



Landlord Preferred Policy Product Disclosure Statement and Policy Wording

Australia's Leading Landlord Insurance Specialist
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Terri Scheer Insurance Pty Ltd

Landlord Preferred Policy

Product Disclosure Statement and Policy Wording

Product Disclosure Statement and Policy Wording (PDS)

The purpose of this Product Disclosure Statement and Policy Wording (PDS) is to help you understand the insurance policy and provide you with sufficient information to enable you to compare and make an informed decision about it.

This PDS is in two parts:

- Part 1: Important Information. This part includes important information about your rights and responsibilities, 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.

The information in this PDS was current at the date of preparation.

We may update some of the information in the PDS that is not materially adverse from time to time without needing to notify you. You can obtain a copy of any updated information by contacting us. We will give you a free paper copy of any updates if you request them.

In some circumstances this PDS may be amended by a Supplementary Product Disclosure Statement.

Part 1: Important Information

It is important that you:

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

About Terri Scheer

Terri Scheer Insurance Pty Ltd was established in 1995 to specialise in providing landlord insurance for owners of professionally managed residential rental properties.

The founder, Terri Scheer, designed landlords insurance in 1990. The Company is unique in that it is the only insurance intermediary in Australia to specialise solely in landlord insurance.

Terri Scheer Insurance Pty Ltd provides training for licensed real estate agents and on site Property Managers in the area of general insurance and claims handling, to ensure the best possible results for landlords.

This insurance is only available to landlords whose property is managed by a licensed real estate agent or on-site Property Manager.

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Insurer

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

In arranging this insurance Policy, Terri Scheer Insurance Pty Ltd ABN 76 070 874 798, AFS Licence No. 218585 will be acting under authority given to them by Vero. They will be acting as agents of Vero, not as your agent.

How you contact us

You may contact Vero by calling:

- ◆ 1300 794 133

or alternatively by writing to us at:

- ◆ Vero Insurance
GPO Box 1619, Adelaide, SA 5001

About your premium

The premium is the amount we charge you for this Insurance. It includes the amount which we have calculated will cover the risk, as well as stamp duty, GST, other government charges and any fire services levy (FSL) that applies – all of which will be shown on your Policy Schedule.

Your premium includes any discounts we have given you.

You can pay your premium in one annual payment by cash, cheque, postal order, MasterCard, Visa or BPay.

More details

For further details about the way we work out your premium and for information about the discounts you may be eligible for, please refer to our Premium, Excesses, Discounts and Claim Payments Guide available at terriscbeer.com.au. A copy of this guide can be provided to you on request, at no charge, if you contact us on 1800 804 016.

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 55 of the PDS.

Contact Terri Scheer Insurance on 1800 804 016, who will advise you of the claims process and assist you through the next steps.

The amount you pay towards a claim

An excess is the amount you are required to pay in the event of a claim. The amount of any excess that applies will either be set out in the PDS on page 59 or shown on your Policy Schedule.

Depending on the circumstances, you might have to pay more than one type of excess when you make a claim. You must pay the excess in full (if we ask for it) before we pay the claim.

We will decide whether you pay the excess to us or to a repairer or supplier. We may also choose to deduct the excess from the amount we pay you or from the amounts we must legally pay another person.

More details

For further details about our excesses, please refer to our Premium, Excesses, Discounts and Claim Payments Guide available at terrischeer.com.au. A copy of this guide can be provided to you on request, at no charge, if you contact us on 1800 804 016.

How a claim payment is calculated

When we pay a claim we consider a number of aspects in calculating the amount. These can include the:

- ◆ Amount of loss or damage or liability,
- ◆ Excess,
- ◆ Sum insured,
- ◆ Policy limits, and
- ◆ Terms and conditions of the Policy.

How and when benefits are provided

Benefits are provided following the submission of a claim. After considering the factors in 'How a claim payment is calculated', we will either:

- ◆ Pay for repair or replacement of your contents or building,
- ◆ Pay the person to whom you are legally liable, or
- ◆ Pay you.

More details

For further details on how we calculate and pay claims, please refer to our Premium, Excesses, Discounts and Claim Payments Guide available at terriscbeer.com.au. A copy of this guide can be provided to you on request, at no charge, if you contact us on 1800 804 016.

The Policy does not cover certain things

The policy provides cover for losses caused by specific events and under certain circumstances. This means that not all losses are claimable.

The specific events we insure and don't insure you for, along with the terms and conditions of cover, can be found in the Policy Wording contained in this document.

Your duty of disclosure

Before you enter into a contract of general insurance with an insurer, you have a duty, under the Insurance Contracts Act 1984, to disclose to us every matter that you know, or could reasonably be expected to know, is relevant to our decision whether to accept the risk of the insurance and, if so, on what terms.

You have the same duty to disclose those matters to us before you renew, extend, vary or reinstate a contract of general insurance.

Your duty however does not require disclosure:

- ◆ That diminishes the risk to be undertaken by us,
- ◆ That is of common knowledge,
- ◆ That we know or, in the ordinary course of our business, ought to know
- ◆ In respect of which we have waived your duty.

Non disclosure

If you fail to comply with your duty of disclosure, we may be entitled to reduce our liability under the contract in respect of a claim or may cancel the contract.

If your non disclosure is fraudulent we may also have the option of avoiding the contract from its beginning.

The General Insurance Code of Practice

We support and adhere to 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.

How we will deal with a complaint

If you are not satisfied with our products or services or a decision made in relation to your insurance, please let us know so that we can help. It is important to follow the complaint handling process in order to resolve your complaint effectively and efficiently.

Step 1. Let us know

If you would like to make a complaint, please let us know by contacting the relevant department as they may be able to resolve the complaint for you. If not, the staff member will refer you to a Manager or their delegate and they will attempt to resolve the complaint. A response is usually provided to you within **5** business days. You can contact us:

- ◆ **By phone:** **1800 804 016**
- ◆ **By email:** **customerservice@terrischeer.com.au**
- ◆ **In writing:** **GPO Box 1619,
Adelaide, South Australia 5001**

Step 2. Review by our Internal Dispute Resolution Team

If you are not satisfied with the outcome of the business review you can request the complaint be referred to the Internal Dispute Resolution (IDR) Team for review or you can contact them directly:

- ◆ **By phone:** **1300 264 783**
- ◆ **By email:** **idr@terrischeer.com.au**
- ◆ **In writing:** **Internal Dispute Resolution,
Terri Scheer Insurance Ltd,
PO Box 14180,
Melbourne City Mail Centre VIC 8001**

If we require additional information we will contact you to discuss. IDR will usually contact you with a decision within **15** business days of receiving your complaint.

Step 3. 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 Financial Ombudsman

Service (FOS). FOS is an independent external dispute scheme and their service is free to you. Any decision FOS makes is binding on us, provided you also accept the decision. You do not have to accept their decision and you have the option of seeking remedies elsewhere.

FOS is available to customers who fall within their terms of reference. FOS will advise if they can help you.

You can contact FOS:

- ◆ **By phone:** 1300 780 808
- ◆ **By fax:** (03) 9613 6399
- ◆ **By email:** info@fos.org.au
- ◆ **In writing:** **Financial Ombudsman Service,
GPO Box 3, Melbourne VIC 3001**
- ◆ **By visiting:** www.fos.org.au

Cooling off

You have the right to cancel and return the insurance contract within 30 days of the date it was issued to you ('cooling off period'), unless you make a claim under the contract within the cooling off period. If you cancel during this time, we will return the amount you have paid.

To cancel at other times, please see "Cancelling your policy" on page 64 of the policy wording.

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Our agreement with you

Your Policy consists of this Policy Wording and the *Policy Schedule* we give you.

The Policy is a legal contract between you and us:

- ◆ You agree to pay us the premium, and
- ◆ We will provide you with the cover you have chosen as set out in the Policy, occurring during the period of insurance shown on your *Policy Schedule* or any renewal period.

Information you need to tell us

Changing your Policy

If you want to make a change to this Policy, the change becomes effective when we agree to it, and when we give you a new *Policy Schedule* showing the revised details of the insurance. Any new *Policy Schedule* we give you will be in writing, and it will be effective if it is delivered:

- ◆ To you personally, or
- ◆ Posted to your address last known to us.

Change of circumstances during the period of insurance

You must tell us as soon as possible:

- ◆ If your personal details change, including your name, mailing or insured address,
- ◆ If there is any significant change in condition or change in use of the *property*,
- ◆ Of any changes that increase the risk of a claim being made under this insurance, such as that you are having major renovations undertaken or the *property* falls into a state of disrepair,
- ◆ If you transfer the management of your *property* from one licensed real estate agency to another licensed real estate agency during the *period of insurance*,

- ◆ If *your property* ceases to be managed by a licensed real estate agent during the *period of insurance*. The Policy will come to an end at 4.00pm on the third business day following the day *your property* ceases to be managed by a *Property Manager*.

When *you* tell us that *your property* is no longer managed by a licensed real estate agent, we will refund to *you* a proportion of the premium based on the remaining *period of insurance*, less any taxes which are not refundable.

Defined terms

Some key words and terms used in this Policy have a special meaning – these words are shown in *italic* throughout this document. If words and terms are only used in just one Section of the Policy, we will describe their special meaning in that Section. Wherever the following words or terms are used in the Policy, they mean what is set out below:

Above ground pool	A pool that has most of its water volume above the average ground level.
Accidental loss or damage	A sudden or unexpected loss which is caused by persons including <i>your tenant</i> , their family or their guests, but excludes: <ul style="list-style-type: none"> ◆ Damage caused over a period of time, ◆ <i>Malicious damage</i>, ◆ <i>Deliberate damage</i>, ◆ Damages otherwise excluded by this Policy, and ◆ Neglect, wear and tear.
Act	The <i>Act</i> of parliament relating to residential tenancies in <i>your</i> state or territory.
Act of Terrorism	An act, including but not limited to the use of force or violence and/or the threat of these, of any person or group(s) of persons, whether acting alone or on behalf of or in connection with any organisation(s) or government(s) which from its nature or context is done for, or in connection with, political, religious, ideological, ethnic or similar purposes or reasons, including the intention to influence any government and/ or to put the public, or any section of the public, in fear.
Actions or movement of the sea	Includes: <ul style="list-style-type: none"> ◆ Rises in the level of the ocean or sea, ◆ <i>Storm surge</i>, ◆ Sea waves, ◆ High tides or king tides, ◆ <i>Tsunami</i>, ◆ Any other actions or movements of the sea.

