

# Zurich Topview Strata Insurance

Product Disclosure Statement



## **Important**

### **Statutory Notice – Section 40 Insurance Contracts Act 1984 (Cth)**

This notice is provided in connection with but does not form part of the policy.

#### **Claims Made Cover**

The insurance in some cover sections of this policy is on a 'Claims Made' basis.

The Office Bearer's Liability Cover Section only provides cover if a claim is made against an officer, by some other person, during the period of insurance.

The Body Corporate Costs Cover Section only provides cover for:

- legal defence costs if a claim is made against the body corporate, by some other person;
- workplace health and safety appeal costs if a notice is imposed or a determination is made; or
- taxation audit costs, if a notification is received by you,

during the period of insurance.

Some cover sections of this policy do not provide insurance cover in relation to events that occurred before the inception of the policy.

The Office Bearer's Liability Cover Section does not cover:

- actions made or threatened;
- notices to attend investigations received; or
- circumstances known of,

before the inception of the policy.

The Body Corporate Costs Cover Section does not cover:

- facts or events occurring prior to the commencement of this policy, which you knew or ought to have known at the time of commencement of this policy, would, or might, give rise to a claim;
- claims initiated, threatened or commenced prior to the commencement of this policy;
- notices imposed or determinations made prior to the period of insurance; or
- tax audits or investigations initiated, threatened or started prior to the commencement of the period of insurance;

Section 40(3) of the Insurance Contracts Act 1984 (Cth) applies to this type of insurance. That sub-section provides that if an insured becomes aware, during the period of insurance, of any occurrence or fact which might give rise to a claim against them by some other person, then provided that the insured notifies the insurer of the matter as soon as reasonably practicable after the insured becomes aware of the occurrence or fact and before this policy expires, the insurer may not refuse to indemnify merely because a claim resulting from the matter is not made against the insured prior to the end of the period of insurance.

If an insured, inadvertently or otherwise, does not notify the relevant occurrence or facts to Zurich before the expiry of the policy, the insured will not have the benefit of section 40(3) and Zurich may refuse to pay any subsequent claim, notwithstanding that the events giving rise to it or the circumstances alleged in it may have taken place during the period of insurance.

# Contents

## About our Topview Strata Insurance

<b>About Zurich</b>	3
<b>How to apply for this insurance</b>	3
<b>Our Topview Strata Insurance</b>	3
<b>Benefits offered under each Cover Section</b>	3
Building and Common Contents	3
Legal Liability	4
Fidelity Guarantee	4
Personal Accident (Voluntary Workers)	4
Machinery Breakdown	4
Office Bearer's Liability	5
Body Corporate Costs	5
<b>Our contract with you</b>	5
<b>Significant issues to consider</b>	5
<b>Duty of Disclosure</b>	6
<b>Non-disclosure or Misrepresentation</b>	6
<b>How we calculate your premium</b>	6
<b>Taxation</b>	7
<b>How to make a claim</b>	7
<b>Privacy</b>	8
<b>General Insurance Code of Practice</b>	8
<b>Complaints and Disputes Resolution process</b>	8
<b>Financial Claims Scheme</b>	8
<b>Cooling-off Period</b>	9
<b>Headings</b>	9
<b>Updating this PDS</b>	9
<b>Benefits of Cover Available</b>	10

## Topview Strata Insurance – Policy Wording

<b>Our Agreement</b>	14
<b>Definitions</b>	14
<b>General Exclusions</b>	15
<b>General Terms and Conditions</b>	15
<b>Additional Benefits to all Cover Sections</b>	17
<b>Building and Common Contents</b>	
What you are insured against	18
Definitions specific to this Cover Section	18
How much we will pay and how	19
Additional Benefits within the Sum Insured	20
Additional Benefits above the Sum Insured	21
Exclusions	24
<b>Optional Extension of Cover</b>	
Catastrophe Cover	25
<b>Legal Liability</b>	
What you are insured against	26
Definitions specific to this Cover Section	26
How much we will pay	26
Additional Benefits	26
Exclusions	27

<b>Fidelity Guarantee</b>	
What you are insured against .....	29
Definitions specific to this Cover Section .....	29
How much we will pay .....	29
Special Terms and Conditions .....	29
Exclusions .....	29
<b>Personal Accident (Voluntary Workers)</b>	
What you are insured against .....	30
Definitions specific to this Cover Section .....	30
How much we will pay (capital and weekly benefits) .....	30
Special Terms and Conditions .....	30
Exclusions .....	31
<b>Machinery Breakdown</b>	
What you are insured against .....	32
Definitions specific to this Cover Section .....	32
How much we will pay .....	32
Additional Benefits .....	32
Special Terms and Conditions .....	32
Exclusions .....	32
<b>Office Bearer's Liability</b>	
What you are insured against .....	34
Definitions specific to this Cover Section .....	34
How much we will pay .....	34
Additional Benefits .....	35
Special Terms and Conditions .....	35
Exclusions .....	36
<b>Body Corporate Costs</b>	
What you are insured against .....	37
Definitions specific to this Cover Section .....	37
How much we will pay .....	38
Additional Benefit .....	38
Special Terms and Conditions .....	38
Exclusions .....	39

# About our Topview Strata Insurance

## About Zurich

The insurer of this product is Zurich Australian Insurance Limited (ZAIL), ABN 13 000 296 640, AFS Licence Number 232507. In this document, ZAIL may also be expressed as 'Zurich', 'we', 'us' or 'our'.

ZAIL is part of the Zurich Insurance Group, a leading multi-line insurance provider with a global network of subsidiaries and offices. With about 60,000 employees, the Zurich Insurance Group delivers a wide range of general insurance and life insurance products and services for individuals, small businesses, and mid-sized and large companies, including multinational corporations, in more than 170 countries.

This Product Disclosure Statement (PDS) is an important document. You should read it carefully before making a decision to purchase this product.

This PDS will help you to:

- decide whether this product will meet your needs; and
- compare this product with other products you may be considering.

The information contained in this PDS is general information only. It is important you read your policy to ensure you have the cover you need.

We sometimes capitalise or italicise terms in this document, to show that words are abbreviations or have a particular defined meaning. You should refer to the Definitions section of this document on page 14 and the Definitions included in each cover section on pages 18, 26, 29, 30, 32, 34 and 37 to obtain the full meaning of such terms.

Throughout this document 'you', 'your', 'insured' means the *body corporate* or Corporation named as the Insured in the *schedule of insurance*, or if there is no strata title, the person or company named.

## How to apply for this insurance

Throughout this document when referring to your adviser, we may simply refer to them as your intermediary.

If you are interested in buying this product or have any inquiries about it, you should contact your intermediary who should be able to provide you with all the information and assistance you require.

If you are not satisfied with the information provided by your intermediary you can contact us at the address or telephone number shown on the back cover of this document. However, we are only able to provide factual information or general advice about the product. We do not give advice on whether the product is appropriate for your personal objectives, needs or financial situation.

## Our Topview Strata Insurance

The Zurich Topview Strata Insurance product is designed to cover the insurance requirements of Body Corporates for residential Strata Title properties and combines cover for Building and Common Contents, Property Owner's Liability, Fidelity Guarantee, Voluntary Workers Personal Accident, Machinery Breakdown, Office Bearer's Liability and Body Corporate Costs.

