory work. If we don't accept your claim under this insured event, we may provide limited cover for exploratory costs under 'Benefits in addition to your sum insured, section d) 'Exploratory costs where liquid escaping isn't covered under insured event 'Escape of liquid'', see page 40.

Continued on next page

Escape of liquid (cont.)

✗ We don't cover

We don't cover anything in the 'Things we don't cover' section on pages 78 to 92. We also don't cover any of the following:

- ◆ Loss or damage caused by any of the following:
 - Flood, storm
 - Erosion, vibration, subsidence, landslip, landslide, mudslide, collapse, shrinkage, or any other earth movement. However, we'll cover loss or damage caused by a landslide or subsidence you can prove happened within **72** hours of, and directly because of, liquid escaping and not because of erosion, structural fault, or design fault
 - Rust or corrosion unless the rust or corrosion wasn't easily visible to a reasonable person in the circumstances
 - Liquid from a watering system, garden hose, agricultural pipes, or overflow drains or pipes
- ◆ Loss or damage to, or caused by, liquid escaping from a shower floor or base, shower cubicle walls, shower glass screening or doors, open shower floor areas
- ◆ Loss or damage to retaining walls
- ◆ Costs if before we can inspect the damaged area of the building and find the cause, you do any of the following:
 - Strip, remove, or dispose of materials or items without our consent. However, this doesn't apply if this was necessary for health and safety reasons, or it was done without your knowledge or against your instructions
 - Carry out repairs or renovations. However, we'll cover temporary work required to make the damaged or destroyed building and insured address safe
- ◆ The cost of repairing or replacing the item from which the liquid escaped, for example, a cracked pipe or split water tank, except as provided under 'Benefits in addition to your sum insured', section 'd) Exploratory costs where liquid escaping isn't covered under insured event 'Escape of liquid', see page 40 for more details
- ◆ In relation to exploratory costs, if the source of the liquid escaping can be located without invasive work (for example, using a thermal camera) we won't pay any further exploratory work costs (or loss or damage related to any further exploratory work) after this point.

Note:

If a claim under 'Escape of liquid' is covered we'll also pay up to **\$750** extra to match or complement undamaged wall tiles in the same room, hallway, stairs, or passageway where the damage occurred. See page 49.

Fire (including bushfire) or explosion

✓ We cover

Loss or damage caused by any of the following:

- ◆ Fire (including bushfire)
- ◆ Heat, ash, soot, and smoke that's the direct result of a fire within **100** metres of the insured address
- ◆ Explosion.

Extra costs cover in the event of bushfire

If, during the period of insurance, there's a bushfire in your area, we also cover the following costs even if there is no actual physical loss or damage to your building:

- ◆ The cost of replacing water in any tank, container, pool, spa, and any other storage vessel where the water has:
 - Been used to limit the spread of bushfire in your area
 - Become contaminated due to the use of fire retardant at the insured address
- ◆ The cost of cleaning fire retardant off your building.

If your claim is for these extra costs only, no excess applies.

The most we'll pay under 'Extra costs cover in the event of bushfire' is **\$1,000** for any one incident.

✗ We don't cover

We don't cover anything in the 'Things we don't cover' section on pages 78 to 92. We also don't cover any of the following:

- ◆ Arcing, scorching, melting, or cigarette burns unless a fire spreads from the initial burn spot (for example, cigarette burns to carpet where no fire has spread)
- ◆ Pollution or vapour from a home heater or a cooking appliance, unless a fire spreads from the heater or cooking appliance
- ◆ Gradual exposure to fire, heat, ash, soot, and smoke due to recurring incidents of fire or bushfire
- ◆ The cost of repairing or replacing the item or container that exploded
- ◆ Loss or damage caused by nuclear or biological devices
- ◆ Loss or damage caused by erosion, vibration, subsidence, landslip, landslide, mudslide, collapse, shrinkage, or any other earth movement. However, we'll cover loss or damage to the building caused by a landslide or subsidence proved to have occurred within **72** hours of, and directly because of, an explosion and not caused by erosion, structural fault, or design fault.

Flood

✓ We cover

Loss or damage caused by flood.

✗ We don't cover

We don't cover anything in the 'Things we don't cover' section on pages 78 to 92. We also don't cover any of the following:

- ◆ Loss or damage caused by actions or movements of the sea (see 'actions or movements of the sea' on page 93)
- ◆ Loss or damage caused by erosion, vibration, subsidence, landslip, landslide, mudslide, collapse, shrinkage, or any other earth movement. However, we'll cover damage caused by a landslide or subsidence proved to have occurred within **72** hours of, and directly because of, flood and not caused by erosion, structural fault, or design fault
- ◆ Loss or damage to retaining walls, sea walls, revetments, garden borders and free-standing outdoor walls
- ◆ Loss or damage to gates, fences that a reasonable person in the circumstances would have considered were in an obvious state of disrepair before the loss or damage occurred
- ◆ Cracking to sealed paths, sealed roads, or sealed driveways. However, we'll cover them if they are washed away by the flood
- ◆ Loss or damage to a sporting surface or court including a tennis court, squash court, or multi-court surface
- ◆ Loss or damage to boat jetties, pontoons, mooring poles and their attachments and accessories, including if they're washed away by the flood
- ◆ Damage to external paintwork of your building, if that's the only building damage caused by the flood.

Impact

✓ We cover

Loss or damage caused by impact (or power surge caused by impact) at the insured address from any of the following:

- ◆ A falling tree or part of a falling tree including the roots. However, not when any of these are being carried in or by water or water is causing them to move (for example, a fallen tree being carried in a river)
- ◆ Power poles
- ◆ TV antennas or satellite dishes, communication aerials, or masts
- ◆ Drones
- ◆ Watercraft, aircraft, motor vehicles, or trailers (however, not if any of these are stationary)
- ◆ An object falling from a motor vehicle or aircraft
- ◆ Space debris or meteorites.

✗ We don't cover

We don't cover anything in the 'Things we don't cover' section on pages 78 to 92. We also don't cover any of the following:

- ◆ Loss or damage caused by flood
- ◆ Loss or damage to driveways, paths, paving, or underground services caused by a road vehicle, crane, or earthmoving equipment
- ◆ Loss or damage to any portion of a fence that isn't owned by you (see page 46)
- ◆ Loss or damage caused by trees being lopped, felled, or transplanted by you or someone authorised by you
- ◆ Removing or lopping trees or branches that haven't damaged the building
- ◆ The removal of tree stumps or roots still in the ground.

Lightning

✓ We cover

Loss or damage caused by lightning (including power surge caused by lightning).

✗ We don't cover

We don't cover anything in the 'Things we don't cover' section on pages 78 to 92. We also don't cover any of the following:

- ◆ Any claim where the Australian Government Bureau of Meteorology has no record of lightning in your area at the time of the loss or damage
- ◆ Loss or damage without written confirmation from a qualified repairer (for example, electronics repairer) saying lightning was the actual cause of the loss or damage
- ◆ Loss or damage caused by power failure or surges by your power provider.

Oil leakage

✓ We cover

Loss or damage caused by oil leakage from any heater.

Riot, civil commotion, or public disturbance

✓ We cover

Loss or damage to the building caused by riot, civil commotion, or public disturbance (for example, damage caused by a violent crowd moving down the street).

✗ We don't cover

We don't cover anything in the 'Things we don't cover' section on pages 78 to 92. We also don't cover loss or damage caused by either:

- ◆ You or your tenants or their guests
- ◆ Nuclear or biological devices.

Storm or rainwater

✓ We cover

Loss or damage caused by storm or rainwater.

A storm includes a cyclone. See the 'Defined terms' section on page 101.

✗ We don't cover

We don't cover anything in the 'Things we don't cover' section on pages 78 to 92. We also don't cover any of the following:

- ◆ Loss or damage caused by actions or movements of the sea
- ◆ Loss or damage caused by erosion, vibration, subsidence, landslip, landslide, mudslide, collapse, shrinkage, or any other earth movement. However, we'll cover damage caused by a landslide or subsidence proved to have occurred within **72** hours of, and directly because of, a storm and not caused by erosion, structural fault, or design fault
- ◆ Loss or damage to retaining walls, sea walls, revetments, garden borders and free-standing outdoor walls
- ◆ Cracking to sealed paths, sealed roads, and sealed driveways. However, we'll cover them if they're washed away by the storm
- ◆ Loss or damage to a sporting surface or court including a tennis court, squash court, or multi-court surface
- ◆ Loss or damage to boat jetties, pontoons, mooring poles and their attachments and accessories, including if they're washed away by the storm
- ◆ Damage to external paintwork of the building, if that's the only building damage caused by the storm
- ◆ Loss or damage to gates or fences that a reasonable person in the circumstances would have considered were in an obvious state of disrepair before the loss or damage occurred.

Tenant damage

✓ We cover

Loss or damage caused by the tenant, the tenant's family, or the tenant's invited guests, including theft by the tenant, the tenant's family, or the tenant's invited guests.

✗ We don't cover

We don't cover anything in the 'Things we don't cover' section on pages 78 to 92. We also don't cover any of the following:

- ◆ Loss or damage caused by poor housekeeping or tenant neglect (scuff marks on walls, overgrown gardens, damage by water splashing from sinks/baths)
- ◆ Removing abandoned items or rubbish
- ◆ Damage caused by domestic pets
- ◆ Scratching, denting or chipping
- ◆ Damage that has not been caused by a single incident
- ◆ Wear, tear, or gradual deterioration.

Benefits within your sum insured

The following additional benefits are provided during the period of insurance unless the total amount payable under Section 1 for any incident exceeds your building sum insured. All of the conditions of the policy and the 'Things we don't cover' on pages 78 to 92 apply.

Benefit

a) Fees

When you're covered for loss or damage to your building under this Section 1, we'll also cover the reasonable fees which we've approved and which are incurred directly in relation to repair or replacement of your building (for example, architect fees).

b) Removal of debris

When you're covered for damage to your building under this Section 1, then we'll also cover the reasonable and necessary costs of demolition and removal of debris from the insured address to the nearest authorised facility.

We'll cover the reasonable and necessary costs to remove a standing tree or branch that formed part of the tree that caused the insured damage only if the following both apply:

- ◆ The remaining tree or branch is unsafe as a direct result of the insured event that caused damage to the tree
- ◆ Removal of the tree or branch wouldn't result in a breach of any laws, by-laws, regulations or contractual obligations.

We'll cover the reasonable and necessary costs to remove a stump that formed part of the tree that caused the insured damage only if required to repair or replace the damaged part of your building covered by your claim.

c) Extra costs of re-instatement

When you're covered for damage to your building under this Section 1, we'll cover the extra costs necessary to meet the requirements of any statutory authority in connection with rebuilding or repairing your building.

If only part of your building is damaged, we'll only cover the extra costs you incur in repairing that part.

We don't cover any extra costs which result from any notice a statutory authority served on you before your building suffered loss or damage covered under this Section 1.

Benefit

d) Replacement of locks and keys

We'll cover the costs of rekeying or replacing (whichever is less) keys, locks and cylinders on external doors and windows, and replacing remote control garage opening devices of the insured address if the:

- ◆ Locks to your building are damaged
- ◆ Keys to your building are lost, damaged, or stolen from anywhere in Australia, provided such loss, damage, or theft wasn't connected with the tenant, the tenant's family, or tenant's invited guests, or anyone living in your building.