Bond monies	Those monies paid by the <i>tenant</i> and held as security deposit against damage or outstanding <i>rent</i> .
Break fee	The amount described in the <i>tenant's Lease</i> that is payable as a maximum penalty in the event the <i>tenant</i> breaks their <i>Lease</i> .
Building	<i>Building</i> is defined in Section 3: <i>Building</i> of this Policy.
Contents	<i>Contents</i> are defined in Section 2: <i>Contents</i> of this Policy.
Deliberate damage	<p>An act carried out without the owner's consent and with the full knowledge that the action will alter the current state of the <i>property</i>, but without any spite, malice or vindictiveness.</p> <p>This does not include:</p> <ul style="list-style-type: none"> ◆ Damage caused by the landlord or someone acting under the express consent of the landlord or the landlord's family, ◆ <i>Tenant</i> carelessness, neglect, unhygienic living habits or poor housekeeping, ◆ <i>Malicious</i> damage, ◆ Damaged caused by domestic pets, ◆ Scratching, denting or chipping, or ◆ <i>Accidental</i> loss or damage, ◆ Damage otherwise excluded by this policy.
Excess	<p>The first amount of any claim which <i>you</i> contribute. We will deduct the amount of the excess before the application of the maximum sum insured limits.</p> <p>The <i>excess</i> must be paid by <i>you</i> and is not considered a <i>re-letting expense</i> to be deducted from the <i>bond money</i>.</p>
Floating timber floor boards	Timber floors which are loosely laid (i.e. not fixed) onto a subfloor such as a concrete slab. The floorboards may be secured around the edge of the room or to each other, but not to the subfloor.

Flood	<p>'Flood' means the covering of normally dry land by water that has escaped or been released from the normal confines of any of the following:</p> <ul style="list-style-type: none"> ◆ A lake (whether or not it has been altered or modified), ◆ A river (whether or not it has been altered or modified), ◆ A creek (whether or not it has been altered or modified), ◆ Another natural watercourse (whether or not it has been altered or modified), ◆ A reservoir, ◆ A canal, ◆ A dam.
In-ground swimming pool	A pool which has most of its water volume below the average ground level.
Lease	The contract in place between <i>you</i> and the <i>tenant</i> to rent the <i>property</i> in accordance with the <i>Act</i> in <i>your</i> state or territory. This can either be a fixed term, periodical or a continuation of the <i>Lease</i> .
Legal expenses	The expenses incurred by the appointment of a solicitor/lawyer, with our prior approval and for the purpose of minimising the claim.
Malicious damage	<p>Damage committed on the <i>property</i> which is motivated by spite, malice or vindictiveness with the intention of damaging the <i>property</i>. This does not include:</p> <ul style="list-style-type: none"> ◆ Damage caused by the landlord or someone acting under the express consent of the landlord or the landlord's family, ◆ <i>Tenant</i> carelessness, neglect, unhygienic living habits or poor housekeeping, ◆ <i>Deliberate damage</i>, ◆ Damage caused by children, ◆ Damaged caused by domestic pets, ◆ Scratching, denting or chipping, or ◆ Damage as a result of repairs or attempted repairs carried out by the <i>tenant</i>.
Maximum amount	The maximum we will pay (inclusive of all <i>legal expenses</i>) for any one <i>occurrence</i> arising from an insured event.

Occurrence	Includes continuous or repeated exposure to substantially the same general conditions. We regard all death, bodily injury or loss of or damage to <i>property</i> arising from one original source or cause as one <i>occurrence</i> .
Open air	<ul style="list-style-type: none"> ◆ In or under any part of the site which is not fully enclosed by walls and a roof, such as a veranda, carport, gazebo or outdoor living area within the land boundaries, ◆ In or on a motor vehicle, motorcycle, trailer or caravan, whether those vehicles are locked or not. <p>“Open air” does not mean in common or shared areas of home units, flats, villas and the like.</p>
Period of insurance	The period shown on the <i>Policy Schedule</i> .
Pet Bond	Those monies paid by the <i>tenant</i> as prescribed by the <i>Act</i> , which can be held as a security deposit against loss or damage caused by a pet.
Policy Schedule	The schedule of insurance, or if we subsequently give <i>you</i> an endorsement notice, the endorsement notice.
Possessions	Items belonging to the <i>tenant</i> such as clothing, furniture and white goods which <i>you</i> are required to store for a period of time as prescribed by the <i>Act</i> . Possessions do not include: <ul style="list-style-type: none"> ◆ Items of any kind, including rubbish, which <i>you</i> are not required by law to store for the <i>tenant</i>.
Property	The <i>building</i> and its <i>contents</i> at the <i>situation</i> set out in the <i>Policy Schedule</i> which is: <ul style="list-style-type: none"> ◆ Owned by <i>you</i>, ◆ For use by the <i>tenant</i>, ◆ Primarily used as residential rental, and ◆ Where the <i>situation</i> is no more than 2 acres in size.
Property Manager	The licensed real estate agent or on-site <i>Property Manager</i> shown as the ‘managing agent’ in the <i>Policy Schedule</i> .
Rainwater	Rain which falls naturally from the sky. It includes rainwater run-off over the surface of the land, but not <i>flood</i> .

Re-letting expenses	Are those costs that the <i>tenant</i> can be held liable for under their <i>Lease</i> and the relevant Residential Tenancy <i>Act</i> .
Rent	Rent applying under the <i>Lease</i> at the time of loss or damage.
Rent arrears	Means the <i>tenant's</i> rental payments were in arrears to the extent that a vacate/breach notice on the grounds of a breach of the <i>Lease</i> to pay <i>rent</i> could have been issued in accordance with the <i>Act</i> in <i>your</i> state or territory.
Situation	The address at which the <i>property</i> is located.
Storm	Violent wind, cyclone or tornado which may also include rain, hail or snow.
Storm surge	A rise in the sea level due to the meteorological conditions above the predicted astronomical tide level of a particular day.
Tenant	The person or persons named in the current <i>Lease</i> who <i>occupy the property</i> and <i>pay rent</i> .
Tenant's family	These people if they normally reside in the <i>property</i> – the <i>tenant's</i> spouse (legal or de-facto), or partner, parents, parents- in-law, siblings or siblings of the <i>tenant's</i> spouse, children or the children of the <i>tenant's</i> spouse.
Tenantable	The <i>property</i> could be reasonably and safely re-let in its current condition without adversely affecting the amount of <i>rent</i> being sought.
Tsunami	A sea wave caused by a disturbance of the ocean floor or by seismic movement.
Untenantable	The <i>Property Manager</i> could not reasonably attempt to re-let the <i>property</i> until loss or damage claimable under this Policy has been repaired, replaced or reinstated but does not include periods of elective maintenance or improvement.
Watercraft	Any vessel, machine or object designed to be used on or in water.
Weekly rent sum insured	This amount is set out in <i>your Policy Schedule</i> .
You, Your	The person(s), companies or firms named on the current <i>Policy Schedule</i> as the 'Insured'.
Your family	Any member of <i>your</i> family who lives permanently with <i>you</i> , including <i>your</i> partner.

Section 1: Loss of Rent

What you are covered for

If any of the insured events listed in Section 1 occur during the *period of insurance*, we will pay *your* resulting loss of *rent* on the basis set out under the heading 'Basis on which claims are paid' and subject to the Limits and Conditions applicable to this section and the General Terms and Conditions and General Exclusions applying to this Policy together with the requirements outlined under the heading: 'Making a claim'.

Insured Event	Limit
<p>a) Absconding Tenant</p> <p>Payable if a <i>tenant</i> vacates with or without giving <i>you</i> the required notice in accordance with their <i>Lease</i>, or vacates at the end of their <i>Lease</i> leaving unpaid <i>rent</i>.</p> <p>Cover will commence from the day following the <i>tenant's rent</i> 'paid to' date, through until whichever of the following events occurs first:</p> <ul style="list-style-type: none"> ◆ The <i>property</i> is re-let, ◆ The <i>tenant's Lease</i> expires, or ◆ The Limit is reached. <p>We will not pay more than <i>you</i> would be legally entitled to recover from the <i>tenant</i> due to non compliance with their <i>Lease</i>.</p>	<p>6 weeks loss of <i>rent</i></p>
<p>b) Defaulting Tenant (by court order)</p> <p>Payable if a court/tribunal order, for the termination of the <i>tenant's Lease</i>, on the grounds of <i>rent arrears</i>, has been issued.</p> <p>Cover will commence from the day following the <i>tenant's rent</i> 'paid to' date, through to whichever of the following events occurs first:</p> <ul style="list-style-type: none"> ◆ The <i>property</i> is re-let, ◆ The <i>tenant's Lease</i> expires, or ◆ The Limit is reached. <p>We will not pay more than <i>you</i> would be legally entitled to recover from the <i>tenant</i> due to non compliance with their <i>Lease</i>.</p>	<p>15 weeks loss of <i>rent</i></p>

<p>c) Defaulting Tenant (by termination notice)</p> <p>Payable where a <i>tenant</i> vacates because they were issued a termination notice by <i>your Property Manager</i> on the grounds of <i>rent arrears</i>.</p> <p>Cover will commence from the day following the <i>tenant's rent</i> 'paid to' date, through to whichever of the following events occurs first:</p> <ul style="list-style-type: none"> ◆ The <i>property</i> is re-let, ◆ The <i>tenant's Lease</i> expires, or ◆ The Limit is reached. <p>We will not pay more than <i>you</i> would be legally entitled to recover from the <i>tenant</i> due to non compliance with their <i>Lease</i>.</p> <p>If <i>you</i> have applied for a court hearing to seek vacant possession of the <i>property</i> subsequent to the expiry of the termination notice and the <i>tenant</i> vacates prior to that hearing, we will increase the Limit for this event up to a maximum of 10 weeks.</p>	<p>6 weeks loss of <i>rent</i></p>
<p>d) Failure to give vacant possession</p> <p>Payable where <i>your tenant</i> has refused to pay <i>rent</i> and has resisted all attempts by <i>you</i> or <i>your Property Manager</i> to gain vacant possession following service of the Court/Bailiff/Tribunal order for possession or eviction.</p> <p>Cover will commence from the day following the <i>tenant's rent</i> 'paid to' date, through to whichever of the following events occurs first:</p> <ul style="list-style-type: none"> ◆ The <i>property</i> is re-let, ◆ The <i>tenant's Lease</i> expires, or ◆ The Limit is reached. <p>We will not pay more than <i>you</i> would be legally entitled to recover from the <i>tenant</i> due to non compliance with their <i>Lease</i>.</p>	<p>28 weeks loss of <i>rent</i></p>
<p>e) Death of tenant</p> <p>Payable in the event of the death of <i>your tenant</i> and they were the sole person listed on the <i>Lease</i>.</p> <p>Cover will commence from the day following the <i>tenant's rent</i> 'paid to' date, through to whichever of the following events occurs first:</p> <ul style="list-style-type: none"> ◆ The <i>property</i> is re-let, or ◆ The Limit is reached. 	<p>15 weeks loss of <i>rent</i></p>

