

QBE INSURANCE AUSTRALIA

# Landlord Cover

Insurance Product Disclosure Statement  
and Policy Wording



## Introduction & Welcome

Thank you for choosing QBE and welcome to the peace of mind and customer service of QBE Insurance. In addition to offering quality products and service, we provide the security of one of the largest Australian owned international insurance companies.

Our insurance contains a number of options that can allow you to choose the cover you need. We aim to provide friendly and helpful customer service from your first call to us to our 24 hour emergency claims service.

The information in this booklet is important and we have aimed to make it as easy to understand as possible. Please take the time to read through it and call us if you need further information.

# YOUR LANDLORD COVER PRODUCT DISCLOSURE STATEMENT AND POLICY WORDING

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# PRODUCT DISCLOSURE STATEMENT

## Important Information and Notices

### ABOUT OUR PRODUCT DISCLOSURE STATEMENT AND INSURANCE POLICY WORDING

This document is a Product Disclosure Statement (PDS) and is also our insurance policy wording. Other documents may comprise our PDS and we will specifically tell you if this is the case in the relevant document.

This document contains important information to help you understand this insurance. ***It is up to you to choose the cover you need. This document contains information which can help you decide. Any advice in this document is of a general nature only and has not considered your objectives, financial situation or needs. You should carefully consider the information provided having regard to your personal circumstances to decide if this insurance is right for you.***

## What You Should Read

To understand the features, benefits and risks of this insurance and to determine if it is appropriate for you, it is important that you read:

- all of this the Product Disclosure Statement part – this information is designed to help you understand this insurance and your rights and obligations under it;
- the Landlord Cover part which commences on page 12. It tells you about:
  - what makes up the insurance (ie. your contract with us which we call a policy);
  - important definitions that set out what we mean by certain words;
  - the cover we can provide (see Sections 1, 2, 3 and 4);
  - what excesses you may have to pay (see Section 7.6);
  - when you are not insured (see Sections 1, 2, 3, 4, 5, 6 and 8);
  - how we settle your claim (see Section 5) and what you need to do in relation to claims (see Section 7);
  - the other conditions which apply to the insurance and that you must comply with (see Section 8);
  - your and our cancellation rights (see Section 9);
  - the special conditions which apply if you pay your premium by instalments (see Section 10);
- the record of conversation and check that your answers to our questions are correct as we have relied on this information to provide you this insurance;

- any schedule (refer to the definition of schedule on page 17) when it is issued to you; and
- any other documents we may give you which vary our standard terms of cover set out in this document.

**These documents should be read carefully together. It is important that they are kept in a safe place.**

## Summary of Cover and Significant Benefits and Risks

*The following is a summary only and does not form part of the terms of your insurance. We give examples of some of the significant benefits and risks but you need to read the Home Cover part of this document which sets out the terms and conditions of this insurance to make sure it matches your expectations.*

*References to Section numbers refer to the Section in the Landlord Cover part of this document.*

## What are you covered for?

This insurance is designed to cover you for loss or damage to your insured building caused by the listed insured events that occur during the period of insurance (see Sections 1 for details and any limits that apply and Section 5 and 6 which sets out how we settle your claim for the above cover).

Your cover may also include the following additional benefits up to specified limits – Fusion of Electric Motors, Building Costs, Lost Rent and Mortgage Discharge, (these are only some of the additional benefits, see Section 2 for details and any limits that apply).

There are optional benefits available to you for an additional premium such as Chattels Cover, Theft and Vandalism by Tenants Cover and Rent Default. (See Section 3 for further details on our optional benefits). Your Policy schedule will indicate what optional benefits you have selected.

We also cover you (and certain other persons we specify) as an owner or occupier against legal liability for accidental death or bodily injury to certain other persons as well as accidental damage to certain other person's property. The event causing liability must occur at your insured building or site and during the period of insurance (see Section 4 for details of the available cover and any limits that apply to it).

## Monetary limits on the cover

We can insure you up to the amount of the sum insured or other specified limits for your insured property for the insured events listed. These are specified in the relevant clauses in the Landlord Cover part or on the schedule.

We have available for you on-line sum insured calculators that can assist you in determining an adequate sum insured. You will find these sum insured calculators by visiting the website of your financial institution. Alternatively, you can call your financial institution to obtain a hardcopy.

The legal liability cover insures you up to a set limit of liability which is shown on the schedule.

You need to make sure you are happy with the relevant sum(s) insured and limits. If you do not adequately insure yourself you may have to bear the uninsured proportion of any loss yourself.

For example, if you don't have a sufficient sum insured to totally replace your building you will bear the shortfall. The cost of demolition and removal of debris from the site, and other costs, such as the cost of employing an architect or surveyor, the replacement of other structures such as in-ground swimming pools, driveways, and outdoor buildings needs to be included in the sum insured. Section 3.3 of the policy details specifically the additional cover provided for rebuilding costs. If you are unsure whether your home is insured for the correct amount, you should seek professional advice.

You should also advise us of any changes in the details of the information you have given us. Otherwise your insurance may not be sufficient. Changes may include a change in occupancy of the building or if there has been any renovations done to the property.

## Payment of Excesses

Excesses may also apply to any claim under this insurance.

An excess is an amount you have to pay each time you make a claim. The excesses that are applicable are noted on the schedule.

An excess will be applied for each incident where a claim is made. You can choose to have a higher excess in return for a discount on your premium payable.

We will tell you the amount of any excess when you apply for cover. They may vary according to a number of factors, such as your risk location and your insurance history.

## What you are not covered for

There are certain times when this insurance may not provide cover.

Some events we may not cover include:

- Damage caused by the seas or river flood (see Section 1.12).
- Damage caused by water seeping or entry of water to your building unless through an opening caused by the storm or a direct result of it (see Section 1.12).
- Damage to your building caused by water or another liquid escaping as the result of a gradual process (see Section 1.7).
- A deliberate act by you or certain other persons (see Sections 1.1, 1.2, 1.7, 1.8, 1.13 and 4.1).
- Glass breakage if the glass is part of a glasshouse or conservatory (see Section 1.13).

You may not be covered when your building is unoccupied for more than 60 consecutive days (see Section 6.1) or if your building is unfurnished and unoccupied for more than 30 consecutive days (see Section 6.2).

There is no insurance for any legal liability for bodily injury or death to you and others who we have specified in the Landlord Cover part (see exclusions in Section 4.1).

These are only some of the events that are not covered by this insurance. Please read the Landlord Cover part of this document which sets out the exclusions to make sure the cover we provide matches your expectations.

We may also refuse to pay or reduce the amount we pay under a claim:

- if you do not comply with the cover conditions (please read the Landlord Cover part of this document for details of the conditions to make sure you understand your obligations);
- if you do not comply with your Duty of Disclosure (see the Duty of Disclosure notice on page 7 for details); or
- if you make a fraudulent claim.

We can also cancel your policy in certain situations permitted by law. For example, if you breach your Duty of Disclosure or a condition of the insurance (see Section 9 for details).