\$ Limit

The most we'll pay for any one incident is up to **\$1,000** in total.

e) Emergency service damage

When you're covered for loss or damage under this Section 1, we'll also cover any damage caused to your building as a result of emergency service personnel entering your property in connection with the insured event, up to **\$1,000** per claim.

Benefits in addition to your sum insured

When a claim for loss or damage to your building is covered under your policy, we'll also provide the following additional benefits. The following benefits and limits are paid in addition to your building sum insured. All of the conditions of the policy and the 'Things we don't cover' on pages 78 to 92 apply.

You can make a claim under the benefit 'Exploratory costs where liquid escaping isn't covered under insured event 'Escape of liquid'" independently of a claim for loss or damage to the building. This means that this benefit may be available to you before your claim for loss or damage to the building is confirmed as covered under your policy. However, it doesn't mean that your claim has or will be covered or that your claim will be paid.

Benefit

a) Automatic reinstatement of sum insured after a building claim

If we only pay part of the sum insured to you for a claim covered under this Section 1, the building sum insured will be reinstated and your policy continues for the period of insurance. However, if damage hasn't been repaired we may refuse to pay a claim or reduce the claim and/or cancel the policy.

b) Inflation adjustment

The building sum insured shown on the certificate of insurance is increased each month during the period of insurance.

c) Mortgage discharge costs

If we pay a total loss claim under this Section 1 for loss or damage to the building to a credit provider that fully repays the building loan, then we'll pay the reasonable administrative and legal costs of discharging the mortgage and removing the mortgagee from the land title on your building.

We don't cover any penalty interest rate charges or early loan repayment charges imposed on you by the credit provider.

Benefit

d) Exploratory costs where liquid escaping isn't covered under insured event 'Escape of liquid'

✓ We cover

We'll cover exploratory costs for the following:

- ◆ Locating the source of the liquid escaping at the insured address
- ◆ Repairing and restoring the damage to the building caused by the exploratory work if the escape of liquid first happens during the period of insurance.

If you make a claim under this benefit, no excess applies.

✗ We don't cover

We don't cover anything in the 'Things we don't cover' section on pages 78 to 92. We also don't cover:

- ◆ If the source of the liquid escaping can be located without invasive work (for example, using a thermal camera), we won't pay any further exploratory work costs, or loss or damage related to any further exploratory work after this point.

\$ Limit

The most we'll pay are the reasonable and necessary exploratory costs for each incident.

Basis on which claims are paid

Limit of amount payable

The maximum amount we'll pay under this 'Section 1: Building' for any one incident during any one period of insurance (excluding any amounts paid for 'Benefits in addition to your sum insured' on page 39) is the building sum insured shown on your certificate of insurance.

How we calculate what we'll pay

The terms, conditions, limits, and exclusions of the policy will be considered when determining the amount of loss or damage that's covered.

This will be reduced by the following:

- ◆ Any available bond money from the tenant*
- ◆ Any applicable excess(es)**.

We'll then apply the limit for the insured event (if applicable) to your claim and settle your claim for the remaining amount. We won't pay more than the building sum insured shown on your certificate of insurance (unless an additional amount is payable under 'Benefits in addition to your sum insured', see page 39)

*Refer to 'Bond monies – Permanent tenancies' on page 75 and 'Bond monies – Holiday let properties' on page 75 in the 'General terms and conditions' section of this policy wording for how bond money is applied to your claim.

**Refer to 'How your excess works when you make a claim' on page 6 for details of the types of excesses and how they are applied.

How we settle building claims

We'll aim for you to use your own builder to repair or rebuild the damage to your building. See 'When your builder does the repair or rebuild' below for how we'll settle your building claim when your builder does the repair.

If you choose not to use your own builder to repair or rebuild the damage to your building, we'll aim to use a member of our supplier network to repair or rebuild the damage to your building. See page 43, 'When a member from our supplier network can complete the repair or rebuild' for how we'll settle your building claim when a member of our supplier network is able to complete the repair or rebuild.

This isn't always possible, for example, if there's pre-existing damage. This will determine how the building claim will be settled. If we settle your claim by paying you, we'll pay you by direct deposit.

When your builder does the repair or rebuild

When a claim for loss or damage to your building is covered and you obtain a quote from your own repairer to repair or rebuild the damage on a 'new for old' basis, you must provide it to us, and we'll review it. This will involve reviewing the quote to make sure it's appropriate and reasonable. This includes consideration of what's covered under your policy, the appropriateness of materials, repair method, labour and material costs, and overall cost effectiveness. We may refer the quote to an assessor or loss adjuster, if required.

If the quote is appropriate and reasonable to complete the repair or rebuilding work that's necessary to resolve your claim, we'll then pay you the amount of the quote. If it isn't, the quote may be adjusted. This may include adjusting the scope of the quote to reflect what is covered under your policy, adjusting the rates/parts quoted and /or adjusting the overall amount of the quote. We'll then pay you the adjusted amount of the quote.

If the amount of the quote from your builder to repair or rebuild is more than the building sum insured, the damage won't be repaired or rebuilt. You'll be paid the building sum insured.

When a member from our supplier network can complete the repair or rebuild

When your claim for loss or damage to your building is covered, and you choose not to use your own builder to repair or rebuild the damage, we'll engage a builder from our supplier network to prepare a scope of works and provide a quote on the cost to replace any damaged component or part of the building or to repair or rebuild your building on a 'new for old' basis.

Once the scope of works and quote is provided to us, we'll arrange for it to be assessed. This will involve reviewing the quote to make sure that the quote is appropriate and reasonable for the scope of works. This includes consideration of the appropriateness of materials, repair method (including the required earthworks to support the repair method), labour and material costs, and overall cost effectiveness.

If the amount of the builder's assessed quote to repair or rebuild is more than the building sum insured, the damage won't be repaired or rebuilt. You'll be paid the building sum insured.

If the amount of our builder's assessed quote to repair or rebuild your building on a 'new for old' basis is less than the building sum insured, we'll offer you the choice to have your building repaired or rebuilt (based on the recommendation of our builder).

If you accept the offer:

The builder we engage will be authorised to complete the repair or rebuild on a 'new for old' basis.

If you choose to not accept the offer:

You'll be paid the amount of our builder's assessed quote to repair or rebuild on a 'new for old' basis. **Note:** this amount to repair or rebuild may be less than what it would cost you to arrange the repairs or rebuild with your own builder. We're able to secure supplier discounts from within our supplier network.

When we authorise the repair or rebuilding of the building

We may enter into any building contract with the selected repairer and/or supplier on your behalf. We'll oversee the repairs and keep you informed of their progress.

When a member of our supplier network is unable to complete the repair or rebuild

When your claim for loss or damage to the building is covered and a member of our supplier network is unable to complete the repair or rebuild, we'll ask you to engage a builder to provide a scope of works and provide a quote on the cost to repair or rebuild your building on a 'new for old' basis.

Once the scope of works and quote is provided to us, we'll arrange for it to be assessed. This will involve reviewing the quote to determine it's appropriate and reasonable for the scope of works. This includes a consideration of the appropriateness of materials, repair method (including the required earthworks to support the repair method), labour, and material costs and overall cost effectiveness.

If your builder's assessed quote is appropriate and reasonable for the scope of works, we'll then pay you the amount of your builder's assessed quote. If it isn't, the quote may be adjusted. This may include adjusting the scope of works or the quote. We'll then pay you the adjusted amount of the quote.

When we settle the building claim we won't do any of the following:

- ◆ Pay more than the relevant sum insured or policy limit
- ◆ Pay extra because you paid more for an item when it was originally purchased
- ◆ Pay extra to repair or rebuild the building to a better standard, specification, or quality than it was before the loss or damage occurred, except as stated in 'New for old' (see page 45) or unless stated otherwise in your policy
- ◆ Fix inherent defects, structural defects, structural faults, and/or faulty/poor workmanship that aren't covered by your policy (see 'Things we don't cover' on page 90)

- ◆ Fix or pay to fix pre-existing damage (unless your policy provides otherwise).

For 'Benefits within your sum insured' and 'Benefits in addition to your sum insured'

If we pay a claim under either 'Benefit within your sum insured' or under 'Benefit in addition to your sum insured' in 'Section 1: Building' we'll settle your claim in accordance with that benefit.

For the:

- ◆ Benefits within your sum insured 'Fees' (see page 37), 'Replacement of locks and keys' (see page 38) and 'Emergency service damage' (see page 38)
- ◆ Benefit in addition to your sum insured 'Mortgage discharge costs' (see page 39)

we'll only settle the claim by paying you. This means we won't repair or replace or arrange for a service.

If we settle your claim by paying you, we'll pay you by direct deposit, or if available, you can choose to be paid with a voucher, store credit or stored value card.

'New for old'

'New for old' means all the following:

- ◆ Rebuild, replace, or repair with new items or new materials that are reasonably available at the time of rebuild, replacement, or repair from Australian suppliers
- ◆ Rebuild, replace, or repair regardless of age, with no allowance for depreciation
- ◆ Rebuild, replace, or repair to the same type, standard, and specification (however, not brand) as when new. If the same isn't reasonably available from an Australian supplier, we'll rebuild, replace, or repair with items or materials of a similar type, standard, and specification as when new. We can rebuild, replace, or repair with a different brand.

‘New for old’ doesn’t mean either of the following:

- ◆ Paying the extra cost of replacing or purchasing an extended warranty on any item
- ◆ Of a better standard, specification, or quality than when the damaged item was new.

Obsolete electrical appliances

For obsolete electrical appliances that are part of the building, ‘new for old’ means replacing or repairing that item to an equal specification (however, not brand). If this isn’t available, it means to the nearest better specification available. It can be a different brand. We don’t repair or replace, or pay you for, electrical or electronic items that were no longer able to be used for the purpose they were intended prior to the incident covered by your policy.

Shared fences

If we pay a claim for loss or damage to shared fences, we’ll only settle the claim by paying you the amount of your repairer’s/supplier’s assessed quote to repair or replace them on a ‘new for old’ basis. This means that we won’t repair or replace or arrange for a service. A shared fence is one that is on a boundary line between two properties and ownership is shared equally by the owners. We’ll only pay you for your proportion of the ownership of a shared fence.

Repairing or rebuilding damaged parts

Only parts that are damaged (where this damage is covered by your policy) will be repaired or rebuilt. Apart from the limited circumstances where undamaged parts will be repaired or rebuilt (see ‘When we’ll pay extra in relation to undamaged parts’ on page 48) this policy doesn’t cover you to replace undamaged parts, such as when:

- ◆ **one garage door is damaged**
only the damaged door will be repaired or replaced, not other doors.
- ◆ **roof tiles are damaged**
only the damaged tiles will be repaired or replaced, not the undamaged tiles, even if the undamaged tiles are faded or have a different profile and don’t match to the new ones used for repairs.

◆ **roof sheeting is damaged**

only the damaged roof sheeting will be repaired or replaced, not the undamaged roof sheeting, even if the closest match available is a different shade, colour, finish, material, or profile to the undamaged roof sheeting.

