

Residential Landlords Property Insurance

Product Disclosure Statement
(PDS) and Policy Wording



STAY CONNECTED WITH US.



WWW.HONAN.COM.AU



[HONAN INSURANCE GROUP](#)



[@HONANGLOBAL](#)

Part 1 About Our Residential Landlords Property Insurance

1. INTRODUCTION

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

In this document, We/Us/Our means Chubb Insurance Australia Limited, You/Your/Yourself means the persons, companies or firms named in the Schedule as being the insured.

The information contained in this PDS is general information only and does not form part of Your contract with Us. The Policy is Our legal contract with You and contains details covering the terms, conditions and any exclusions relating to the insurance cover to be provided by Us. This PDS and the Policy are important documents so please keep them in a safe place for future reference. Should You require any further information about this or any other product, please contact Your authorised financial services provider. Any documents will be dated and include a statement identifying them as part of the PDS. Any major changes, omissions, corrections or updates that need to be made will be made in a Supplementary PDS and this will be provided to You with the PDS.

2. WORDS WITH A SPECIAL MEANING

Words that begin with a capital letter have a special meaning when used in this PDS. The meaning of these words can be found in the Policy wording from page 13. We have used the same meanings throughout this PDS to be consistent.

3. WHO IS THE INSURER

This product is issued by the insurer, Chubb Insurance Australia Limited ("Chubb") ABN: 23 001 642 020 AFSL: 239687. www.chubb.com/au

CHUBB INSURANCE'S CONTACT DETAILS:

Our Offices

BRISBANE

Level 30, 1 Eagle Street, Brisbane QLD 4000
Postal address: PO Box 1007, Brisbane, QLD 4001
t— +61 7 3221 1699

MELBOURNE

Level 12, 720 Bourke Street, Melbourne VIC 3000
t— +61 3 9242 5111

PERTH

Level 18, 44 St George's Terrace, Perth WA 6000
Postal address: PO Box 7105, Cloisters Square Perth, WA 6850
t— +61 8 9325 2399

SYDNEY

Grosvenor Place, Level 38, 225 George Street Sydney NSW 2000
t— +61 2 9335 3200

General Insurance Code of Practice

We are a signatory to the General Insurance Code of Practice (the Code). The objectives of the Code are to further raise standards of service and promote consumer confidence in the general insurance industry. Further information about the Code and your rights under it is available at www.codeofpractice.com.au and on request.

Insurance Council of Australia

Where We cannot provide You with insurance cover, We will refer You to the Insurance Council of Australia (the ICA) for information about alternative insurance options (unless You already have someone acting on Your behalf). The ICA has established a referral service called 'Find an Insurer'. Information on finding alternative insurers can be found at www.findaninsurer.com.au.

4. ABOUT HONAN INSURANCE GROUP

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

Honan Group contact details are:

MELBOURNE

Level 9, IBM Tower, 60 City Road, Southbank VIC 3006

t— +61 3 9947 4333

f— +61 3 9947 4300

SYDNEY

Level 5, 1 York Street, Sydney NSW 2000

t— +61 2 9299 0767

f— +61 2 9299 0747

BRISBANE

Level 13, 40 Creek Street, Brisbane QLD 4000

t— +61 7 3368 3708

f— +61 7 3511 7258

PERTH

Level 4/251 St Georges Terrace, Perth, WA, 6000

t— +61 8 6557 0400

f— +61 8 6557 0499

5. OVERVIEW OF THIS INSURANCE

Our Residential Landlords Property Insurance covers Accidental loss or damage to the Building and/or Contents that make up Your rental property. A range of additional covers are also available, including cover for loss of rent and legal expenses to pursue defaulting tenants.

You can choose from three levels of cover:

Option A – Your Buildings only and all additional covers (Sections 1, 3, 4 and 5). This option also includes cover for Your Contents (excluding personal effects and electronic equipment) of up to 10% of the Sum Insured for Buildings if You have not selected Contents cover.

Option B – Your Contents only and all additional covers (Sections 2 to 5).

Option C – Your Buildings and Contents and all additional covers (Sections 1 to 5).

Each option may be extended by payment of an additional premium to include cover for Your legal liability arising out of the ownership of the rental property (Section 6).

Your current Schedule will indicate what option and level of cover You have chosen. The Schedule will also state the Excess You will have to pay for each claim. A summary of the key features of each Section of the Policy follows.

6. SIGNIFICANT FEATURES AND BENEFITS OF THE COVER

The following is a summary only of some of the key features available under each Section of the Policy. Please refer to the terms, conditions and exclusions of the Policy wording in Part 2 of this PDS for full details of the cover.

Section 1 – Building Cover

Accidental loss or damage to Your Building up to the Sum Insured stated in the Schedule. Section 1 also provides the following Additional Benefits:

- 1 Government authority fees up to 10% of the Sum Insured
- 2 Fumigation expenses after the death of a person at the Situation up to \$5,000
- 3 Fusion of electric motors no more than 4 horsepower up to \$2,500
- 4 Mortgage discharge legal fees up to \$5,000
- 5 Professional fees up to 10% of the Sum Insured
- 6 Removal of debris costs up to 10% of the Sum Insured
- 7 Cover for theft by a Tenant up to 10% of the Sum Insured
- 8 Cover for riot and civil commotion up to the Sum Insured
- 9 Landscaping costs up to \$2,000
- 10 Costs to remove fallen trees up to \$2,000
- 11 Exploratory costs up to \$5,000
- 12 Cover for Contents up to 10% of the Sum Insured on the Building (excluding personal effects and electronic equipment) if Contents are not insured
- 13 Replacement of external locks following theft of keys up to \$1,000
- 14 Inflation Protection
- 15 Damage by Tenant's Pet up to \$2,500
- 16 Scorching of bench tops up to \$1,000
- 17 Tax audit Expenses up to \$2,000

Section 2 – Contents Cover

Accidental loss or damage to Your Contents up to the Sum Insured stated in the Schedule. Section 2 also provides the following Additional Benefits:

- 1 Fusion of electric motors no more than 4 hp up to \$2,500
- 2 Cover for theft by a Tenant up to \$65,000
- 3 Cover for riot and civil commotion up to \$65,000
- 4 Fumigation costs after the death of a person at the Situation up to \$5,000
- 5 Removal of debris costs up to 10% of the Sum Insured
- 6 Damage by Tenant's Pet up to \$2,500
- 7 Tax audit Expenses up to \$2,000
- 8 Scorching of bench tops up to \$1,000

Section 3 – Rent loss due to damage to Buildings or Contents

Loss of rent in the event of the rental property becoming unfit for habitation as the result of Accidental loss or damage to the Building and/or Contents. Cover is provided up to a maximum of 52 weeks rent and subject to a maximum of \$1,500 per week.

Section 3 also provides the following Additional Benefits:

- 1 Rent Reduction for up to 6 weeks
- 2 Re-letting Expenses up to \$500

Section 4 – Other rent loss

Loss of rent due to:

- a the rental property being unfit for habitation for at least 7 days as the result of Deliberate Damage or theft (up to 52 weeks rent, subject to a maximum of \$1,500 per week)
- b rent default (up to 20 weeks rent)
- c departure of a Tenant without notice (up to 20 weeks rent)
- d refusal of a Tenant to vacate (up to 26 weeks rent)
- e death of a Tenant under a sole-tenancy agreement (up to 18 weeks rent)
- f a court award or legislation releasing a Tenant from Lease obligations due to hardship (up to 10 weeks rent), or
- g closure or evacuation of the Building by order of a public authority or the Building becoming uninhabitable as a result of either the outbreak of a notifiable human or infectious or contagious disease, or murder or suicide (up to 20 weeks rent).

Section 4 also provides the following Additional Benefits:

- 1 removal of debris and storage of Tenant's contents following rent default claims up to \$6,000
- 2 Re-letting Expenses up to \$500

Section 5 – Legal expenses

Legal expenses up to \$7,500 for the purpose of recovering any amounts owing by a Tenant in the circumstances for which a claim has been admitted by Us under Section 4 of the Policy.

Section 6 – Legal liability

Amounts You may become legally liable to pay as the owner of the Building or Contents arising out of bodily injury (including death) or damage to property caused by any Accident occurring at the rental property up to \$20,000,000.

7. YOUR INDIVIDUAL REQUIREMENTS

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

You should discuss with Your intermediary the type of risks You need to insure against and the appropriate amount of cover that You need. Further, if You have any questions about the appropriateness of this product for Your objectives, requirements or financial position, You should seek advice from Your intermediary.