## Important Things To Know

**Keep receipts** – You should keep receipts, invoices or other evidence of ownership and value of all property that you insure because if you make a claim you will be asked to prove ownership and value in order for us to pay the claim.

**If you renovate and do not tell us** - If the building is renovated, you must revise your building sum insured to include the value of the renovation or else your sum insured may become inadequate.

**Total loss** – When your building is a total loss and we have paid out the total sum insured, this insurance ceases. If you rebuild your building this will require a new insurance contract commencing at that time with an applicable premium.

**Overdue Premium** – You must pay your premium on time otherwise your insurance may not operate. If you have not paid by the due date or your payment is dishonoured we may cancel the policy. We will do so by providing you with written notice.

If you pay your premium by 7 or more instalments in a year and any instalment remains unpaid for 1 month or more we may refuse to pay a claim (see Sections 9 and 10 for details).

**Renewing your insurance** – When renewing your insurance with us you must also advise us of any changes to your claims, insurance or criminal history. We will notify you in writing of any effect a change may have on your insurance renewal.

Please read the Landlord Cover part of this document which sets out details of the conditions to make sure you understand your obligations, as these are only some examples.

## Need Assistance?

If you have any questions or are unsure about any aspect of this insurance product please ask QBE Insurance staff for assistance

## Applying For Cover

Based on the information you provide when applying for this insurance, we may be able to offer cover and terms specific to you. Once we have agreed to cover you (we tell you when), we will issue you with a schedule confirming this, including the following information:

- the sum insured of your building.
- excess(es) applicable.
- premium including taxes and charges.

If you have made no claims under this insurance and renew with us, you may be entitled to a no claim discount. You will be told if any discount applies in any renewal invitation.

## The Cost Of This Insurance

In order to calculate your premium, we take various factors into consideration, including:

- the sum(s) insured.
- the address of your building.
- any no claim discount to which you may be entitled on your building.
- your insurance history.
- the security features of your building.

The premium also includes amounts payable in respect of compulsory government charges including Stamp Duty, GST and any Fire Service Levy (where applicable). When you pay your premium at least twice a year or more, your premium may be increased by an amount to cover certain costs associated with instalment payments. It varies according to a number of factors such as your net premium, your risk location and your insurance history.

When you apply for this insurance, you will be advised of the premium. If you choose to effect cover, the amount will be set out in the schedule.

## 21 Day Cooling Off Period

If you want to return your insurance after your decision to buy it, you may cancel it and receive a full refund. To do this we must receive your request either in writing or via email (insurancecentre@qbe.com) within 21 days of its commencement.

This cooling off right does not apply if you have made or are entitled to make a claim. Even after the cooling off period ends, you still have cancellation rights however we may deduct certain amounts from any refund (see Section 11 for details).

## Confirming Transactions

You may contact us in writing or by phone to confirm any transaction under your insurance if you do not already have the required insurance confirmation details.

## Your Duty Of Disclosure

### **New Business**

#### **What you must tell us**

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

#### **Who needs to tell us**

It is important that you understand you are answering our questions in this way for yourself and anyone else who is an insured under this insurance.

#### **If you do not tell us**

If you do not answer our questions in this way, we may reduce or refuse to pay a claim, or cancel your insurance. If you answer our questions fraudulently, we may refuse to pay a claim and treat the insurance as never having worked.

## **Renewals, variations, extensions and reinstatements**

Once your insurance is entered into and is no longer new business then your duty to us changes. You are required before you renew, vary, extend or reinstate your insurance, to tell us everything you know and that a reasonable person in the circumstances could be expected to know, is a matter that is relevant to our decision whether to insure you, and anyone else to be insured under this insurance, and if so, on what terms.

You do not have to tell us about any matter:

- that diminishes the risk to be undertaken by us;
- that is of common knowledge;
- that we know or should know or, in the ordinary course of our business, we ought to know;
- as to which compliance with your duty is waived by us.

## **Non-disclosure**

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

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

## **The General Insurance Code Of Practice**

QBE Insurance (Australia) Limited is a signatory to the General Insurance Code of Practice. The Code aims to:

- promote more informed relations between insurers and their customers;
- improve consumer confidence in the general insurance industry;
- provide better mechanisms for the resolution of complaints and disputes between insurers and their customers; and
- commit insurers and the professionals they rely upon to higher standards of customer service.

## **How To Make A Claim**

Please contact QBE to make a claim. We have a 24 hour Claims Hotline that you can contact on 1300 361 516.

You should advise us as soon as possible of an incident which could lead to a claim.

Having the required documentation and possibly photographs of the items will assist in having your claim assessed and settled.

When you make a claim you must:

- provide details of the incident and submit to us all letters, documents, valuations, receipts or evidence of ownership that you have been asked to provide;
- if we require it, complete the claim form we would have provided you;
- allow us to inspect your building and take possession of any damaged item;
- take all reasonable steps to reduce the damage or loss and prevent further loss or damage;
- inform the police immediately following theft or vandalism;
- not dispose of any damaged items without first seeking our approval; and
- not get repairs done, except for essential temporary repairs, until we give you authority and we reserve the right to choose the repairer or supplier.

These are only some of the things that you must do if making a claim. Please read Section 9 which sets out claims information and what you must do if making a claim.

## Dispute Resolution

We will do everything possible to provide a quality service to you. However, we recognise that occasionally there may be some aspect of our service or a decision we have made that you wish to query or draw to our attention.

We have a Complaints and Dispute Resolution Procedure which undertakes to provide an answer to your complaint within 15 working days.

If you would like to make a complaint or access our internal dispute resolution service please contact your nearest QBE office and ask to speak to a dispute resolution specialist.

If you are not happy with our answer, or we have taken more than 15 working days to respond, you may take your complaint to the Insurance Ombudsman Service (IOS), an ASIC approved external dispute resolution body.

The IOS resolves certain insurance disputes between consumers and insurers and will provide an independent review at no cost to you. QBE is bound by the determination of the IOS but the determination is not binding on you.

We will provide the contact telephone number and address of the IOS office upon request.

## Our Privacy Promise

The Privacy Act 1988 (Cth) regulates the way private sector organisations, such as QBE, collect, use, protect and disclose personal information. We are committed to safeguarding your privacy and the confidentiality of your personal information.

We will only collect personal information from or about you for the purpose of assessing your application for insurance and administering your insurance policy, including any claims made by you.

Without this personal information we may not be able to issue insurance cover, administer your insurance or process your claim.

We, or our authorised agent, may disclose your personal information:

- To a mail house (for the purpose of printing and/or delivery of your mail or processing mail you have sent us);
- To an organisation who provides you with banking facilities (for the purpose of confirming the reasons for payment made by you to us);
- To an insurance agent who is arranging your insurance (for the purpose of confirming your personal and insurance details);
- To another person named as a co-insured on your policy (for the purpose of confirming if full disclosure has been made to us);
- To another insurer (to assess insurance risks or to assist with an investigation) or to another insurer or re-insurer who may be located overseas (for the purpose of seeking recovery from them);
- To a records management company (for the purpose of recording or storing our records which may contain your personal information);
- To an external dispute resolution organisation (for the purpose of resolving a dispute between us or between ourselves and a third party).
- To a market research company (for the purposes of conducting marketing research on our behalf).
- To our related entities so that they can also offer you products and services.