◆ **an external wall is damaged**

only the damaged parts of the wall will be repaired or replaced, not undamaged areas of the wall or other sides of the building.

Matching building materials

When we can't match materials to undamaged parts

If you, your repairer or our supplier can't find materials to match undamaged parts, the repair or rebuild will use new materials of a similar type, standard and specification to the damaged parts of the building when new and that are reasonable and commercially available in Australia and compliant with current building regulations, however, only in the room where the loss or damage occurred. It may not be the same brand, line, or product. This is subject to the clause below 'When we'll pay extra in relation to undamaged parts' if we can't find materials to match undamaged parts.

If you're not satisfied with the materials, you have two further options before the repair or rebuild commences:

1. You can pay the extra cost of replacing the undamaged parts to achieve a uniform appearance with the materials we've found. See also 'When we'll pay extra in relation to undamaged parts' on page 48 as there are some limited circumstances when we'll pay extra to repair or rebuild undamaged parts.
2. We can pay you the assessed quote of repairing or rebuilding damaged parts using materials that are the closest match available that has been quoted by your builder. Or if you choose not to use your builder, from one of our suppliers based on the materials we have found.

This quote may be less than what it will cost you to arrange the repairs or rebuild within the building market. We're able to secure supplier discounts from our supplier network.

When we'll pay extra in relation to undamaged parts

Only the part or parts of your building that actually sustained damage in an incident covered by your policy. We don't cover the cost to replace undamaged materials.

However, if both the following apply:

- ◆ New materials of a similar type, standard and specification to the undamaged materials aren't reasonably and commercially available in Australia and compliant with current building regulations
- ◆ The amount of damaged materials that can't be matched to the undamaged materials is more than **40%** of the total material required if all the damaged and undamaged materials were replaced,

then the cost to replace both the damaged and undamaged materials will be covered, however, only in the room where the loss or damage occurred. See pages 49 to 51 for 'What we mean by same room, stairs, hallway, or passageway'.

Example 1

There are 300 matching black roof tiles on the building. As a result of a storm, 8 roof tiles are damaged and the claim is covered by the policy. New roof tiles can't be matched to the undamaged roof tiles. We have found tiles of a similar type, standard and specification to the undamaged roof tiles when new that are reasonably and commercially available in Australia. We would pay only the reasonable cost to repair or replace the 8 damaged tiles. We would not pay to replace the undamaged tiles.

Example 2

There are 300 matching black roof tiles on the building. As a result of a storm, 140 roof tiles are damaged and the claim is covered by the policy. In this example, tiles of a similar type, standard and specification to the 160 undamaged tiles are not reasonably and commercially available in Australia.

Over 40% of the matching roof tiles have been damaged, therefore we would pay the reasonable cost to replace all 300 tiles (140 damaged and 160 undamaged) on a 'new for old' basis. We would be entitled to keep the 140 damaged and 160 undamaged roof tiles by way of salvage (see 'Salvaged building items' on page 53 for further details).

What we mean by same room, stairs, hallway, or passageway

Same room

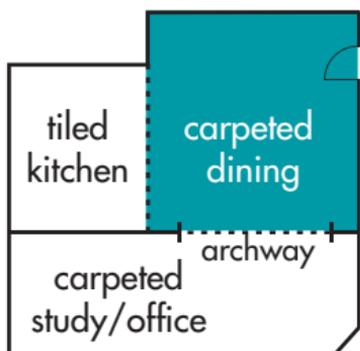
A room is an area starting and finishing at any of the following:

- ◆ Its nearest walls
- ◆ Nearest doorway, archway, or similar opening of any width
- ◆ A change in the floor or wall covering.

A room isn't the same room if there's a change in floor elevation in the room flooring.

A hallway next to a room isn't the same room, even if it has the same continuously joined floor covering.

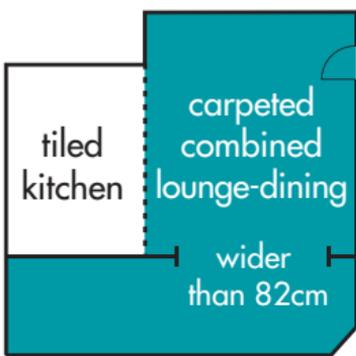
Any archway or similar opening separates a room unless it's a combined lounge-dining room.



Combined lounge-dining room

We'll only combine rooms with a shared doorway, archway, or similar opening when all the following apply:

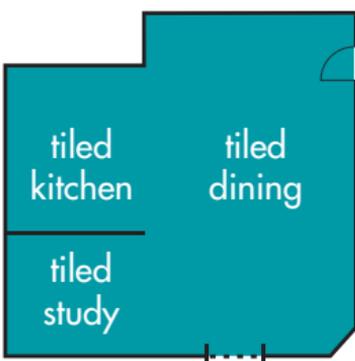
- ◆ They're lounge and dining rooms
- ◆ The elevation in the flooring is the same in both rooms
- ◆ The shared doorway, archway, or similar opening is wider than **82cm**
- ◆ The floor or wall covering is the same in both rooms.



Open plan areas

When there's no wall, archway, doorway, or similar opening, the room continues until any of the following:

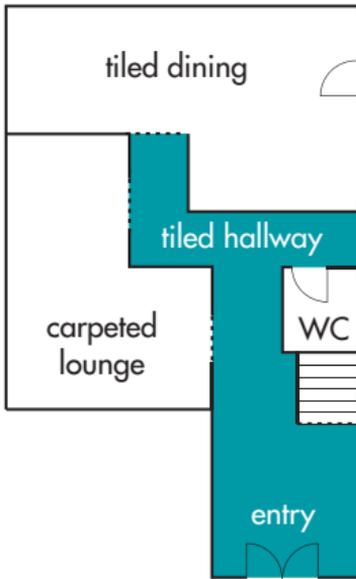
- ◆ A change in the floor or wall covering
- ◆ There's a change in elevation in the floor
- ◆ The start of a hall or passageway
- ◆ The nearest wall, doorway, archway, or similar opening.



Same passageway or hallway

A passageway or hallway has the same meaning as a room. We won't combine a hallway and a room.

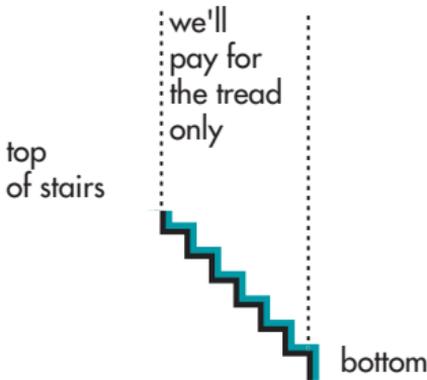
A passageway or hallway isn't the same passageway or hallway, if there's a change in elevation in the passageway or hallway flooring.



Same stairs

Side view of stairs

The same stairs is the top of the treads only on the stairs and not the room (or the landing) at the top of the stairs.



Legend



Shaded areas show the area that we consider the same room, stairs, hallway, or passageway.



Solid lines represent floor to ceiling walls.



Dotted lines show boundaries of a room or area where there's no physical barrier present (for example, no wall or door).

How we deal with defects, faults, and poor workmanship

There are different ways we manage inherent defects, faults, and poor workmanship during the repair or rebuilding process:

- ◆ If the building has an inherent defect, fault, or poor workmanship (see the section ‘Things we don’t cover’ on page 90), it isn’t covered and we won’t pay to fix it. This is the case whether you knew about the inherent defect or fault (or not). For example, we wouldn’t fix structural posts, beams, or load bearing walls that have been removed without taking into account structural engineering requirements.
- ◆ If an inherent defect or fault (or poor workmanship) causes or contributes to loss or damage to the building, that resultant damage isn’t covered, however, only if you knew about the inherent defect or fault or should have reasonably known about it (see the section ‘Things we don’t cover’ on page 90). For example, your roof has a fault (and you knew about the fault because you have been told about it by a tradesperson) and this allows rain to enter during a storm, we won’t pay to fix the resultant water damage.
- ◆ If a member of our supplier network is unable to complete the repairs or rebuild damage covered by your policy (for example, because an inherent defect, fault, or poor workmanship in any building component won’t support the repairs) we’ll pay in accordance with ‘How we settle building claims’ on page 42 as if the building component didn’t have the inherent defect, fault or poor workmanship. This is the case whether you knew about the inherent defect, fault, or poor workmanship (or not). For example, a defective load bearing wall won’t support the repairs needed to the ceiling. We pay you the cost to repair the damage to the ceiling as if the building didn’t have the defective load bearing wall.

How we deal with the presence of asbestos

We don’t cover the cost to remove asbestos or its derivatives from the insured address unless the cost is incurred to repair or rebuild loss or damage to the building covered under your policy. However, only to the extent removal is necessary to repair the insured building damage or for demolition if the building is required to be rebuilt.

Changes to the building

If you want to change the design of the building

When repairing or rebuilding the building, if we agree, you can change the design of the building or upgrade parts of it, provided you pay all extra costs of doing this including all costs related to the construction and all professional fees (for example, architects' fees). If you want to downsize the building for less cost than you're entitled to claim, we won't pay more than the assessed quote provided from a member of our supplier network to rebuild the downsized building. For example, if your three bedroom building is damaged in a storm and has to be rebuilt, and you choose to downsize to a smaller two bedroom building, the most we'll pay is the assessed quote from our builder to rebuild the smaller two bedroom building.

Choosing to rebuild on another site

If the building is to be rebuilt following an incident covered by your policy, you can choose to have the building rebuilt on another site provided you pay any extra costs involved.

Deductions from your claim

If we pay the full building sum insured to you, we'll deduct the following where applicable, from the amount we pay you for any of the following:

- ◆ Unpaid excesses
- ◆ Input tax credit entitlement, see page 77.

Guarantee on work we authorise

We guarantee the quality of the workmanship for all authorised repairs if we have selected and directly authorised a supplier.

Salvaged building items

If we replace or pay you for the full sum insured to repair or rebuild the building, we then own the damaged or recovered item. We'll need you to make the damaged or recovered item available to us.

Section 2: Loss of rent

What we cover

If any of the insured events listed in this Section 2 occurs during the period of insurance, we'll cover resulting loss of rent:

- ◆ On the basis set out under the heading 'Basis on which claims are paid' on pages 59 to 60
- ◆ Subject to the limits, conditions, and exclusions applicable to the insured event in this section
- ◆ Subject to the 'General terms and conditions' on page 72
- ◆ Subject to the 'Things we don't cover' on pages 78 to 92
- ◆ Together with the requirements outlined under the heading 'Making a claim' on page 64.

Untenantable – Permanent tenancies

✓ We cover

If loss or damage to the building is covered under an insured event listed in 'Section 1: Building' (except for 'Tenant damage'), and as a result of that loss or damage, the property becomes untenantable for a minimum period of **7** days, we'll pay the weekly rental amount for the time it should take to repair or rebuild the building so that it's tenantable again or re-leased.

Cover will commence from the date the property became untenantable until whichever of the following occurs first:

- ◆ The property becomes tenantable
- ◆ The property is re-let
- ◆ The limit for this insured event is reached.

Cover under this insured event only applies if your property is insured as a permanent tenancy and this is shown on your certificate of insurance.