If You wish to contact Us about this PDS please use the contact details given on page 2. However, We can only provide You with factual information or general advice about this product and cannot advise You whether the product is appropriate for Your objectives, requirements or financial position.

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

8. OTHER ISSUES TO CONSIDER BEFORE TAKING OUT THIS INSURANCE

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

Exclusions and limitations

The Policy has a number of general exclusions that apply to all Sections of the Policy, which are listed from page 30. For example, We do not cover loss or damage to swimming pool or spa covers or linings caused by a Storm or Flood.

Under Section 6, as well as the general exclusions that apply, there are also a number of specific exclusions that apply to the cover provided by that Section. For example, We will not indemnify You for legal liability arising out of or in connection with property damage caused by a pontoon that has become entirely unfixed or detached from the land at the Situation. These exclusions are listed from page 29.

Section 1 and Section 2 also provide Additional Benefits to the cover provided by those Sections. Each Additional Benefit has specific exclusions, limitations and limits to the Sum Insured. Please read them carefully.

Excesses and policy limits

For each particular benefit, item, loss or claim insured by the Policy an Excess may apply. An Excess is the amount You are required to pay (it is the amount You must contribute towards each claim and for which We are not liable). Please refer to the Policy wording in Part 2 of this document or the Schedule for details of any Excesses that may apply.

Further, in some cases the maximum amount We are liable to pay for a particular benefit, item, loss or claim within a Section of the Policy may be limited and You should refer to each Section of the Policy to understand the limits that are applicable.

Conditions

As well as the conditions that appear in each Section, the Policy also includes a number of general conditions that apply to all Sections. These conditions are listed from page 33. For example, You must tell Us if the Building remains unoccupied for a period exceeding 90 consecutive days. Further, it is a general condition of the Policy that a property condition report in the format required by the relevant state or territory legislation is completed upon commencement of any Lease (except in the case of a holiday home or unit).

In some circumstances, a breach of a condition may entitle Us to refuse to pay a claim or reduce the amount We are liable to pay.

Basis of settlement

It is also important that You understand how We settle and pay claims involving loss or damage to Your Building and/or Contents. Please read “Basis of settlement for claims covered by Section 1” on page 20 and “Basis of settlement for claims covered by Section 2” on page 24.

9. HOW TO APPLY FOR THIS INSURANCE AND OUR CONTRACT WITH YOU

You may need to complete an application form. We will use the information You supply to determine the terms of cover We will provide.

The terms of cover are contained in this PDS and the most recent Schedule, and the Policy wording that We issue to You.

The Schedule will contain important information about Your cover, including the period of insurance, the premium, the level of cover (and the insured amounts) You have chosen.

It will also contain details of the insured property, the Excess payable for any claim, and whether any standard terms have been varied by way of endorsement to the Policy.

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

10. HOW TO RENEW THIS INSURANCE

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

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

11. THE PREMIUM

We consider a number of factors when calculating the premium for this insurance.

They include the type of property being insured (including its age and construction), the location of the property, the level of cover requested and Your previous insurance and claims history.

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

The premium payment may also be increased or decreased when changes are made to Your policy or upon renewal.

Please note that the cover We provide is subject to the premium being paid by You.

12. DUTY OF DISCLOSURE

Your Duty of Disclosure

Before You enter into this contract of insurance, You have a duty of disclosure under the Insurance Contracts Act 1984 (Cth).

The duty applies until We first agree to insure You, and where relevant, until We agree to any subsequent variation, extension, reinstatement or renewal (as applicable).

Answering Our questions

In all cases, if We ask You questions that are relevant to Our decision to insure You and on what terms, You must tell Us anything that You know and that a reasonable person in the circumstances would include in answering the questions.

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

Variations, Extensions and Reinstatements

For variations, extensions and reinstatements, You have a broader duty to tell Us anything that You know, or could reasonably be expected to know, may affect Our decision to insure You and on what terms.

Renewal

Where We offer renewal, We may, in addition to or instead of asking specific questions, give You a copy of anything You have previously told Us and ask You to tell Us if it has changed. If We do this, You must tell Us about any change or tell Us that there is no change.

If You do not tell Us about a change to something You have previously told Us, You will be taken to have told Us that there is no change.

What You Do Not Need to Tell Us

You do not need to tell Us anything that:

- reduces the risk We insure You for;
- is common knowledge;
- We know or should know as an insurer; or
- We waive Your duty to tell Us about.

If You Do Not Tell Us Something

If You do not tell Us anything You are required to tell Us, We may cancel Your contract or reduce the amount We will pay You if You make a claim, or both.

If Your failure to tell Us is fraudulent, We may refuse to pay a claim and treat the contract as if it never existed.

13. YOUR OTHER RESPONSIBILITIES

In addition to Your duty of disclosure, You must tell Us as soon as possible if:

- Your Building will be unoccupied for 90 consecutive days or more;
- There are any changes to the facts or circumstances relating to Your insurance; and
- Loss or damage or an event occurs that is likely to result in a claim under the Policy.

14. COOLING OFF

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

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

15. CANCELLATION

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

16. HOW TO MAKE A CLAIM

If You need to make a claim, please refer to the Claims conditions and procedures on page 35 of the Policy.

Alternatively, You should first contact Honan Insurance Brokers on:

VIC — 03 9947 4333 **NSW** — 02 9299 0767 **QLD** — 07 3368 3708 **WA** — 08 9429 8800

17. TREATMENT OF GST

Please refer to General Conditions 9 and 10 on page 35 of the Policy, which sets out the treatment of GST and the Input Tax Credit entitlement respectively.

18. COMPLAINTS AND DISPUTE RESOLUTION

We take the concerns of our customers very seriously and have detailed complaint handling and internal dispute resolution procedures that you can access. Please note that if we have resolved your initial complaint to your satisfaction by the end of the 5th business day after we have received it, and you have not requested that we provide you a response in writing, the following complaint handling and internal dispute resolution process does not apply. This exemption to the complaints process does not apply to complaints regarding a declined claim, the value of a claim, or about financial hardship.

Stage 1 – Complaint Handling Procedure

If you are dissatisfied with any aspect of your relationship with Chubb including our products or services and wish to make a complaint, please contact us at:

The Complaints Officer

Chubb Insurance Australia Limited
GPO Box 4065
Sydney NSW 2001
t— 1800 815 675
e— Complaints.AU@chubb.com

The members of our complaint handling team are trained to handle complaints fairly and efficiently.

Please provide us with your claim or policy number (if applicable) and as much information as you can about the reason for your complaint.

We will investigate your complaint and keep you informed of the progress of our investigation. We will respond to your complaint in writing within fifteen (15) business days provided we have all necessary information and have completed any investigation required. In cases where further information or investigation is required, we will work with you to agree reasonable alternative time frames and, if We cannot agree, you may request that your complaint is taken to Stage 2 and referred to Our internal dispute resolution team. We will otherwise keep you informed about the progress of our response at least every ten (10) business days, unless you agree otherwise.

Please note if your complaint relates to Wholesale Insurance (as defined in the General Insurance Code of Practice), we may elect to refer it straight to Stage 2 for review by our Internal Dispute Resolution team.

Stage 2 – Internal Dispute Resolution Procedure

If You advise Us that You wish to take Your complaint to Stage 2, Your complaint will be reviewed by members of Our internal dispute resolution team, who are independent to Our complaint handling team and are committed to reviewing disputes objectively, fairly and efficiently.

You may contact Our internal dispute resolution team by phone, fax or post (as below), or email at:

Internal Dispute Resolution Service

Chubb Insurance Australia Limited
GPO Box 4065
Sydney NSW 2001
t— 61 2 9335 3200
f— 61 2 9335 3411
e— DisputeResolution.AU@chubb.com

Please provide us with your claim or policy number (if applicable) and as much information as you can about the reason for Your dispute.

We will keep you informed of the progress of Our review of Your dispute at least every ten (10) business days and will respond to Your dispute in writing within fifteen (15) business days, provided we have all necessary information and have completed any investigation required. In cases where further information or investigation is required, We will work with You to agree reasonable alternative time frames. If We cannot agree, You may refer Your dispute to the Australian Financial Complaints Authority (AFCA) as detailed under Stage 3 below, subject to its Rules. If Your complaint or dispute falls outside the AFCA Rules, You can seek independent legal advice or access any other external dispute resolution options that may be available to You.

Stage 3 – External Dispute Resolution

If you are dissatisfied with Our internal dispute determination, or We are unable to resolve Your complaint or dispute to Your satisfaction within forty-five (45) days, You may refer Your complaint or dispute to AFCA, subject to its Rules.