In addition to the above, in the event of a claim we or our authorised agent may disclose your personal information:

- To a repairer or supplier (for the purpose of repairing or replacing your insured items);

- To an assessor or investigator (for the purpose of assessing your claim);
- To a lawyer or a recovery agent (for the purpose of defending an action by a third party against you or for recovering our costs including your excess or seeking a legal opinion regarding the acceptance of a claim);
- To an insurance reference bureau (for the purpose of recording any claims you make on your policy);
- To a witness to a claim (for the purpose of obtaining a witness statement);
- To another party in a claim (for the purpose of obtaining a statement from them or seeking recovery from them or to defend an action by a third party).

Personal information may also be obtained about you from the above people or organisations.

In addition we will:

- Give you an opportunity to obtain access to your personal information and when necessary, correct any errors to this information. Generally we will do this without restriction or charge.
- Provide our dispute resolution procedures to you in respect of any complaint you may have regarding your personal information.

For further information about our Privacy Policy or to access or correct your personal information, please contact the Compliance Manager QBE Insurance (Australia) Limited, GPO Box 82, Sydney NSW 2001. Telephone (02) 9375 4656, Fax (02) 8275 9022 or Email [compliance.manager@qbe.com](mailto:compliance.manager@qbe.com)

## Updating Our Product Disclosure Statement

We may update the information contained in this PDS when necessary. A paper copy of any updated information is available to you at no cost by calling us. We will issue you with a new PDS or a supplementary PDS, where the update is to rectify a misleading or deceptive statement or an omission, which is materially adverse from the point of view of a reasonable person deciding whether to obtain or renew this insurance.

## Our Contact Details

If you need to contact us or you have any questions or you would like any further information regarding this insurance, refer to our contact details on the schedule or call us on 1300 133 024.

## LANDLORD COVER

It is very important that you read our Landlord Cover policy carefully and make sure you are satisfied with this insurance.

### NOTE

BLUE BOXES contain additional information to help you understand your policy. The information in these boxes does not form part of the policy wording.

## What Makes Up This Policy

This **policy** and the **schedule** must be read together as they form **your** insurance contract.

Important note: Sometimes we need to change the wording of your policy because the insurance varies depending on a number of factors. We do this by adding what is called an endorsement. You will find all endorsements that apply to your policy printed on your schedule.

This **policy** sets out what **you** are insured for and those circumstances where **you** will not be insured.

Those circumstances where **you** will not be insured have an **orange** background and words in italics.

Some words and expressions have been printed in **bold** because they have been given a specific meaning in this **policy**. **You** will find their meaning in Definitions on pages 14 to 18.

The headings, sub headings and boxes containing additional information do not form part of the terms of this **policy** but are there to help **you** read and understand it.

## You Pay The Premium - We Insure You

Provided **we** receive the **premium**, **we** will insure **you** as set out in this **policy** and the **schedule** in respect of an **incident** occurring during the **period of insurance**.

## You Must Disclose All Previous Claims

**You** are asked at the time **you** take out this insurance to give **us** full and correct details concerning any:

- renewal or insurance policy declined, cancelled or refused, or where any excess was imposed;
- claim refused by an insurer;
- claim made;
- criminal conviction or finding of guilt for an offence,

in relation to **you** and **your family** because any of these may affect the **premium** and extent of insurance.

For example we may be entitled to:

- charge you an additional premium;
- impose (back-dated) restrictions including declining your insurance back to when this information should have been advised to us;
- decline to insure your building;
- refuse a claim.

When renewing **your policy** with **us you** must also advise **us** of any changes to **your** claims, insurance or criminal history. **We** will notify **you** in writing of the effect a change may have on **your** renewal.

## Changes To The Information You Have Given Us

It is important to advise **us** of any changes in the details of the information **you** have given **us**, otherwise **your** insurance may be affected. Changes would include:

- changes in occupancy of **your building**.
- additions or renovations to **your building**.

**We** may require **you** to pay an additional **premium** as a result of these changes.

## Definitions (The Meaning Of Some Words)

Some words and expressions in this policy have a specific meaning which is given below. Each word is printed in **bold** where it appears.

"**alteration advice**" means a written notice about any alteration to the insurance under this **policy**.

"**bond money**" means any money paid by or on behalf of the **tenant** held as security against any damage to the **building** and/or **chattels, rent** owed, re-letting costs or any other expenses. This **policy** will operate and all claims will be paid on the basis that four (4) weeks' **rent** has been paid as bond money.

"**building**" means,

- the main residential building **you** own and lease to a **tenant** at the **site**, its outbuildings on the **site** if able to be **secured**, and **fixtures**;

but does not include:

- carpets (whether fixed or unfixed), internal blinds, curtains and light fittings;
- a caravan, trailer, or their accessories;
- trees, shrubs, plants, lawns, hedges, earth;
- landscaping of any kind;
- a pool cover;
- a swimming pool that is able to be moved from the site;
- a jetty;
- a building or structure used solely for business;
- a building or structure that is in the course of construction, alteration or substantial repair.

"**chattels**" means carpets (whether fixed or unfixed), curtains, blinds and light fittings.

"**collision**" means an accident directly caused by the sudden impact of a moving body or object.

"**damage**" or "**damaged**" means that **your building** or any part of it, is physically harmed but does not include **wear and tear**.

"**depreciation**" means the reduction in the value of the item or property due to **wear and tear**.

"**earth movement**" means heavage, landslide, land-slippage, mudslide, settling, shrinkage or subsidence.

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

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

"**excess**" means the amount **you** must pay towards a claim. **You** will find the amount of any **excess** shown on the **schedule**.

"**family**" means any of the following people who normally live with **you**:

- **spouse** or **partner**;
- children, step children;
- parents, grandparents;
- grandchildren;
- brothers, sisters;
- domestic staff;
- a person who normally resides with **you**, BUT does not include a person with whom **you** may share a house for any financial consideration.

"**fire**" means a fire producing flames, but not charring, melting or scorching without flames.

"**fixtures**" means an item that is permanently attached to or fixed to **your building** or the **site**, but not carpets (whether fixed or unfixed), internal blinds, curtains, light fittings, swimming pool or spa covers or pool or spa accessories.

For example:

- a fixed spa, sauna, barbeque, clothes line, room heater, stove, air conditioner, ceiling fan, hot water system;
- kitchen cupboards, built in furniture;
- meter box;
- exterior blinds and awnings;
- carport, pergola, garden shed, gazebo;
- path, driveway, terrace, well, bore;
- inground swimming pool, water tank;
- reticulation system;
- television aerial, radio mast or aerial and fittings,
- fixed floorcoverings, except carpets.