## Benefits offered under each Cover Section

### Building and Common Contents

This provides cover against physical loss or damage to your *building* and *common contents* occurring during the *period of insurance*, up to the *sum insured*. Provided the *sum insured* has not been exhausted, the following cover is also provided (refer to the Additional Benefits within the Sum Insured from page 20):

- reduced floor-space ratio index
- loss of land value
- additional costs incurred by complying with requirements of any lawful authority
- reasonable costs of repairing or replacing electric motors damaged by fusion
- exploratory costs for leaking pipes
- loss of money
- water removal from car park
- costs incurred to replace locks and keys
- excess public utilities charges
- government fees for building approval
- legal fees for building applications
- damage caused by emergency services access

The following cover is provided in addition to your *sum insured* (refer to the Additional Benefits above the Sum Insured from page 21):

- architects, surveyors and consulting engineers costs
- fire extinguishing costs
- resetting fire and security systems
- temporary protection
- removal of debris, fallen trees, demolition of property
- bonus cover
- loss of rent
- reletting costs
- travel costs
- rewriting or reconstruction of your records
- temporary costs (levies, pet boarding and removal and storage of *property*) and *unit owners'* accommodation costs
- meeting rooms
- modification expenses
- arson reward
- mortgage discharge
- purchaser's interest
- unit owner's fixtures and improvements (excluding water damage to floating floorboards caused by the escape of water from apparatus within the unit)
- Environmental Upgrade – Better Green™ Coverage

Specific limits apply to either Additional Benefits within the Sum Insured and Additional Benefits above the Sum Insured – see the Building and Common Contents cover section.

The cover is subject to specific Definitions and Exclusions and your *sum insured*, which are set out in the Building and Common Contents cover section from page 18 and your *schedule of insurance*.

### Legal Liability

This provides cover for claims for compensation or expenses, which you become legally liable to pay in respect of:

- *personal injury*, or
- *property damage*,

happening as a result of an *occurrence* arising in connection with the ownership of the *property*.

This cover section includes the following Additional Benefits:

- legal costs and court attendance costs, in addition to the *sum insured*
- cover for social or recreational activities
- cover for *officers* and employees

The cover is subject to specific Definitions and Exclusions and your *sum insured*, which are set out in the Legal Liability cover section from page 26 and your *schedule of insurance*.

### Fidelity Guarantee

This provides cover for the *body corporate group funds* which are lost as a result of theft, embezzlement, misappropriation, conversion or fraud that is *discovered* during the *period of insurance*.

The cover is subject to specific Definitions and Exclusions and your *sum insured*, which are set out in the Fidelity Guarantee cover section from page 29 and your *schedule of insurance*.

### Personal Accident (Voluntary Workers)

This provides cover to *voluntary workers* who suffer an injury as a result of an accident during the *period of insurance* and while working in connection with the *property*.

We will pay the applicable capital benefit in the case of death or a total and/or permanent disability of the type listed on page 30. In the case of total or partial disablement following an accident we pay the weekly benefits specified on page 30.

Weekly benefits are payable for a maximum of 104 weeks. In the case of more than one disability being suffered, we pay only the higher compensation amount. In the case of death we reduce the amount payable for death by any compensation we have paid for the disability.

Please note that total or partial disablement weekly benefits will not be paid in respect of the first seven days of disablement.

The cover is subject to specific Definitions, Special Terms and Conditions, Exclusions and capital and weekly benefits, which are set out in the Personal Accident (Voluntary Workers) cover section from page 30 and your *schedule of insurance*.

### Machinery Breakdown

This provides cover for your *machinery* as a result of *breakdown* that occurs during the *period of insurance*.

The cover is subject to specific Definitions, Special Terms and Conditions and Exclusions and your *sum insured*, which are set out in the Machinery Breakdown cover section from page 32 and your *schedule of insurance*.

### Office Bearer's Liability

This provides cover for your *officers* against *claims* against them in their capacity as *officers* arising out of any actual or alleged *wrongful acts*. The cover section includes reimbursement cover for the *body corporate* if it indemnifies the *officers* or is vicariously liable for their *wrongful acts*. Cover is included for *investigation costs* if an *officer* is required to attend an *investigation*.

This cover section includes the following Additional Benefits:

- advance payment of defence costs
- continuous cover

The cover is subject to specific Definitions, Special Terms and Conditions and Exclusions and your *sum insured*, which are set out in the Office Bearer's Liability cover section from page 34 and your *schedule of insurance*.

### Body Corporate Costs

This provides cover to the *body corporate* for legal defence costs, workplace health and safety appeal costs and taxation audit costs.

This cover section includes a continuous cover Additional Benefit.

The cover is subject to specific Definitions, Special Terms and Conditions and Exclusions and your *sum insured*, which are set out in the Body Corporate Costs cover section from page 37 and your *schedule of insurance*.

### Our contract with you

Your policy is a contract of insurance between you and Zurich and contains all the details of the cover that we provide.

Your policy is made up of:

- the policy wording, which tells you what is covered, sets out the claims procedure, exclusions and other terms and conditions of cover;
- the proposal, which is the information you provide to us when applying for insurance cover;
- your most current policy *schedule of insurance* issued by us. The *schedule of insurance* is a separate document unique to you, which shows the insurance details relevant to you. It includes any changes, exclusions, terms and conditions made to suit your individual circumstances and may amend the policy; and
- any other written changes advised by us in writing (such as an endorsement or a supplementary PDS). These written changes vary or modify the above documents.

Please note, only those cover sections shown as insured in your *schedule of insurance* are insured.

This document is also the PDS for any offer of renewal we may make, unless we tell you otherwise. Please keep your policy in a safe place.

We reserve the right to change the terms of this product where permitted to do so by law.

### Significant issues to consider

Insurance contracts contain policy exclusions, policy terms and conditions and policy limits and sub-limits that you should be aware of when deciding to purchase our product. These things may affect the amount of the payment that we will make to you if you have a claim.

We may express some policy terms, policy limits or sub-limits as being either a dollar amount or a percentage of your *sum insured* shown in your *schedule of insurance* or some other amount, factor or item specified in the relevant clause of this document.

You should be aware of the following matters in considering whether this product is suitable for your needs.

### Excesses can apply

For each of the available covers, an excess may apply. An excess is not an additional fee charged by us at the time of making a claim. Rather, it is the uninsured first portion of a loss for which you are otherwise covered, i.e. the amount that you must contribute towards each claim.

Details of the excess amounts and circumstances in which they will be applied are set out in the Definition of excess on page 14 and the relevant cover section.

If a single event results in claims in more than one cover section, you will only be required to pay one amount of basic excess – that which is the greater of the applicable excesses.

The amounts of basic excesses you will be required to pay will appear on your *schedule of insurance*.

### Exclusions

In some circumstances, this policy contains a number of Exclusions, some of which are common in insurance policies. For example, we may not pay for loss or damage arising out of:

- *flood*;
- radioactivity or any radioactive substances;
- failure to keep your *property* in good condition.

Some of the Exclusions may be less common, and as such may be unexpected. For example, the Legal Liability coverage in this policy excludes cover for Information Technology Hazards such as damage to your computer programs as a result of a computer virus. Please refer to page 28 for the details of this Exclusion.

The above are some of the events that are not covered by this policy. Before making a decision about whether to purchase this policy, you should read the full details of all relevant Exclusions, which are contained in the wording. Some may not be relevant to you, however you should make yourself aware of all the Exclusions that apply in all cover sections.

Please refer to General Exclusions on page 15 and Exclusions to the individual cover sections as follows:

- Building and Common Contents from page 24;
- Legal Liability from page 27;
- Fidelity Guarantee on page 29;
- Personal Accident (Voluntary Workers) on page 31;
- Machinery Breakdown on page 32;
- Office Bearer's Liability on page 36;
- Body Corporate Costs on page 39.

### General Terms and Conditions

General Terms and Conditions applicable to all cover sections set out your obligations with which you need to comply. Please refer from page 15. You should read the cover sections and make yourself aware of all the terms and conditions that apply. If you do not meet them, we may decline or reduce the claim payment or cancel your policy.

Special Terms and Conditions are applicable in the following cover sections:

- Fidelity Guarantee refer to page 29;
- Personal Accident (Voluntary Workers) refer to page 30;
- Machinery Breakdown refer to page 32;
- Office Bearer's Liability refer to page 35;
- Body Corporate Costs refer to page 38.

### Make sure you have the cover you need

You should discuss with your intermediary the appropriate amounts and risks for which you need to be insured. If you do not adequately insure for the relevant risks you may have to bear any uninsured losses yourself.