AFCA is an independent external dispute resolution scheme approved by the Australian Securities and Investments Commission. We are a member of this scheme and We agree to be bound by its determinations about a dispute. AFCA provides fair and independent financial services complaint resolution that is free to consumers.

You may contact AFCA at:

Australian Financial Complaints Authority

GPO Box 3

Melbourne VIC 3001

t— 1800 931 678 (free call)

f— +61 3 9613 6399

e— info@afca.org.au

w— www.afca.org.au

Time limits may apply to complain to AFCA and so You should act promptly or otherwise consult the AFCA website to find out if or when the time limit relevant to Your circumstances expires.

19. PRIVACY STATEMENT

In this Statement We, Our and Us means Chubb Insurance Australia Limited (**Chubb**).

You and Your refers to Our customers and prospective customers as well as those who use Our Website.

This Statement is a summary of Our Privacy Policy and provides an overview of how We collect, disclose and handle Your Personal Information. Our Privacy Policy may change from time to time and where this occurs, the updated Privacy Policy will be posted to Our **website**.

Why We collect Your Personal Information

The primary purpose for Our collection and use of Your Personal Information is to enable Us to provide insurance services to You. Sometimes, We may use Your Personal Information for Our marketing campaigns, in relation to new products, services or information that may be of interest to You. If You wish to opt out of Our marketing campaigns You can contact Our customer relations team on **1800 815 675** or email **CustomerService.AUNZ@chubb.com**.

How We obtain Your Personal Information

We collect Your Personal Information (which may include sensitive information) at various points including but not limited to when You are applying for, changing or renewing an insurance policy with Us or when We are processing a claim. Personal Information is usually obtained directly from You but sometimes via a third party such as an insurance intermediary or Your employer (e.g., in the case of a group insurance policy). Please refer to Our Privacy Policy for further details.

When information is provided to Us via a third party We use that information on the basis that You have consented or would reasonably expect Us to collect Your Personal Information in this way. We take reasonable steps to ensure that You have been made aware of how We handle Your Personal Information.

When do We disclose Your Personal Information?

We may disclose the information We collect to third parties, including service providers engaged by Us to carry out certain business activities on Our behalf (such as claims assessors and call centres in Australia). In some circumstances, in order to provide Our services to You, We may need to transfer Your Personal Information to other entities within the Chubb group of companies such as the regional head offices of Chubb located in Singapore, UK or USA (Chubb Group of Companies), or third parties with whom We (or the Chubb Group of Companies) have sub-contracted to provide a specific service for Us, which may be located outside of Australia (such as in the Philippines or USA). These entities and their locations may change from time to time. Please contact us, if you would like a full list of the countries in which these third parties are located.

Where access to Our products has been facilitated through a third party (for example: insurance broker, online marketing agency, etc) We may also share Your information with that third party.

In the circumstances where We disclose Personal Information to the Chubb Group of Companies, third parties or third parties outside Australia We take steps to protect Personal Information against unauthorised disclosure, misuse or loss.

Your Consent

In dealing with Us, You agree to Us using and disclosing Your Personal Information as set out in this Privacy Statement and Our Privacy Policy. This consent remains valid unless You tell Us otherwise. If You wish to withdraw Your consent, including for things such as receiving information on products and offers by Us or persons We have an association with, please contact Our Privacy Officer.

Access to and correction of Your Personal Information

If you'd like a copy of your Personal Information or wish to correct or update it, want to withdraw Your consent to receiving offers of products or services from Us or persons We have an association with, or You would like a copy of Our Privacy Policy, please contact Our customer relations team on **1800 815 675** or email **CustomerService.AUNZ@chubb.com**.

To request access to, update or correct your personal information held by Chubb, please complete this **Personal Information Request Form** and return it to:

GPO Box 4907 Sydney NSW 2001

t— + 61 2 9335 3467

e— **CustomerService.AUNZ@chubb.com**

How to Make a Complaint

If You have a complaint or would like more information about how We manage Your Personal Information, please review Our Privacy Policy for more details, or contact:

Privacy Officer

Chubb Insurance Australia Limited

GPO Box 4907

Sydney NSW 2001

t— +61 2 9335 3200

t— Privacy.AU@chubb.com

Part 2 Policy Wording

Our Agreement

Based on the information in Your application and provided You have paid the premium, We agree to insure You for the cover specified in the Schedule, subject to the terms, conditions and exclusions of the Policy.

Definitions

Words that begin with a capital letter have a special meaning when used in the Policy. The meanings of these words are given below:

Accident or **Accidental** means an event of an unforeseen and unintended nature and includes a series of accidents arising out of the one event.

Action of the Sea means waves, tidal waters or spray from any of these even if it is driven by wind.

Additional Benefit means the applicable Additional Benefit of the Policy referred to.

Bond Money means money paid by the Tenant and held as security against loss or damage to the Building and/or Contents, outstanding rent or other costs (but not less than 4 weeks rent). You are only required to apply this money once to any claim under the Policy.

Building means the building owned by You at the Situation and described in the Schedule that is a residential or holiday home, flat or unit, and includes:

- Any domestic outbuildings and their fixtures, including boat sheds or, garages;
- Fixed coverings on floors, walls and ceilings including permanently affixed floors which are glued or nailed but excluding carpets, curtains, drapes or internal blinds unless the Situation is rented as unfurnished;
- Fixed appliances which are permanently connected to the electrical, gas or plumbing systems including but not limited to air conditioners, dishwashers, fans, hot water services, light fittings, room heaters and stoves;
- Services including electricity, water and communications;
- Structural improvements of a domestic nature that are permanently affixed, including swimming pools, spa baths, saunas, tennis courts, paving, driveways, gates, fences, retaining walls, television antennae and aerials, external blinds and awnings, and

- Docks, wharves, pontoons or similar structures that are permanently fixed to the land at the Situation and that are used for non-commercial purposes at which fuel is neither stored nor distributed.

Buildings are not:

- property of Tenants, their guests or visitors, boarders, lodgers or paying guests;
- carpets, curtains, drapes or internal blinds;
- trees, shrubs or other plants, potted or otherwise; or
- common property if the Building is part of a strata plan or other body corporate.

Contents means the property described below that belongs to You (or for which You are legally responsible) and provided by You for use by the Tenant at the Situation:

- fittings, furniture, carpets, internal blinds, curtains and drapes;
- household goods and furnishings (however, antiques, fine art, paintings, curios and other bona fide artwork, collections of any kind and unfixed electronic equipment are only covered up to a maximum Sum Insured of \$2,500 for any one item unless separately specified in the Schedule as having a higher Sum Insured);
- fixtures and domestic structural improvements not insured by a body corporate or other party defined in the applicable strata legislation or similar state or territory legislation, and
- swimming pools and spas that are not permanently fixed.

Contents are not:

- articles belonging to You or any other person, which are not for the sole use of Your tenant and are being stored at the risk address;
- motor cycles, caravans, trailers, watercraft and aircraft (other than model aircraft) or any accessories to such things;
- plants or shrubs or trees in gardens;
- animals and pets; or
- furs, gold or silver articles, jewellery, watches, documents or money.

Deliberate Damage means the loss or damage caused by or arising out of an intentional or malicious act. This does not mean loss or damage that has occurred through tenant neglect, poor housekeeping or unhygienic living habits.

Excess means the amount You must pay for each claim under each Section of the Policy. We shall only be liable to indemnify You in excess of this amount. The Excess applies to each loss or series of losses arising from one event.

Flood means the covering of normally dry land by water that has escaped or has been released from the normal confines of any lake, river, creek, or other natural watercourse (whether or not these have been altered or modified), reservoir, canal or dam.

GST means Goods and Services Tax as defined under “A New Tax System (Goods and Services Tax) Act 1999”

Lease means a written and enforceable rental agreement between You and the Tenant, which complies with the applicable state or territory legislation, for a term of 3 months or more.

Open Air means an area at the Situation that is either not wholly enclosed by walls and a roof or cannot be completely closed, including a balcony, porch, veranda, carport or garage.

Period of Insurance means the period of time shown in the current Schedule.

Policy means the agreement between You and Us to provide insurance cover according to the terms, conditions and exclusions contained in this document (including this PDS and Policy Wording), the application form, the Schedule, any attachments to the Schedule, and any other document or endorsement issued by Us affecting the cover.

Re-letting Expenses means the costs necessary to secure a new tenant and includes but is not limited to advertising. This excludes general cleaning and maintenance.