"**flash flood**" means what occurs when there are heavy, intense bursts of rainfall, usually during thunderstorms where so much water falls in a very short time that it cannot get away quickly enough and collects and flows into **your building**.

but does not include when rainwater on the **site**:

- cannot run off into a **water catchment system**, because it is overflowing in flood; and
- mixes with the flood water coming from the **water catchment system** and then flows into **your building**.

**"fusion"** means the process of fusing or melting together the windings of an electric motor following damage to the insulating material as a result of overheating caused by electric current.

**"incident"** means an event neither expected nor intended from the standpoint of **you** or **your family** which results in a claim on this **policy**.

**"insured event"** means one of the events listed on pages 19 to 26.

**"lease agreement"** means the written and enforceable agreement between **you** and **your tenant** to **rent your building** and which is subject to and compliant with the Residential Tenancies Act or similar in **your** State or Territory, whether the agreement is for a fixed term, periodical or a tenancy at will immediately following a Lease Agreement.

**"loss"** means **your building** or part of it is stolen.

**"market value"** means the replacement cost to **us** of a similar item to the one stolen or damaged taking into account the age of the item.

**"partner"** means **your** husband or wife, or a person with whom **you** cohabit in a de facto relationship, BUT does not include a person with whom **you** may share **your** home for any financial consideration.

**"period of insurance"** means the period for which **you** are insured. It commences at the time **we** agree to give **you** insurance and finishes at 4pm on the day of expiry. The expiry date is shown on the **schedule**.

**"policy"** means **your** insurance contract which consists of this policy wording and the **schedule**.

**"premium"** means any amount **we** require **you** to pay under the **policy** and includes Government charges.

**"proof of ownership"** means evidence of ownership and value of an item. This evidence can be a combination of:

- receipts, valuations, instruction manuals, guarantee certificates, catalogues,
- make model and serial number,
- photographs or video film of the item.

**"properly maintained"** means that **your building** is structurally sound, secure and in a good state of repair and its roof guttering regularly cleaned.

**"rain"** means water that has fallen from the sky on to **your building** and the **site** but not water from **flash flood**.

"**rent**" means the amount of money payable under the **lease agreement** to rent **your building** at the time of any claim.

"**rent default**" means **your tenant** fails to pay **rent** in accordance with the **lease agreement**. If authorised by a court or tribunal, it includes termination on the grounds of hardship.

"**river flood**" means when water that is normally contained in a **water catchment system** increases because of rainfall or snow melt (whether in the immediate region or elsewhere) or is deliberately released by an authority, and the water overflows onto land that is not normally covered by water into **your building**.

For example water may be deliberately released by an authority from a dam or reservoir.

"**secured**" means locked so as to prevent entry other than by using force.

"**schedule**" means one of the following:

- the policy schedule;
- the renewal notice **you** have paid;
- the **alteration advice** sent to **you**.

"**site**" means the land at the address shown on the **schedule**:

- on which the **building** is built, including
- the yard or garden used only for domestic purposes.

"**spouse**" means **your** husband or **your** wife.

"**storm**" means violent weather and high winds, sometimes accompanied by rain, hail or snow including a cyclone, tornado or willy willy.

"**sum insured**" means the amount **you** have insured **your building** for as shown on the **schedule**.

"**tenant**" means the person or persons renting the **building** named in the current **lease agreement** and any partner, children, pets or other persons permanently living at the **site**.

"**terrorism**" means any act of any person acting on their own or in connection with an organisation or foreign government, which can involve the use of or threat of force or violence, where the purpose, by its nature or context, is to put the public or a section of the public in fear, to resist or influence a government or, to further an ideological, religious, ethnic or similar aim.

"**tsunami**" means a high tide or tidal wave caused by an earthquake, earth tremor or seismological disturbance under the sea.

"**unfurnished**" means the **building** at the **site** does not have enough furniture and furnishings for normal living needs.

"**unoccupied**" means that either:

- no-one is living in the **building** at the **site**, or
- someone is living in the **building** at the **site** without **your** consent.

"**vandalism**" means the deliberately mischievous or malicious destruction, defacement and damage of property.

"**water catchment system**" means;

- a river, creek, other natural watercourse or lake, whether they are in their original state or have been modified, are named or unnamed, or normally dry that only run during periods of rain;
- a dam, reservoir, storm water channel or canal.

"**we**", "**our**" and "**us**" means QBE Insurance (Australia) Ltd, A.B.N. 78 003 191 035.

"**wear and tear**" means damage or a reduction in value through age, ordinary use or lack of maintenance.

"**you**" and "**your**" means the person(s) named in the **schedule** as the insured including a **family** member.

## SECTION 1

# INSURED EVENTS CAUSING LOSS OR DAMAGE

This **policy** insures **you** up to the amount of the **sum insured** for **loss** or **damage** to **your building** caused by an **insured event** listed below.

### 1.1

### Fire

**You** are insured for **damage** to **your building** caused by a **fire**.

***We** will not pay if the **fire** was a deliberate act by **you**, **your family** or another person with **your** express or implied consent to cause **damage**.*

***We** will not pay if **your building** was **unoccupied** at the time of the **fire** and had been **unoccupied** for 60 days or more.*

***We** will not pay for charring, melting or scorching as a result of **fire** without the presence of flames.*

***We** will not pay for a heat resistant item if the **fire** only caused **damage** to that item.*

Examples of heat resistant items are a chimney, fireplace, heater, oven, potbelly stove.

### 1.2

### Explosion

**You** are insured for **damage** to **your building** caused by an explosion.

***We** will not pay if the explosion was a deliberate act by **you**, **your family** or another person with **your** express or implied consent to cause **damage**.*

***We** will not pay if **your building** was **unoccupied** at the time of the explosion and had been **unoccupied** for 60 days or more.*

***We** will not pay for the item that exploded.*

For example, we will not pay for an exploded heating boiler or a hot water system.

### 1.3

### Lightning Or Thunderbolt

**You** are insured for **damage** to **your building** caused by a direct lightning strike or thunderbolt.

*We will not pay if there is no visible evidence of **damage** to **your building** or the **damage** was caused by power surge or as a result of interruption to **your** normal power supply.*

For example, when there has been a lightning strike there will be visible damage to a power line or pole nearby your home. Visible damage will also be evident to the appliance which is not working and will include scorch or burn marks to the electrical circuitry consistent with a lightning strike nearby your home.

### 1.4

### Earthquake or Tsunami

**You** are insured for **damage** to **your building** caused by an earthquake or **tsunami**. All **damage** that occurs within a period of 48 hours will be regarded as one **incident**.

All claims for earthquake or **tsunami** have an applicable **excess** of \$200. If the **policy excess** is higher, this will be the amount deducted for any claim for earthquake or **tsunami**.

*We will not pay for **damage** caused by tidal wave that arises from any event other than a **tsunami**.*

### 1.5

### Theft

**You** are insured for **loss** or **damage** to **your building** caused by theft or attempted theft.

*We will not pay if the theft was by **you**, **your family** or tenants.*

**We** will not pay if the theft was caused by a person who was in **your building** or at the **site**:

- with **your** consent;
- with the consent of a person who lives in **your building**;  
or
- a person who with **your** consent is in temporary possession of **your building**,

but **we** will pay if **you** have taken reasonable precautions to prevent the theft.