You should also advise your intermediary to notify us as soon as possible when your circumstances change if are relevant to your policy. For instance, if you purchase new additional *common contents* for your Strata. If you do not tell your intermediary of these changes, in the event of you suffering accidental damage, your *sum insured* may not be adequate to cover your loss, or you may not even have any cover under your policy.

### Duty of Disclosure

Before you enter into a contract of general insurance with us, you have a duty under the Insurance Contracts Act 1984 (Cth) to disclose to us every matter you know, or could reasonably be expected to know, is relevant to our decision whether to insure you and, if so, on what terms. This applies to all persons to be covered under this contract of insurance.

You have the same duty to disclose those matters to us before you renew, extend, vary or reinstate a contract of general insurance. This duty however, does not require disclosure of a matter that:

- diminishes the risk to be insured;
- is of common knowledge;
- we know or in the ordinary course of our business we ought to know; or
- we indicate to you that we do not want to know.

### Non-disclosure or Misrepresentation

If you make a misrepresentation to us, or if you do not comply with your duty of disclosure and we issue the policy with terms and conditions that are different to the terms and conditions that would have been issued had there not been any misrepresentation, or your duty of disclosure had been complied with, then:

- we may reduce the cover provided so that we are placed in the same position as we would have been in, had there not been any misrepresentation and your duty of disclosure had been complied with;
- we may cancel the policy; or
- we may treat the policy as if it never existed if the misrepresentation or the non-compliance with your duty of disclosure was fraudulent.

### How we calculate your premium

The amount of your *premium* is determined by taking a number of different matters into account. You can seek a quote at any time.

It is important for you to know in particular that the *premium* varies depending on the information we receive from you about the risk to be covered by us. The higher the risk is, the higher the *premium* will be. Based on our experience and expertise as an insurer, we decide what factors increase our risk and how they should impact on the *premium*. Each insurer can do this differently.

In this product the factors including the following are taken into consideration:

- your nominated *sum insured*;
- the *location* of the *property*;
- the materials used in the construction of your *property*;
- the number of lots that make up your Strata Title;
- your prior claims history;
- security measures (e.g. alarms, deadlocks);
- our basic excess. This means that when you purchase a policy you may elect to take a higher excess in the event of a claim, which will reduce the cost of your *premium*. If you are interested in this, you should ask your intermediary to supply you with quotes based on differing amounts of *excesses*.

Your intermediary can arrange for you to be provided with a quote for a *premium*. You will need to give your relevant personal details to your intermediary at this time to enable us to calculate your *premium*.

Another important thing to know is that your *premium* also includes amounts that take into account our obligation to pay any relevant compulsory government charges, taxes or levies (e.g. Stamp Duty, GST and Fire Services Levy) in relation to your policy. These amounts will be set out separately on your *schedule of insurance* as part of the total *premium* payable.

### **How and when you pay your premium and what happens if you don't pay?**

*Premiums* are charged and are payable on a yearly basis. Your intermediary can also tell you what other methods are available to make your *premium* payments.

Your intermediary should send you an offer of renewal of your insurance once a year, before your current *period of insurance* expires. If you do not pay your *premium* when due, your policy may lapse after 30 days and you will not be covered. You may be able to reinstate your policy after it lapses, but you must submit an application to us, which is subject to our reassessment of your personal circumstances at the time of application.

## **Taxation**

The following taxation information is a guide only and is based on the current law and its interpretation. Your individual circumstances will be important to and may affect the tax treatment of any *premiums* you pay or benefits you receive. You should consult your tax adviser regarding your individual circumstances.

### **Income Tax**

Generally, if a person receives weekly benefits, these benefits may be assessable to that person and subject to tax at that person's marginal income tax rate. However, lump sum amounts that a person receives are generally not taxable.

### **Goods and Services Tax**

The *sum insured* that you choose should exclude Goods and Services Tax (GST). In the event of a claim, if you are not registered for GST, we will reimburse you the GST component, in addition to the amount we pay you. If you are registered for GST, you will need to claim the GST component from the Australian Taxation Office.

Input Tax Credit	Claim Settlement
0%	Settled inclusive of GST
100%	Settled less GST
70%	Settled less 70% of the GST

Generally, you will not be required to pay Goods and Services Tax (GST) on any benefits you receive under your policy. However, you must advise us if you are entitled to claim an input tax credit in relation to any GST payable on your *premium* and the extent of that entitlement. If you do not provide this information to us, you may be liable to pay an amount of GST on benefits you receive.

### **How to make a claim**

If you need to make a claim against this policy, please refer to 'Claims procedures' on page 16. If you have any queries, please contact your intermediary as soon as possible, or call us on 132 687.

## Privacy

Zurich is bound by the Privacy Act 1988 (Cth). Before providing us with any Personal or Sensitive Information ('Information'), you should know that:

We collect, use, process and store Personal Information and, in some cases, Sensitive Information about you in order to comply with our legal obligations, assess your application and, if your application is successful, to administer the products or services provided to you, to enhance customer service and/or product options or manage a claim ('purposes').

If you do not agree to provide us with the Information, we may not be able to process your application, administer your policy or assess your claims.

By providing us or your intermediary with your Information, you consent to our use of this Information which includes us disclosing your Information where relevant for the purposes, to your intermediary, affiliates of the Zurich Insurance Group Ltd, other insurers and reinsurers, our service providers, our business partners or as required by law within Australia or overseas.

Zurich may obtain Information from government offices and third parties to assess a claim in the event of loss or damage.

For further information about Zurich's Privacy Policy, a list of service providers and business partners that we may disclose your Information to, a list of countries in which recipients of your Information are likely to be located, details of how you can access or correct the Information we hold about you or to make a complaint, please refer to the Privacy link on our homepage – [www.zurich.com.au](http://www.zurich.com.au), contact us by telephone on 132 687 or email us at [Privacy.Officer@zurich.com.au](mailto:Privacy.Officer@zurich.com.au)

## General Insurance Code of Practice

We support and adhere to the General Insurance Code of Practice which was developed by the Insurance Council of Australia to further raise standards of practice and service across the insurance industry.

You can obtain more information on the Code and how it assists you by contacting us.

## Complaints and Disputes Resolution process

If you have a complaint about an insurance product we have issued or service you have received from us, please contact your intermediary to initiate the complaint with us. If you are unable to contact your intermediary, you can contact us directly on 132 687.

We will respond to your complaint within 15 working days. If you are not satisfied with our response, you may have the matter reviewed through our internal dispute resolution process, which is free of charge.

If you are not satisfied with the outcome of the dispute resolution process and would like to take the complaint further, you may refer the matter to the Financial Ombudsman Service (FOS), an independent and external dispute resolution scheme.

The FOS is free of charge to you. FOS contact details are:

The Financial Ombudsman Service  
Freecall: 1300 78 08 08  
Post: GPO Box 3, Melbourne, Victoria 3001  
Website: [www.fos.org.au](http://www.fos.org.au)  
Email: [info@fos.org.au](mailto:info@fos.org.au)

## Financial Claims Scheme

Zurich is an insurance company authorised under the Insurance Act 1973 to carry on general insurance business in Australia. As such, we are subject to prudential requirements and standards, regulated by the Australian Prudential Regulation Authority (APRA).

This policy may be a protected policy under the Federal Government's Financial Claims Scheme, (FCS) which is administered by APRA.

The FCS may apply in the event that a general insurance company becomes insolvent. If the FCS applies, a person who is entitled to make a claim under this insurance policy may be entitled to a payment under the FCS. Access to the FCS is subject to eligibility criteria.

Further information about the FCS can be obtained from the APRA website at <http://www.apra.gov.au> and the APRA hotline on 1300 13 10 60.

### **Cooling-off Period**

After you apply for a Zurich product and you have received the policy document, you have 21 days to check that the policy meets your needs. Within this time you may cancel the policy and receive a full refund of any *premiums* paid, unless:

- you have made a claim or become entitled to make a claim under your policy; or
- you have exercised any right or power you have in respect of your policy or the policy has ended.