Replacement Cost means the reasonable and necessary cost of replacing, rebuilding or repairing the Building and/or Contents (or the damaged portion of the Building and/or Contents if they are damaged in part only) to a condition that is substantially the same as when new.

If the Building has Heritage or architectural features, or includes structural materials that have ornamental, antique or historical characteristics, or if the original materials are not readily available, the Replacement Cost shall mean the replacing, rebuilding or repairing to a reasonably equivalent appearance and capacity by using equivalent materials that are readily available and suitable for that purpose.

Schedule means the document containing Your specific insurance details.

Section means the applicable Section of the Policy referred to.

Situation means the residential address stated in the Schedule showing the location of Your Building and/or Contents.

Storm means violent atmospheric disturbance including cyclones and strong winds that may be accompanied by lightning, rain, hail, snow or sleet. Storm also includes persistent bad weather, intermittent or persistent rain or hail, and heavy rain by themselves.

Sum Insured means the applicable sum insured under each Section of the Policy as specified in the Schedule and/or the Policy wording.

Tenant means the person or persons named in the Lease (or, in the case of a holiday home or unit, the person residing at the holiday home or unit), and includes any other person who permanently lives at the Situation.

Tenant's Pet means a domestic pet (other than a reptile), owned by the Tenant and permanently kept at the Situation.

Time Reasonably Necessary means the time reasonably necessary in the circumstances to complete repairs, replacement or rebuilding of the Building and/or Contents. Please note that this Section of the Policy does not provide any cover beyond the reasonable date the repairs are completed.

Unfit for Habitation means that if the Situation becomes unfit for habitation, to such an extent that Your tenant cannot live in the Situation, or We agree access or use of the buildings was not possible, as a result of Accidental loss or damage.

We, Us, Our means Chubb Insurance Australia Limited ABN: 23 001 642 020 AFSL: 239687.

You, Your and **Yourself** mean the persons named in the Schedule as being insured under the Policy and includes those persons who live permanently with the named insured who are any of the following:

- their legal spouse or de facto, or
- any member of the named insured's own family and their spouse's or de facto's family.

Section 1 Building Cover

WHAT IS COVERED

This cover only applies when Building cover is selected by You and is specified as covered in the Schedule.

We agree to cover You for Accidental loss or damage to Your Building that occurs during the Period of Insurance.

The maximum amount of cover available is the Sum Insured applicable to Section 1 as shown in the Schedule for any one claim or series of claims arising out of one event.

We also agree to cover You for the Additional Benefits below.

We provide this cover in the manner explained under "Basis of settlement for claims covered by Section 1" on page 20.

WHAT IS NOT COVERED

We will not cover Your Building/s for any loss or damage that is excluded by any of the General Exclusions (see page 30).

ADDITIONAL BENEFITS

Under Section 1 of the Policy We will pay the Additional Benefits appearing below. However, these Additional Benefits will only be available to the extent that the Sum Insured applicable to Section 1 has not been exhausted by a claim for Accidental loss or damage under Section 1.

The costs or losses covered by the Additional Benefits numbered 1, 4, 5, 6 and 9 will only be paid when they result from Accidental loss or damage to Your Building covered and accepted by Us under Section 1.

1. Authority fees

Fees, contributions or imposts payable by You to any government or local authority to obtain a building or construction consent to repair, replace or rebuild any damaged portion of the Building, provided that We will not pay:

- Any fines or penalties imposed by such authority, or
- Any cost imposed by any government or local authority that would have applied to the Building prior to the loss or damage.

The maximum We will pay in any Period of Insurance is 10% of the Sum Insured applicable to Section 1.

2. Fumigation costs

The reasonable and necessary costs of cleaning up and fumigating a Building following the death of a person at the Situation during the Period of Insurance rendering the Building unfit for occupation.

You shall be liable for the Excess stated in the Schedule in respect of each claim made under this Additional Benefit.

The maximum amount We will pay for all claims under all sections for this Additional Benefit in any one Period of Insurance shall not exceed \$5,000.

3. Fusion

We will pay for Accidental loss or damage that occurs during the Period of Insurance to an electric motor that has a capacity of no more than 4 hp that forms part of Your Building, which is caused directly by the burning out of the electric motor.

Under this Additional Benefit, We will (at Our option) pay the reasonable cost to repair or replace the electric motor or any sealed compressor within the motor provided that we shall not be liable for:

- a the repair or replacement of any part not forming part of the motor
 - the cost of repair or replacement of rectifiers and transformers;
 - any motor under any manufacturer's, seller's or distributor's warranty or guarantee;
 - any motor used for a business, trade or profession; or
 - any motor that is partly or wholly submerged or underground; and
- b There will be no reduction for depreciation of motors up to 20 years of age, but for motors older than 20 years of age, We will reduce the amount We pay by depreciation.

You shall be liable for the Excess stated in the Schedule in respect of each claim made under this Additional Benefit.

Our liability for all claims under this Additional Benefit in any one Period of Insurance shall not exceed \$2,500.

4. Mortgage discharge legal fees

The reasonable and necessary legal costs of discharging Your mortgage on the Building if You are required to pay Your mortgage in full following loss or damage.

The maximum that We will pay in any one Period of Insurance is \$5,000.

5. Professional fees

Fees and incidental costs reasonably and necessarily incurred by You (with Our prior written consent) of architects, surveyors, consulting engineers and lawyers for:

- Estimates;
- Plans and specifications;
- Applications for building or construction consents;
- Quantities;
- Tenders; and
- Supervision,

in the process of repairing, replacing or rebuilding the damaged portion of the Building. However, We will not be liable for the costs of preparing any claim under this Policy or any other policy.

The maximum We will pay in any one Period of Insurance is 10% of the Sum Insured applicable to Section 1.

6. Removal of debris

Costs reasonably and necessarily incurred by You in removing and disposing of any debris resulting from an insured event, necessary to repair, replace or rebuild any damaged portion of the Building.

You shall be liable for the Excess stated in the Schedule in respect of each claim made under this Additional Benefit.

The maximum We will pay in any one Period of Insurance is 10% of the Sum Insured applicable to Section 1.

7. Theft

We will pay for loss or damage to Your Building caused directly by theft committed by a Tenant (or resident of a holiday home or unit) or any person ordinarily residing with the Tenant, but excluding any theft of property in the Open Air.

You shall be liable for the Excess stated in the Schedule in respect of each claim made under this Additional Benefit.

The maximum amount We will pay for any claim and for all claims in the aggregate under this Additional Benefit in the Period of Insurance is limited to 10% of the Sum Insured applicable to Section 1.

8. Riot and civil commotion

We will pay for loss or damage to Your Building caused directly by riot and civil commotion not involving Your participation.

You shall be liable for the Excess stated in the Schedule in respect of each claim made under this Additional Benefit.

9. Landscaping

Costs necessarily and reasonably incurred by You for restoring landscaping, trees, shrubs, plants and lawns.

The maximum We will pay under this Additional Benefit during the Period of Insurance is \$2,000.

10. Removal of fallen trees

Where the Building is insured under Section 1 and following damage to the building by a tree or trees at the Situation caused by Storm, impact damage or fire, We will pay the cost of cutting down and removal of the tree or trees including the cost of removing the stump.

We will pay a maximum of \$2,000 under this Additional Benefit for any one loss or series of losses arising out of one event during the Period of Insurance.

11. Exploratory Costs

We will pay the reasonable and necessary costs of identifying and locating the source of leaking, bursting, discharging or overflowing fixed tanks or pipes or other fixed apparatus used to carry water, oil or liquid of any kind provided that the leaking, bursting, discharging or overflowing occurs during the Period of Insurance and is caused by an event not excluded by the Policy.

We will pay a maximum of \$5,000 under this Additional Benefit during the Period of Insurance.

12. Contents

We will cover Contents at the Situation **but only when** Contents cover under Section 2 has not been insured and excluding always personal effects and electronic equipment.

The maximum amount We will pay under this Additional Benefit during the Period of Insurance will not exceed 10% of the Sum Insured for the Building under Section 1.

13. Replacement of external locks

We will pay the cost of replacing external lock/s to the Building following theft of the key/s to them.

We will pay a maximum of \$1,000 under this Additional Benefit during the Period of Insurance.

14. Inflation Protection

If You make a claim during the Period of Insurance, the sums insured for Your building will be adjusted to include any increase in the Consumer Price Index from the beginning of the Policy period.

At the end of each Period of Insurance the renewal premium for the next Period of Insurance will be calculated on the amount of the amended sum(s) insured at that time.