✗ We don't cover

We don't cover anything in the 'Things we don't cover' section on pages 78 to 92. We also don't cover any of the following:

- ◆ Loss of rent:
 - If you don't intend to repair or replace the building
 - If the tenant still has an obligation to pay the rent
 - Once the insured address is tenantable again or can be re-leased because the repair or rebuilding process for the damage covered under this policy is complete
 - If you don't have a lease agreement
 - If the insured address wasn't occupied by a paying tenant at the time the loss or damage occurred. However, we'll provide cover if it would've been rented during the time taken to repair, replace, or rebuild the building. You may be able to show this by a signed lease agreement from a tenant that was due to move in
- ◆ To the extent permitted by law, any amounts you are able to recover for loss of rent under another insurance policy not entered into by you, including any insurance policy taken out by a body corporate or similar entity.

Limit: 52 weeks loss of rent.

Untenantable – Holiday let properties

✓ We cover

If loss or damage to the building is covered under an insured event listed in 'Section 1: Building' (except for 'Tenant damage'), and as a result of that loss or damage, the property becomes untenantable, we'll pay the weekly rental amount for the time it should take to repair or rebuild the building so that it's tenantable again or re-leased. Cover will commence from the date the property became untenantable until whichever of the following occurs first:

- ◆ The property becomes tenantable
- ◆ The commencement of a new booking
- ◆ The limit for this insured event is reached.

Cover under this insured event only applies if your property is insured as a holiday let property and this is shown on your certificate of insurance.

During the period the property is untenantable, we'll only pay for loss of rent for those days where a documented rental booking was in place subject to the limit shown.

✗ We don't cover

We don't cover anything in the 'Things we don't cover' section on pages 78 to 92. We also don't cover any of the following:

- ◆ Loss of rent:
 - If you don't intend to repair or replace the building
 - If the tenant still has an obligation to pay the rent
 - Once the insured address is tenantable again or can be re-leased because the repair or rebuilding process for the damage covered under this policy is complete
 - If the insured address wasn't occupied by a paying tenant at the time the loss or damage occurred. However, we'll provide cover if it would've been rented during the time taken to repair, replace, or rebuild the building. You may be able to show this by a documented booking confirmation from a tenant that was due to move in
- ◆ To the extent permitted by law, any amounts you are able to recover for loss of rent under another insurance policy not entered into by you, including any insurance policy taken out by a body corporate or similar entity.

\$ Limit: 52 weeks loss of rent, however, no more than **\$50,000** in any one period of insurance

Rent reduction

✓ We cover

Loss of rent where all the following apply:

- ◆ The tenant occupies the property under a lease
- ◆ The property remains tenantable following damage to your building covered under 'Section 1: Building', however, the tenant doesn't have full use of the property for a minimum period of **7** days
- ◆ You have agreed to reduce the tenant's rent due to the damage to your building
- ◆ The rent reduction is proportionate to the tenant's loss of use of your property (see example below).

Cover will commence from the date your building is damaged until whichever of the following occur first:

- ◆ Your building has been repaired
- ◆ The limit for this insured event is reached.

Limit: 52 weeks reduction of rent.

For example: The weekly rent of the tenant in accordance with their lease is **\$800**. The laundry in the property can't be used by the tenant for **14** days following accidental escape of water from the washing machine. The property is **250**sqm in size and the size of the laundry is **25**sqm. We'll pay **\$160** for rent reduction (**\$800 x 10% = \$80 x 2 weeks = \$160**).

✗ We don't cover

Rent reduction:

- ◆ After the date the tenant has vacated the property
- ◆ If you cause or contribute to delays in repairing the damage (for example, you don't organise repairs or lodge a claim as soon as possible after you're aware of the damage).

Conditions – Section 2

A claim under 'Section 2: Loss of rent' may be refused or reduced in accordance with the following terms and conditions, or if the requirements set out haven't been met or followed.

Market conditions

This policy doesn't cover your inability to rent the property due to adverse market conditions. If none of the insured events covered by this Section 2 have occurred and the conditions of the rental market result in a vacancy period between tenancies, the policy won't cover that loss.

Alternate accommodation

Section 2 doesn't cover alternate accommodation costs for the tenant as a result of the property becoming untenable for any reason.

Failure to repair or re-let

You or your property manager must demonstrate that steps have been taken to repair or re-let the property as soon as possible after the departure of the tenant. For example, arrange for the property to be cleaned, promptly obtain repair quotes for any damage (or contact us to help with the repair process), and once repairs are complete arrange for the property to be advertised for re-letting. If you fail to do so, cover under this 'Section 2: Loss of rent' will only commence from the point in time that it would have been reasonable to have repaired any damage and attempted to re-let the property.

Delaying repairs

You must not unreasonably delay in commencing or carrying out any repair or rebuilding work (for example, you delay lodging a claim, obtaining repair quotes, or arranging repairs once we have advised you to). We'll reduce the amount for your claim under this Section 2 to take into account any loss of rent that results from your delay.

Vacant at time of loss

Cover for the insured event 'Untenantable – Permanent tenancies' in this Section 2 of this policy, will only apply when:

- ◆ The property was tenanted immediately prior to, or at the time of it becoming untenanted
- ◆ You can demonstrate that the property would have been tenanted after the date of loss, had the loss or damage not occurred.

Basis on which claims are paid

How we calculate the amount covered

Permanent tenancies

Loss of rent is calculated using the lesser of:

- ◆ The weekly rent of the tenant in accordance with their current lease
- ◆ The weekly rent sum insured shown on your certificate of insurance.

Note: You can't claim more than the amount of rent on the current lease.

For example, if the weekly rental amount on your current lease is **\$700** and the weekly rent sum shown on your certificate of insurance is **\$1,000**, a weekly rental amount of **\$700** will apply.

This is then multiplied by the number of weeks lost rent that you're entitled to under this policy.

If the total amount exceeds the limit that applies to the insured event being claimed, it's then reduced to that limit.

Holiday let properties

Loss of rent is calculated based on the daily rent of each booking that couldn't be fulfilled during the period the property was untenanted due to an insured event.

The daily rent of each booking as described above is then multiplied by the number of days' loss of rent that you're entitled to under the policy.

Continued on next page

Holiday let properties (cont.)

This calculation will include all of the following:

- ◆ Any paid rent or deposits you have returned to tenants in relation to their documented rental bookings which couldn't be fulfilled
- ◆ Any unpaid rent in relation to documented rental bookings or rental agreements which can't be fulfilled
- ◆ Any other shortfall in rent received for the period when future bookings can't be accepted. If necessary, any shortfall in rent received will be determined by comparing the rent received to that received in the same period in the previous financial year and taking into account any change in the rents in this financial year.

The rent payable for each booking will then be combined.

If the total amount exceeds the limit that applies to the insured event being claimed, it's then reduced to that limit.

Claims for more than one insured event

Where a claim is possible under more than one of the insured events in this Section 2, you may only claim under one of those insured events for any one period of loss of rent.

Section 3: Liability to others

What we cover (liability)

We cover your legal liability to pay compensation for death of or bodily injury to other people (not you), or loss or damage to their property, resulting from an incident which happens during the period of insurance in connection with:

- ◆ You owning the building, and the incident and death, injury, loss, or damage occurs at the insured address
- ◆ Subject to all of the following:
 - The limits and exclusions applicable to this section
 - The 'General terms and conditions' on page 72
 - The 'Things we don't cover' on pages 78 to 92
 - Together with the requirements outlined under the heading 'Making a claim' on page 64.

If a claim is made against you for compensation for death or bodily injury to others or for damage to their property and your legal liability to pay compensation in respect to that claim is covered by your policy, we'll also pay the legal costs associated with defending that claim. We need to first agree to pay the legal costs before they're covered. If you incur legal costs before we first agree to pay them then in accordance with the Insurance Contracts Act 1984 (Cth) we may reduce our payment of those legal costs by an amount that fairly represents the extent to which our interests are prejudiced by you not seeking our agreement.

The most we'll pay for all claims from any one incident for legal liability covered by this Policy Section 3: Liability to others is **\$20,000,000** including all associated legal costs.

What we don't cover (liability)

We don't cover legal liability for or caused by, connected with or arising from:

- ✗ Any agreement or contract you enter into. However this exclusion doesn't apply if your legal liability would have existed had you not entered into the agreement or contract.
- ✗ You using or owning any aircraft or the facilities to land or store aircraft. We also don't cover loss or damage caused by, connected with, or arising from, or legal liability for or caused by, connected with, or arising from the gradual effects of vibrations, or shock waves caused by aircraft travelling at high speeds.
- ✗ Exposure to, or potential exposure to asbestos in any form.
- ✗ Building works, including construction and demolition of building structures, being carried out at the insured address where the total costs of building, altering, extending or renovating is more than **\$50,000**.
- ✗ Using, or towing a caravan, mobile home, or trailer.
- ✗ Death or injury of any of the following:
 - You
 - A child (born or unborn) under **18** years who is your child or the child of your spouse, de facto or partner
 - Your pets
 - Anyone who usually lives at the insured address, unless the person is a tenant of your building.
- ✗ Defamation or breach of copyright.
- ✗ The use or ownership of a motor vehicle or motorcycle or instructing someone on how to use it. However, we'll cover you if at the time of the incident the vehicle:
 - Was being used for domestic gardening (for example ride on mowers)
 - Didn't require insurance under compulsory third-party insurance laws or motor accident injury insurance laws.
- ✗ Loss or damage to items which:
 - You or your tenant own
 - Belong to someone else and is in your physical or legal custody and control.
- ✗ For any liability to pay benefits under any domestic workers' compensation or accident compensation legislation.
- ✗ Death or injury of your employees or damage to their property, including while they're working for you at the insured address.
- ✗ Any unlawful or criminal act by you.

We don't cover legal liability for or caused by, connected with or arising from:

- X Demolition, vibration or interference with support of land, buildings or other property.
- X The discharge, dispersal, release or escape of smoke, vapours, soot, fumes, acid, alkalis, toxic chemicals, liquid or gases, waste materials or other irritants, contaminants, or pollutants into or upon land, the atmosphere or any watercourse or body of water or any costs and expenses incurred in the prevention or remediation of such contamination or pollution.
- X The use of vehicle stackers.
- X Your actions or duties as a committee member of a club or association, as a coach, referee, official, or medical officer at a game or organised sporting activity.
- X Silica and its derivatives
We don't cover legal liability arising directly or indirectly out of, or caused by, through, or in connection with, or for the actual, alleged, threatened, or suspected presence, ingestion, inhalation, or absorption of silicon dioxide (occurring in crystalline, amorphous/non-crystalline and impure forms), silica particles, silica dust or silica compounds or any mixture or combination of silica and other dust or particles.

Making a claim

What to do when an incident happens

We understand experiencing loss or damage or having a claim made against you can be stressful.