By reasonable precautions we will take into account what a prudent person would do under similar circumstances.

**We** will not pay if **your building** was **unoccupied** at the time of the theft and had been **unoccupied** for 60 days or more.

**We** will not pay if **your building** was **unfurnished** and **unoccupied** at the time of the theft and had been **unfurnished** and **unoccupied** for 30 days or more.

## 1.6

## Vandalism

**You** are insured for **damage** to **your building** caused by **vandalism**.

**We** will not pay if the **vandalism** was by **you**, **your family** or tenants.

**We** will not pay if the **vandalism** was by a person who was in **your building** or at the **site**:

- with **your** consent;
- with the consent of a person who lives in **your building**;  
or
- a person who with **your** consent is in temporary possession of **your building**,

but **we** will pay if **you** have taken reasonable precautions to prevent the **vandalism**.

By reasonable precautions we will take into account what a prudent person would do under similar circumstances.

**We** will not pay if **your building** was **unoccupied** at the time of the **vandalism** and had been **unoccupied** for 60 days or more.

**We will not pay if *your building* was *unfurnished* and *unoccupied* at the time of the *vandalism* and had been *unfurnished* and *unoccupied* for 30 days or more.**

## 1.7 Water Or Other Liquid

**You** are insured for **damage** to **your building** caused when water or another liquid suddenly escapes from:

- **you** or **your** neighbours;
  - plumbing system,
  - bath, fixed basin or sink,
  - fixed heating or cooling system,
  - roof gutter, downpipe,
  - shower recess,
  - tank,
  - toilet system,
  - washing machine, dishwasher; or
  - above ground swimming pool or spa, or
- the
  - road gutter or curbing,
  - water main or pipe.

If **we** accept **your** claim, **we** will also pay the reasonable cost:

- to find the source of the leak; and
- to repair only that section of **your building** which needs to be removed to repair the leak.

**We will not pay if the cause of the water or other liquid escaping was a deliberate act by *you*, or *your family* or another person with *your* express or implied consent to cause **damage**.**

**We will not pay to fix the leak.**

**We will not pay for repairing or replacing any defective part or item that caused the **damage**.**

For example, we will not pay for a new dishwasher hose that broke.

**We will not pay if the **damage** is the result of a gradual process.**

For example, we will not pay for damage:

- where moisture is seeping through faulty shower recess grouting, or
- from condensation or rising damp.
- where more damage has occurred over time because the fault was not remedied immediately.

**We will not pay for *damage* to *your* swimming pool or spa if the *damage* is as a result of hydrostatic pressure.**

**We will not pay an additional amount towards replacing undamaged property so as to create a uniform appearance.**

For example, we will only pay the cost of replacing tiles damaged in finding the source of the leak. If the tiles to match your bathroom walls or floor are not readily available, replacement of undamaged tiles are at your cost.

**We will not pay for *damage* resulting from the overflowing of the gutter or guttering on *your building* if it was not *properly maintained*.**

You should regularly clean your gutters of leaves and other debris, particularly before the expected onset of rain.

**We will not pay if *your building* was *unoccupied* at the time the water or other liquid accidentally escaped and had been *unoccupied* for 60 days or more.**

**We will not pay:**

- to fix a defect in the design or construction of a system;
- to repair or replace a defective part; or
- if ***your building*** has not been ***properly maintained***.

## 1.8

## Collision

**You** are insured for **damage** to **your building** caused from **collision** by a part of:

- an aircraft;
- a spacecraft, satellite or space debris;
- a vehicle, trailer or caravan;
- a watercraft;
- a hovercraft.

*We will not pay if the **collision** was a deliberate act by **you**, **your family** or another person with **your** express or implied consent to cause **damage**.*

*We will not pay for **damage** caused by wheels or tyres to paths, driveways or underground services.*

## 1.9 Falling Tree, Branch Or Aerial

**You** are insured for **damage** to **your building** caused by a falling tree, branch, television or radio aerial or satellite aerial.

**We** will also pay for the reasonable costs to remove the fallen tree or branch from the inside of **your building** to the nearest permissible dumping ground so that the **damage** can be dealt with.

Where **your building** is damaged **we** will also pay the reasonable cost of felling, pruning or stump removal.

*We will not pay for **damage** to **your building** caused by tree lopping or felling by **you** or done with **your** consent.*

*We will not pay for repairing:*

- a television, radio or satellite aerial, or
- the fittings or masts,

*which caused the **damage**.*

## 1.10 Damage By Animals

**You** are insured for **damage** to **your building** caused from **collision** by any animal or bird that is not kept in **your building** or at the **site**.

*We will not pay for **damage** caused by eating, chewing, clawing, pecking, scratching, soiling or fouling.*

## 1.11 Riot

**You** are insured for **damage** to **your building** caused by riot, civil commotion, industrial or political demonstration.

**You** are insured for **damage** to **your building** caused by **storm, rain, or flash flood**.

**We** will not pay for water **damage** to **your building** caused by **storm** or **rain** seeping or otherwise entering **your building** unless the water entered through an opening in the wall or roof that had been made directly by the storm or rain or as a direct result of it.

**We** will not pay for **damage** caused by water:

- penetrating or entering **your building** because it has not been **properly maintained** or as a result of a design fault, structural defect or because of defective workmanship;
- entering **your building** through an opening in the wall or roof made for the purpose of alterations, additions, renovation or repair.

For example, if an opening is made in your roof during renovations to your building, we will continue to insure your contents provided the builder covers all openings and ties the tarpaulin in a workmanlike way.

**We** will not pay for **damage** caused by **storm, rain or flash flood** to:

- gates, fences or retaining walls;
- shadecloth, shade sails or umbrellas;
- spa or swimming pool covers, solar covers or plastic liners.

**We** will not pay for **damage** caused by water to external paintwork, treated surfaces or finishes, if that is the only **damage** done to that part of **your building**.

**We** will not pay for **damage** caused by any residue deposited by the rain on **your building**.

**We** will not pay for **damage** to **your** swimming pool or spa if the damage is as a result of hydrostatic pressure.

**We** will not pay for **damage** caused by:

- the seas or tidal wave;
- **river flood**;
- **erosion** or **earth movement**.

**We** will not pay for **damage** caused by:

- lightning or thunderbolt;
- a power surge; and/or
- as a result of interruption to your normal power supply.

Cover for lightning or thunderbolt is provided under Section 1.3.

## 1.13 Glass Breakage

**You** are insured for glass that is broken which is part of **your building** including:

- a window or skylight;
- a door;
- a permanent lighting fixture;
- a shower screen;
- a balcony surround or pool fence;
- an oven door, stove top or cooking surface;
- a china bathroom or toilet fitting.

**We** will not pay if the glass breakage was a deliberate act by **you, your family** or or another person with **your** express or implied consent to cause **damage**.