<p>f) Hardship</p> <p>Payable if a court awards the <i>tenant</i> a release from their <i>Lease</i> obligations, over and above the <i>tenant's bond monies</i>, due to hardship.</p> <p>Cover will commence from the day following the <i>tenant's rent</i> 'paid to' date, through to whichever of the following events occurs first:</p> <ul style="list-style-type: none"> ◆ The <i>property</i> is re-let, ◆ The <i>tenant's Lease</i> expires, or ◆ The Limit is reached. <p>We will not pay more than <i>you</i> would be legally entitled to recover from the <i>tenant</i> due to non compliance with their <i>Lease</i>.</p>	<p>4 weeks loss of <i>rent</i></p>
<p>g) Untenantable (building)</p> <p>Payable where <i>your property</i> becomes <i>untenantable</i> for a minimum period of 7 days due to:</p> <ul style="list-style-type: none"> ◆ <i>Malicious damage</i> to <i>your building</i> caused by <i>your tenant</i>, (provided we have accepted your <i>malicious damage</i> claim under Section 3), or ◆ Murder or suicide, or attempted murder or suicide. <p>Cover will commence from the date the <i>property</i> became <i>untenantable</i> until whichever of the following events occurs first:</p> <ul style="list-style-type: none"> ◆ The date two weeks after the <i>property</i> becomes tenantable again, but only if <i>you</i> have attempted to re-let the <i>property</i> and have been unable to, or ◆ The date <i>you</i> re-let the <i>property</i>, or ◆ The Limit is reached. 	<p>52 weeks loss of <i>rent</i></p>
<p>h) Untenantable (contents)</p> <p>Payable where <i>your property</i> becomes <i>untenantable</i> for a minimum period of 7 days due to:</p> <ul style="list-style-type: none"> ◆ <i>Your contents</i> only being damaged by an Insured Event listed in Section 2 of the Policy. <p>Cover will commence from the date the <i>property</i> became <i>untenantable</i> until whichever of the following events occurs first:</p> <ul style="list-style-type: none"> ◆ The <i>property</i> becomes <i>tenantable</i>, ◆ The <i>property</i> is re-let, or ◆ The Limit is reached. 	<p>6 weeks loss of <i>rent</i></p>

<p>i) Prevention of access</p> <p>Payable when <i>your tenant</i> does not have access to <i>your property</i>, as a result of damage to other <i>property</i> in its immediate vicinity caused by an Insured Event listed in Section 2 of this Policy. (except <i>Malicious damage</i>).</p> <p>Cover will commence from the date access was prevented until whichever of the following events occurs first:</p> <ul style="list-style-type: none"> ◆ When access was restored, or ◆ The Limit is reached. 	<p>52 weeks loss of rent</p>
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Additional benefits

Your legal expenses

If we have accepted a claim under an Insured Event under Section 1 of this Policy, we will also pay up to \$5,000 for each claim for *legal expenses*, provided they have been incurred with our prior written approval, and are for the purpose of reducing *your* claim under Section 1 of this Policy or filing a legal defence while the claim is being investigated.

Replacement of locks

If we have accepted a claim caused by Insured Event b) Defaulting *tenant* (by court order) in Section 1 of this Policy, and the *tenant* has not returned the keys for the *property*, we will also pay up to \$250 per claim for the costs *you* incur (over and above the *tenant's bond monies*), to replace locks at the *property* following the successful eviction of a *tenant*.

Representation costs

If we have accepted a claim for an Insured Event under Section 1 of this Policy, we will pay up to \$500 during any one *period of insurance* for the costs *you* incur as a result of *your Property Manager*:

- ◆ Representing *you* in court or a tribunal for the purpose of obtaining a court order against the *tenant*. This benefit only applies where the liability for this expense is specifically expressed in the Managing Agent Agreement between the landlord and the *Property Manager*, and/or

- ◆ Engaging a bailiff/sheriff for the purpose of evicting *your tenant* – this benefit has a sub limit of \$300 per claim.

However, we will not pay costs incurred or charged by the *Property Manager* on *your* behalf, such as:

- ✗ Representation costs associated with the release of the *tenant's bond monies*,
- ✗ Court or tribunal filing fees,
- ✗ Lodgement or application fees, or
- ✗ Preparing an insurance claim.

Removal of goods

If we have accepted a claim caused by an Insured Event in this Section 1 and the *tenant* has vacated leaving their *possessions* at the *property*, then we will pay up to \$500 per *tenancy* for costs *you* incur (over and above the bond amount) for:

- ◆ The removal of the *tenant's possessions* from the *property*, and
- ◆ For the storage of the *possessions* for the time required by the *Act*.

Reletting expenses in excess of the bond

If we have accepted a claim for an Insured Event under Section 1 of this Policy, we will also pay up to \$500 during any one *period of insurance* for *reletting expenses* that exceed the *tenant's bond money*.

This benefit will only apply if:

- ◆ *Bond money*, equivalent to 4 weeks rent has been collected from the *tenant*, and
- ◆ The *bond money* has been fully exhausted.

Re-letting expenses that do not exceed the *tenant's bond money* are not claimable under this Policy.

Conditions – Section 1

A claim under ‘Section 1– Loss of rent’ may be refused or reduced if the following terms and conditions have not been met or followed.

Rent is in arrears at commencement of policy

If the *tenant’s rent* payments were in arrears in the 2 months prior to the commencement of the Policy, then *rent* cover is not available unless the ‘*Rent arrears*’ clause has been met – refer to ‘General Terms and Conditions’ on page 63 for this clause.

Loss of rent before commencement of policy

We do not cover loss of *rent*, for any period before the commencement of the initial *period of insurance*.

Breach notices are not issued

We may reduce or refuse *your rent arrears* claim if *you* or *your Property Manager*:

- ◆ Fail to issue or delay issuing *rent arrears* and termination notices to the *tenant*, or
- ◆ Fail to pursue or delay pursuing a court or tribunal order for the eviction of the *tenant* following the expiry of the breach or termination notice.

The above processes should be followed in accordance with the *Tenancy Act* in the State or Territory in which *your property* is located.

Failure to repair and re-let

You or *your Property Manager* must demonstrate that all reasonable steps have been taken to repair and re-let the *property* as soon as possible after the departure of the *tenant* or damage is discovered. If *you* fail to do so, we will commence the loss of *rent* claim 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

If *you* cause unreasonable delays in commencing or carrying out any repair or rebuilding work, we will reduce the rental income benefit to take into account any loss of *rent* that results from *your* delay.

Market conditions

This Policy does not cover *your* inability to rent the premises due to adverse market conditions. This means that if none of the Insured Events covered by Section 1 has occurred and the conditions of the rental market dictate that a vacancy period will be sustained between tenancies, the Policy will not cover that loss.

Alternate accommodation

Section 1 does not provide cover for alternate accommodation costs for the *tenant* as a result of the *property* becoming *untenantable* for any reason.

Vacant at time of loss

Cover under Insured Events g) *Untenantable (building)*, h) *Untenantable (contents)* and i) Prevention of access of this Policy Section 1, will only apply when:

- ◆ The *property* was tenanted immediately prior to, or at the time of it becoming *untenantable* or when access was prevented, or
- ◆ *You* can demonstrate that the *property* would have been tenanted had the loss not occurred.

Basis on which claims are paid

Weekly rent

The maximum weekly loss of *rent* that is recoverable under this Policy is the *weekly rent sum insured* shown on *your Policy Schedule*.

How we calculate what we will pay

Loss of *rent* is calculated using either:

- ◆ The weekly *rent* of the *tenant* in accordance with their current *Lease*, or
- ◆ The weekly *rent sum insured* on your *Policy Schedule*, whichever is less.

This is then multiplied by the number of week's loss of *rent* that *you* are entitled to under this *Policy*.

This amount is then reduced by:

- ◆ Any *bond monies* left over after subtracting allowable *re-letting expenses*^{*},
- ◆ Any *break fee*, which the *tenant* has paid under their *Lease*, and
- ◆ Any applicable *rent excess* shown on your *Policy Schedule*.

The resultant amount, if it exceeds the *Policy Limit* that applies to the event being claimed, is then reduced to that *Policy limit*.

^{*}*Re-letting expenses* include but are not limited to:

- ◆ General/carpet cleaning,
- ◆ Gardening costs & rubbish removal,
- ◆ Water usage, letting fees and advertising, and
- ◆ The cost of minor repairs which are not covered by this or any other insurance as a result of a policy excess.

Claims for more than one Insured Event

Where a claim is possible under more than one of the *Insured Events* of this Section, *you* may only claim under one of those *Insured Events* for any one period of *rent* loss.

Section 2: Contents

What are 'Contents'?

Contents include any of the items listed below which are owned by *you* (or which *you* are legally responsible for), which are listed in the most recent inventory/*property* condition report and which have been left at the *property*:

- ◆ Portable household goods and electrical appliances,
- ◆ Household furniture, furnishings and light fittings (not hardwired to the *building*),
- ◆ Curtains or internal blinds,
- ◆ Manchester and linen,
- ◆ *Floating timber floorboards*,
- ◆ Carpets and floor rugs,
- ◆ *Above ground pools* or spas (including their fixed accessories).

Strata Titled Buildings

For Strata titled buildings '*contents*' also means: temporary wall, floor and ceiling covers, and any fixture or structural improvement servicing a particular lot which the body corporate or similar is not required by law to insure.

'Contents' are not

Contents do not include any of the following items:

- ✗ Anything included in the definition of '*Building*' in Section 3 of this Policy
- ✗ Computers, computer tapes, or discs
- ✗ Cameras and photographic equipment,
- ✗ Electronic data and images on films, negatives or photographs, memory cards, hard drives, video tapes, compact discs and DVDs,

- ✘ Tools of trade, commercial or retail stock,
- ✘ Pets, animals, birds, reptiles or insects,
- ✘ Plants, hedges, trees or shrubs, except those in pots or tubs,
- ✘ Grass, lawn or artificial turf,
- ✘ Soil or bark (mulch), gravel, stones, shale or clay on or in paths, gardens, driveways or tennis courts,
- ✘ Any *property* which is illegally in *your* possession,
- ✘ Clothing, jewellery, furs, watches or other personal effects,
- ✘ Cash, coins, transaction cards or any other negotiable instruments,
- ✘ Unset precious stones,
- ✘ Antiques (except antique furniture),
- ✘ Gold or silver objects or materials made of, covered by or containing gold or silver,
- ✘ Sporting goods or equipment,
- ✘ Stamps, coins or medals,
- ✘ Wills, share certificates, manuscripts, plans and documents of any kind,
- ✘ Pictures or works of art valued at more than \$1,000 each item,
- ✘ Hand woven rugs or hand woven carpets,
- ✘ *Watercraft*, bicycles, vehicles of any type (including, wheel chairs, motor vehicles, trailers, caravans, motorised toys, motor cycles, all-terrain vehicles), aircraft, or *contents* stored in any of these, and
- ✘ Accessories or spare parts of *watercraft*, bicycles, vehicles of any type (including wheel chairs, motor vehicles, trailers, caravans, motorised toys, motor cycles, all-terrain vehicles) or aircraft.