Here's what to do:

- ◆ Make sure everyone is safe. For emergencies, call **000**.
- ◆ Try to prevent further loss, damage, or liability (for example, if there's a hole in the roof, arrange for it to be covered to prevent further water damage from the rain).
- ◆ Report any theft and malicious damage to the police as soon as possible. Give them a list of all stolen or damaged items. Keep details of the date reported, name of the police officer, police station reported to and the report number.
- ◆ Contact us as soon as possible by calling **1800 804 016** or email: customerservice@terriscbeer.com.au. If you unreasonably delay reporting your claim, we won't pay for any additional loss, damage, or liability caused by your delay. When you contact us, describe details of what has happened (for example, a window broken in a storm). For electrical items, please have details about the make and model. If the damage to your property was caused by another person, then if possible, please provide us their name and address, and if applicable, their vehicle registration number.

Actions you must take in the event of loss, damage, or liability to others

What you must do

You must do the following:

- ◆ Make your claim within a reasonable period of the loss or damage occurring
- ◆ Allow us to inspect the damaged building
- ◆ Allow us to arrange for experts to assess the damaged property and to quote on repair or replacement
- ◆ Arrange for all contents to be moved and stored to facilitate repairs to your building

- ◆ Provide us with a quote/s for repair or replacement if we ask you to
- ◆ Provide us with copies of entry/exit and routine building inspection reports along with photographs to support a claim for damage if we ask for this
- ◆ Provide us with any inspection report you might have obtained prior to purchasing your building
- ◆ When requested, provide us with proof of loss, ownership, and value
- ◆ Provide us with information, co-operation, and assistance in relation to the claim (including attending interviews or giving evidence in court if required)
- ◆ Allow us, or a person nominated by us, to recover, salvage, or take possession of parts of your building when we replace or pay you the full sum insured or the total cost to repair or rebuild the building. When we ask, you must send any items to us, or co-operate in our collection or retrieval of such items.

What you must not do

You must not do any of the following:

- ◆ Dispose, or instruct someone to dispose, of any damaged parts or items of your building without our consent unless either:
 - It's necessary for health and safety reasons
 - You can show it was done without your knowledge or against your instructions
- ◆ Carry out or authorise repairs without our consent unless you can't contact us and need to make emergency repairs to protect your building or it's necessary for health and safety reasons
- ◆ Wash, clean, or remove debris from any area damaged by fire without our consent unless you need to do this to prevent further loss or it's necessary for health and safety reasons

Continued on next page

What you must not do (cont.)

- ◆ Delay in arranging the repair or replacement of stolen or damaged items after we've given you the authority to do so. We won't pay any increased costs or expenses which result from your unreasonable delay in returning the property to a tenable condition
- ◆ Admit liability or responsibility to anyone unless we agree
- ◆ Negotiate, pay, or settle a claim with anyone else unless we agree
- ◆ Accept payment from someone who admits fault for loss or damage to your building. Refer them to us instead.

Legal liability claims

You must tell us as soon as reasonably practicable about any incident that has caused an injury to others or damage to other people's property.

You must also as soon as possible tell us about any demands made on you to pay compensation to others and any court actions or offers of settlement and send these to us.

If you make a legal liability claim under your policy we can decide to defend you, settle any claim against you, or represent you at an inquest, official inquiry, or court proceedings. If we decide to defend you, settle any claim against you, or represent you, then you must give us all the help we need, including after your claim has been settled.

If you don't comply

If you don't comply with 'What you must do' and 'What you must not do' or what you must do under 'Legal liability claims' we can do either or both of the following:

- ◆ Reduce or refuse to pay your claim (see page 4)
- ◆ Cancel your policy in accordance with the Insurance Contracts Act 1984 (Cth).

If you unreasonably delay reporting your claim, we won't pay for any additional loss, damage, or liability caused by your delay.

If we decline a claim or don't pay your claim in full

We'll provide reasons for our decision to decline the claim or not pay it in full. We'll send you written confirmation of our decision.

How to establish your loss

Establish an incident took place

When making a claim you must be able to prove that an incident covered by your policy actually took place. If you don't do this, we won't be able to pay your claim.

We may obtain either of the following from the police:

- ◆ Confirmation that you reported the incident
- ◆ Details of any investigations they undertook.

You must give us authority to access these records, if we ask.

Describe your loss or damage

You must also give us accurate and full details of what was lost, stolen, or damaged.

Proving loss, ownership, and value

You must give us proof of loss, ownership, and value of the items claimed when we request it.

Allowing us, a repairer, or an expert appointed by us, to look at what's damaged is usually all that's needed to prove your loss. Sometimes we might ask you to produce a copy of the most recent plans and drawings for the building, photographs of the building, or other proof that supports the extent of the loss you've suffered.

Other types of proof include:

- ◆ A copy of the tenant's rental payment history, tenant application form and lease if the claim involves loss of rent, damage, or theft by your tenant
- ◆ Forwarding address and current contact details of your tenant

Continued on next page

Proving loss, ownership, and value (cont.)

- ◆ Proof of ownership (for example, receipts, valuations, photographs, warranties, or instruction manuals for items which have been stolen or damaged)
- ◆ Itemised quotes to repair/replace damaged items. If we have appointed an assessor, they can assist with sourcing quotes if required

Other types of proof include:

- ◆ Invoices to establish the cost of re-letting expenses that were deducted from the tenant's bond money
- ◆ Copies of entry/exit and routine property inspection reports along with photographs to support a claim for damage
- ◆ Any court issued document, letter, claim, writ or summons, in relation to a claim, as soon as possible after you receive it
- ◆ Written records of booking confirmations, extensions and deposits made by future guests for holiday let properties. Claims for loss of rent won't be accepted for bookings made verbally which are not accompanied by a written booking confirmation
- ◆ Evidence of the rental values being claimed (for holiday let properties), by any of the following:
 - The immediate past twelve months rental history
 - A comparative valuation by a real estate agent
 - Copies of all booking documentation in respect of current guests.

For lost, damaged, or stolen items that are no longer available for inspection (for example, because they were stolen or destroyed in a fire) you must validate your claim by giving us details of when and where they were purchased and reasonable proof of ownership and value.

The type of proof we might ask for includes the following:

- ◆ Proof of purchase (for example, a sales receipt that has the item description or code, a purchase price, date purchased, and where the item was purchased)
- ◆ Proof of inheritance

- ◆ A valuation from a qualified professional valuer
- ◆ Original operating manual, manufacturer's box
- ◆ Certificate of authenticity
- ◆ Close up photograph
- ◆ A full description of the item (for example, brand, model).

We won't accept a statutory declaration as proof of ownership and value if that's the only proof you have.

Actions we take when a claim is reported

When we receive a claim from you, we'll:

- ◆ Examine the circumstances to see if the loss, damage or liability is covered
- ◆ Tell you if it's covered
- ◆ Investigate the claim for recovery potential.

If the claim is covered:

- ◆ We'll tell you how the claim will be assessed, examined and paid and what further supporting documents you need to provide us
- ◆ You're required to pay your excess in accordance with the 'How to pay your excess' section (see page 6)
- ◆ We'll deduct any bond money from your loss.

If we replace items you must:

- ◆ Assist us by giving accurate descriptions and specifications to us and suppliers
- ◆ Complete the replacement as requested.

If you don't wish us to replace items from suppliers we nominate, you may nominate another supplier, however, you must pay any additional costs incurred by us as a result.

Contribution/other insurance

If at the time of any claim under this policy there are other insurances covering the property, then we'll have the right to seek reimbursement from the other insurer(s) in respect of their proportion of any loss, damage or liability. You must give us all the information and assistance we may reasonably require to do this.

Does a claim affect your cover?

If we only pay part of the building sum insured to you, your policy will continue for the period of insurance.

If we pay the full building sum insured to you, all cover under your policy stops on the day we pay or otherwise finalise your claim. There is no refund of premium.

Our right to recover from those responsible

We can take legal action in your name to recover your loss

We have the right (and your permission) to take action or start legal proceedings to recover your loss from any person or entity who is or would be liable to you for that loss. We can do this if both of the following apply:

- ◆ You've suffered loss or damage or incurred a legal liability as a result of an incident covered by this policy
- ◆ You've made a claim with us for that incident.

"Your loss" means your insured, underinsured, or uninsured loss or damage or legal liability, costs, payments made, and expenses in relation to the incident.

When we take action or start legal proceedings

Any action or legal proceeding we take will be commenced either in your name, or in the name of any other person or entity that suffered your loss. We'll have full discretion over the conduct and any settlement of the recovery action.

We can take over and continue legal action you've already started

We also have the right (and your permission) to take over and continue any action or legal proceedings you've already started against any person or entity who is or would be liable to you for your loss, if you make a claim with us for your loss. We can exclude your loss from a class or representative action.

If your loss is part of any class or representative action that hasn't been started under our instructions, we also have the right (and your permission) to exclude your loss from that class or representative action.

We'll do this so we can instead include your loss in any separate legal proceedings which are or will be started under our instructions.

You must help us recover your loss however you reasonably can

You must provide us with all reasonable assistance, co-operation, and information to help us recover your loss.

This may include any of the following:

- ◆ Providing a more detailed version of events, and possibly completing a diagram, statement or affidavit
- ◆ Providing us with any documents we need to prove your loss
- ◆ Providing copies of any available photographs or footage of the incident
- ◆ Lodging a police report or obtaining relevant documents (for example, applying for records from the police, fire and rescue, councils, and other entities (when we can't request them ourselves))
- ◆ Attending court or meetings with our legal and other experts (only if required)
- ◆ Providing evidence and documents relevant to your claim and signing such documents, including signed statements and affidavits we reasonably request.

We'll pay the cost of filing the police report and relevant searches to locate the third party.

We'll also cover costs you incur to attend court up to **\$250** in total per claim.

You must not agree or admit to anything that can limit your and our rights to recover your loss

You must not enter into any agreement, make any admissions, or take any action or steps that have the effect of limiting or excluding your rights and our rights to recover your loss, including opting out of any class or representative action unless we have given you our prior written agreement. If you do, we may not cover you under this policy for your loss.

General terms and conditions

About your premium

The amount you pay for this insurance is called the premium. The premium includes any applicable GST, stamp duty, other government charges and levies that apply. The premium will be shown on your certificate of insurance as the annual premium.

The amount of the premium reflects our assessment of the likelihood of you making a claim and our costs of doing business. We use many factors about you, the building, and rent to calculate the premium.

Refer to the Landlord Residential Building Insurance Additional Information Guide.

You must pay your premium to be covered

You must pay the premium by the due date to get this insurance cover. We'll tell you how much to pay and when payment is due on your certificate of insurance.

If you make changes to your policy details, it may affect the premium you need to pay for the remaining period of insurance.

Late annual renewal payments

If you don't pay the premium on renewal by the due date, you have no cover from the due date.

Important conditions

Cover provided by this policy is only applicable where the following applies:

- ◆ For permanent tenancies, there's a lease in place between you and the tenant. This lease must fall within the guidelines of the Act (see 'Defined terms' on page 93)
- ◆ For holiday let properties, a documented (paper or electronic) booking confirmation has been issued and no one individual booking is greater than **12** weeks in duration
- ◆ The property is no more than **2** acres in size, unless you have notified us of a larger property, and we've agreed in writing to insure this larger property
- ◆ No section of the property is occupied by you whilst the property is being tenanted
- ◆ The property is used principally and primarily by tenants for residential rental accommodation as either a permanent tenancy or holiday let property.