Your request will need to be in writing and forwarded to us via your intermediary or to the address shown on the back cover of this document.

You can cancel your policy at any time after the cooling-off period. Please refer to 'Cancellation' under the General Terms and Conditions on page 16.

### **Headings**

Headings have been included for ease of reference, but do not form part of the policy.

### **Updating this PDS**

Certain information in this PDS may change from time to time. If the updated information is not materially adverse from the point of view of a reasonable person deciding whether or not to purchase this product, a paper copy of the updated information will be available free of charge upon request, by contacting your intermediary or us by using our contact details on the back cover of this PDS. Please note that we may also choose to issue a new PDS or a supplementary PDS in other circumstances.

# Benefits of Cover Available

The following is a summary of the major benefits of covers available under the policy. Please refer to each cover section for full details of coverage and applicable terms and conditions.

Types of covers available	Benefits of cover available	Page no.
Building and Common Contents	Cover against physical loss or damage to your <i>building</i> and <i>common contents</i> occurring during the <i>period of insurance</i>	18
Legal Liability	Cover for claims for compensation or expenses, which you become legally liable to pay in respect of <i>personal injury</i> or <i>property damage</i> , in connection with the ownership of the <i>property</i> as a result of an <i>occurrence</i> happening during the <i>period of insurance</i>	26
Fidelity Guarantee	Cover for loss of the <i>body corporate's funds</i> as a direct result of an <i>event</i> , including by theft, embezzlement, misappropriation, conversion or fraud that is <i>discovered</i> during the <i>period of insurance</i>	29
Personal Accident (Voluntary Workers)	Following an accident causing an injury to a <i>voluntary worker</i> we will pay a capital benefit payment or weekly benefit payment	30
Machinery Breakdown	Covers <i>breakdown</i> of the <i>body corporate's machinery</i> occurring during the <i>period of insurance</i>	32
Office Bearer's Liability	Covers the <i>officers</i> for <i>claims</i> arising out of a <i>wrongful act</i> made during the <i>period of insurance</i> Reimburses the <i>body corporate</i> if it indemnifies the <i>officer</i> for the <i>claim</i> or is vicariously liable at law Covers the <i>officer</i> for <i>investigation costs</i> when required to attend an <i>investigation</i>	34
Body Corporate Costs	Covers the <i>body corporate's legal defence costs</i> for claims made during the <i>period of insurance</i> Covers the <i>body corporate's appeal costs</i> for appeals of workplace health and safety notices or determinations made during the <i>period of insurance</i> Covers the <i>body corporate's taxation audit costs</i> for <i>audits</i> following notification during the <i>period of insurance</i>	37
<b>Additional Benefits for all Cover Sections</b>		
Approved claim preparation costs	Covers up to \$30,000 for reasonable professional fees and such other expenses incurred by you for the preparation of a claim	17
Emergency mitigation action	You are authorised to incur costs in taking emergency mitigation action on our behalf	17
<b>Building and Common Contents Additional Benefits within the Sum Insured</b>		
Reduced floor-space ratio index	Covers the difference between the actual costs of reinstatement to comply with a reduced floor-space ratio index and the cost of reinstatement, had the reduced index not applied	20
Loss of land value	Up to \$500,000 or 50% of your <i>sum insured</i> , whichever is the greater	20
Extra cost of reinstatement	Covers additional costs incurred by you for your damaged <i>building</i> to comply with requirements of any lawful authority imposed to the proportion of the <i>building</i> actually damaged	20
Motors damaged by fusion	Reasonable costs of repairing or replacing electric motors damaged by fusion	20
Exploratory costs	Covers the reasonable costs of exploratory work to locate the source of leaks. Also covers up to \$1,000 for the repair or replacement of the defective part and up to \$1,000 to rectify contamination damage or pollution damage	20
Money	Covers up to \$10,000 any one loss or series of losses arising out of any one event for the loss of money	21
Water removal from car park	Covers up to \$10,000 any one event for costs incurred in removing water from the car park / basement of the <i>property</i> directly caused by a storm or downpour of rain	21
Locks and keys	Covers up to \$5,000 any one event for costs incurred to replace lost or stolen keys	21

Types of covers available	Benefits of cover available	Page no.
Excess public utilities charges	Covers up to \$5,000 any one event for additional electricity, gas, sewerage, water and management costs you are required to pay following loss or damage	21
Government fees, contributions or imposts	Covers fees paid to public or statutory authorities to obtain approval to rebuild or replace the <i>property</i>	21
Legal fees	Covers legal fees incurred in making building applications as a result of covered physical loss or damage to the <i>property</i>	21
Emergency services access	Covers physical loss or damage to the <i>property</i> caused by emergency services in gaining access to the <i>property</i>	21
<b>Building and Common Contents</b>	<b>Additional Benefits above the Sum Insured</b>	
Architects, surveyors and consulting engineering fees and costs	Covers costs incurred in the process of replacement or reinstatement following loss or damage to the <i>property</i>	21
Fire extinguishing	Covers costs and expenses incurred to extinguish fire, prevent or diminish imminent damage, replenish fire fighting equipment and shut off the supply of water	21
Resetting fire and security systems	Covers costs and expenses incurred to reset fire, smoke and security alarm systems	21
Temporary protection	Covers costs and expenses for temporary protection and safety, including removing and storage, of the <i>property</i>	21
Removal of debris, fallen trees, demolition of property	Covers costs and expenses incurred for removal of debris, fallen trees and demolition	22
Bonus cover	Your <i>sum insured</i> shall be regarded as automatically increased at midnight on the last day of each month of the <i>period of insurance</i> by 0.5%	22
Loss of rent	Covers <i>unit owner</i> for loss of rent after an insured loss or damage makes the unit unfit to be occupied, nearby damage prevents access or the unit is unable to be occupied due to failure of services, legionella, infectious disease, murder or suicide. Cover for up to 15% of the <i>sum insured</i>	22
Reletting costs	Covers reletting costs up to \$1,500 per unit if tenant gives notice following an insured loss or damage that renders unit unfit to be occupied	22
Travel costs	Covers up to \$250 per unit for travel costs when <i>unit owners</i> need to visit the unit to consult with claims adjusters or building repairers after an insured loss or damage renders unit unfit to be occupied	22
Rewriting or reconstruction of your records	Covers costs up to \$50,000 to rewrite or reconstruct your records and books of accounts following loss or damage	22
Temporary costs and accommodation	If an insured loss or damage makes the unit unfit to be occupied, nearby damage prevents access or the unit is unable to be occupied due to failure of services, legionella, infectious disease, murder or suicide there is cover for: <ul style="list-style-type: none"> <li>– levies up to \$2,000 per unit</li> <li>– boarding pets up to \$1,000 per unit</li> <li>– <i>unit owners'</i> temporary accommodation costs up to 15% of normal cost of repair or reinstatement of the damaged <i>building</i> and <i>common contents</i></li> </ul>	22
Meeting rooms	Covers up to \$5,000 for the cost to hire temporary meeting room facilities for AGMs	23
Modification expenses	Covers up to \$25,000 for costs to modify unit if <i>unit owner</i> becomes paraplegic or quadriplegic as a direct result of an insured event	23
Arson reward	Covers a reward of up to \$10,000	23
Mortgage discharge	Covers up to \$5,000 to discharge any mortgage over your <i>building</i> , if it becomes a total loss	23