What we do and do not cover (Contents)

If any of the Insured Events listed in this Section 2 occur during the *period of insurance*, we will pay for resulting loss or damage to *your* Contents on the basis set out under the heading 'Basis on which claims are paid' and subject to the Limits, Conditions and Exclusions applicable to this section and the General terms and Conditions and General Exclusions applying to this Policy together with the requirements outlined under the heading 'Making a claim'.

Insured Events

a) **Accidental loss or damage.**

We will not provide cover when:

- ✘ Damage is covered by another Insured Event in this Section 2, or
- ✘ The *property* is occupied or damaged by *you* or *your family* or *your* non-paying guests.

b) **Deliberate damage** caused by:

- ◆ *Your tenant,*
- ◆ *Your tenant's family,*
- ◆ *Your tenant's visitors,*
- ◆ An unknown person e.g. a burglar.

We will not provide cover:

- ✘ When the *property* is occupied or damaged by *you* or *your family* or *your* non-paying guests.

c) **Earthquake.**

- ✘ But not tidal wave or *tsunami*.

d) **Electric motor burnout**

We will pay up to \$2,000 for the cost to repair or replace any motor in a household electrical machine or appliance, but only if:

- ◆ The electrical machine or appliance forms part of *your contents* and,
- ◆ The motor is burnt out by electric current, and
- ◆ The motor is burnt out at the *property*.

We will not pay for:

- ✗ Costs to replace fuses or protective devices, contact switches or relays, lighting or heating elements, starter switches, other parts where sparking or arcing occurs during their ordinary use,
- ✗ Damage to mechanical parts of any description,
- ✗ The hiring of a replacement appliance or machine,
- ✗ Any electrical appliance or component which is not an electric motor,
- ✗ Mechanical parts which do not carry an electric current such as a pump,
- ✗ Loss of or damage to computer software or data stored on a computer,
- ✗ Lighting or heating elements, fuses or switches of any kind,
- ✗ Damage to swimming pools, spas or their water as a result of fusion, or
- ✗ Any amount recoverable under a manufacturer's guarantee or warranty.

However, *you* must contribute towards the cost of replacement parts where the age of the motor is more than 5 years. The contribution will be 7% of the cost of the replacement parts for each complete year of age from new.

For example: If the motor is 6 years old, we will depreciate it by 42% (6 years x 7%), meaning that if the cost of replacement parts is \$1000, we will deduct \$420 depreciation.

e) **Fire or explosion.**

f) **Flood**

But we do not cover damage:

- ✗ Caused by the *actions or movements of the sea* (e.g. *storm surge, tsunami, high tides* etc)
- ✗ Caused by erosion, vibration, subsidence, landslip, landslide, mudslide, collapse, shrinkage or any other earth movement, but we will cover damage caused by a landslide or subsidence that occurs within 72 hours of, and directly because of *flood*, and not because of erosion over time, structural fault or design fault,

- ✘ To water in a tank, swimming pool or spa or their liners or covers,
- ✘ For the cost of cleaning mud or debris out of tanks, swimming pools or spas,
- ✘ To swimming pools and their parts or underground tanks caused by water leaking down the sides, against the sides, or getting underneath them,
- ✘ The cost of cleaning *your contents* at the insured address.

g) **Glass breakage** in free standing furniture such as table tops, dressing table mirrors and wall units but excluding glass:

- ✘ In clocks, pictures, radios, television sets or visual display units (e.g. computer monitors),
- ✘ That was damaged or that had imperfections before the breakage, or
- ✘ That is only chipped or scratched or which arises from any imperfections in the glass.

h) **Impact** by:

- ◆ Motor vehicles or water craft,
- ◆ Aircraft, space debris or satellites,
- ◆ Falling trees and branches, or
- ◆ TV antennae, satellite dishes or radio masts.

We will not pay for:

- ✘ Damage caused by tree lopping or felling carried out by *you* or at *your* request, or
- ✘ Removal of the fallen tree or branch unless it is required to allow repairs to be carried out.

i) **Lightning**, including power surge caused by lightning striking power supplies away from the *property*, but only when *you* can show us reasonable meteorological evidence that lightning was the most likely cause of the power surge.

j) **Malicious damage** caused by:

- ◆ *Your tenant*,
- ◆ *Your tenant's family*,
- ◆ *Your tenant's visitors*,
- ◆ An unknown person e.g. a burglar.

We will not provide cover when:

- ✘ The *property* is occupied or damaged by *you* or *your* family or *your* non-paying guests.

k) **Oil leakage** from any heater.

l) **Pet Damage** caused by a domestic pet.

Cover will only apply if:

- ◆ The pet is owned by the *tenant*,
- ◆ The landlord has agreed for the pet to be at the *property*,
- ◆ The pet is noted on the *tenant's Lease*,
- ◆ Where *you* are legally able to collect a *pet bond* from the *tenant*, then that *pet bond* must be collected and be applied to any pet damage costs prior to making a claim.

Cover will not apply for damage that results from:

- ✗ The keeping of reptiles.

The most we will pay for this insured event under Sections 2 and 3 combined is \$500 during any one *period of insurance*.

m) **Riot or civil commotion.**

n) **Scorching** caused by cigarettes, irons or hot cooking pots/pans.

This cover only applies to:

- ◆ Carpet – but only in the room where loss or damage occurs.
- ◆ Bench/vanity tops – but only to the section of bench/vanity top that was damaged.

Cover will not apply:

- ✗ For damage to any item of *buildings/contents* not listed above, and
- ✗ If the scorching is *malicious damage*.

The most we will pay for this insured event under Sections 2 and 3 combined is \$1,000 during any one *period of insurance*.

o) **Storm or rainwater**, but there is no cover for loss or damage:

- ✗ Caused by *flood*,
- ✗ Caused by wind, *rainwater*, hail or snow penetrating into *your building*, unless it enters as a result of structural damage made by the *storm*,
- ✗ Caused by wind, *rainwater*, hail or snow penetrating into *your building* as a result of faulty design of *your building* or faulty workmanship in its construction,
- ✗ Caused by wind, *rainwater*, hail or snow penetrating into *your building* as a result of structural alterations, additions, renovations or repairs,
- ✗ Caused by *the actions or movement of the sea*,

- ✘ Loss or damage caused by erosion, vibration, subsidence, landslip, landslide, mudslide, collapse, shrinkage or any other earth movement, but we will cover damage caused by a landslide or subsidence that occurs within 72 hours of, and directly because of a *storm* and not because of erosion over time, structural fault or design fault,
- ✘ Due to rust, corrosion, wear, tear or gradual deterioration,
- ✘ To swimming pool or spa covers or liners,
- ✘ Resulting from *your* failure, or failure by *your Property Manager*, to maintain the *property* in a good state of repair or failure to fix damage or deterioration,
- ✘ Due to a defect that *you* or *your Property Manager* were aware of or should reasonably have been aware of.

Under no circumstances will we pay the cost of rectifying the defect itself.

p) **Theft** or damage due to theft caused by:

- ◆ *Your tenant*,
- ◆ *Your tenant's* family,
- ◆ *Your tenant's* invited guests, or
- ◆ An unknown person e.g. a burglar.

We will not provide cover when:

- ✘ The *property* is occupied or damaged by *you* or *your family*, *your* non-paying guests, or any person acting for *you*.

q) **Water damage** due to the accidental escape of liquid from any:

- ◆ *Rainwater* pipes, roof guttering and drains,
- ◆ Water main or pipe,
- ◆ Water tanks, aquariums and hot water systems,
- ◆ Roads, pathways, gutters,
- ◆ Washing machine or dishwasher, and
- ◆ Other parts of the *property* designed to contain or carry liquid such as sinks, basins, baths and cisterns.

We will not provide cover for:

- ✘ Loss or damage caused by the gradual escape of liquid over a period of time,
- ✘ Loss or damage caused by the porous condition of any tiles, grout or sealant,
- ✘ Loss or damage due to a leaking shower base which has not been fitted with a tray or water proof membrane, or
- ✘ The cost to locate or repair the defective part or item that causes the loss or damage.

Contents in the 'open air'

We will not pay for loss or damage to *your contents* in the *open air* that is caused by *storm* or *rainwater*.

We will not pay more than \$3,000 per claim for *contents* in the *open air* caused by any other insured event.

Basis on which claims are paid

Limit of Amount Payable

The maximum combined amount we will pay under Section 2: 'Contents', and Section 3: 'Building', during any one *period of insurance* is \$60,000 or the sum insured shown in the *Policy Schedule*.

Deliberate damage is limited to \$500 per claim.

Floating timber floorboards are limited to \$2,000 per claim.

Electric Motor Burnout is limited to \$2,000 per claim.

How we calculate what we will pay

After considering the terms and conditions of the Policy we will determine the amount of loss or damage that is covered.

This will be reduced by:

- ◆ Any available *bond money* from the *tenant**, then
- ◆ By any applicable *excess(s)***.

We will then apply the policy limit (if applicable) to *your claim* and pay *you* the remaining amount. We will not pay more than the sum insured shown on *your Policy Schedule*.

*When *your contents* are damaged by the *tenant*, *you* must use their *bond money* for *re-letting expenses* and rental arrears and then apply any balance to reduce the loss or damage being claimed.

We will not pay for loss of, or damage to *contents* items that could have, but were not deducted from the *bond money* prior to making a refund of *bond money* to the *tenant*.

**Refer to section 'Making a Claim' for *excess values* and how they are applied.

Repairing and replacing contents

When an Insured Event causes loss or damage to *your contents* during the *period of insurance*, and we accept *your* claim, we will decide which of the following actions we will take.

- ◆ Repair
If an item can be economically repaired we will pay the reasonable cost of repairing it with new materials.
- ◆ Replace
Unless otherwise stated, we will replace any items which are less than 20 years old with a new one at 'replacement value' if it cannot be economically repaired. For items that are over 20 years old, we will pay *you* the 'indemnity value'.
- ◆ When *you* do not want a replacement item or repairs
If *you* do not want us to replace an item or to repair it and want cash instead, we will pay *you* the 'indemnity value' or the cost of repairs (if repairs are possible) or the *contents* sum insured, whichever is less.
- ◆ When the item cannot be replaced
If we agree that an item cannot be replaced then we will pay the lesser of the *contents* sum insured or the retail value of the item at the time of the loss or damage.
- ◆ Pay *you* the amount to repair or replace
If we decide to pay the cost of repairing or replacing *your contents* then we will pay the lesser of the *contents* sum insured or:
 - The retail value of the item at the time of the loss or damage, if it cannot be repaired, or
 - The repair cost, if repairs are possible.
- ◆ Pairs and sets
If the item for which *you* are claiming forms a part of a pair, set or collection, we only pay the reasonable costs of replacing or repairing that item. We do not pay for any special value the item may have as part of the pair, set or collection.