Actions and advice by or from your property manager

- ◆ Any notification, advice, or discovery made to, or by your property manager is considered to have been made to, or by you
- ◆ Any action taken, or that should have been taken by your property manager is considered to be an act or omission by you.

All joint policyholders can administer this policy

When you insure the property in the names of more than one person, and all of those people are named as the insured on your certificate of insurance, each of them is a joint policyholder and is able to request changes and otherwise deal with the policy. The reason for this is that joint policyholders each have an interest or ownership in the building.

We'll treat a statement, act, omission, claim, request, or direction (including a request to change or cancel your policy) made by one policyholder (either before the purchase of this policy or during the period of insurance), as a statement, act, omission, claim, request, or direction by all policyholders. A policyholder means a named insured on your certificate of insurance.

However, if at the time you ask us to action certain changes to your policy (for example, when you ask us to cancel your policy, or remove another policyholder), your circumstances indicate you may no longer have authority to act on behalf of another joint policyholder, then we might ask all joint policyholders before we action that request or direction.

We'll consider the conduct of others when you make a claim

When we consider a claim under this policy, we'll have regard to any prejudice suffered by you or any other person entitled to benefit under this policy in relation to that claim, caused by mental illness of, substance abuse and/or an act of violence or intimidation by, another policyholder or person entitled to benefit under this policy. In doing this, we may meet the claim when we're not legally required to do so. If we do, we'll limit the claim in relation to the person claiming to an amount which is fair in the circumstances.

Rent arrears

If the tenant was in rent arrears either at the commencement of the initial period of insurance you held this policy with us (or in the **2** months prior to that time) and at the time a permanent tenancy was in place, the following condition applies:

- ◆ We won't pay a claim for tenant damage.

If the tenant subsequently brings their rental payments out of rent arrears for a period of **two** consecutive months, then this limitation won't apply from the end of that two-month period, or the date of the commencement of the initial period of insurance, whichever occurs last.

Bond monies – Permanent tenancies

Your policy will operate on the basis that bond monies equivalent to at least **four** weeks rent have been collected. This applies regardless of whether a full bond has been collected.

In the event of loss of or damage to your property caused by the tenant, you must use the bond money to reduce your loss. If you've voluntarily returned the bond money to the tenant, and you subsequently lodge a tenant damage claim under 'Section 1: Building' of this policy, we'll reduce any amount we pay by the amount of prejudice we've suffered as a result of your actions.

Bond monies – Holiday let properties

Where bond monies have been collected from a tenant in a holiday let property and you're entitled to use it to reduce your loss, you must do so (this applies to all claims under 'Section 1: Building' only). We won't cover any bond monies that you were entitled to use, however, voluntarily returned to the tenant.

Every effort should be made to collect monies owing for rent and/or damage from the tenant prior to lodging a claim.

Unoccupied properties

When the property is unoccupied, we won't provide cover under 'Section 1: Building' and 'Section 2: Loss of rent' unless you've obtained our prior agreement to provide the cover prior to the event giving rise to a claim under one of these sections.

If we agree to provide cover and a claim is made while the property is unoccupied, a higher excess will be applied. The amount of this excess will be shown on your certificate of insurance.

Unoccupied means that the property was vacant for a period of **90** consecutive days or more immediately before loss or damage occurred.

You may be required to prove the occupancy of the building in the event of a claim. An example of how you can prove the occupancy is providing us with copies of bills or other documents demonstrating the usage of utilities that are connected to the building.

What happens with cancellations?

Cancellation by you

For each policy you cancel, we'll refund the premium already paid for the remaining period of insurance for that policy, less any non-refundable government charges. We won't give a refund if the refund due is less than **\$10**.

Cancellation by us

We can cancel your policy in line with the requirements under the Insurance Contracts Act 1984 (Cth). For each policy cancelled, we'll refund the premium already paid for the remaining period of insurance for that policy, less any non-refundable government charges. We won't refund amounts less than **\$10**.

If we cancel your policy due to fraud, we won't refund any money to you.

How the Goods and Services Tax (GST) affects this insurance

You must tell us about the input tax credit (ITC) you're entitled to for your premium and your claim, each time you make a claim. If you don't give us this information or if you tell us an incorrect ITC, we won't pay any GST liability you incur.

Our liability to you will be calculated taking into account any ITC to which you are entitled for any acquisition which is relevant to your claim, or to which you would've been entitled had you made a relevant acquisition.

In respect of your policy, where you're registered for GST purposes you should calculate the insured amount having regard to your entitlement to input tax credits. You should, therefore, consider the net amount (after all input tax credits) which is to be insured and determine an insured amount on a GST exclusive basis.

This outline of the effect of the GST on your policy is for general information only. You should not rely on this information without first seeking expert advice on the application of the GST to your circumstances.

'GST', 'input tax credit', 'acquisition' and 'supply' have the meaning given in A New Tax System (Goods and Services Tax) Act 1999.

Things we don't cover

Loss or damage caused by, connected with, or arising from, or legal liability for or caused by, connected with, or arising from:

1. **X** Revolution, hostilities, war or other acts of foreign enemy, war like activity (whether war is declared or not), or military coup, hostile acts of sovereign or government state sponsored entities
 - X** Any looting or rioting following any of the above incidents.
2. **X** Ionising radiation or contamination by radioactivity, or the use, existence, or escape of, nuclear fuel, nuclear material, or any nuclear waste or from the combustion of nuclear fuel
 - X** Any weapon, device, material, operations or action employing nuclear fission or fusion or other like reaction or radioactive force or matter, including detonation of any nuclear device, nuclear weapon or the use, handling or transportation of such weapon, device or material
 - X** Any property on the site of a nuclear power station, on any other nuclear reactor installation or on any site used, or having been used, for the generation of nuclear energy or the production, manufacture, enrichment, conditioning, processing, reprocessing, use, storage, handling and disposal of nuclear material and/or radioactive material
 - X** The radioactive, toxic, explosive or other hazardous or contaminating properties of any nuclear installation, reactor, or other nuclear assembly or nuclear component thereof, or radioactive matter
 - X** The use of any nuclear reactor, atomic piles, particle accelerators, generators or similar devices
 - X** The use, handling, transportation of any radioactive material
 - X** Any action taken by a public authority to prevent, limit, or remedy the actual or threatened release of any radioactive or nuclear materials
 - X** Any looting or rioting following any of the above incidents.

Things we don't cover

Loss or damage caused by, connected with, or arising from, or legal liability for or caused by, connected with, or arising from:

3. **X** Any intentional act committed by you, your family or any person acting with your express or implied consent.

This policy also excludes any loss, destruction, damage, death, injury, illness, liability, cost or expense of any nature directly or indirectly caused by, contributed to by, resulting from or arising out of or in connection with any action taken in controlling, preventing, suppressing, retaliating against, responding to or in any way relating to 1, 2 or 3 above.

- X** A bushfire, storm, flood, or tsunami in the first **72** hours of your cover. But we'll cover these events if this policy began on the same day:
 - You became the owner of your property
 - That another policy covering your property expired or was cancelled, however, not when you cancelled the policy prior to its expiry date, and only up to the sum insured covered under the expired or cancelled policy (any increase in sum insured won't be covered for these events for the first **72** hours specified).

Things we don't cover

Loss or damage caused by, connected with, or arising from, or legal liability for or caused by, connected with, or arising from:

- X** Hacking, cyber-attack or cyber incident
We don't cover loss or damage caused by, connected with, or arising from, or legal liability for or caused by, connected with, or arising from any of the following:
 - Unauthorised, malicious or criminal act (including any threat or hoax) involving access to, processing, use or operation of any computer system (including computer hacking, cyber-attack, any computer virus). However, we'll cover loss or damage to the building, unit or your landlord contents caused by theft, if that theft results from a thief hacking your building security system to open doors and gain unauthorised entry into your building or unit
 - Error or omission involving access to, processing of, use of or operation of any computer system, or any unavailability or failure to access, process, use, or operate any computer system
 - Destruction, distortion, erasure, corruption, alteration, misinterpretation or misappropriation of electronic data; or inability or failure to receive, send, access or use electronic data; or error in creating, amending, entering, deleting or using electronic data; or loss of use, reduction in functionality, repair, replacement, restoration or reproduction of electronic data (including the value of any electronic data).
- X** Any hazardous materials if not stored or used in accordance with the relevant law, controls, and manufacturer's instructions.

Things we don't cover

Loss or damage caused by, connected with, or arising from, or legal liability for or caused by, connected with, or arising from:

- ✗ Power surge, unless the surge or the loss or damage caused by the surge is covered under any of the following:
 - 'Flood' on page 32
 - 'Storm or rainwater' on page 35
 - 'Fire (including bushfire) or explosion' on page 31
 - 'Lightning' on page on 34
 - 'Impact' on page 33
 - 'Electric motor burnout' on page 27.
- ✗ Any actions or movements of the sea.
- ✗ Any biological, chemical, other pollutant or contaminant as follows:
 - Any actual or threatened use, existence, or release of any biological, bacterial, viral, germ, chemical or poisonous substance, pollutant, or contaminant
 - Any looting or rioting following the actual or threatened release of any biological, bacterial, viral, germ, chemical or poisonous substance, pollutant, or contaminant
 - Any action taken by a public authority to prevent, limit or remedy the actual or threatened release of any biological, bacterial, viral, germ, chemical or poisonous substance, pollutant or contaminant.

However, we'll cover:

- Loss or damage that's covered by insured event 'Fire (including bushfire) or explosion' on page 31.

Things we don't cover

Loss or damage caused by, connected with, or arising from, or legal liability for or caused by, connected with, or arising from:

- X** Water seeping or running in any of the following situations:

 - Through the earth (hydrostatic water seepage)
 - Down the sides of earth or earth fill that's up against the building
 - Down the sides, against the sides, or underneath swimming pools, spas or underground tanks
 - Against or through retaining walls
 - From agricultural or overflow pipes.
- X** Erosion, vibration, subsidence, landslip, landslide, mudslide, collapse, shrinkage or any other earth movement. However, we'll cover landslide or subsidence that's specifically covered under the following insured events:

 - 'Storm or rainwater' on page 35
 - 'Flood' on page 32
 - 'Earthquake or tsunami' on page 26
 - 'Explosion' on page 31
 - 'Escape of liquid' on page 29.
- X** Poor housekeeping by your tenants or a member of your tenant's family or your tenant's guests (including costs associated with their tenants untidy, unclean or unhygienic living habits).
- X** The actions of domestic pets, however, we'll cover liability that's covered by 'Legal liability' on page 61.
- X** Insects or vermin (such as termites, rats, mice or wildlife), however, we'll cover resultant damage to the property caused by an insured event listed under Section 1 and Section 2.
- X** Scratching, denting or chipping.

Things we don't cover

Loss or damage caused by, connected with, or arising from, or legal liability for or caused by, connected with, or arising from:

- ✗ Chemicals, such as detergents and solvents, when you or someone authorised by you is using them for cleaning.
- ✗ Heat, smoke or soot when your building hasn't caught fire unless covered by the insured event 'Fire (including bushfire) or explosion'.
- ✗ Roots of trees, shrubs, or plants. However, we'll cover damage to the building caused by:
 - Liquid escaping or overflowing from pipes or drains that are blocked or damaged by these roots to the extent the loss or damage is covered under insured event 'Escape of liquid' on page 29
 - Roots from a fallen tree to the extent the loss or damage is covered under insured event 'Impact' on page 33.
- ✗ Trees being lopped, felled, or transplanted by you or someone authorised by you.
- ✗ Any deliberate or malicious acts causing damage to, or destruction of, a reservoir or dam, or any looting or rioting following such an incident.
- ✗ Any act or omission by you or someone acting with your given or implied consent, which is any of the following:
 - Deliberate
 - A deliberate lack of action
 - Demonstrates a reckless disregard for the consequences of that action or omission.