15. Damage by Tenant's Pet

We will pay for loss or damage to Your Building caused by a domestic Tenant's Pet that is owned by Your tenant and permanently lives at the Situation.

We will pay a maximum of \$2,500 under this Additional Benefit during the Period of Insurance.

16. Scorching to bench tops

We will pay for loss or damage to Your kitchen bench tops caused by scorching from hot cooking pots and pans but only to the section of bench that was damaged.

We will pay up to a maximum of \$1,000 under this Additional Benefit during the Period of Insurance.

17. Tax audit expenses

We will pay for the reasonable cost of accountant fees which You incur as a result of Your personal taxation affairs being audited by the Australian Taxation Office. Any such audit must be first notified to You during the Period of Insurance and You must advise Us of any such audit.

We will pay a maximum of \$2,000 under this Additional Benefit during the Period of Insurance.

We will not pay for:

- any audit conducted in relation to criminal activity;
- any fines, penalties or shortfall in the amount of tax payable;
- fees where the final assessment of Your taxable income for the period being audited is 20% higher than Your original declaration;
- any fees incurred outside any statutory time limit;
- any fees incurred as a result of any fraudulent act or fraudulent admission or any statement made by You or on Your behalf to a taxation officer which is false or misleading or can be attributed to deliberate evasion or recklessness;
- any audit conducted in relation to any facts or circumstances of which You were aware or ought to have been aware prior to the commencement of this Policy which were likely to lead to Your making a claim under this Policy; or
- any fees incurred in relation to any enquiries from the Australian Taxation Office which are not related to an identified intention to conduct an audit.

BASIS OF SETTLEMENT FOR CLAIMS COVERED BY SECTION 1

For a claim for Accidental loss or damage to Your Building, We will (at Our option):

- Repair, replace or rebuild the Building or the damaged portion of the Building up to its Replacement Cost, or
- Pay You the reasonable cost to repair, replace or rebuild the Building or the damaged portion of the building up to its Replacement cost, or
- Pay to You the Sum Insured applicable to Section 1. However:
- If You do not commence work to repair, replace or rebuild the damaged portion of the Building within 6 months from when the loss or damage occurred, or
- If You ask Us to pay cash in lieu of the amount it would cost to repair, replace or rebuild the damaged portion of the Building,

then We will pay You no more than the reasonable cost to repair, replace or rebuild the damaged portion of the Building up to the Sum Insured.

PAYMENT OF THE EXCESS

You shall be liable for the applicable Excess stated in the Schedule for Section 1 and the Additional Benefits to Section 1. The Excess applies to each loss or series of losses arising from one event.

OUR LIMIT OF LIABILITY

The maximum We will pay for any one claim under Section 1 in any one Period of Insurance shall be the Sum Insured applicable to Section 1.

However, if We agree to pay You for loss or damage under Section 1 We shall reinstate the Sum Insured applicable to Section 1 (unless Your claim is for a total loss and We pay You the Sum Insured).

Section 2 Contents Cover

WHAT IS COVERED

This cover only applies when Contents cover is selected by You and is specified as covered in the Schedule.

We agree to cover You for Accidental loss or damage to Your Contents that occurs during the Period of Insurance.

The maximum amount of cover available is the Sum Insured applicable to Section 2 shown in the Schedule for any one claim or series of claims arising out of one event. Please also refer to Table 1 on page 24, which states the maximum amount We will pay for certain types of Contents.

Further, if Your Contents are:

- Antiques;
- Fine art, paintings, curios or other bona fide artwork;
- Collections of any kind; or
- Unfixed electronic equipment.

The maximum amount We will pay for any one item is \$2,500 unless it has been specified in the Schedule as having a higher amount of cover.

We also agree to cover You for the Additional Benefits below.

We provide this cover in the manner explained under “Basis of settlement for claims covered by Section 2” on page 24.

WHAT IS NOT COVERED

We will not cover Your Contents for any loss or damage that is excluded by any of the General Exclusions see page 30).

ADDITIONAL BENEFITS

Under Section 2 of the Policy We will pay the Additional Benefits appearing below. However, these Additional Benefits will only be available to the extent that the Sum Insured applicable to Section 2 of the Policy has not been exhausted by a claim for Accidental loss or damage under Section 2.

1. Fusion

We will pay for Accidental loss or damage that occurs during the Period of Insurance to an electric motor that has a capacity of no more than 4 hp that forms part of Your Contents, which is caused directly by the burning out of the electric motor.

Under this Additional Benefit We will (at Our option) pay the reasonable cost to repair or replace the electric motor or any sealed compressor within the motor, provided that:

- a We shall not be liable for:
 - The repair or replacement of any part not forming part of the motor;
 - The cost of repair or replacement of rectifiers and transformers;
 - Any motor under any manufacturer's, seller's or distributor's warranty or guarantee;
 - Any motor used for a business, trade or profession; or
 - Any motor that is partly or wholly submerged or underground; and
- b There will be no reduction for depreciation of motors up to 20 years of age, but for motors older than 20 years of age, We will reduce the amount We pay by depreciation.

You shall be liable for the Excess stated in the Schedule in respect of each claim made under this Additional Benefit.

Our liability for all claims under this Additional Benefit in any one Period of Insurance shall not exceed \$2,500.

2. Theft

We will pay for loss or damage to Your Contents caused directly by theft committed by a Tenant (or resident of a holiday home or unit) or any person ordinarily residing with the Tenant, but excluding any theft of property in the Open Air.

You shall be liable for the Excess stated in the Schedule in respect of each claim made under this Additional Benefit.

The maximum amount We will pay for any claim and for all claims in the aggregate under this Additional Benefit in the Period of Insurance is limited to \$65,000.

3. Riot and civil commotion

We will pay for loss or damage to Your Contents caused directly by riot and civil commotion not involving Your participation.

You shall be liable for the Excess stated in the Schedule in respect of each claim made under this Additional Benefit.

Our liability for all claims under this Additional Benefit in any one Period of Insurance shall not exceed \$65,000.

4. Fumigation costs

The reasonable and necessary costs of cleaning up and fumigating a Building following the death of a person at the Situation during the Period of Insurance rendering the Building unfit for occupation.

You shall be liable for the Excess stated in the Schedule in respect of each claim made under this Additional Benefit.

The maximum amount We will pay for all claims under all sections for this Additional Benefit in any one Period of Insurance shall not exceed \$5,000.

5. Removal of debris

Costs reasonably and necessarily incurred by You in removing and disposing of any debris resulting from an insured event, necessary to repair, replace or rebuild any damaged portion of the Contents.

The maximum We will pay in any one Period of Insurance is 10% of the Sum Insured applicable to Section 2.

This Additional Benefit will only be paid when the costs it is intended to cover result from Accidental loss or damage to Your Contents covered and accepted by Us under Section 2.

6. Damage by Tenant's Pet

We will pay for loss or damage to Your Contents caused by a domestic Tenant's Pet that is owned by Your Tenant and permanently lives at the Situation.

We will pay a maximum of \$2,500 under this Additional Benefit during the Period of Insurance.

7. Tax audit expenses

We will pay for the reasonable cost of accountant fees which You incur as a result of Your personal taxation affairs being audited by the Australian Taxation Office. Any such audit must be first notified to You during the Period of Insurance and You must advise Us of any such audit.

We will pay a maximum of \$2,000 under this Additional Benefit during the Period of Insurance.

We will not pay for:

- any audit conducted in relation to criminal activity;
- any fines, penalties or shortfall in the amount of tax payable;
- fees where the final assessment of Your taxable income for the period being audited is 20% higher than Your original declaration;
- any fees incurred outside any statutory time limit;
- any fees incurred as a result of any fraudulent act or fraudulent admission or any statement made by You or on Your behalf to a taxation officer which is false or misleading or can be attributed to deliberate evasion or recklessness;
- any audit conducted in relation to any facts or circumstances of which You were aware or ought to have been aware prior to the commencement of this Policy which were likely to lead to Your making a claim under this Policy; or
- any fees incurred in relation to any enquiries from the Australian Taxation Office which are not related to an identified intention to conduct an audit.

8. Scorching to bench tops

We will pay for loss or damage to Your kitchen bench tops caused by scorching from hot cooking pots and pans but only to the section of bench that was damaged.

We will pay up to a maximum of \$1,000 under this Additional Benefit during the Period of Insurance.

BASIS OF SETTLEMENT FOR CLAIMS COVERED BY SECTION 2

Subject to Table 1 below, for a claim for Accidental loss or damage to Your Contents, We will (at Our option):

- Replace Your Contents with new items of the same Replacement Cost,
- Repair Your Contents using new materials,
- Pay You the reasonable cost to repair or replace Your contents up to their Replacement Cost, or
- Pay to You the Sum Insured applicable to Section 2.