If we decide to repair or replace *your contents* we will make reasonable endeavours to match existing materials or *contents*.

We will not pay to replace any undamaged item or materials, unless otherwise specified by us.

Indemnity value for the purposes of this section means the new replacement cost, less an allowance for age, wear, tear and depreciation, at the time of the loss or damage.

Replacement value for the purposes of this section means the new replacement cost of new items or materials with the same (or, if the same is not available, substantially the same) specifications from outlets within Australia, at the time the claim is made.

Carpets

- ◆ We will only pay for repair or replacement of carpet in the room where damage occurs – this could include carpet within that room which is undamaged. However, we will not pay to repair/replace undamaged carpet in other rooms to achieve a match with the carpet we have repaired/replaced.
- ◆ Whilst we will try to match carpet with the original materials, if this is not possible, we reserve the right to use nearest equivalent or similar materials.
- ◆ Where the carpet in one room has *accidental damage* caused by:
 - One event, we will apply one *excess* to the claim,
 - More than one event, we will treat the damage to the carpet in that room as ‘one event’ and apply one *excess* to the claim.
- ◆ Where the carpet in more than one room has *accidental damage* caused by:
 - One event, we will apply one *excess* to the claim,
 - More than one event, we will apply one *excess* for each room with damaged carpet.

Curtains

We will only pay for repair or replacement of damaged curtains in the room where damage occurs.

Furniture coverings

If the covering of an item of furniture cannot be repaired or replaced (or repairs have been unsuccessful) we will pay *you*:

- ◆ The replacement cost of the furniture. For furniture that is more than 10 years old, we will pay *you* the indemnity value, and
- ◆ For any unsuccessful repairs,

less any applicable excess.

If the covering of an item of furniture cannot successfully be repaired or replaced and it forms part of a set (or suite), we will treat the entire set as a total loss. If we do this, the set becomes our property.

Manchester and linen

We will pay *you* the indemnity value of Manchester and linen, less any applicable excess.

Section 3: Building (tenant damage)

What is 'Building'?

Building means the *property* owned by *you* at the address shown in the *Policy Schedule*, used principally and primarily as a residential *building*, and includes:

- ◆ Domestic fixtures and fittings i.e. built in air conditioners and heaters, plumbed-in dishwashers, garbage disposal systems, cook tops, built-in cabinetry, doors, walls, windows (and glass), tapware, hot water systems and shower screens,
- ◆ Structural domestic improvements such as paths, driveways, garden borders, *your* proportion of fencing, gates, retaining walls, *in-ground swimming pools* and spas (including attachments which fit into their filter systems),
- ◆ External awnings, pergolas, fixed rainwater tanks, solar panels and their fixed accessories (e.g. inverters), TV antennae, satellite dishes and letter boxes,
- ◆ Fixed floor coverings such as linoleum, floor tiles and parquetry, (but not carpets)
- ◆ Fixed light fittings which are hardwired to the *building*,
- ◆ Tennis courts, and
- ◆ Underground services such as plumbing, sewerage, water and electrical which are located on *your property*.

'Building' is not

Building does not include:

- ✗ *Any item* defined as Contents in Section 2 of this Policy,
- ✗ Common property if the *building* is part of a strata title or any property that is insured by the body corporate, whether or not that property is contained within *your* unit or lot and whether or not any excess applies to the strata title insurance,

- ✘ Carpets, carpet underlay or *floating timber floorboards* (these are insured under *contents*),
- ✘ Grass, lawn, artificial turf, plants, hedges, trees or shrubs,
- ✘ Soil or bark (mulch) in gardens,
- ✘ *Above-ground swimming pools*,
- ✘ Any jetty or other marine structure,
- ✘ Caravans trailers or vehicles of any kind, or
- ✘ Gravel, stones, shale, or soil on paths, driveways or tennis courts.

What we do cover (building)

If any of the Insured Events listed in this Section 3 occur during the *period of insurance*, we will pay for resulting loss or damage to *your Building* on the basis set out under the heading 'Basis on which claims are paid' and subject to the Limits, Conditions and Exclusions applicable to this Section and the General terms and Conditions and General Exclusions applying to this Policy together with the requirements outlined under the heading 'Making a claim'.

Insured Events

a) **Accidental loss or damage** caused by:

- ◆ *Your tenant*,
- ◆ *Your tenant's family*, or
- ◆ *Your tenant's invited guests*,

But only to the extent that it is not also directly or indirectly caused by a specified event that is excluded under the heading 'What we do not cover (building)' on page 41.

We will not provide cover when:

- ✘ The *property* is occupied or damaged by *you*, *your family* or *your non-paying guests*.

b) **Deliberate damage** caused by:

- ◆ *Your tenant*,
- ◆ *Your tenant's family*, or
- ◆ *Your tenant's invited guests*.

We will not provide cover when:

- ✘ The *property* is occupied or damaged by *you*, *your family* or *your non-paying guests*.

c) **Malicious damage** caused by:

- ◆ *Your tenant,*
- ◆ *Your tenant's family, or*
- ◆ *Your tenant's invited guests.*

We will not provide cover when:

- ✗ *The property is occupied or damaged by you, your family or your non-paying guests.*

d) **Pet Damage** caused by a domestic pet.

Cover will only apply if:

- ◆ *The pet is owned by the tenant,*
- ◆ *The landlord has agreed for the pet to be at the property,*
- ◆ *The pet is noted on the tenant's Lease,*
- ◆ *Where you are legally able to collect a pet bond from the tenant, then that pet bond must be collected and be applied to any pet damage costs prior to making a claim.*

Cover will not apply for damage that results from:

- ✗ *The keeping of reptiles.*

The most we will pay for this insured event under Sections 2 and 3 combined is \$500 during any one *period of insurance*.

e) **Scorching** caused by cigarettes, irons or hot cooking pots/pans.

This cover only applies to:

- ◆ *Carpet – but only in the room where loss or damage occurs.*
- ◆ *Bench/vanity tops – but only to the section of bench/vanity top that was damaged.*

Cover will not apply:

- ✗ *For damage to any item of building/contents not listed above, and*
- ✗ *If the scorching is malicious damage.*

The most we will pay for this insured event under Sections 2 and 3 combined is \$1,000 during any one *period of insurance*.

f) **Theft** or damage due to theft caused by:

- ◆ *Your tenant,*
- ◆ *Your tenant's family, or*
- ◆ *Your tenant's invited guests.*

But only to the extent that it is not also directly or indirectly caused by a specified event that is excluded under the heading 'What we do not cover' on page 41.

We will not provide cover when:

- ✗ *The property is occupied or damaged by you, your family or your non-paying guests.*

What we do not cover (building)

The *building* is not covered against loss or damage caused by the following events:

- ✘ Theft, *malicious, deliberate* or *accidental damage* caused by any person, other than *your tenant, your tenant's family, or your tenant's invited guests*,
- ✘ Fire (unless maliciously caused by the *tenant*),
- ✘ Explosion,
- ✘ Lightning strike,
- ✘ Earthquake,
- ✘ Riot or civil commotion,
- ✘ Water damage due to the accidental escape of liquid from any:
 - *Rainwater* pipes, roof guttering and drains,
 - Water main or pipe,
 - Water tanks, aquariums and hot water systems,
 - Roads, pathways, gutters,
 - Washing machine or dishwasher, and
 - Other parts of the *property* designed to contain or carry liquid such as sinks, basins, baths and cisterns,
- ✘ Oil leakage from any heater,
- ✘ *Accidental* breakage of fixed glass, shower base, basin, sink, bath, lavatory pan or cistern,
- ✘ Impact by:
 - Motor vehicles or *watercraft*,
 - Aircraft, space debris or satellites,
 - Falling trees and branches, and
 - TV antennae, satellite dishes or radio masts,
- ✘ *Storm, rainwater or flood*,
- ✘ *Action or movement of the sea*,
- ✘ Erosion, subsidence, landslide, mudslide, expansion or contraction of the earth, any other earth movement or underground water,
- ✘ Wind, *rainwater*, hail or snow penetrating into *your building* as a result of faulty design of *your building* or faulty workmanship in its construction, or
- ✘ Rust, corrosion, wear, tear or gradual deterioration.

Basis on which claims are paid

Limit of amount payable

The maximum combined amount we will pay under Section 2: 'Contents' and Section 3: 'Building', during any one *period of insurance* is \$60,000 or the sum insured shown in the *Policy Schedule*.

Deliberate damage is limited to \$500 per claim.

How we calculate what we will pay

After considering the terms and conditions of the Policy we will determine the amount of loss or damage that is covered. This will be reduced by:

- ◆ Any available *bond money* from the *tenant**, then
- ◆ By any applicable *excess(s)***.

We will then apply the Policy limit (if applicable) to *your* claim and pay *you* the remaining amount. We will not pay more than the sum insured shown on *your Policy Schedule*.

*When *your building* is damaged by the *tenant*, *you* must use their *bond money* for *re-letting expenses* and *rental arrears* and then apply any balance to reduce the loss or damage being claimed. We will not pay for loss of, or damage to *building* items that could have, but were not deducted from the *bond money* prior to making a refund of *bond money* to the *tenant*.

**Refer to section 'Making a Claim' for excess values and how they are applied.

Repairing and replacing your building

When an insured event causes loss or damage to *your building* during the *period of insurance*, and we accept *your* claim, we will decide which of the following actions we will take.

◆ Repair

If we establish *your building* can be repaired, then we will repair it using new materials.

◆ Replace

If we establish that *your building* needs to be replaced, then we will replace it using new materials.

◆ Pay you the amount to repair or replace

If we decide to pay the cost of repairing or replacing *your building* then we will pay the lesser of the *building* sum insured, the retail value of the *building* fixture (if applicable) at the time of the loss or damage or the repair cost (if repairs are possible), whichever is less.

◆ When you do not want to replace or repair your building

If *you* do not want us to replace or repair *your building* and want cash instead, we will pay *you* the 'indemnity value' of the *building*, the *building* sum insured or the repair cost (if repairs are possible), whichever is the lesser.

When we pay to restore or rebuild *your building* we will make reasonable endeavours to match existing materials.

Unless specified otherwise, we will assess *your* claim on the basis of the replacement value of the *building*.

We will not pay to replace undamaged materials unless otherwise specified by us.

Replacement value, for the purposes of this section means the reasonable and necessary cost of rebuilding, replacing or repairing the *building* (at the time of the loss or damage), to a condition which is equivalent to, but not more extensive than when it was new.

Indemnity value, for the purposes of this section means the replacement cost, less an allowance for the age, wear and tear and depreciation of *your building* at the time of the loss or damage.

If *you* cause unreasonable delays in commencing or carrying out the rebuilding work, *you* must pay any extra costs that result from *your* delay.