**We** will not pay more than \$500 towards replacement of an oven door, stove door or cooking surface.

**We** will not pay if the glass is part of a glasshouse or conservatory.

**We** will not pay if **your building** was **unoccupied** at the time the glass was accidentally broken and had been **unoccupied** for 60 days or more.

## SECTION 2

### ADDITIONAL BENEFITS

This **policy** also insures **you** for additional benefits set out in this section.

The cost of these additional benefits is included in the **sum insured** for **your building** unless otherwise stated.

#### 2.1 Fusion Of Electric Motors

**You** are insured for the cost to repair a household electric motor, including a reasonable amount for labour if:

- the motor is part of a machine or appliance which is part of **your building** insured by this **policy**, and
- has been burnt out by **fusion**,

less **your excess** and **depreciation**.

If it is not economical to repair **your** motor **we** will:

- pay to replace the motor; or
- pay **you** the amount it would cost **us** to replace the motor,

less **your excess** and **depreciation**.

The maximum **we** will pay for repair or replacement is \$1,000 after **we** have deducted **your excess** and **depreciation**.

#### How We Apply Depreciation

##### **Bore pump, water supply pump, reticulation, swimming pool or spa motor**

When **your** motor is a bore pump, water supply pump, reticulation, swimming pool or spa motor, **we** will pay a reasonable amount for labour and apply **depreciation** at the rate of 40% to the cost of repairs, where the motor is in excess of 2 years old.

##### **Other types of electric motor**

When **your** motor is any other type of motor not described above **we** will pay a reasonable amount for labour and apply **depreciation** at the rate of 25% to the cost of repairs, where the motor is in excess of 2 years old.

**We will not pay for:**

- the cost of retrieving or re-installation of a submersible pump;
- the cost of hiring a replacement machine or appliance.
- household electrical motors which do not form part of your building or which are not fixtures

**We will not pay to repair or replace:**

- mechanical parts;
- parts in a radio, television, computer, video recorder, microwave oven, sound recording and playing equipment, amplifying or transmitting device, electronic equipment, control panels, device or instrument;
- a transformer;
- starter switches, lighting or heating elements, fuses or protective devices;
- electrical contacts at which sparking or arcing occurs in ordinary working;
- motors under manufacturers' guarantee or warranty.

## 2.2

## Building Costs

As a part of **your sum insured, you** are insured for building costs following **damage to your building** for:

- temporary protection of **your building**;
- removing debris from the **site**;
- employing an Architect or Surveyor;
- demolition;
- complying with a statutory notice that:
  - relates to that part of **your building** which is **damaged**, and
  - is served after the **damage** occurred.

**We** will only pay if these costs are necessary to replace, repair, rebuild or preserve **your building**.

**We will not pay the portion of these building costs which relate to the undamaged parts of your building.**

## 2.3 Lost Rent or Accommodation Costs

If **we** have accepted a claim following **damage** to **your building** and **we** agree that **your building** it is not fit to live in we will:

- if **you** lived in **your building** at the time of the **damage**, pay the reasonable costs that **you** incur for similar accommodation while **your building** is being rebuilt, repaired or replaced or;
- if **you** leased out **your building** or **you** can show that **you** would have leased it out, pay the actual rent you lose or would have lost up to the time **your building** is built, repaired or replaced.

But the maximum **we** will pay for temporary accommodation or lost rent is for the lesser of:

- the time it would take to repair or replace **your building** provided work commences as soon as practicable after the **incident**, or
- 12 months from the time of the **damage**, or
- 10% of the **sum insured** or
- if **you** elect not to replace **your building**, the time it would have taken to repair or replace **your building** had **you** elected to do so.

Where the repair or replacement of **your building** is delayed by **you**, **we** will deduct an amount equivalent for the period of delay.

This benefit is in addition to the **sum insured**.

## 2.4 Essential Temporary Repairs

**You** are able to proceed with essential temporary repairs to **your building** up to a maximum of \$500 after **your building** is damaged by an **insured event**.

## 2.5 Mortgage Discharge

If **your building** is completely destroyed, as part of **your** claim **we** will also pay the legal costs to discharge any mortgage on **your building** and the **site**.

These legal costs will be paid by us in addition to the **sum insured** for **your building**.

## SECTION 3

### OPTIONAL BENEFITS

**You** are able to tailor this **policy** to suit **your** personal needs. The following optional benefits are available to **you**.

**Your policy schedule** will indicate if **you** have chosen any of these optional benefits.

#### 3.1 Choose the excess you wish to pay

**You** can chose to have a higher **excess** for a reduced **premium**. Your **schedule** will indicate the **excess** applicable in the event of a claim.

#### 3.2 Theft and Vandalism by Tenants

If **you** chose to select this **policy** option for an additional **premium**, **you** are insured for Theft and **Vandalism** by **Tenants**.

You are insured for **loss** or **damage** to **your building** from the insured events of Theft (section 1.5) and **Vandalism** (section 1.6) caused by a **tenant** up to a maximum of \$10,000 for one or a series of related incident(s) after the deduction of the **excess** of \$750.

The word **tenant(s)**, in **policy** sections 1.5 and 1.6, do not apply where a **tenant** has caused the **incident**.

If **you** have chosen this option it will be shown on **your policy schedule**.

#### 3.3 Rent Default

If **you** chose to select this optional benefit for an additional **premium**, **you** are insured for **rent default**.

**We** will pay **your rent** lost by reason of **rent default** if **your tenant**;

- absconds from **your building** before the end of the tenancy period stated in the **lease agreement** and does not give **you** or **your** agent notice, or
- ceases to pay rent owed to **you** or **your** agent, or
- is legally evicted from **your building**.

**We will not pay you any rent lost;**

- once **your building** is re-tenanted, or
- once **you** could legally cancel the **lease agreement**, or
- for more than two weeks after the **tenant** vacates the **building** following a Notice to Leave being served on the **tenant**.

**We will only pay when you and your tenant have a valid lease agreement. We will only pay for rent default if the tenant breaches the lease agreement.**

***We will not pay you for rent default if the rent is in arrears on or before the commencement of the period of insurance or when this Rent Default option commences.***

Cover for **rent default** will not commence until any **rent** arrears have been paid in full, and the **tenant** has paid **rent** in accordance with the **lease agreement** for a period of not less than 4 consecutive weeks.

**We will pay the actual weekly amount for which your building is rented in accordance with the lease agreement.** The maximum amount **we** will pay for **rent default** is \$1,000 per week up to a maximum of \$6,000 in total for any one **lease agreement**.

Where there is a periodic tenancy, or a tenancy at will **we** will only pay the actual **rent** lost in accordance with the **lease agreement**.

***We do not pay any amount you could have charged for any period where there was no liability to pay rent under the lease agreement by the tenant or ex-tenant.***

## **Conditions Applicable to Rent Default**

Any claim for **rent default** will be reduced by the balance of any **bond money** that **you** can legally use to reduce or pay for any loss or damage after **you** have deducted any other expenses that are legally entitled to deduct from the **bond money** such as clean up costs, **rent** owing or re-letting expenses.