If Your claim is for Contents described in the left-hand column of Table 1, the basis of settlement is subject to the further conditions and limitations shown in the right-hand column.

PAYMENT OF THE EXCESS

You shall be liable for the applicable Excess stated in the Schedule for Section 2 and the Additional Benefits to Section 2. The Excess applies to each loss or series of losses arising from one event.

OUR LIMIT OF LIABILITY

Subject to any relevant insured amounts and limits that apply to particular Contents (as specified in the Schedule, the definition of Contents or Table 1) the maximum amount We will pay in the aggregate for all claims made under Section 2 (including under the Additional Benefits to Section 2) in any one Period of Insurance shall be the Sum Insured applicable to Section 2.

TABLE 1

Contents in the open air	We will only pay a maximum of 10% of the Sum Insured applicable to Section 2.
Carpets, wall, floor and ceiling coverings	We will only pay to repair or replace damaged carpet, wall, floor or ceiling coverings in the room, hallway or passageway where the loss or damage occurs.
Furniture coverings	When greater than 25% of the covering of an item of furniture is damaged, We will pay its Replacement Cost if the item is not repaired or restored by Us. When less than 25% of the covering of an item of furniture is damaged, We will pay You up to the value of the item just before the loss or damage occurred (taking into account depreciation, wear and tear based upon its age and condition) if it is not repaired or restored by Us.
Manchester and linen	Where We are unable to restore Your manchester and linen back to its pre-loss condition, We will replace with new manchester and linen.
Contents	We will replace Your Contents if they are unable to be repaired or restored by Us.
Pairs, sets and parts	We will only pay for the reasonable cost of repairing or replacing the individual item itself as a proportion of the reasonable cost of repairing or replacing the entire set, even though the set is less valuable by reason of it being incomplete.

Section 3 Rent Loss Due to Damage to Buildings or Contents

Under this Section We will cover You for Your loss of rent if the Situation becomes unfit for habitation as the result of Accidental loss or damage to the Building and/or Contents that is covered and accepted by Us under Sections 1 and/or 2 of the Policy, provided that the loss or damage that causes the Situation to become uninhabitable is to the:

- a Buildings insured under this Policy or that form part of a strata title insured by any other policy against the peril that caused the damage, or
- b Contents insured by this Policy.

The maximum amount that We will pay under this Section will be proportionate to the Time Reasonably Necessary in the circumstances to repair, replace or rebuild (as the case may be) the Building and/or Contents to make the Situation fit for habitation, or 52 weeks' rent, whichever is the lesser. We will use the annual rent as the basis for calculating the amount payable by Us, subject to a maximum of \$1,500 per week.

It is a condition precedent to cover under this Section that You take all reasonable steps to repair, replace or rebuild (as the case may be) the Building and/or Contents as soon as possible after the loss or damage occurred.

ADDITIONAL BENEFITS

Under Section 4 of the Policy We will pay the Additional Benefits appearing below. However, these Additional Benefits will only be available to the extent that the Sum Insured applicable to Sections 1 and/or 2 of the Policy has not been exhausted by a claim for Accidental loss or damage under Sections 1 and/or 2.

1. Rent Reduction

If We agree to pay for loss or damage to Your Building and/or Contents under this Policy, we will also pay the difference between the rent You receive at the Situation and any reduced rent You receive at the Situation where:

- The Situation remains tenantable following damage to Your Building or Contents but the Tenant does not have full use of the Situation for a minimum period of 7 days;
- You have agreed to reduce the Tenant's rent due to the damage to Your Building or Contents; and
- We agree that the rent reduction is in reasonable proportion with the Tenant's loss of use of the Situation.

Example of rent reduction:

- One room at the Situation is damaged and subject to an approved claim under the Policy.
- The weekly rent is \$800.
- We agree that the damaged room represents 20% of the size of the Situation.
- We will pay \$160 per week until the repairs are complete for up to 6 weeks after the first 7 days of not having full use of the Situation.

Cover will commence from the date Your Building or Contents are damaged until whichever of the following Events occur first:

- Your building or contents have been repaired; or
- The maximum period for this insured event is reached.

The maximum period for which We will pay for rent reduction is 6 weeks under this Additional Benefit during the Period of Insurance.

We do not cover rent reduction:

- 1 After the date the tenant has vacated the Situation; or
- 2 If you cause or contribute to delays in repairing the damage.

2. Re-letting Expenses

If We agree to pay a claim under this section of the Policy we will then pay up to \$500 for Re-letting Expenses provided that the Bond Money has been fully exhausted and the Bond Money was equivalent to at least 4 weeks' rent.

We will pay up to a maximum of \$500 under this Additional Benefit during the Period of Insurance.

Section 4 Other Rent Loss

a Deliberate Damage or theft

We will cover You for Your loss of rent due to the Situation being Unfit for Habitation for at least 7 days caused by Deliberate Damage or theft for which a claim under Section 1 and/or 2 has been covered and accepted by Us. The maximum period for which We will pay is 52 weeks, subject to a maximum of \$1,500 per week.

b Default in payment of rent by the Tenant

We will cover You for Your loss of rent due to the default of rent by the Tenant, except in the case of a holiday home or unit. The maximum period for which We will pay will not exceed the equivalent of 20 weeks rent during the currency of one Lease. The currency of one lease refers to a fixed-term lease agreement. If the fixed-term lease agreement has expired and there is a continuous lease agreement in place, the cover, once the tenant vacates, will only extend until the statutory notice period has expired as determined by the applicable state or territory's tenancy legislation.

c Departure of the Tenant from the Situation without notice

We will cover You for Your loss of rent due to the departure of the Tenant from the Situation without notice, except in the case of a holiday home or unit. The maximum period for which We will pay will not exceed the equivalent of 20 weeks rent during the currency of one Lease.

d Refusal of the Tenant to vacate the Situation

We will cover You for Your loss of rent due to the refusal of the Tenant to vacate the Situation following service of an order for possession or eviction issued by a court or tribunal. The maximum period for which We will pay will not exceed the equivalent of 26 weeks rent during the currency of one Lease.

e Death of a sole Tenant

We will cover You for Your loss of rent due to the death of a Tenant under a sole-tenancy agreement. The maximum period for which We will pay will not exceed the equivalent of 18 weeks rent during the currency of one Lease.

f Tenant Hardship

We will cover You for Your loss of rent due to the Tenant being released from Lease obligations due to hardship as defined or awarded by a court or tribunal, or by legislation. The maximum period for which We will pay will not exceed the equivalent of 10 weeks rent during the currency of one Lease.

g Closure or Evacuation

We will cover You for Your loss of rent due to the closure or evacuation of the whole or part of the Building by order or a competent public authority or the Building becomes uninhabitable as a result of either:

- the outbreak of a notifiable human or infectious or contagious disease occurring at the Situation; or
- murder or suicide, or the attempt of either, at the Situation or in the vicinity of the Situation.

The maximum period for which We will pay will not exceed the equivalent of 20 weeks rent during the currency of any one Lease.

However, cover under paragraph g) above will not be available and does not apply in respect of Highly Pathogenic Avian Influenza in Humans or any other diseases declared to be quarantinable diseases under the Quarantine Act 1908 and any similar State or Territory law and any subsequent amendments to those laws.

Where relevant, We will not accept a claim under this Section until You (or Your property manager) have exhausted all reasonable steps legally available to You to remedy the rental default (including by making application for the Bond Money) and/or evict the Tenant.

It is a condition precedent to cover under this Section that You or Your property manager (other representative) take all necessary steps to minimize Your loss.

ADDITIONAL BENEFITS

Under Section 4 of the Policy We will pay the Additional Benefits appearing below. However, these Additional Benefits will only be available to the extent that the Sum Insured applicable to Section s 1 and/or 2 of the Policy has not been exhausted by a claim for Accidental loss or damage under Sections 1 and/or 2.

1. Removal of debris and storage of Tenant's contents following rent default claims

If We agree to pay for Your loss of rent due to default of rent by the Tenant under this Policy and the Tenant has vacated leaving their possessions at the Situation, then we will pay up to \$6,000 for the removal and storage costs You incur (over and above the bond monies) for the removal from the Situation and storage of the Tenant's possessions.

We will pay a maximum of \$6,000 under this Additional Benefit during the Period of Insurance.