Types of covers available	Benefits of cover available	Page no.
Purchaser's interest	Covers purchaser's legal interest in the <i>property</i>	23
Unit owner's fixtures and improvements	Covers <i>unit owner's fixtures and improvements</i> up to 15% of the <i>sum insured</i> Excluding water damage to floating floorboards caused by the escape of water from apparatus within the unit	23
Environmental Upgrade – Better Green™ Coverage	Covers: <ul style="list-style-type: none"> <li>– costs to comply with current 'green' building standards</li> <li>– air quality management costs</li> <li>– 'green' building commissioning expenses</li> <li>– debris recycling costs</li> <li>– professional services costs</li> <li>– recertification costs</li> </ul> up to 15% of the <i>sum insured</i>	23
<b>Building and Common Contents</b>		
<b>Optional Extension of Cover</b>		
Catastrophe Cover – Declaration by the relevant authority of a State of Emergency	We will increase your <i>sum insured</i> on the <i>property</i> and all other Additional Benefits in the cover section by up to 30% if the <i>property</i> is rebuilt	25
<b>Legal Liability</b>		
Compensation or expenses you are legally liable to pay	up to the <i>sum insured</i> for all compensation or expenses in relation to any one <i>occurrence</i>	26
<b>Legal Liability Additional Benefits</b>		
Payments in addition to the sum insured	Legal costs and expenses in the defence or settlement of a claim (including coronial inquiries) and court attendance costs of \$250 per day are covered in addition to the <i>sum insured</i>	26
Recreational activities	Covers social or recreational activities arranged for and on behalf of <i>unit owners</i> and occupiers of units	26
Cover For Others	Covers any <i>officer</i> or employee of the <i>body corporate</i> for liability incurred by them while acting within the scope of their duties in such capacity	27
<b>Fidelity Guarantee</b>		
Value of lost funds	Up to the <i>sum insured</i> for all loss of <i>funds</i> , per <i>event</i> and in total, during the <i>period of insurance</i>	29
<b>Personal Accident (Voluntary Workers)</b>		
Death, total and irrecoverable loss of all sight in both eyes, total and permanent loss of the use of both hands or of both feet or the loss of use of one hand and one foot, quadriplegia, paraplegia or incurable paralysis of all limbs	\$200,000	30
Total and permanent loss of use of one hand or the use of one foot and total and irrecoverable loss of all sight in one eye	\$100,000	30
Total disablement from carrying out the principal duties of their usual profession, business or occupation	\$2,000 per week up to 104 weeks	30

Types of covers available	Benefits of cover available	Page no.
Partial disablement from carrying out all the normal duties of their usual profession, business or occupation	\$1,000 per week up to 104 weeks	30
Reasonable and necessary costs of hiring or employing domestic help	\$1,000 per week up to 104 weeks	30
Travel expenses necessarily incurred from the disablement and not otherwise recoverable from any other source	\$2,000 any one event	30
Burial or cremation costs	\$5,000 any one event	30
<b>Machinery Breakdown</b>		
Cost of repair or replacement	Up to the <i>sum insured</i>	32
<b>Machinery Breakdown Additional Benefits</b>		
Increased Costs	Covers expenses for temporary repairs, overtime and express freight and hiring of temporary plant	32
Insulating Oil Refrigerant Cost	Covers cost of liquids or refrigerant gas Covers cost of insulating oil if <i>sum insured</i> for item not exhausted	32
<b>Office Bearer's Liability</b>		
Loss arising from claims and investigation costs	Up to the <i>sum insured</i> in respect of all <i>claims</i> and <i>investigations</i> during any one <i>period of insurance</i>	34
<b>Office Bearer's Liability Additional Benefits</b>		
Advance Payment of Defence Costs	Allows advancement of <i>defence costs</i> and <i>investigation costs</i> prior to final adjudication or finalisation of <i>claim</i> or <i>investigation</i>  We reserve the right to recover costs advanced by us in the event that the <i>officer</i> not entitled to them	35
Continuous Cover	Allows for acceptance of <i>claims</i> arising from late notified facts or matters where office bearer's liability insurance held continuously with us. Does not apply to fraudulent non-disclosure or misrepresentation	35
<b>Body Corporate Costs</b>		
Legal defence costs, appeal costs and taxation audit costs	Up the <i>sum insured</i> for all <i>claims</i> , notices, determinations and <i>audits</i> during any one <i>period of insurance</i>	37
<b>Body Corporate Costs Additional Benefits</b>		
Continuous Cover	Allows for acceptance of <i>claims</i> arising from late notified facts or matters where legal defence costs insurance held continuously with us. Does not apply to fraudulent non-disclosure or misrepresentation	38

# Topview Strata Insurance Policy Wording

## Our Agreement

Subject to all of the terms and conditions contained in your policy document and payment of the *premium*, we will provide you with the cover shown in the relevant cover sections of your policy document up to the appropriate amount shown in your *schedule of insurance* or other limits shown in your policy.

## Definitions

The following Definitions shall apply to these words when used in your policy, unless otherwise defined in the individual cover sections.

### Act of terrorism

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

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

### Aircraft

*aircraft* means any vessel, craft, machine or object made or intended to fly or move in or through the atmosphere or space.

### Body corporate

*body corporate* means the body corporate, owners corporation, proprietors, members, owners or shareholders from time to time and is limited to the interest of proprietors, members, owners or shareholders in respect of the ownership of the *building and common contents* (as defined in the cover section – Building and Common Contents) in terms of the Strata Titles Act or Strata Schemes Management Act or Community Titles Act or Owners Corporation Act or similar legislation applying in your *property's location*.

### Excess

*excess* means the first amount of each claim payable by you. The amount of the *excess* is shown in the *schedule of insurance* and in respect to earthquake, in the cover section – Building and Common Contents, Exclusion 6.

### Location

*location* means the place shown on the *schedule of insurance* where the *property* is physically located.

### Officer

*officer* means any natural person who is a past, present or future:

- (a) member of the committee appointed by the *body corporate* to act as an officer or committee member of the *body corporate* in terms of the Strata Titles Act, Strata Schemes Management Act, Community Titles Act, Owners Corporation Act or similar legislation applying in your *property's location*;
- (b) Body Corporate Manager appointed as an agent to be a member of the committee acting on behalf of the *body corporate*, only to the extent that they are acting as an appointed committee member; or
- (c) person invited by the *body corporate* committee to assist them in the management of the *body corporate's* affairs.

### Period of insurance

*period of insurance* means the period we will insure you for as shown in your *schedule of insurance*.

### Premium

*premium* means the amount you must pay us for the cover sections you select. Your *premium* is shown on the *schedule of insurance*.

### Property

*property* means the *building and common contents* (as defined in the cover section – Building and Common Contents) at the *location* as shown in the *schedule of insurance*.

### Schedule of insurance

*schedule of insurance* means your most recent *schedule of insurance*. We give you this *schedule of insurance* when you first buy this insurance and each time you request an addition, alteration or renewal. The *schedule of insurance* forms part of your policy.

### Sum insured

*sum insured* means the maximum amount we will pay for any claim under each cover section and is shown in your *schedule of insurance* except as otherwise provided for specifically in a cover section.

### Unit owner

*unit owner* means a person, persons or others registered as a proprietor or owner of an estate in a unit and/or a lot in terms of the Strata Titles Act, Strata Schemes Management Act, Community Titles Act or Owners Corporation Act or similar legislation applying in your *property's location*.

### Vehicle

*vehicle* means any type of machine on wheels or self-laid tracks, except unregistered lawn-mowers, made or intended to be propelled by other than manual or animal power and any trailers or other attachments made or intended to be drawn by any of those machines.

### Watercraft

*watercraft* means any vessel, craft, machine or object made or intended to be used on, in or under water.

## General Exclusions

These General Exclusions apply to all cover sections within the policy. However, each cover section also has specific Exclusions to the cover offered under that cover section and those Exclusions should be read in addition to the ones below.