If a Tribunal orders the refund of the **bond money** to the **tenant**, on the grounds of hardship, an excess equal to 4 weeks **rent** will apply to **your** claim.

**We** will only pay a claim when **you** have undertaken all reasonable steps legally available to **you** under the Residential Tenancies Act or similar legislation or any other legal avenue available to **you** to mitigate any loss and evict the **tenant**.

***We** will not pay any lost **rent** if **you** have failed to rectify a Notice of Remedy breach, issued by the **tenant** to **you** or **your** agent.*

**Your excess** under the Rent Default option for any claim will be \$750.

**We** deduct the **excess** shown on the current **policy schedule** from the amount of **your** claim. The **excess** will be applied to each and every claim whether or not separate instances of **loss** or **damage** are submitted at the same time or on the same Claim Form.

If **you** have chosen this option it will be shown on **your policy schedule**.

## 3.4

## Chattels Cover

**Chattels** is defined as carpets (whether fixed or unfixed), curtains, blinds and light fittings.

For an additional **premium**, **you** can insure the **chattels** in **your building** for any amount from \$2,000 up to \$25,000.

Any claim made for **loss** or **damage** on this **policy** for **chattels** will be paid less the **policy excess** and an amount for **depreciation**.

If **you** have chosen this option it will be shown on **your policy schedule**.

## SECTION 4

# LEGAL LIABILITY TO OTHERS

### 4.1 Legal Liability To Another Person

If **you** or **your family** become legally liable as an owner or occupier for:

- bodily injury or death to another person;
- loss or damage to another person's property,

arising from an **incident** occurring during the **period of insurance** at **your building** or at the **site**;

then **we** will pay:

- the reasonable cost of the harm or damage for which there is liability; or
- the amount awarded by a court;

up to the limit of liability (see 4.3).

Important note: If you become aware of an incident where a person is injured as a result of some action by you or your family, you should make us aware of it even though a claim may not have been made against you.

*There is no insurance under this Section for any claim for legal liability:*

- 1. for bodily injury or death to:*
  - **you or your family**,
  - *an employee arising out of or during the course of their employment with **you** or **your family**;*
- 2. for which there is an entitlement to claim an amount or benefit under Workers' Compensation or accident compensation legislation;*
- 3. for loss or damage to property that is owned or in the possession, custody or control of **you** or **your family**;*
- 4. for loss or damage arising from or in connection with a business, profession or occupation, except where **you** let **your building** for domestic purposes;*
- 5. for fines or penalties (including interest and costs);*

6. *for punitive, aggravated or exemplary damages (including interest and costs);*
7. *arising from an agreement unless **you** or **your family** would have been liable in the absence of the agreement;*
8. *for financial or consequential loss;*
9. *arising from a reckless act or a deliberately harmful or damaging act by:*
  - **you or your family;**
  - *a person with the express or implied consent of **you** or **your family**;*
10. *arising from a breach of a statutory provision;*
11. *because **you** or **your family** own or occupy land or a building other than the **site** or **your building**;*
12. *arising from or connected with the ownership or use of:*
  - *a power driven vehicle, or motorcycle, other than*
    - *an unregistered wheel chair,*
    - *an unregistered battery powered single person vehicle,*
    - *a battery powered child's toy,*
    - *an unregistered garden appliance,*
    - *an unregistered golf buggy,**which is not required to be registered;*
  - *a powered watercraft, or a watercraft exceeding 3 metres in length, other than a*
    - *surf ski,*
    - *surfboard,*
    - *one to four person canoe;*
  - *an aircraft or aerial device, other than a*
    - *kite,*
    - *model aircraft or model glider,*
  - *a caravan or trailer,*
  - *a hovercraft;*
13. *arising from or connected with vibration or interference with the support of land, buildings or other property;*

14. *connected with the construction, alteration or repair of **your building** exceeding:*

- \$20,000 where **you** are the owner builder; or
- \$50,000 where a registered builder or contractor is doing the work;

Important note: Where you are an owner builder you should organise special contract works insurance. If a registered builder is doing the work, you should ensure that your name is noted as principal on the builders policy.

15. *arising from libel, slander, defamation or malicious falsehood;*

16. *arising from or connected with the supply of drugs or alcohol;*

17. *arising from or connected with the existence of asbestos;*

18. *arising from or connected with contamination or pollution of the land, air or water.*

## 4.2

## Legal Costs

**We** will pay all legal costs reasonably incurred with **our** written consent arising from a claim for which **you** or **your family** are insured under this Section.

## 4.3

## Limit Of Liability

**We** will not pay more than the limit shown on the **schedule** for **our** total liability under this Section in respect of all claims arising from an **incident** or series of related **incidents**, including all costs, charges, expenses and legal costs.

## SECTION 5

# HOW WE SETTLE YOUR CLAIM

### 5.1 Your Building - Repair, Rebuilding Or Replacement

If **we** accept **your** claim, at **our** option **we** will pay for the reasonable cost of repairing, rebuilding or replacing **your building** at the **site**:

- to its condition when new; or
- to its condition when last renovated, altered or restored.

***We** will not pay for the portion of these building costs which relate to the undamaged parts of **your building**.*

When **we** pay to repair or rebuild **your building** **we** will match the existing materials, however where these materials are unavailable locally or it is not possible to match them **we** reserve the right to pay for the nearest equivalent or similar materials.

The maximum **we** will pay is:

- the **sum insured** shown in the **schedule**; plus
- the other benefits **we** have agreed to pay; less
- **your excess**;

but **we** will not pay to upgrade **your building** if it is over-insured.

**We** will only pay if **you** start rebuilding on the site within 6 months from the date when the **loss** or **damage** occurred otherwise **we** will only pay what it would have reasonably cost to repair, rebuild or replace **your building** at the time of the **incident**.

Where **you** pay an amount for goods and services relevant to a claim covered under this insurance which includes GST, or where **you** would pay such an amount were **you** to purchase replacement goods and services, **we** will cover **you** for that GST less any input tax credit **you** are or would be able to claim for it (the “GST amount”).

**We** will pay the GST amount in addition to the **sum insured** shown in the **schedule** or any **policy** limits.

If **your sum insured** or a **policy** limit is not sufficient to cover **your** loss, **we** will only pay the GST amount that relates to **our** proportion of **your** loss covered by this **policy**.

**We** will not cover **you** for any GST liability that arises due to **your** failure to notify **us** of **your** entitlement or correct entitlement to an input tax credit on the **premium**.

“GST” and “input tax credit” have the same meaning as given to those expressions in *A New Tax System (Goods and Services Tax) Act 1999*.

## SECTION 6

### IMPORTANT THINGS TO KNOW

#### 6.1 If Your Building Is Unoccupied

If **your building** is to be unoccupied for more than 60 consecutive days **you** must obtain **our** agreement to continue to insure **you** otherwise **you** may not be covered in section 1.

**Our** agreement will take the form of an **alteration advice** which **we** will send to **you** to confirm **your policy** has been extended to insure **you** for a period over 60 days.