2. Re-Letting Expenses

If We agree to pay a claim under this section of the Policy we will then pay up to \$500 for Re-letting Expenses provided that the Bond Money has been fully exhausted and the Bond Money was equivalent to at least 4 weeks' rent.

We will pay up to a maximum of \$500 under this Additional Benefit during the Period of Insurance.

PAYMENT OF THE EXCESS

You are liable for the Excess shown in the Schedule for this Section of the Policy. The Excess applies to each Accident or series of Accidents arising out of one event. We are only liable to indemnify You above the Excess amount.

Section 5 Legal Expenses

Under this Section, provided We have covered and accepted a claim under Section 4 (other rent loss), We will pay:

- the reasonable and necessary legal fees and expenses that You incur with Our prior written approval for the purposes of minimising Your loss of rent due to any of the events covered by Section 4.
- We will pay a maximum of \$7,500 for any one claim under this Section.
- the costs You incur when Your Property Manager represents You in a court or tribunal for the purpose of minimizing Your loss of rent due to any of the events covered by Section 4.
- We will pay a maximum of \$500 for any one claim under this Section.
- the costs You incur to engage a bailiff or sheriff to evict Your tenant.
- We will pay a maximum of \$300 for any one claim under this Section.

PAYMENT OF THE EXCESS

You are liable for the Excess shown in the Schedule for this Section of the Policy. The Excess applies to each Accident or series of Accidents arising out of one event. We are only liable to indemnify You above the Excess amount.

Section 6 Legal Liability

What is covered

Under this Section We will indemnify You for Your legal liability to pay compensation in connection with Your ownership of the Building and/or Contents up to but not exceeding \$20,000,000 in respect of bodily injury (including death, illness, disability, shock, fright, mental anguish or mental injury) or property damage (including loss of property) caused by an Accident occurring at the Situation during the Period of Insurance.

Cover under this Section includes payment of legal costs and related expenses:

- a incurred by You with Our prior written consent in the investigation, settlement or defence of any claim for compensation covered by this Section, and/or
- b recoverable by a claimant from You in connection with a claim for compensation covered by this Section.

What is NOT covered

We will not cover You for any liability, loss or damage that is excluded by any of the General Exclusions (see page 30).

Further, We will not cover any liability or pay for a claim under this Section:

- a arising out of the ownership, possession or use by You of any land or buildings other than those Buildings shown in the Schedule;
- b in respect of bodily injury to:
 - i any member of Your family ordinarily residing with You;
 - ii any person arising out of or in the course of employment of such person either in the service of You or of any other person insured by this Section of the Policy, or
 - iii any person arising from the transmission of any disease;
- c in respect of damage to property:
 - i belonging to or in the physical or legal control of You or any member of Your permanent household, or
 - ii belonging to any person in the service of either You or of any other person insured by this Section of the Policy;
- d arising out of or in connection with any business or occupation carried on by You or of any other person insured by this Section of the Policy other than that of landlord;
- e arising out of or in connection with lifts or inclinators, mechanically propelled vehicles (other than garden implements used for private purposes) watercraft, aircraft (other than model aircraft) or aircraft landing areas;
- f arising out of or in connection with property damage caused by a pontoon that has become entirely unfixed or detached from the land at the Situation;
- g arising out of alterations, additions, repairs or decorations to the Building/s which exceed \$30,000 in cost;
- h arising out of any liability imposed by contract, or for liability all or part of which You have waived or limited Your right of recovery against another party;
- i for any defamation;
- j arising from a strata title building (provided that this exclusion will not apply to Your liability which falls outside the responsibility of the body corporate or strata title company); or
- k in respect of fines or penalties; aggravated, punitive, liquidated or exemplary damages; or penalty clauses.

Payment of the Excess

You are liable for the Excess shown in the Schedule for this Section of the Policy. The Excess applies to each Accident or series of Accidents arising out of one event. We are only liable to indemnify You above the Excess amount.

Our limit of liability

Our liability to indemnify You under this Section of the Policy (including for Your legal costs and related expenses) will not exceed \$20,000,000 for any one Accident occurring during the Period of Insurance.

If You have more than one policy with Us providing insurance in the terms of this Section then Our liability under all policies shall not exceed \$20,000,000 in the aggregate in respect of any one Accident or series of Accidents arising out of one event.

GENERAL EXCLUSIONS

This Policy does not cover any loss, damage, liability, compensation, payment, cost, fee or expense caused by, arising directly or indirectly out of, or in any way connected with:

1 Flood to:

- a retaining walls, garden borders and free standing walls;
- b the surface of a tennis court;
- c wharf, jetty, pontoon or sea wall;
- d swimming pools or spas or the liners or covers including the cost of clearing mud or debris out of swimming pools or spas as a result of Flood, or
- e gates, fences or wall fences that were in a state of disrepair before the Flood damage occurred.

2 Animals, birds or pets. Provided that this general exclusion will not apply: (a) to Tenant's Pets that are owned by Your tenant and are permanently kept at the Situation; and (b) in connection with liability arising from the ownership by You of any animal or bird as a domestic pet.

3 Tenant's Pets kept for a business or commercial purpose.

4 Mildew or mould.

5 Any gradual deterioration or depreciation, wear and tear, rust or corrosion.

6 Loss or damage as a result of Deliberate Damage occurring during maintenance operations or repairs by any Tenant (or resident of a holiday home or unit) or anyone acting on their behalf.

7 Tenant neglect, poor housekeeping, or unhygienic living habits

8 Theft by any Tenant (or resident of a holiday home or unit) or any person ordinarily residing with the Tenant except to the extent covered by Additional Benefit 7 of Section 1, Additional Benefit 3 of Section 2 or paragraph (a) of Section 4.

9 Fusion or mechanical, electrical or electronic breakdown except to the extent covered under Additional Benefit 3 of Section 1 or Additional Benefit 1 of Section 2 (with respect to the actual burning out of an electric motor having a capacity of less than 4 hp) or by any other insured event.

10 Vermin, insects or wildlife.

11 Water seepage or percolation through a wall, floor or roof except to the extent covered by Flood.

- 12 Roots of trees, shrubs, plants or grass, except to the extent covered by Additional Benefit 10 of Section 1 or Additional Benefit 6 of Section 1.
- 13 Tree lopping or cutting down and removal of trees, except to the extent covered by Additional Benefit 10 of Part 2, Section 1 – Building Cover or Additional Benefit 6 of Part 2, Section 1 – Building Cover.
- 14 Inherent defects, structural defects, or faulty workmanship or design.
- 15 Settlement, shrinkage, vibration or expansion in buildings, foundations, slabs, walls, pavements or driveways.
- 16 Buildings in the course of construction or any alteration, addition, demolition, repair to or decoration of the Building exceeding \$30,000 in value.
- 17 Any process of cleaning, repairing, restoring or maintaining any item of property. This includes any such process undertaken by Your tenant.
- 18 Any failure by You or Your property manager to take all reasonable measures to protect and maintain the Building and/or Contents.
- 19 Any war (whether it has been declared or not), civil war or rebellion.
- 20 The lawful seizure, confiscation, nationalisation or requisition of Your Building and/or Contents.
- 21 Radioactivity or other contamination from the use, existence or escape of any nuclear fuel, nuclear material or nuclear waste.
- 22 Any pollutant or contaminant being discharged or escaping.
- 23 Any actual or alleged liability whatsoever for any claim or claims in respect of loss or losses directly or indirectly arising out of, resulting from or in consequence of, or in any way involving asbestos, or any materials containing asbestos in whatever form or quantity.
- 24 Legal liability for claims that would not have occurred but for the existence of electronic mail, a computer virus or an internet site or other internet-based service.
- 25 death, injury, illness, loss, damage, cost or expense of whatsoever nature directly or indirectly caused by, resulting from or in connection with any Act of Terrorism regardless of any other cause or event contributing concurrently or in any other sequence to the loss.

Act of Terrorism means an act, including but not limited to the use of force or violence and/or threat thereof, 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. This exclusion also excludes death, injury, illness, 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.