Section 4: Liability to others

What we do cover (liability)

This section insures *your* legal liability as the landlord and owner of the *property* in respect of an *occurrence* happening during the *period of insurance* at the *situation* which *you* did not expect or intend to happen and which causes:

- ◆ Death or bodily injury to other people, or
- ◆ Damage to other people's property,

subject to the General Terms and Conditions and General Exclusions applying to this Policy together with the requirements outlined under the heading 'Making a claim'.

The *maximum amount* we will pay for any claim or series of claims arising out of any *occurrence* is \$20,000,000.

The *maximum amount* includes all *legal expenses*:

- ◆ Incurred by us,
- ◆ Incurred by *you* with our prior written consent, and
- ◆ Which are recoverable from *you* by a claimant when our lawyer is acting on *your* behalf.

What we do not cover (liability)

We will not indemnify *you* for any claim:

- ✗ In respect of death or bodily injury to *you* or *your family*,
- ✗ In respect of damage to *property*:
 - Owned by *you*, or anyone employed by *you*, or
 - Not owned by *you* but in *your* custody care and control,
- ✗ For any liability to pay benefits under any domestic workers compensation or accident compensation legislation,
- ✗ For death of or bodily injury to anyone employed by *you* or someone who lives with *you* if the death or injury arises out of their employment,
- ✗ Arising under the terms of any agreement unless liability would have attached to *you* in the absence of such agreement,

- ✘ Caused by the ownership possession or use of any:
 - Motorised or mechanically propelled vehicle or motor cycle,
 - Trailer or caravan,
 - Aircraft, aerial device or *watercraft*, or
 - Any vehicle or craft that is required by law to be insured under a compulsory third party insurance policy or scheme at the time of any *occurrence*.

However, this exclusion will not apply to any motorised garden appliance that is not required by law to be insured under a compulsory third party insurance policy or scheme at the time of any *occurrence*,

- ✘ In connection with *your* trade, profession or employment other than as landlord and owner of the *property*,
- ✘ Arising out of alterations, renovations or *building* works at the *property*, where the cost of *building* or contract works, including labour and materials, exceeds \$50,000,
- ✘ Arising out of any deliberate or intentional act by *you* or someone acting with *your* consent,
- ✘ Arising out of any unlawful or criminal act,
- ✘ Arising out of pregnancy or the transmission or spread of any infectious disease or virus,
- ✘ For any fine, penalty, punitive, exemplary, aggravated or multiple damages,
- ✘ Arising from demolition, vibration or interference with support of land, *buildings* or other *property*,
- ✘ Arising out of 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, or
- ✘ Caused by or arising directly or indirectly, out of or in connection with the actual or alleged use or presence of asbestos.

Section 5: Tax Audit

Words with special meanings

Some key words and terms used in this Section have a special meaning. Wherever the following words or terms are used in this section, they mean what is set out below:

Word/Term	Meaning
Audit	<p>An investigation or audit of <i>your</i> financial or taxation affairs that is initiated by an authorised Commonwealth, State or Territory government, government authority or agency in relation to, and following the lodgement of, a return.</p> <p>An audit does not include anything related to:</p> <ul style="list-style-type: none"> ◆ Any review pertaining to maintaining any industry status, licence, membership or any compliance with any employee related legislation or regulations, ◆ Any government agency or authority gathering data or information that is not directly part of the audit, or ◆ An audit of a superannuation fund or superannuation fund contributions for the purpose of determining any matter relating to the superannuation funds or its trustees' compliance with any of the provisions of the Superannuation Industry Supervision Act 1993.
Auditor	An officer who is authorized under Commonwealth, State or Territory legislation to carry out an Audit of <i>your</i> taxation, financial affairs or a Taxation Liability.
Completion of the Audit	<p>When the Auditor:</p> <ul style="list-style-type: none"> ◆ Has given written notice to that effect, ◆ Forwards notification to <i>you</i> that they have made a final decision of a Taxation Liability, or ◆ Has issued an assessment or amended assessment of a designated liability.
Designated Liability	Means <i>your</i> obligation to pay an amount under Commonwealth, State or Territory Legislation.
Exclusions	Any loss, situation, circumstances or amounts that are not covered under this Section of the Policy.

Final decision	A written notification of the Auditor's concluded view in connection with a Taxation Liability and includes any written statement which is intended by the Auditor to be its findings in connection with a Taxation Liability or the basis upon which it proposes to act in connection with a Taxation Liability.
Goods and Services Tax Return	Any return required to be lodged by <i>you</i> pursuant to relevant Goods and Services Tax Legislation.
Limit of Indemnity	Per Audit (apart from Sub-Limits of Liability): \$1,000 Limit of Indemnity in total for each <i>period of insurance</i> : \$2,000
Notification Date	The date that <i>you</i> or <i>your</i> representative was first made aware of a potential audit whether verbally or in writing. If <i>you</i> received a pre-audit questionnaire following the lodgement of a return, then the notification date cannot be later than the date that <i>you</i> received the questionnaire.
Professional Adviser	A qualified accountant which is a member of a nationally recognized accounting body, registered tax agent or tax consultant. With our prior written approval, any other qualified professional person or consultant engaged by or at the recommendation of the accountant, but does not mean <i>you</i> or any person working for <i>you</i> under a contract of employment.
Professional Fees	Fees, costs and/or expenses reasonably incurred by <i>you</i> to engage a Professional Adviser. Professional Fees do not include any fees, costs or expenses related to: <ul style="list-style-type: none"> ◆ Preparing or completing any accounts, returns, financial or taxation records, questionnaires, or documents that <i>you</i> would ordinarily be required to complete or rewriting or reconstructing any of <i>your</i> records or receiving any advice whether or not these fees, costs or expenses should have been incurred prior to lodging <i>your</i> return or prior to any audit, ◆ Any part of an annual or regular fixed fee or cost arrangement, or Any subsequent objection or appeal or request for review in respect of the audit, any assessment, amended assessment or final decision of the Audit.

Record keeping audits	An enquiry or investigation by the Australian Taxation Office to determine the extent of <i>your</i> compliance with the record keeping or record retention requirements of relevant taxation legislation subject to the Sub-Limits of Indemnity.
Return	Any taxation return that is legally required to be lodged with the government, government agency or government authority by <i>you</i> or on <i>your</i> behalf.
Schedule	Refer to the most recently issued schedule or certificate of insurance.
Sub-limits of indemnity	The maximum we will pay during any one <i>period of insurance</i> in relation to Audits pertaining to: <ul style="list-style-type: none"> ◆ Goods and Services Tax \$500, ◆ Record Keeping Audits \$500.
Taxation Liability	<i>Your</i> obligations to pay an amount of tax under Commonwealth, State or Territory Legislation.

Tax Audit – What we do cover

On completion of the Audit we will pay *you* the Professional Fees reasonably and necessarily incurred by *you* in connection with assisting *you* to respond to or defend the Audit pertaining to the residential rental *property* insured by this policy provided that:

- ◆ The Notification Date of the Audit occurred during the *period of insurance*, or the *period of insurance* immediately prior to the *period of insurance* in which the audit occurred, and
- ◆ This Section 5 was in force at the time of the Notification Date, and
- ◆ The Audit first occurred during the *period of insurance*, and
 - a) The Audit was notified to us during the *period of insurance* or the *period of insurance* immediately prior to the *period of insurance* in which the audit occurred,
 - b) The Audit related to a Return actually lodged no more than 12 months prior to the original inception date of this Section 5 of *your* policy,
 - c) The Audit related to a Return for a financial year that ended no more than 3 years prior to the Notification Date, and
 - d) No exclusion applies.

However, we will pay the Professional Fees when this policy and Section 5 are not in force at the time of the Audit in relation to *your property* only if:

- ◆ *You* have sold the *property* and not replaced it, or
- ◆ *You* have sold the *property* and replaced it with another *property* and that replacement *property* is insured by us and this policy and Section 5 is in force in relation to that replacement *property* at the time of the Audit, and
- ◆ All the other provisions of the ‘What we do cover’ (above) section apply and none of the provisions ‘What we do not cover’ (below) section apply.

Tax Audit – Exclusions

We will not pay for any claim:

- ✘ If a return or document, which is required to be lodged in relation to the Audit, has not been lodged:

 - At all,
 - Properly, or
 - By the due date,
- ✘ In relation to an Audit conducted by or on behalf of the Australia Prudential Regulation Authority or the Australian Securities and Investments Commission,
- ✘ In relation to routine enquiries or enquiries from the Auditor which are not identified as being either preliminary to, or relating to an Audit,
- ✘ In relation to an Audit if, prior to the commencement of the *Period of insurance*, you or any person acting on your behalf:

 - Received any notice of any proposed Audit,
 - Had information that the Audit was likely to take place,
 - Had information that would lead a reasonable person in your position, or in the position of any person acting on your behalf, to believe that an Audit was likely to take place,
- ✘ For professional fees of persons of organizations ordinarily resident outside Australia,
- ✘ Where there has been a dishonest or fraudulent act or omission in relation to a Return or document or in communications with the Auditor (including where any supporting documents have been falsely created, amended or collected) by you or any person acting on your behalf,
- ✘ Where there has been a statement whether orally or in writing by you or any person acting on your behalf which was false or misleading in a material particular and/or which was made knowingly, recklessly or negligently to an Auditor. This exclusion does not apply if the false or misleading statement was made relying on representations made by the auditor, or if you did not and could not reasonably have known that the statement was false or misleading, or if the statement was made on the basis of an honest and reasonable mistake as to what the law was as a result of advice from your Professional Adviser,
- ✘ If the Audit is conducted specifically for the purposes of determining if any fine, penalty or prosecution action should be imposed in connection with any act or omission by you, or in connection with any failure, act or omission arising from, or in connection with your statutory obligations,

- ✘ If *you*, without lawful justification, refused to or failed to comply with the request made by or on behalf of the Auditor for the production of documents or the supply of information,
- ✘ For any Professional Fees:
 - Incurred more than twelve months after the commencement of the Audit, unless *you* can show that completion of the Audit has been delayed as a result of the conduct of the Auditor,
 - That were charged by someone other than a qualified Accountant who is a member of a nationally recognized accounting body, registered tax agent or tax consultant unless our prior written consent was first obtained,
 - For any work performed in connection with any prosecution which arises from the Audit or in connection with *your* culpable behaviour being assessed to be deliberate evasion or recklessness,
 - Unless they directly pertain to the residential rental *property* insured by this Policy,
- ✘ For any fines, penalties, interest or adjustments to tax, additional tax, duty, government impost or similar, payable under any circumstances,
- ✘ If *your* collective annual turnover and/or any related entity in the latest financial year exceeds \$250,000,
- ✘ If at the commencement of the Audit *you* are bankrupt within the meaning of the Bankruptcy Act 1966, or insolvent or under external administration within the meaning of the Corporation Law,
- ✘ Relating to an Audit by the ATO if *you* fail to comply with any requirement or obligation imposed upon *you* by any relevant legislation if a return in relation to the Audit was not prepared or reviewed by an Accountant prior to dispatch,
- ✘ If the Audit is commenced or is conducted specifically for the purposes of determining *your* taxation liabilities and liability to pay tax, interest, additional tax or penalty as a result of participation in any Mass Marketed Tax Avoidance Scheme (where the result of participation has resulted from an introduction, proposal or recommendation made by *you*),
- ✘ If the Auditor imposes Culpability Penalties at a rate prescribed by the Auditor and *you* have no reasonably arguable case,
- ✘ In relation to any Audit of any form of managed investment, or
- ✘ If *you* breach any conditions in this policy, including failing to comply with any requirement imposed by any relevant legislation or failing to do what *you* must do if *you* intend to make a claim or *you* make a claim.