None of the cover sections provide cover for loss, damage, destruction, injury or liability directly or indirectly caused by, arising from or as a result of:

1. an intentional act by you or a person acting with your consent unless for the purpose of preventing or eliminating danger to persons or property;
2. the lawful seizure, confiscation, nationalisation or requisition of the *property*;
3. destruction of, or damage to, property by or under the order of any government or public or local authority, unless required to reduce further destruction or damage to the *property*;
4. war, invasion, act of foreign enemy, hostilities (whether war is declared or not), civil war or unrest, rebellion, revolution, insurrection, military or usurped power, looting, sacking or pillage following any of these;
5. the use, existence or escape of nuclear weapons material, or ionising radiation from, or contamination by radioactivity from, any nuclear fuel or nuclear waste from the combustion of nuclear fuel or action of nuclear fission;
6. any *act of terrorism* or any action taken in controlling, preventing, suppressing or in any way relating to any *act of terrorism*.

Exclusion 6. will only apply if the:

- (i) *building and common contents, sum insured* is more than \$50,000,000; or
- (ii) *building and common contents, sum insured* is less than \$50,000,000 where any proportion of loss that exceeds \$50,000,000; or
- (iii) loss, damage, destruction, injury or liability is caused by pollution or contamination due to chemical and/or biological agents which result from the *act of terrorism*.

## General Terms and Conditions

### 1. Restricting our right of recovery

Where another person is liable to compensate you for any loss, damage or liability, which is covered by this policy but you have agreed not to seek recovery of any monies from that person or have agreed to limit any amount so recoverable, we will not cover you under this policy for that loss, damage or liability to the extent that our right of recovery has been so restricted.

### 2. Changes

You must tell us as soon as possible if circumstances occur or if changes or alterations are intended or made which increase the risk of loss, damage, injury or liability.

### 3. Unoccupied Property

If the *property* is totally unoccupied for a period of more than 60 consecutive days, you must tell us in writing and obtain our written agreement for cover to continue beyond that period. If you do not do so, the cover under your policy is limited to damage caused by lightning, thunderbolt, impact and earthquake for the period in excess of 60 consecutive days during which you have left the *property* totally unoccupied. The period of 60 consecutive days is calculated from the date when the *property* was last occupied, regardless of the commencement or renewal of your policy.

#### 4. Other Interests

You must not transfer any interest in this policy without our written consent. All persons entitled to any benefit under this policy are bound by the terms of this policy. We insure only those interests of which you notify us of when we issue cover, or which are notified to us during the currency of this policy and which we agree to insure.

#### 5. Care and Maintenance

You must take all reasonable care and precautions to prevent or minimise loss, damage, injury, illness or liability including your compliance with any law, by-law, ordinance or regulation that concerns the safety of persons or property. Should any damage have occurred prior to commencement of the insurance and such damage has not been repaired or made good, we shall not be liable for such damage or any consequential loss, destruction or damage.

Your *officers* (as defined in the cover section – Office Bearer’s Liability) must use due diligence and act at all times to avoid or diminish any *claim*.

#### 6. Claims Procedures

If there is any incident, loss, damage, occurrence, event, accident or injury, which may give rise to a claim under this policy, you must:

- (a) take all reasonable precautions to prevent further loss, damage or liability;
- (b) notify the police immediately if any of your *property* is lost, stolen, or maliciously or intentionally damaged;
- (c) notify us in writing as soon as possible. Specific notification requirements apply to the Fidelity Guarantee cover section, the Office Bearer’s Liability cover section and the Body Corporate Costs cover section. Please refer to pages 29, 35, 38 and 39 as appropriate;
- (d) supply us with all information we require to investigate, settle or defend the claim;
- (e) not arrange replacement of any *property* in connection with any claim without our consent; and
- (f) not admit liability if an incident occurs which is likely to result in someone claiming against you and for which we insure you, without our prior written consent.

We have the right to negotiate, defend or settle in your name and on your behalf any claim and will have full discretion in the conduct of any proceedings or in the settlement of any claim.

#### 7. Payments in respect of Goods and Services Tax

When we make a payment to you, or on your behalf, under this policy for the acquisition of goods, services or other supply, we will reduce the amount of the payment by the amount of any input tax credit that you are, or will be, or would have been entitled to under A New Tax System (Goods and Services Tax) Act 1999, in relation to that acquisition, whether or not that acquisition is actually made.

When we make a payment to you, or on your behalf, under this policy as compensation instead of payment for the acquisition of goods, services or other supply, we will reduce the amount of the payment by the amount of any input tax credit that you are, or will be, or would have been entitled to under A New Tax System (Goods and Services Tax) Act 1999 had the payment been applied to acquire such goods, services or supply.

#### 8. Breach of Condition

We may refuse to pay a claim if you are in breach of any of the conditions of this policy.

#### 9. Excess

The amount we will pay for a claim will be reduced by the amount of the *excess*. Some events provided for in your policy are subject to an *excess*. Please refer to your *schedule of insurance* for particulars of any *excess* imposed. Under cover section – Building and Common Contents, Exclusion 6 an additional *excess* is applicable to loss or damage caused directly or indirectly by, or arising out, of earthquakes.

#### 10. Cancellation

You may cancel this policy at any time by notifying us in writing. We will refund to you a proportion of the *premium* for the unexpired *period of insurance*, provided that the cancellation does not fall during the period of time referred to in ‘Cooling-off Period’. We may cancel this policy by notice in writing for any reason available to us by law. We will refund to you a proportion of the *premium* for the unexpired *period of insurance*.

#### 11. Interpretation

In this policy the singular includes the plural and vice versa. The male gender includes the female and neuter gender. All references to specific legislation include amendments to and re-enactments of such legislation and similar legislation in any jurisdiction.

## **12. Proper law and Jurisdiction**

- (a) The construction, interpretation and meaning of the provisions of this policy shall be determined in accordance with Australian law.
- (b) In the event of any dispute arising under this policy, including, but not limited to, its construction and/or validity and/or performance and/or interpretation, you will submit to the exclusive jurisdiction of any competent Court in the Commonwealth of Australia.

## **Additional Benefits to all Cover Sections**

### **1. Approved claim preparation costs**

In addition to the amount of cover provided by each cover section we will pay up to \$30,000 for reasonable professional fees and such other expenses incurred by you for the preparation of a claim under a cover section.

Provided that before you incur these claim preparation costs you obtain our written approval to incur these costs.

### **2. Emergency mitigation action**

In the case of an emergency where you are required to protect against further loss or damage to any *property*, as a direct result of that emergency, and the *property* is covered by your policy, we give you the authority to incur costs in taking emergency mitigation action on our behalf.

# Building and Common Contents Cover Section

## What you are insured against

We agree to indemnify you against physical loss or damage to your *building* and *common contents* occurring during the *period of insurance*.

## Definitions specific to this Cover Section

### Building

*building* means the residential building at the *location* shown in the *schedule of insurance*, containing the units or lots and common property and includes:

1. all improvements and fixtures of a structural nature including fixed plant and machinery; in-ground swimming pools and spas and gates and fences;
2. marinas, wharves, jetties, docks, pontoons, swimming platforms or similar type facilities (whether fixed or floating) which are used for non-commercial purposes and which do not provide fuel, distribution facilities, unless we are advised and otherwise agree in writing;
3. services (including underground) owned by you or for which you are responsible whilst in and about the buildings;
4. paint and wallpaper in common areas and inside individual units;
5. ducted air conditioners, stoves, ovens, hotplates, hot water systems, built-in cupboards and bathroom fittings; and
6. any other items defined as buildings by the relevant legislation in the State or Territory where the building is located.

*building* does not include:

- (a) temporary wall, ceiling or floor coverings;
- (b) window coverings, internal blinds, carpets or light fittings other than in common areas;
- (c) air conditioners that are not permanently mounted, clothes dryers, washing machines, microwave ovens and any free standing or portable appliance;
- (d) fixtures removable by a lessee or tenant at the end of the lease or tenancy;
- (e) property in the course of construction, erection, alteration, addition or renovation where the contract value of the work exceeds \$500,000; or
- (f) illegal installations.

## Common contents

*common contents* means:

1. domestic appliances, equipment, furniture and fittings, swimming pool or spa covers and accessories, swimming pools or spas that are not in ground for which you are responsible or for which you have assumed responsibility to insure:
  - (i) in any common area at the *location* shown in the *schedule of insurance*; or
  - (ii) while in the *building* or temporarily removed to another building for repair or service.
2. rockeries, trees, shrubs and plants owned by you or for which you are responsible up to the value of \$20,000 for any one loss.