- 26 Any conduct by You, any member of Your family or any other person acting with Your knowledge or participation that is:
 - Dishonest, fraudulent, or criminal,
 - Willfully or recklessly in breach of any statute, contract or duty, or
 - Intended to cause loss, damage or liability unless the conduct was reasonably intended to protect people or property.
- 27 Any consequential loss unless it is specifically provided for by this Policy.
- 28 The breaking of glass:
 - In any glasshouse or conservatory,
 - Used in picture frames, glassware, crystal, crockery, china, ornaments, vases, lamps, clocks or radios,
 - Used for a purpose not intended, or
 - In any items that are wholly or partly in a defective state at the time of breaking.
- 29 The cost of repairing or replacing any damaged or defective fixed tanks, guttering or pipes or other fixed apparatus (or any part of them) used to hold or carry liquid of any kind.
- 30 The additional cost of repairing or replacing made necessary to match a repaired or replaced item to a particular style following the bursting, leaking, discharging or overflowing of fixed tanks, guttering or pipes or other fixed apparatus used to hold or carry liquid of any kind.
- 31 Scratching, denting, cracking, discolouring, scorching or melting of any travertine or similar material (whether fixed or unfixed), tiles, bench tops and spas. Except to the extent covered by Additional Benefit 16, Part 2, Section 1 & Additional Benefit 11 Part 2, Section 2.
- 32 Loss or damage occurring 72 hours after an earthquake.
- 33 Erosion, landslide or subsidence unless the loss or damage occurs within 72 hours of, and is caused by:
 - An earthquake or explosion,
 - a Storm, or
 - liquid escaping from a fixed pipe, or an object attached to a pipe, fixed gutter, fixed tank or a drain.
- 34 Arcing, sparking, scorching, melting or charring where there is no flame except in the case of loss or damage as the result of lightning.
- 35 Action of the Sea, including any ocean, harbour, bay or tidal water.
- 36 Loss or damage that results from a Storm to the extent that it was caused by rain, hail, snow or sleet entering the Building as the result of an opening made for the purpose of carrying out construction, demolition, alteration or repair of or to the Building or any part of it.

37 Storm damage to:

- swimming pool or spa covers or linings,
- glasshouses or conservatories of any type or form of construction, and/or
- gates and fences not constructed of metal, brick, concrete, masonry or stone that were erected more than 15 years before the commencement of the Period of Insurance.

GENERAL CONDITIONS

1 Flood waiting period

We will not pay any valid claim for loss or damage arising from Flood for the first 30 days from the commencement of this Policy or from when any amended cover is subsequently provided. However, we will cover you for claims for loss or damage arising from Flood within that period if immediately prior to commencing this Policy, another policy covering the same risk expired, without a break in cover.

2 Occupancy

Subject to general condition 3 (Unoccupied Buildings) below, it is a condition precedent to any claim under the Policy that the Building is:

- used solely for private residential purposes, and
- subject to a Lease or rented as holiday home or unit.

However, cover will remain available under Section 1 (Building cover), Section 2 (Contents cover) and Section 6 (Legal liability) for the period of time from when the Building is vacated to the time it is re-let and reoccupied provided the period does not exceed 90 days.

3 Unoccupied Buildings

The cover provided by the Policy shall cease if Your Building remains unoccupied for a period exceeding 90 consecutive days unless You have obtained Our written agreement for the Policy to remain in force beyond that period.

However, if the Building is rented as a holiday home or unit then the cover under the Policy shall not cease and will remain in force even if the Building is unoccupied for a period exceeding 90 days provided that You or Your property manager complete an inspection of the Building within 90 days of it becoming unoccupied and conduct subsequent periodic inspections at least every 90 days.

4 Property condition report

It is a condition precedent to any claim under the Policy that a property condition report in the format required by the applicable state or territory legislation has been completed upon commencement of the Lease except in the case of a holiday home or unit.

5 Jurisdiction

Any dispute concerning the interpretation of this Policy will be determined according to the law of Australia. We and You agree to submit to the exclusive jurisdiction of any court of competent jurisdiction in the state or territory of Australia where this Policy was issued and to comply with all requirements necessary to do so.

6 Conforming to trade sanction laws and sanctions exclusion

This insurance does not apply to the extent that trade or economic sanctions or other laws or regulations prohibit us from providing insurance, including, but not limited to, the payment of claims. All other terms and conditions of the Policy remain unchanged.

Chubb Insurance Australia Limited is a subsidiary/branch of a US company and Chubb Limited, a NYSE listed company. Consequently, Chubb Insurance Australia Limited is subject to certain US laws and regulations in addition to EU, UN and Australian sanctions restrictions which may prohibit it from providing cover or paying claims to certain individuals or entities or insuring certain types of activities related to certain countries such as Cuba.

7 Authorised representative

You agree that the person who represents You (who may be Your property manager) is authorised to give and receive information on Your behalf when applying for this insurance on Your behalf. Their acts and omissions will be deemed to be Your acts and omissions.

8 Excess

You shall be liable for the Excess being the amount stated in the Schedule applicable to each Section of this Policy, except as otherwise noted below.

If more than one Excess is applicable to a claim under the Policy You shall be liable to pay the highest applicable Excess only.

In respect of loss or damage:

- a to Buildings and/or Contents You, Your Excess will be \$300 for every claim;
- b caused by a cyclone that is declared or is a named cyclone, Your Excess will be \$5,000 for each and every claim; and
- c caused by an earthquake (cover is only available for loss or damage that occurs within 72 hours of the earthquake), Your Excess will be \$300 for each and every claim.

9 Rights of subrogation

- a If We make a payment under this Policy We are subrogated to all of Your rights of indemnity, contribution or recovery. You must not surrender any of these rights without Our prior written consent.
- b Any person claiming under this Policy shall at Our request and expense do and allow all things necessary or reasonably required to enable Us to sue in their name for indemnity, contribution or recovery to which We shall be entitled or subrogated upon Us paying for or making good any loss, damage or liability under this Policy.
- c If We make any recovery using Our right of subrogation You may only recover from Us the amount recovered by Us to the extent that it exceeds the amount We paid to You under this Policy in relation to the loss, damage or liability.

10 Treatment of GST

All monetary limits in this policy may be increased for GST in some circumstances as described below.

We will calculate the amount We will pay You in the following manner:

- Where You are liable to pay an amount for GST in respect of an acquisition relevant to Your claim (such as services to repair a damaged item insured under this Policy) We will pay for the GST amount (in addition to the Sum Insured or other applicable limit shown in the Policy or in the Schedule).
- If the Sum Insured is not sufficient to cover Your loss We will only pay the GST amount that relates to Our settlement of Your claim.
- We will reduce the GST amount We pay by the amount of any input tax credits to which You are or would be entitled.
- Where We make a payment under this Policy as compensation instead of payment for the relevant acquisition, We will reduce the amount of the payment by the amount of any input tax credit that You would have been entitled to had the payment been applied to a relevant acquisition.

11 Input tax credit entitlement

If You register or are registered for GST You are required to tell Us Your entitlement to an input tax credit on Your premium. If You fail to disclose, or understate, Your entitlement You may be liable for GST on a claim We may pay. We will not indemnify You for any GST liability (including any fine, penalty or charge) that arises due to Your failure to notify Us of Your entitlement or correct entitlement to an input tax credit on the premium for this insurance.

12 How to make a claim

If You need to make a claim, please refer to the Claims conditions and procedures on page 35 of the Policy.

Alternatively, You should first contact Honan Insurance Brokers on:

VIC — 03 9947 4333 NSW — 02 9299 0767 QLD — 07 3368 3708 WA — 08 9429 8800

13 Claims conditions and procedures

- a** If loss or damage or an event occurs that is likely to result in a claim under this Policy, You must at

Your expense:

- Immediately advise Us of the full details of any loss, damage, liability, injury or notice of claim (including legal proceedings) against You,
- Complete and lodge a claim form if requested to do so,
- Take all reasonable precautions and other steps to prevent further loss, damage or liability occurring and to minimise the claim,
- Immediately inform the police of any actual or attempted Deliberate Damage, theft housebreaking or attempts to commit any of these things,
- Unless We specify an earlier time, give to Us within 30 days of the event a written statement giving details of the claim (along with all necessary supporting documentation and evidence of ownership) and any further information that We may reasonably require to investigate and to verify the claims; and

- Assist Us in the defence of any claim brought against You.
- b** If loss or damage or an event occurs that is likely to result in a claim under this Policy, You must not without Our consent:
 - Dispose of any damaged property, or
 - Arrange for the repair or replacement of any property insured under this Policy.
- c** Where a claim is made against You or any other person insured by the Policy:
 - You or they must not admit liability for or offer to settle the claim, or pay or offer to pay any money or make any promise without Our prior written consent;
 - We will be entitled to take over and conduct in Your name or theirs the defence or settlement of any claim and to prosecute in Your name or theirs for Our benefit any claim for indemnity or damages or otherwise; and
 - We will have full discretion and control in the conduct of the proceedings and the settlement of the claim and You or such other person must give all such information and assistance as We may reasonably require.