Tax Audit – How much we will pay

The most we will pay for all claims during any one *period of insurance* relating to Goods and Services Tax returns and Record Keeping Audits is the Sub-Limit of Indemnity, \$500.

The most we will pay for each Audit is \$1,000.

The *maximum amount* in the aggregate is limited to \$2,000.

If *you* have more than one residential landlord *property* insured, whether under the same policy or not, and those properties benefit from the cover provided by “Section 5: Tax Audit Insurance”, we will not pay more than a total of \$4000 for all residential landlord policies that *you* have insured with us during any one *period of insurance*. We will not pay any Professional Fees pertaining to any residential landlord policies that are not insured under “Section 5: Tax Audit Insurance”. We will not pay any Professional Fees pertaining to any activity or part of a return not pertaining to the residential rental *property* insured by this policy.

Tax Audit – Conditions

For a claim to be payable under this Section, *you* must comply with the following policy conditions:

- ◆ Make every effort to comply with the relevant legislation, procedures and guidelines issued by the relevant government, government authority or agency including in relation to maintenance of records, books and documents,
- ◆ Lodge taxation and other returns within the time limits prescribed by statute, pay all taxes by their respective due dates, or, if an extension is granted by the Auditor, within the further period granted, and
- ◆ Have and properly maintain records which:
 - (a) *You* are either required to keep or should or would keep in the ordinary course of business, or
 - (b) Would be kept ordinarily in relation to a taxation liability.

Tax Audit – How to make a claim

What you must do

For a claim to be payable under this Section 5, *you* must comply with the following policy conditions:

- ◆ Immediately give us full written details as soon as *you* become aware of any proposed Audit that could lead to a claim. As soon as *you* receive it, *you* must supply us with a copy of the notice from the government, government agency or authority that shows the type of Audit that they intend to conduct. Where an audit commences without notification, *you* must supply the following details, where possible:
 - (a) A letter signed by *you* confirming that an Audit has commenced,
 - (b) Date of the Auditor's first visit, and
 - (c) The officer's agency, authority, position/title, full name and telephone contact details,
- ◆ Obtain our prior written approval before engaging any Professional Adviser, other than *your* accountant, and notify us of all fees and costs that person proposes to charge,
- ◆ Ensure that *you*:
 - (a) Provide us with all material information as it develops in relation to *your* claim and the Audit in a timely manner,
 - (b) Take all reasonable steps to minimise costs and delay,
 - (c) Respond to any letters, requests and enquiries from the Auditor within the required time and where there is no required time, a reasonable time,
 - (d) Submit to us all accounts for Professional Fees that relate to this claim, upon conclusion of the Audit. These accounts must provide us with sufficient detail to enable us to determine the nature of the work done and the basis of calculation of any Professional Fees for which *you* are making a claim, and

- ◆ Assist us with the processing of *your* claim by cooperating with our, or our agent's investigation into any matters which are or may be the subject of the claim. *You* must also instruct *your* Professional Adviser to assist us at all times, providing us with documents and details in connection with the claim. This may also include the pursuit of matters with the department, body or agency which is or may be the subject of a claim under this policy.

Making a claim

Actions you must take in the event of loss or damage

In the event of loss or damage *you* must take the following actions:

- ◆ Take all reasonable precautions to prevent any further loss, damage or liability,
- ◆ If *your property* suffers *malicious damage* or theft then *you* must report it to the police. If the loss is expected to exceed \$10,000, then the police report number needs to be submitted with *your* claim,
- ◆ Not carry out repairs, except to prevent any further loss or damage, until we have had the opportunity to examine the damage and have authorised repairs,
- ◆ Not delay in arranging the repair or replacement of stolen or damaged items after we have given *you* the authority to do so. We will not pay any increased costs or expenses which result from *your* unreasonable delay in returning the *property* to a *tenantable* condition,
- ◆ Contact us as soon as possible after *you* become aware of any loss, damage or liability (refer to *your* schedule for the phone number). We will help and advise *you*, and explain the next steps *you* should take. We may also arrange for an assessor to attend and inspect *your property* if required,
- ◆ Keep any damaged *property* or stolen *property* that *you* recover and let us inspect it if we need to. Please remember that we take over *your* legal right to recover the insured *property*, and
- ◆ Not admit fault or settle or defend a claim without our prior agreement.

If *you* do not follow these steps we may be entitled to reduce the amount payable to *you* or refuse to pay a claim.

Providing Proof

Within a reasonable period of time of *you* becoming aware of loss, damage or liability *you* must give us full written details of *your* claim. Documents which we may ask for include but are not limited to:

- ◆ A copy of the *tenant's* rental payment history and *Lease* if the claim involves loss of rent, *malicious/accidental/deliberate damage* or theft by *your tenant*,
- ◆ *Rent arrears/termination* notices issued to, or court orders issued against the *tenant*, under the appropriate Tenancy Act of *your State* or Territory,
- ◆ Evidence of dated advertising done to demonstrate *your* efforts to relet the *property*,
- ◆ Proof of ownership i.e. receipts, valuations, photographs, warranties, instruction manuals etc 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,
- ◆ 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 other court issued documents, letter, claim, writ or summons, in relation to a claim, as soon as possible after *you* receive it.

You must be able to prove to us that *you* have suffered a loss that is covered by this Policy before we will pay *you* for it.

Actions we take when a claim is reported

When we receive a claim from *you* we will:

- ◆ Examine the circumstances to see if the loss, damage or liability is insured, and
- ◆ Tell *you* if it is covered.

If the event is covered we will:

- ◆ Tell *you* how the claim will be assessed, examined and paid and what further supporting documents *you* need to provide us,
- ◆ Either deduct any *excess* from *your* loss or ask *you* to pay it to a repairer, supplier or us.

If we choose to replace items *you* must:

- ◆ Assist us by giving accurate descriptions and specifications to us and suppliers, and
- ◆ Replace items as requested.

If *you* do not wish us to replace items from suppliers we nominate, *you* may nominate another supplier but *you* must pay any additional costs incurred by us as a result.

Claim Payments

Claims payments may be paid either to:

- ◆ A supplier we have authorised to complete repairs or replacements,
- ◆ To a third party if *you* have a legal liability, or
- ◆ To *you*.

For the purposes of claim payments only, *you*, includes the policyholder and *property* owner as well as the licensed *Property Manager* who has been engaged (by way of a Managing Agency Agreement) to manage *your property*. Payments will be made to the party who submits the claim, unless otherwise notified in writing at the time the claim is lodged.

Settling or defending your claim

If we agree *you* have a claim, only we have the right to:

- ◆ Make or accept any offer or payment, or in any other way admit *you* are liable,
- ◆ Settle, or attempt to settle, any claim, or
- ◆ Defend any claim.

You must co-operate with us in defending or settling *your* claim. *You* must tell us about and send us a copy of any notice, letter, claim, writ or summons, in relation to a claim, as soon as possible after *you* receive it.

If you prevent our right to recover from someone else

If *you* have agreed not to seek compensation from a person who is liable to compensate *you* for any loss, damage or legal liability (which is covered by this Policy) we will not provide *you* with cover under this Policy for that loss, damage or legal liability.

Contribution/other insurance

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

Excesses payable in the event of a claim

An *excess* is an amount payable by *you* when *you* make a claim under *your* insurance Policy. We will either deduct any *excess* from *your* loss or ask *you* to pay it to us or a repairer or supplier. The *excesses* which apply to claims under this Policy are shown in *your Policy Schedule*.

Claim Type	Excess
Loss of rent	The amount of <i>your excess</i> will be shown on <i>your Policy Schedule</i> .
Malicious damage, accidental loss or damage, deliberate damage and scorching.	<p>This excess will apply for claims for <i>malicious, accidental or deliberate damage</i> and scorching.</p> <ul style="list-style-type: none"> ◆ For <i>malicious damage</i> discovered at the end of a tenancy, only one <i>excess</i> will be applied. ◆ For <i>accidental loss or damage</i>, the <i>excess</i> applies per event. For each event reported together as one claim we will only apply an <i>excess</i> to a maximum of 2 events. The third and any subsequent events reported together as one claim will not have an <i>excess</i> applied provided that the loss or damage for each event would have exceeded the <i>excess</i> amount if it had applied. ◆ For <i>deliberate damage</i> and scorching the <i>excess</i> applies per claim. <p>The amount of <i>your excess</i> will be shown on <i>your Policy Schedule</i>.</p>
Earthquake	<p>This <i>excess</i> applies for claims directly or indirectly caused by earthquake. All loss, destruction or damage occurring within a period of 48 hours of an earthquake is regarded as the one event.</p> <p>The amount of <i>your excess</i> will be shown on <i>your Policy Schedule</i>.</p>
Representation costs, Replacement of locks, Bailiff/ sheriff fees, Removal of Goods, Legal expenses, Liability and Tax Audit	Nil.
Other claims	This <i>excess</i> will apply for all claims of a type not listed above. The amount of <i>your excess</i> will be shown on <i>your Policy Schedule</i> .

If loss or damage results from more than one insured event, then the excesses that apply under each applicable section of the Policy will apply separately and *you* must contribute the total of all applicable excesses (except as described in Section 2: *Contents* in relation to damaged carpet).

If a single insured event results in a claim under more than one Section of this Policy then only one excess will apply and that will be the largest excess applicable under any section under which a claim could be made.

More details

For further details about our excesses, please refer to our Premium, Excesses, Discounts and Claim Payments Guide available at terriscbeer.com.au. A copy of this guide can be provided to *you* on request, at no charge, if *you* contact us on 1800 804 016.

What can affect a claim?