*common contents* does not include:

- (a) *vehicles, watercraft, aircraft* or their accessories.
- (b) personal property owned by a *unit owner*.
- (c) works of art, curios and antiques, except up to \$10,000 in total.

## Flood

*flood* means the covering of normally dry land by water that has escaped or been released from the normal confines of any of the following:

- (a) a lake (whether or not it has been altered or modified);
- (b) a river (whether or not it has been altered or modified);
- (c) a creek (whether or not it has been altered or modified);
- (d) another natural watercourse (whether or not it has been altered or modified);
- (e) a reservoir;
- (f) a canal;
- (g) a dam.

## Tsunami

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

### Unable to be occupied

*unable to be occupied* means unable to be occupied:

- (a) for its or their intended purpose due to the failure of electricity, gas, water or sewerage services, resulting from loss or damage to property belonging to or under the control of the supplier of such services, for a period of more than forty eight hours; or
- (b) by order of the police, a public or statutory authority or other body, entity or person so empowered by law, due to:
  - (i) the discharge, release or escape of legionella or other airborne pathogens from water tanks, water systems, air-conditioning plant cooling towers and the like;
  - (ii) a human infectious or contagious disease; or
  - (iii) murder or suicide, occurring at the *location*.

### Unit owner's fixtures and improvements

*unit owner's fixtures and improvements* means any item or structure installed by a *unit owner* for their exclusive use and which is permanently attached to or fixed to the *building* so as to become legally part of it, including any improvements made to an existing fixture.

## How much we will pay and how

### Buildings repair or replacement

We will pay up to the *sum insured* for physical loss or damage to your *building*. In the event of a claim for a *building* we will at our option:

1. repair or replace the *building*; or
2. pay the reasonable cost of repair or replacement of the *building*, to a condition substantially the same as but not better or more extensive than when new; or
3. pay up to the *sum insured*. We will not sell or dispose of any salvage without giving you the opportunity to purchase it at its salvage value, but this does not allow you to abandon any property to us.

Alternatively, and with our prior written consent:

You may purchase another existing building to replace that destroyed. Such replacement shall be deemed to constitute 'repair' for the purposes of this insurance but we shall not, under any circumstances, be liable to make any payment beyond the *sum insured* or the actual cost of rebuilding the *building* destroyed, whichever is the lesser.

The work of rebuilding, replacing, repairing, restoring or reinstating the *building*, as the case may be, must commence within six (6) months of the loss or damage occurring (or any other period which we agree with you), failing which we shall not be liable to make any payment beyond the amount which would have been payable had the delay not occurred and you may have to pay any increase in the cost.

### Loss of land value

For claims for loss of land value under the Loss of land value Additional Benefit:

1. settlement shall be made following the ruling of the authority resulting in the loss of land value. Should settlement have been made, however, and subsequently the ruling of the authority be changed prior to completion of the reconstruction, resulting in an increase in the land value, after loss or damage, that part of the claim paid in excess of the revised land value shall be refunded to us; and
2. all differences relating to your land value arising out of this cover section may by agreement between you and us be referred to the President of the Australian Property Institute Inc. who will appoint a registered and qualified valuer whose decision will, if you and we also agree, be final and who will at the same time decide as to payment of any costs of referral.

### Architectural features

In the case where the *building* has architectural features and structural materials of a particularly ornamental, antique, heritage or historical character, or the materials are not readily available, it is agreed that in calculating the cost which would have been incurred in reinstatement if the whole *property* had been destroyed, the basis to be adopted is the cost of a similar type of building of current design and materials and of a reasonably equivalent utility and capacity. It is further noted that the *sum insured* noted in the *schedule of insurance* has been based accordingly.

### Contents repair or replacement

In the event of a claim for *common contents* we will at our option:

1. repair or replace the *common contents*; or
2. pay the reasonable cost of repair or replacement to a condition substantially the same as but not better or more extensive than when new. The most we will pay for *common contents*, other than rockeries, trees, shrubs and plants is:
  - (a) \$100,000 or 1% of the total *sum insured*, whichever is the greater, for any one loss if the *common contents* were:

- (i) at the *location* stated in the *schedule of insurance*, but not in the open air; or
  - (ii) temporarily removed from the *location* or in transit but not while in transit to or from a furniture repository.
- (b) \$10,000 for any one loss while in the open air at the *location* stated in the *schedule of insurance*, but only if the *common contents* are designed to be used and kept outside.

### Reinstatement of Sum Insured

The *sum insured* will be automatically reinstated to the amount shown on the *schedule of insurance* in the event of a claim. Upon our request, you will pay a pro rata additional *premium* based on the amount of the claim.

### Additional Benefits within the Sum Insured

Subject to our liability not being increased beyond the *sum insured*, we will also indemnify you:

#### 1. Floor-space ratio index

If the *building* is totally destroyed or damaged and we declare it beyond economical repair, and the relevant statutory authority permits reinstatement only to a reduced floor-space ratio index, we will pay the difference between the actual cost of reinstatement to comply with the reduced floor-space ratio index, and the cost of reinstatement, had the reduced floor-space ratio index not applied.

#### 2. Loss of land value

Up to \$500,000 or 50% of the *sum insured*, whichever is the greater, for loss of land value as a result of the requirements of any legal authority not allowing rebuilding or allowing only partial rebuilding at the *location* where there has been loss or damage.

We calculate this amount by subtracting the sum of the land value after the loss or damage, plus the amount of any compensation paid to you by the authority, from the land value immediately before the loss or damage occurred.

#### 3. Extra cost of reinstatement

The additional costs incurred by you for your damaged *building* to comply with the requirements of any lawful authority that are imposed after the damage.

Provided that we will not pay for any costs that would have been incurred when complying with Statutory Regulations that applied to the *property* or *location* prior to the damage.

#### 4. Fusion

For the reasonable cost of repairing or replacing electric motors which are damaged by fusion, where fusion is the process of fusing or melting together of the windings of an electric motor following damage to their insulating material as a result of overheating caused by electric current.

However, we will not pay for:

- (a) the repair or replacement of a sealed or semi-sealed refrigeration unit after 20 years from the date of manufacture of the unit; or
- (b) loss or damage to lighting or heating element, fuses or protective devices; or
- (c) loss or damage to electrical contacts at which sparking or arcing occurs in ordinary working.

#### 5. Exploratory costs

We will pay the reasonable costs of exploratory work to locate the source of any:

- (a) bursting, leaking, discharging or overflowing of water tanks, water apparatus or water pipes;
- (b) bursting, leaking, discharging of gas tanks, gas apparatus or gas pipes; or
- (c) leakage of oil from any fixed oil installation, including tanks, apparatus and pipes.

We will also pay:

- (i) the reasonable costs incurred in repairing any damage caused to your *building* or *common contents* by such exploratory work;
- (ii) up to \$1,000 for the repair or replacement of the defective part or parts of such tanks, apparatus, pipes or other installations which is the cause of the bursting, leaking, discharging or overflowing tanks, apparatus, pipes or other installation; and
- (iii) up to \$1,000 to rectify contamination damage or pollution damage to land at the *location* caused by the escape of liquid from such tanks, apparatus, pipes or other installation.

We will only pay the above costs if the cause of the bursting, leaking, discharging or overflowing is not excluded under this cover section.

## 6. Money

For loss of money, to a limit of \$10,000 any one loss or series of losses arising out of one event, whilst in the personal custody of an office bearer or committee member of the *body corporate*, but excluding fraudulent misappropriation, larceny or theft or any attempt thereat by:

- (a) any person in your employment;
- (b) a *unit owner* or a proxy of a *unit owner* or any member of his/her family residing permanently with him/her;
- (c) a duly appointed strata manager acting on behalf of the *body corporate*.