#### 6.2 If Your Building Is Unfurnished And Unoccupied

If **your building** is to be **unfurnished** and **unoccupied** for more than 30 consecutive days you must obtain **our** agreement to continue to insure **you**, otherwise **you** may not be covered in section 1.

**Our** agreement will take the form of an **alteration advice** which **we** will send to **you** to confirm **your policy** has been extended to insure **you** for a period over 30 days.

#### 6.3 Mortgagee's Rights

If a mortgagee is named on the **policy** and **we** are settling the claim on a cash basis, **we** reserve the right to pay all or part of the proceeds to the mortgagee.

The amount **we** pay to the mortgagee will be:

- the amount outstanding under the mortgage, with any balance being paid to **you**; or
- the amount **we** agree to pay in settlement of the claim.

A payment made to a mortgagee will satisfy **our** obligation to **you** for the amount paid.

#### 6.4 You Are Not Insured

The following exclusions are applicable to all sections of this **policy**.

**You** have no insurance under this **policy** if the **incident** arises from or is connected with:

- lawful seizure, repossession or other operation of law;
- invasion, war, civil war or rebellion;
- nuclear weapons, nuclear fuel, waste or material;
- acts of **terrorism** where such act is directly or indirectly caused by, contributed to by, resulting from, or arising out of or in connection with biological, chemical, or nuclear weapons, pollution or contamination.

**You** have no insurance under this **policy** for financial or consequential loss.

For example, consequential loss could be when business records are stolen and you suffer financially because of this.

## SECTION 7

### CLAIMS INFORMATION

#### 7.1 Straight After An Incident Occurs

As soon as **you** discover that an **incident** likely to result in a claim has occurred, **you** must:

- take all reasonable steps to reduce the **loss** or **damage** and to prevent any further **loss** or **damage**;
- inform the police immediately following theft or **vandalism**.

#### 7.2 What You Must NOT Do

Whatever the circumstances **you** or a **family** member must not:

- admit guilt or fault (except in court or to the Police);
- offer or negotiate to pay a claim;
- admit liability.
- Dispose of any **damaged** items without first seeking **our** approval.

#### 7.3 Our Approval Needed For Repairs

Except for essential temporary repairs under 2.4, **you** are not authorised to commence repairs without **our** approval.

#### 7.4 Notification Of An Incident

**You** must advise **us** as soon as possible of an **incident** which could lead to a claim on this **policy**.

You may have to contribute towards your claim if your late notification results in higher costs for us or harms our investigation opportunities.

## 7.5 How To Make A Claim

When **you** make a claim **you** and any relevant **family** member must:

- contact **us** by phone as soon as practicable and be ready to provide details of the incident to **our** operator;
- if **we** require it, complete the claim form **we** may send **you**;
- return the completed claim form promptly together with all letters, documents, valuations, receipts or proof of ownership that **you** have been asked to provide, otherwise **we** cannot process the claim;

## 7.6 Payment of an Excess

**We** deduct the **excess** from the amount of **your** claim. **You** will find the amount of any **excess** shown on **your schedule**.

## 7.7 You Must Assist Us

Before **we** will pay anything under this **policy**, **you** and any relevant **family** member must have complied with all the requirements of this Section and given **us** information and assistance which **we** have requested.

## 7.8 Repairs Or Replacement

**We** have the right to nominate the repairer or supplier to be used.

## 7.9 How A Claim Affects Your Sum Insured

If **we** pay a claim:

- for the total **sum insured**, **your** policy with **us** ends (see 9.5);
- for less than the total **sum insured**, **your sum insured** remains the same as it was before the claim.

For example, if your building sum insured is \$120,000 and we pay a claim for \$30,000 for a fire in your kitchen, your sum insured remains at \$120,000.

## 7.10 False or Misleading Information

**We** may deny part or all of **your** claim if **you** or **your family** are not truthful and frank in any statement **you** make in connection with a claim or if a claim is fraudulent or false in any respect.

## 7.11 Police Informed

**We** will also report any suspected fraudulent act to the Police for further investigation.

## SECTION 8

### OTHER CONDITIONS

#### 8.1 How Claim Administration And Legal Proceedings Are Undertaken

When a claim is admitted under this **policy**, **we** have the right at **our** discretion to exercise all the legal rights of **you** or a **family** member relating to the **incident** and to do so in their name.

**We** will take full control of the administration, conduct or settlement of the claim including any recovery or defence that **we** may consider is necessary.

#### 8.2 You Must Continue To Assist Us

**You** and any relevant **family** member must continue to give **us** all information and assistance reasonably required in relation to the claim and any proceedings.

#### 8.3 Multiple Insureds

**We** will treat any statement, act, omission or a claim by **you** or a **family** member as having been made by all of them.

#### 8.4 Salvage Value

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

#### 8.5 Contribution

Where the **incident** insured by this **policy** is also insured elsewhere and **we** have paid more than **our** reasonable share of **your** claim, **we** may exercise **our** right to seek contribution from the other insurer or insurers.

#### 8.6 Notices Advice

**You** and any relevant **family** member must provide **us** as soon as possible with every notice or communication received concerning a claim by another person or concerning any prosecution, inquest or other official inquiry arising from the **incident**.

## SECTION 9

### HOW YOUR POLICY MAY BE CANCELLED

#### 9.1 Cancellation By You

**You** may cancel this **policy** at any time by giving **us** notice in writing.

#### 9.2 Cancellation By Us During The Period Of Insurance

**We** may cancel this **policy** on any of the grounds set out in the Insurance Contracts Act 1984 and **we** will always tell **you** of this in writing.

#### 9.3 Cancellation By Us On Expiry Of This Policy

**We** may cancel this **policy** at the end of the **period of insurance**. If this is about to happen **we** will tell **you** in writing within the terms set out in the Insurance Contracts Act 1984.

#### 9.4 Refund Of Premium

On cancellation, a refund of **premium** will be calculated equal to the unexpired period of this **policy** less an administration fee and any non-refundable Government charges.

#### 9.5 No Refund Of Premium

Where **we** have paid the total **sum insured** on a claim **your policy** with **us** is deemed to have been fulfilled and:

- there is no refund of any **premium**, or
- if **you** have been paying **your premium** by instalments **we** will deduct any unpaid instalment amount up to **your policy** renewal date from the total **sum insured**.

## SECTION 10

### INSTALMENT PAYMENTS

#### 10.1

#### Claims

**We** will not pay a claim if at the time of the **incident**, an instalment has remained unpaid for 1 month (or more) after it was due to be paid.

#### 10.2

#### Cancellations

When **you** are paying the premium by instalment **we** may cancel **your policy** if an instalment has remained unpaid for 1 month (or more) after it was due to be paid.

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**Important note:**

**You should read all of this policy in full. Index items which have an **ORANGE** background and words in italic indicate an area in the policy where you may have no insurance.**

**For all enquiries  
please contact  
your financial  
institution**



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QBE Insurance (Australia) Ltd.  
ABN 78 003 191 035 of 82 Pitt Street, Sydney NSW 2000  
AFS Licence 239545  
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