We may limit the amount payable or refuse to pay a claim for any of the following reasons:

- ◆ There has been a change in the risk, unless *you* inform us of it and we have agreed to cover it under this Policy,
- ◆ When applying for this insurance or when making a claim *you*:
 - Are not truthful,
 - Have not given us full and complete details, or
 - Have not told us something *you* should have,
- ◆ *You* do not comply with *your* duty of disclosure (refer to the Product Disclosure Statement on page 6 of this document),
- ◆ *You* do not at all times take reasonable care to:
 - Protect any *property* *you* have insured with us against any initial or further loss or damage,
 - Keep *your property* in good condition,
 - Obey any laws or regulations that safeguard people or their *property*,

- ◆ *You* do not give us the supporting documents we require to assist with our decision in relation to a claim,
- ◆ If any fraudulent means or devices are used by *you* or anyone acting on *your* behalf to obtain benefits under this Policy. Furthermore, we may also cancel this Policy or take legal action against *you* if it is proven the claim *you* submitted was in any way fraudulent,
- ◆ *You* breach any of the conditions of the policy, including any endorsements noted on or attached to the *Policy Schedule*,
- ◆ *You* do any of the following without us agreeing to it first:
 - Make or accept any offer or payment, or in any other way admit *you* are liable,
 - Settle, or attempt to settle any claim,
 - Defend any claim.

A claim may also be reduced by an excess – the amounts are shown on *your Policy Schedule*.

Other general obligations

If *you* do not take reasonable care to:

- ◆ Avoid the risk of injury to *tenants* and others,
- ◆ Ensure that *your property* does not have defects that may cause injury to any person at the time a *tenant* takes possession or that such defects identified at any other time are rectified promptly once they have been brought to *your* attention,
- ◆ Maintain the *property* in a good state of repair,
- ◆ Ensure that all *building*, maintenance or repairs to the *property* are undertaken by appropriately licensed and qualified person(s),
- ◆ Comply with all statutory obligations, by-laws and regulations imposed by any public authority, for the safety of persons or *property*,

We will not pay for loss, damage, liability or injury to which this failure to take reasonable care contributes.

General terms and conditions

Payment of premium

You must pay *your* annual premium by 4.00pm on the due date. If we do not receive *your* premium by this time or *your* payment is dishonoured, this Policy will not start and there will be no cover – if *you* have not paid, *you* are not insured.

You can pay *your* premium in one annual payment by cash, cheque, postal order, MasterCard, Visa or BPay.

Important conditions

Cover provided by this Policy is only applicable where:

- ◆ *Your property* is managed by a *Property Manager*, and
- ◆ There is a *Lease* in place between *you* and the *tenant*. This *Lease* must fall within the guidelines of the Residential Tenancy Act applicable to the State or Territory in which the *property* is located, and
- ◆ The *property* is being used primarily for residential rental accommodation, and
- ◆ The *property* is no more than 2 acres (8000 sqm) in size, unless *you* have notified us of a larger *property* and we have agreed in writing to insure this larger *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*.

Rent arrears

If the *tenant* was in *rent arrears* either at the commencement of the initial *period of insurance* (or in the 2 months prior), the following condition applies:

- ◆ Cover will be limited to Section 2: 'Contents', (but excluding *malicious damage*) and Section 4: 'Liability to Others' of this policy. If the *tenant* subsequently brings their rental payments out of *rent arrears* for a period of two consecutive months, then these limitations will not 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

Your Policy settlement 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 will use the *bond money* to minimise your loss. If you have voluntarily returned the *bond money* to the *tenant*, and you lodge a claim for loss of or damage to *your property*, we will reduce any amount we pay by the amount of prejudice we have suffered as a result of your actions.

Unoccupied properties

When the *property* is unoccupied, Section 1: Loss of rent, Section 2: Contents and Section 3: Building will not apply unless you obtain our prior written agreement to provide the cover prior to the event giving rise to a claim under one of these sections.

If we agree in writing to provide cover and a claim is made while the *property* is unoccupied, a higher *excess* will be applied. This *excess* will be shown on your *Policy Schedule*.

Unoccupied means that the *property* was vacant for the 90 day period immediately before loss or damage occurred.

Other party's interests

You must tell us of the interests of all parties (e.g. financiers, owners, lessors) who have an interest in the *property* insured. We will protect their interests only if *you* have told us about them and we have noted them on *your Policy Schedule*.

Cancelling your Policy

Cancellation by you

You may cancel this Policy at any time by telling us that *you* want to cancel it.

If *you* cancel this Policy *you* will be refunded the unexpired portion of the premium, less any non-refundable government charges.

Cancellation by us

We can cancel *your* Policy where the law allows us to do so. If we cancel *your* Policy *you* will be refunded the unexpired portion of the premium, less any non-refundable government charges.

When we cancel *your* Policy we will tell *you* so in writing. This notice of cancellation will be given to *you* in person or sent to *your* last known address.

If we cancel *your* Policy due to fraud, we will not refund any money to *you*.

Goods and Services Tax (GST)

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

You must tell us about the input tax credit (ITC) *you* are entitled to for *your* premium and *your* claim, each time *you* make a claim. If *you* do not give us this information or if *you* tell us an incorrect ITC, we will not pay any GST liability *you* incur. Our liability to *you* will be calculated taking into account any input tax credit to which *you* are entitled for any acquisition which is relevant to *your* claim, or to which *you* would have been entitled were *you* to have made a relevant acquisition.

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* particular circumstances.

GST

Limits and the most we pay amounts stated in this PDS and on *your Policy Schedule* include GST.

Changes of terms and conditions

In some circumstances the terms and conditions of the policy may be amended by endorsement. If *your* Policy is endorsed *you* will receive notification of this in writing.

Notices

Any notices we give *you* will be in writing, and it will be effective if it is delivered:

- ◆ To *you* personally, or
- ◆ Posted to *your* address last known to us.

General Exclusions

General exclusions applying to this Policy

We do not insure *you* for:

1. Any war (whether it has been formally declared or not), any hostilities, rebellion, revolution or theft of *property* as a result of any of these, or
2. *Acts of terrorism* regardless of any other cause or even contributing concurrently or in any other sequence to the legal liability, loss, damage, cost or expense, or any legal liability, loss, damage, cost or expense of whatsoever nature directly or indirectly caused by, resulting from or in connection with any action taken in controlling, preventing, suppressing or in any way relating to any *act of terrorism*, or
3. Radioactivity or the use, existence or escape of any nuclear fuel, nuclear material, or nuclear waste or action of nuclear fission or fusion, or
4. Any intentional act committed by the landlord, the landlord's family or any person acting with the express or implied consent of the landlord.

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, or responding to or in any way relating to 1, 2, 3 or 4 above.

Additional exclusions applying to all sections of this Policy

- a) We will not pay a claim under any section of this Policy (unless stated otherwise) when the claim is caused by or arises directly out of:
- ✘ A bushfire, *storm* or *flood* that occurs within 72 hours of the start of this insurance Policy. However we will cover these incidents if *your* Policy began on the same day:
 - You bought the *property*, or
 - Another Policy covering the *property* expired. If this is the case, we pay up to the sum insured covered under the expired Policy (any increase in the *building* sum insured will not be covered for these incidents in the first 72 hours).
 - ✘ The *actions or movement of the sea*,
 - ✘ Water seeping through a wall or floor,
 - ✘ Water entering the *building* through an opening made for the purpose of alterations, additions, renovations or repair,
 - ✘ Erosion, vibration, subsidence, landslip, landslide, mudslide, collapse, shrinkage or any other earth movement, but we will cover landslide or subsidence that occurs within 72 hours of, and directly because of one of the following insured events:
 - *Storm*,
 - *Flood*,
 - Earthquake,
 - Explosion,
 - ✘ Poor housekeeping by *your tenants* or a member of *your tenant's* family or *your tenant's* guests. Poor housekeeping includes costs associated with the *tenants'* untidy, unclean or unhygienic living habits,

- ✘ Rust, wear, tear, mould or mildew, oxidation, change of colour, the action of light, atmospheric conditions or vibration unless caused by an insured event,
- ✘ Damage caused by insects or vermin (such as termites, rats, mice or wildlife) but we will pay for any resultant fire damage to insured *property*,
- ✘ Scratching or denting,
- ✘ The actions of cleaning,
- ✘ Damage from heat, smoke, or soot when the *building* or *contents* have not caught fire,
- ✘ Tree roots,
- ✘ Inherent defects, faulty workmanship, structural defects, faulty design or any gradual process,
- ✘ Any intentional act committed by *you*, *your family* or by any person acting with *your* express or implied consent,
- ✘ An act by the *tenant*, where consent for the act was given to them by *you*,
- ✘ Any loss or damage arising out of or connected with keys being provided for the purpose of *property* inspections,
- ✘ The *tenant* utilising the premises for trade, manufacturing or childcare with *your* knowledge and/or consent,
- ✘ Mechanical or electrical breakdown or electrical power surge, other than the burning out of electric motors,
- ✘ Damage to swimming pools or similar structures caused by hydrostatic pressure,
- ✘ The removal or weakening of supports or foundations for the purpose of alterations, additions, renovations or repair,
- ✘ Settling, shrinkage or expansion in buildings, foundations, walls or pavements,

- ✘ Consequential loss, such as having to hire a washing machine because one provided by *you* for the *tenants* use, was stolen,
 - ✘ Expropriation, lawful seizure, resumption, confiscation, nationalisation or requisition of any *property* by any lawfully constituted authority or persons, or
 - ✘ Destruction of, or damage to the *building* by any government, public or local authority.
- b) We will not pay a claim under any section of this Policy from the point in time that:
- ✘ The landlord takes over private management of the *property*, or
 - ✘ The landlord takes up residence in the *property*, or
 - ✘ The *property* is vacant, is not advertised for sale, and:
 - No effort is made to prepare the *property* for a new *tenant*, or
 - No effort is made to replace the *tenant*.
- This effort must be within a reasonable period of:
- The *tenant's* departure from the *property*, or
 - *You* or *your Property Manager* becoming aware of their departure,
- Whichever occurs later, or
- ✘ *Your property* is vacant and advertised for sale. However we will provide the following limited cover under:
 - Section 1 'Loss of *rent*', providing *you* can demonstrate a continuing reasonable effort was made to obtain a new *tenant* (such as advertising for a *tenant*), whilst *you* were simultaneously marketing the *property* for sale, and

- Section 2 '*Contents*' and Section 4 '*Liability to others*' while the *property* is advertised for sale and vacant for a maximum period of 90 days. After the *property* has been vacant for 90 days, we will not pay a claim under any section of the Policy unless *you* have obtained our prior written agreement for cover to be provided.
- c) We will not cover any loss, damage or liability that occurred prior to the commencement of the initial *period of insurance*.
- d) There is no cover for loss of or damage to water in swimming pools, spas or water tanks unless maliciously caused.

Financial Claims Scheme

The policy described in this Guide may be a protected policy under the Federal Government's Financial Claims Scheme (FCS) which is administered by the Australian Prudential Regulation Authority (APRA).

The FCS only applies in the extremely unlikely event of an insurer becoming insolvent and the Federal Treasurer making a declaration that the FCS will apply to that insurer.

The FCS entitles certain persons, who have valid claims connected with certain protected policies issued by that insurer to be paid certain amounts by APRA.

Information about the FCS can be obtained from APRA at www.apra.gov.au or by calling 1300 55 88 49.

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