Things we don't cover

Loss or damage caused by, connected with, or arising from, or legal liability for or caused by, connected with, or arising from:

- ✘ Any part of your property not being in good condition, such as, however, not limited to any of the following:
 - The roof leaks when it rains
 - There are blocked gutters
 - There are areas of the roof that are rusted through
 - There is wood rot, termite, or ant damage to the building
 - There are holes in floors, walls, ceilings, or any other parts of your building (for example, external wall cladding, internal plaster, or floorboards)
 - There are boarded up or broken windows
 - There are steps, gutters, flooring, walls, ceilings, gates, fences, or any other areas of your building that are loose, falling down, missing, or rusted through or otherwise in disrepair
 - Previous damage including damage caused by flood hasn't been repaired
 - Your building is infested with vermin
 - Plant matter is growing on your building (for example, walls, windows, or gutters)
 - Your building (including all sheds, outbuildings, and any other structural improvements at the insured address) isn't structurally sound or is unsafe or unfit to live in.

Things we don't cover

Loss or damage caused by, connected with, or arising from, or legal liability for or caused by, connected with, or arising from:

- X Any unintentional or intentional use, existence, or contamination by, or due to either of the following:
 - Illegal drugs including but not limited to the storage, use, possession, consumption, or distribution of any illegal drugs (or illegal drug precursors)
 - Any other chemical or poisonous substance.
- X Smoke and/or vapour from cigarettes, pipes, cigars, vapes, or use or consumption of any drug.
- X Wear, tear, and deterioration of the building from any of the following:
 - Their ordinary use
 - The ordinary effects of natural forces such as weather, action of light, atmospheric or climatic conditions, and rising damp. Examples include, however, aren't limited to:
 - Tiles and their adhesive or grouting breaking down
 - Weathering of roof tiles or roof ridge capping
 - Weathering and breakdown of bricks, mortar, or concrete.

Things we don't cover

Loss or damage caused by, connected with, or arising from, or legal liability for or caused by, connected with, or arising from:

- ✗ Breaking the law
 - You, or someone with your knowledge or permission, committing or trying to commit an unlawful or criminal offence, such as assault or a malicious act
 - You not obeying any commonwealth, state, territory or local government law, including laws or lawful directions relating to:
 - Smoke alarms
 - Pool fencing
 - Installing a balcony railing or balustrade when required
 - Dangerous goods and liquids
 - Control and safekeeping of dangerous or restricted breeds of dogs, including not obeying any legal requirement to restrain a dog in public or keep it fenced in.
- ✗ Mould or mildew at the insured address unless it was directly caused by an incident covered by your policy, and there's no evidence of pre-existing mould or mildew in the area of your building where the loss or damage has occurred.
- ✗ Squatters or trespassers using or staying at the insured address.
- ✗ An act by the tenant, with your consent.
- ✗ Keys being provided for the purpose of property inspections.
- ✗ The tenant utilising the property for trade, manufacturing or childcare with your knowledge and/ or consent.

Things we don't cover

Loss or damage caused by, connected with, or arising from, or legal liability for or caused by, connected with, or arising from:

- X** Mechanical or electrical breakdown or electrical failure or breakdown or anything that fails to operate properly. However, we'll cover damage caused by any of the following:

 - Fire spreading from an electrical fault to other parts of the building to the extent it's covered under insured event 'Fire (including bushfire) or explosion' on page 31
 - Lightning to the extent it's covered under insured event 'Lightning' on page 34
 - Motor burnout to the extent it's covered under 'Electric motor burnout' on page 27.
- X** We don't cover loss or damage caused by, connected with, or arising from, or legal liability for or caused by, connected with, or arising from building works to the building or parts of the building (other than the cover available under 'Legal liability', see page 61), including any of the following:

 - Damage caused by cracking, collapse, or subsidence, caused fully or partially by the building works
 - Damage caused by storm, flood, or water entering the building through any openings (whether such openings were created by you or another person) in the walls or roof or other parts of the building under construction, and whether or not they were temporarily covered at the time of the damage
 - Theft or damage by someone who enters or leaves through an unlockable part of the building that's under construction.
- X** The removal or weakening of supports or foundations for the purpose of alterations, additions, renovations or repair.

Things we don't cover

Loss or damage caused by, connected with, or arising from, or legal liability for or caused by, connected with, or arising from:

- X** Any component of the building that wasn't built, constructed, renovated, altered, or repaired in compliance with the applying local council requirements or relevant building laws or regulations (non-complying building component), except those laws or regulations introduced after your building was originally built or after the construction, repairs, renovations, or alterations were undertaken. Non-complying building components include, however, aren't limited to any of the following:
 - You build an additional bathroom without obtaining appropriate permits or with plumbing that doesn't meet building laws or regulations
 - Non-habitable parts of the building converted to habitable rooms (as defined by the Building Code of Australia), where legal height requirements haven't been met
 - Basement area conversions without building approval and with evidence of inadequate ventilation, drainage, or waterproofing (as required under the relevant building laws or regulations)
 - Incorrect slab height in relation to the outside ground level (for example, there must be a step down to outside as required under the relevant building laws or regulations)
 - Poorly designed and non-approved external structures, like decks, gazebos, or carports, without obtaining appropriate permits and that don't meet building laws or regulations.

We don't cover:

- X** The cost to remove asbestos or its derivatives from the insured address, unless the cost is incurred in order to undertake repairs or rebuilding in connection with loss or damage to your building that's covered under this policy, and then only to the extent removal is necessary in order to repair insured damage.
- X** Civil or criminal penalties or fines or aggravated, exemplary, punitive or multiple damages.
- X** Loss or damage from confiscation, nationalisation, requisition, or damage by the police, a government authority, or someone with the legal authority to do this. However, we'll cover loss or damage caused by the police or other emergency services in attempting to obtain entry at the insured address in connection with an insured event up to the limits set out in the policy.
- X** Your extra costs or other losses (financial and non-financial loss) suffered or incurred by you (and not a third party) following an incident covered by your policy, including, however, not limited to any of the following:

 - Loss of rent, except as expressly covered by your policy
 - Loss of your income or wages
 - Your medical expenses
 - Your costs, including the cost of your time, to prove your loss or to help us with your claim (for example, phone calls, postage) unless stated otherwise in your policy
 - Your cost of hiring appliances after yours suffer loss or damage
 - Professional, expert, legal, consulting, or valuation costs, unless you obtained our prior authority to incur these costs
 - Your cost of replacing or reapplying pest control chemicals and baits in or around the insured address
 - Your travel costs
 - Your cleaning costs unless stated otherwise in your policy

Continued on next page

We don't cover:

- ✗ Your extra costs or other losses (financial and non-financial) cont.
 - Your cleaning costs unless stated otherwise in your policy
 - Any increase in electricity costs not directly arising from an incident covered by your policy.
- ✗ Legal actions or legal claims brought against you, decided or heard in countries other than Australia or New Zealand.
- ✗ The loss, storage, and replacement of water in any tank, container, pool, spa, and any other storage vessel unless specifically covered under insured event 'Fire (including bushfire) or explosion' on page 31.
- ✗ We won't provide any cover, pay any claim, make any payment (including any refund), or provide any benefit under this policy, if doing so will contravene or violate any sanction, prohibition, restriction, proscription or prevention under any sanctions, laws or regulations, including but not limited to sanctions, laws or regulations of Australia, New Zealand, the European Union, the United Kingdom or the United States of America or those set out in any United Nations resolutions.
- ✗ We don't cover the following:
 - Loss (including theft) of the building or landlord contents (or the proceeds of sale) by a person authorised to offer your landlord contents for sale
 - Loss of the building or landlord contents (or the proceeds of sale) as a result of the bankruptcy or insolvency of a person authorised to offer your contents for sale.
- ✗ Defects, faults, workmanship
We don't cover either:
 - Loss, damage, or legal liability caused by, connected with, or arising from inherent defects, faulty design, structural defects, structural fault, or faulty or poor workmanship, if you knew or should've reasonably known about it (for example, because the defect or fault was able to be observed by you or because it was identified in a pre-purchase building inspection report)

- Any loss or damage to the part of the building with an inherent defect, faulty design, structural defect, or faulty or poor workmanship, whether or not you knew or should reasonably have known about it.

For example, poor workmanship might have resulted in the removal of structural posts, beams, or load bearing walls without taking into account structural engineering.

For details about 'How we deal with defects, faults, and poor workmanship' as part of the repair or rebuilding process see page 52.

- X Loss of rent for any period before the start of the policy.
- X Loss or damage caused by, connected with, or arising from, or legal liability for or caused by, connected with, or arising from any loss, damage, claim, cost, expense, legal liability, or other sum, directly or indirectly arising out of, or attributable to, a communicable disease or the fear or threat (whether actual or perceived) of a communicable disease.
- X We don't cover loss, damage, cost, expense, or legal liability of any nature, directly or indirectly caused by, resulting from, in connection with, or arising from, either:
 - Any act of terrorism, regardless of any other cause or event contributing concurrently or in any other sequence to the loss
 - Any action taken in controlling, preventing, suppressing, retaliating against, responding to or in any way relating to any act of terrorism.
- X Unless stated otherwise in the policy we don't cover loss or damage caused by, connected with, or arising from, or legal liability for or caused by, connected with, or arising from rust or corrosion.

We don't cover:

This policy doesn't provide cover from the point in time that:

- ✗ You, your family, or your non-paying guests take up permanent residence in the building
- ✗ The property is vacant, isn't advertised for sale and:
 - No effort is made to prepare the building for a new tenant (for example, cleaning the property)
 - No effort is made to replace the tenant (for example, showing the building to prospective tenants).

This effort must be within a reasonable period of:

- The previous tenant's departure from the property
- You or your property manager becoming aware of their departure,

whichever occurs later.

- ✗ Your property is vacant and advertised for sale, except we'll provide cover under:
 - 'Section 1: Building' and 'Section 3: Liability to others' while the property is advertised for sale and vacant for a maximum period of **90** consecutive days. After the property has been vacant for **90** consecutive days, there's no cover under the policy unless you have obtained our prior written agreement for cover to be provided (see 'Unoccupied properties' on page 76).
- ✗ Any loss, damage, or legal liability:
 - That occurred prior to the start of the policy
 - Arising from any existing circumstance that may lead to a claim that you and your property manager were aware of and a reasonable person in your circumstances should have been aware of on or before the start of the policy.

Defined terms

Some terms and words in this policy have a special meaning (definition) which applies to them.

It's important to read this section because it gives the meaning which applies to those terms and words which can impact how your policy is interpreted. If a term or word doesn't have a special meaning, then it just has its ordinary meaning.

Accidental loss or damage

This term means sudden and unexpected loss or damage. It does not include loss or damage otherwise covered under a specifically insured event.

Act

This term means the Residential Tenancies Act or other relevant residential tenancy legislation (or similar legislation), applicable in the state or territory in which your property is located.

Actions or movements of the sea

This term means any of the following:

- ◆ Rises in the level of the ocean or sea
- ◆ Storm surge
- ◆ Sea waves
- ◆ High tides or king tides
- ◆ Any other actions or movements of the sea, however, not a tsunami.

Aquarium

This word means a large glass tank filled with water in which people keep animals (usually fish) and unlike a fishbowl, isn't easily carried or moved.

Bond money/monies

This term means those monies paid by the tenant and held as security deposit against damage or outstanding rent.

Building

See 'We cover as the building' on page 18 and 'We don't cover as the building' on page 19.

Building sum insured

This term means the amount stated as the building sum insured on your certificate of insurance.

Business activity

This term means either of the following:

- ◆ Activity specifically undertaken for the purposes of earning an income
- ◆ Activity registered as a business and which you're obliged by law to register for GST purposes.

It doesn't mean the tenancy of the building.

Certificate of insurance

This term means the latest certificate of insurance, including the insurance account, we've given you. It's an important document as it shows the covers you've chosen and other policy details.

Common property

This term means land or building (or any part of the building) areas on strata title or community title at the insured address which is required to be insured by the owners corporation or similar body under the relevant strata laws and/or is insured under an insurance policy taken out by the owners corporation or similar body (for example, common property in a multi-dwelling development).

Communicable Disease

Communicable disease means any disease which can be transmitted by means of any substance or agent from any organism to another organism where:

- ◆ The substance or agent can be of any kind and includes, but is not limited to, respiratory droplet, saliva, bodily waste, blood, a virus, bacterium, parasite, other organism, or any variation thereof, whether deemed living or not
- ◆ The method of transmission, whether direct or indirect, includes but isn't limited to, airborne transmission, bodily fluid transmission, transmission from or to any surface or object, solid, liquid or gas or between organisms
- ◆ The disease, substance or agent can cause or threaten damage to human health or human welfare or can cause or threaten damage to, deterioration of, loss of value of, marketability of or loss of use of property.

Components (or building component)

This word means a building element which is manufactured as an independent unit, that can be joined or blended with other elements to form a more complex item. For example, the roof (sheeting or tile) is a component, the fire wall within the roof space is another component.

Computer system

This term means any computer, hardware, software, communications system, electronic device (including, but not limited to, any smart phone, laptop, tablet, wearable device), server, cloud or microcontroller including any similar system or any configuration of the aforementioned and including any associated input, output, or data storage device, networking equipment, or back up facility.

Course of construction

This term means from the time that construction of a new building at the insured address commences until the time that both the following apply:

- ◆ The building is ready to be moved into, and electricity and water services are connected
- ◆ There is no outstanding work or the only remaining work to be done is the following:
 - Installation of floor coverings (for example, carpets or floating floors)
 - Internal painting
 - Installation of light fittings.

Damage(d)

This term means physical damage, unless stated otherwise in your policy

Drone(s)

This word means an unmanned aircraft that can be remote controlled or fly autonomously.

Electronic data

This term means information, facts, concepts, code, or any other information of any kind that's converted, recorded, or transmitted in a form to be accessed, communicated, displayed, distributed, interpreted, processed, transmitted, or stored or used in or by a computer system.

Emergency service personnel

This term means any person who is a member of the following organisations:

- ◆ Police
- ◆ Fire Service
- ◆ Ambulance Service
- ◆ State Emergency Service.

Excess

This word means the amount you pay towards the cost of your claim for each incident covered by your policy. The excess isn't considered a re-letting expense to be deducted from the tenant's bond money.

Family

Family means any of the following:

- ◆ Your spouse, partner, or de facto
- ◆ Your parents (including your legal guardian), parents-in-law, grandparents
- ◆ Your children, grandchildren, brothers, and sisters, including their respective spouse, partner, or de facto
- ◆ The children, parents, parents-in-law, grandparents, grandchildren, brothers, and sisters of your spouse, partner, or de facto
- ◆ People who provide care or services to you.

Floating floorboards

This term means flooring (real or imitation) that isn't nailed down or glued to the layer beneath.

Flood

This word means the covering of normally dry land by water that has escaped or been released from the normal confines of:

- ◆ Any lake, river, creek, or other natural watercourse (whether or not altered or modified)
- ◆ Any reservoir, canal, or dam.

Free-standing outdoor wall(s)

This term means a standalone wall that isn't connected at either end to a building or other structure, and not restrained along the top. Brick fences are a typical example of a free-standing outdoor wall.

Guest

This word means any person invited onto the insured address by the tenant for social or entertainment purposes.

Holiday let property

This term means a property rented under a tenancy which isn't a permanent tenancy and where each of the following applies:

- ◆ A documented (paper or electronic) booking confirmation has been issued
- ◆ No one individual booking is greater than **12** weeks in duration
- ◆ A deposit or full rent payment has been made to you or your property manager
- ◆ The property is let and used for the purpose of holiday accommodation.

Illegal drugs

This term means drugs that are prohibited from manufacture, sale, or possession in Australia including but not limited to methamphetamine.

Illegal drug precursor

This term means the starting materials for illegal drug manufacture.

Incident

This term means a single event, accident, or occurrence which you didn't intend or expect to happen. A series of incidents attributable to one source of originating cause is deemed to be the one incident.

Insured address

See page 18.

Lease agreement

For permanent tenancies this is the current and valid written agreement for the insured address between you and the tenant that's all the following:

- ◆ Complies with the requirements specified in the relevant residential tenancy legislation (or its equivalent)
- ◆ Is for a fixed term
- ◆ Includes the following minimum requirement – a start and finish date, a minimum duration, the weekly rental amount, the bond that the tenant is required to pay and the notice to leave requirements.

A 'lease agreement' includes any periodic agreement which continues after the end of the fixed term of a lease agreement, on the same terms and conditions as that lease agreement.

For the avoidance of doubt, 'lease agreement' doesn't include any short-term rental, holiday letting, or house sharing arrangement (including any arrangement booked through an online booking platform).

Loss or damage

This term means physical loss or physical damage, unless stated otherwise in your policy.

Malicious act

This term means a single intentional and willful act characterised by malice. It isn't wanton disregard, negligence, carelessness, wear and tear, use of excessive force, lack of care or action, poor housekeeping, or neglect.

Occupied

The word 'occupied' means all the following:

- ◆ The building or unit is furnished enough to be lived in
- ◆ Someone is eating, sleeping, and living at the building or unit
- ◆ The building or unit is connected to utilities.

The term 'furnished enough to be lived in' means the building or unit contains at least all the following:

- ◆ A bed, a clothes and linen storage area, an eating table or bench, a refrigerator, and a cooking appliance.

Occurrence

The word 'Occurrence' includes continuous or repeated exposure to substantially the same general conditions. We regard all death, bodily injury or loss of or damage to property arising from one original source or cause as one occurrence.

Period of insurance

This term means when your policy starts to when it ends. It's shown on your certificate of insurance.

Permanent tenancy/tenancies

This term means tenancies which are governed by the Act and subject to a lease.

Property

This word means your building at the insured address which is all the following:

- ◆ Owned by you
- ◆ For use by the tenant
- ◆ Principally and primarily used as a residential rental
- ◆ Where the insured address is no more than **2** acres in size.

Property manager

This term means the licensed real estate agent or on-site property manager shown as the 'managing agent' in the certificate of insurance. For holiday let properties, this also includes letting agents.

Rainwater

This word means rain which falls naturally from the sky. It includes rainwater run-off over the surface of the land, but not flood.

Rent

For permanent tenancies this is the rent applying under the lease at the time of loss or damage.

For holiday let properties this is the rent from the documented (paper or electronic) rental booking(s) or rental agreement(s), at the time of loss or damage.

Rent arrears

This term means the tenant's rental payments were in arrears to the extent that a vacate/breach notice on the grounds of a breach of the lease to pay rent could have been issued in accordance with the Act.

Retaining wall

This term means a wall or similar structure, which isn't part of the residential home, that holds back or prevents the movement of earth or other type of material. It can be any type of structure or landscaping feature, using any type of material, that's present between differing levels of earth or other type of material.

Scope of works

This term means a list of repair works needed to meet your claim and is usually required when major damage has occurred. It helps identify what repair or rebuilding work is necessary to resolve your claim.

Storm

This word means a single weather event being a cyclone or severe atmospheric disturbance. It can be accompanied by strong winds, rain, lightning, hail, snow, or dust.

Storm surge

This term means a rush of water onshore associated with a low pressure system and caused by strong winds pushing on the ocean's surface.

Tenant

This word means the person or persons who have been granted the right to occupy the insured address under the lease or documented (paper or electronic) booking confirmation and from whom you receive rental income. It also includes anyone else who normally lives at the insured address with the person or persons who pay rent under either a permanent tenancy or a holiday let property.

Tenant damage

This term means loss or damage caused by the tenant, the tenant's family, or the tenant's invited guests including theft by the tenant, the tenant's family or the tenant's invited guests.

Tenant's family

This term means these people if they normally reside in the property:

- ◆ The tenant's spouse (legal or de-facto) or partner
- ◆ Parents, parents-in-law
- ◆ Siblings, or siblings of the tenant's spouse
- ◆ Children, or the children of the tenant's spouse.

Tenantable

This word means the property isn't untenable.

Tsunami

This word means a sea wave caused by a disturbance of the ocean floor or by seismic movement.

Unknown person

This term means persons who aren't:

- ◆ You or your invited guests
- ◆ Your property manager or their representative
- ◆ The tenant, tenant's family or tenant's invited guests
- ◆ Acting with your express or implied consent.

Untenantable

This term means your property is destroyed or made completely or partially unfit to live in (this might include if the utilities aren't available, or it isn't safe to live in, and you or your property manager can't re-let the property until the loss or damage covered by this policy has been repaired, replaced or reinstated). It doesn't include periods of elective maintenance or improvement.

Vermin

This word means small animals (for example, geckos and rodents) or insects that are typically thought of as pests. Vermin doesn't include a possum.

Watercraft

This word means any vessel, machine or object designed to be used on or in water.

Weekly rent sum insured (applies to Permanent tenancies only)

This amount is set out in your certificate of insurance.

The amount is either:

- ◆ The weekly rent payable under your lease agreement
- ◆ The amount a tenant would've paid immediately before the insured event, assessed by a suitably qualified person agreed to by us, if the insured address wasn't tenanted at the time the loss or damage occurred, less property manager's commission and fees.

You/Your

When we say 'you' or 'your' we mean the person or persons named as the insured on your certificate of insurance. It doesn't include your tenants or family members living at the insured address. If the insured shown on your certificate of insurance is a company, trustee of a trust, or body corporate, then 'you' or 'your' extends to the following:

- ◆ That company, trustee, or body corporate
- ◆ Any company director, company owner, or trust beneficiary of that company, trustee, or body corporate.

Terri Scheer
www.terrischeer.com.au

GPO Box 1619, Adelaide SA 5001
Phone 1800 804 016
Email customerservice@terrischeer.com.au

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