## 7. Water removal from car park / basement

We will pay up to \$10,000 for the reasonable costs you necessarily incur in removing water from the car park or basement of the *property*, after such inundation is directly caused by a storm or a downpour of rain.

## 8. Locks and Keys

If during the *period of insurance* keys used at the *property* are accidentally lost or stolen we will pay the cost incurred to replace these keys and other costs that are necessarily incurred to restore the security of the *property* to the same level of security that existed prior to the loss of these keys.

Provided that the maximum amount that we will pay is limited to \$5,000 in total, any one event.

## 9. Excess public utilities charges

We will pay up to \$5,000 for additional electricity, gas, sewerage, water and management charges you are required to pay following loss or damage to the *building* or *common contents* covered by this cover section.

## 10. Government fees, contributions or imposts

We will pay fees, contributions or imposts required to be paid to any public or statutory authority to obtain their approval to rebuild, repair or replace the *property* as a result of covered physical loss or damage.

## 11. Legal fees

We will pay legal fees necessarily and reasonably incurred in making submissions and/or applications to any public or statutory authority, builders licensing board or Land and Environment Court as a result of covered physical loss or damage to the *property*.

## 12. Emergency services access

We will pay for physical loss or damage to the *property* caused by emergency services or others acting under their direction in gaining access to the *property* in the lawful pursuit of their duty.

## Additional Benefits above the Sum Insured

We will pay the following Additional Benefits over and above the *sum insured*.

### 1. Fees and costs

For architects', surveyors', and consulting engineers' fees and costs, including all incidental costs, bank imposed charges, legal and other fees and clerk of works' salaries for estimates, plans, specifications, quantities, tenders and supervision necessarily and reasonably incurred in the process of replacement or reinstatement following loss or damage to the *property* but not the costs, fees and salaries for preparing any claim made under this policy or any other policy.

### 2. Fire extinguishing

For costs and expenses necessarily and reasonably incurred for the purpose of:

- (a) extinguishing fire at, or in the vicinity of, the *property* or threatening to involve the *property*;
- (b) preventing or diminishing imminent damage to the *property* by any other peril insured against by this policy, including damage to gain access and the cost of replenishment of fire fighting equipment, including replacing used sprinkler heads; and
- (c) shutting off the supply of water or other substance following accidental discharge from any fire protective equipment or otherwise escaping from intended confines.

### 3. Resetting fire and security systems

For costs and expenses necessarily and reasonably incurred for the purpose of resetting fire, smoke and security alarm systems following insured loss or damage.

### 4. Temporary protection

For costs and expenses necessarily and reasonably incurred for the purpose of the temporary protection and safety, including removing and storage, if required, of the *property* pending repair or replacement following loss or damage.

**5. Removal of debris, fallen trees, demolition of property**

For costs and expenses necessarily and reasonably incurred for the purpose of:

- (a) the removal of debris or the demolition, dismantling, shoring up, propping, underpinning or other temporary repairs following loss or damage to the *property*, but not in connection with a contractual liability or liability for pollution of any kind;
- (b) removing and disposing of fallen trees or parts and costs of treating the stump to prevent regrowth if a claim for impact loss or damage to your *building or common contents* by a falling branch or tree is accepted by us; and
- (c) the demolition and removal of any *property* belonging to you which is no longer useful for the purpose it was intended, provided such demolition and removal is necessary for the purpose of the reinstatement or replacement of the *property* and is following loss or damage but not in connection with a contractual liability or liability for pollution of any kind.

**6. Bonus cover**

The *sum insured* shall be regarded as automatically increased at midnight on the last day of each month of the *period of insurance* by 0.5%. No *premium* shall be payable for any such adjustments occurring during the *period of insurance* and at each policy anniversary the renewal *premium* shall be calculated on the *sum insured* at that time. In the event of a claim occurring, the *sum insured* shall be that which is applicable as at the end of the month immediately preceding the date of the occurrence giving rise to the claim.

**7. Loss of rent**

We will pay the relevant *unit owner* for loss of rent where the unit is leased out or can provide evidence by means of a signed lease agreement that it would have been leased out, after:

- (a) an insured loss or damage:
  - (i) renders a unit or units unfit to be occupied for its or their intended purpose; or
  - (ii) to the *property* in the immediate vicinity prevents reasonable access to your *building*; or
- (b) it is *unable to be occupied*.

The basis of our calculation will be the annual rent as per the lease agreement in place at the time of loss. We do not pay for:

- (i) any loss of rent after the unit is fit again to be occupied for its intended purpose or, in the case of being *unable to be occupied*, after the services are restored or when the order is revoked, as applicable; or
- (ii) any loss of rent for all units in the aggregate in excess of 15% of the *sum insured*.

**8. Reletting costs**

We will pay the relevant *unit owner* reasonable reletting costs up to a maximum of \$1,500 per unit if an insured loss or damage renders a leased out unit unfit to be occupied for its intended purpose and the tenant who has had to vacate the unit gives notice that they will not be reoccupying it.

**9. Travel costs**

In the event of an insured loss or damage rendering a unit unfit to be occupied for its intended purpose, we will pay reasonable travel costs incurred with our prior written consent that are necessary for the relevant *unit owner* to visit the unit for the purpose of consulting with claims adjusters and/or building repairers, up to a maximum of \$250 per unit.

**10. Rewriting your records**

For the reasonable costs up to \$50,000 for the rewriting or reconstruction of your records and books of accounts following their loss or damage. This will include replacement of your title deeds, including any *unit owners* title deeds held in trust by the *body corporate*.

**11. Temporary costs and accommodation**

In the event of an insured loss or damage rendering your *building* or any unit or units unfit to be occupied for its or their intended purpose, or if your *building* or any unit or units are *unable to be occupied*, we will pay:

- (a) all maintenance fees and levies applicable to the unit(s) payable to you up to a maximum of \$2,000 per unit.
- (b) for the boarding out of pets normally domiciled at the premises being owned by the *unit owner's* up to a maximum of \$1,000 per unit.

- (c) temporary accommodation costs of your *unit owners*, including:
  - (i) the removal and storage of their undamaged personal property;
  - (ii) returning such property to the *location*; and
  - (iii) insuring such property during its removal, storage and return,

up to an aggregate amount of 15% of the *sum insured*, and until your *building*, unit or units are fit again to be occupied for its or their intended purpose or, in the case of being *unable to be occupied*, when the services are restored or when the order is revoked, as applicable.

#### 12. Meeting rooms

We will pay up to \$5,000 for the cost to hire temporary meeting room facilities for the purpose of holding annual general meetings or committee meetings in the event of physical loss or damage to your designated meeting room. We will only pay for meetings held during the period of time that is reasonably necessary for repairs to be carried out and access to be re-established.

#### 13. Modification expenses

If a *unit owner* is diagnosed as being paraplegic or quadriplegic within 12 months as a direct result of an insured event occurring at the *location*, we pay up to \$25,000 for the cost incurred by you in modifying your *building* to cater for the needs of the *unit owner*.

#### 14. Arson reward

In the event of loss or damage, we will pay a reward up to \$10,000 for information (irrespective of the number of people supplying information) which leads to a conviction for arson, theft, vandalism or malicious damage in connection with that event covered by the cover section. We will pay the reward to the person or persons providing such information or in such other manner as we may decide.

#### 15. Mortgage discharge

We pay up to \$5,000 to discharge any mortgage over your *building* if it becomes a total loss, and is not being replaced and we have paid the amount due under this cover section.

#### 16. Purchaser's interest

We will cover a purchaser's legal interest in the *property*, when the purchaser has signed an agreement to buy all of or part of the *property*.

#### 17. Unit owner's fixtures and improvements

In the event of loss or damage, we will include the *unit owner's fixtures and improvements* to which at our option, either repair, replace or pay the amount it would cost to repair or replace. We will pay the cost of replacement at the time of replacement subject to:

- (a) the necessary work of replacing or repairing must be commenced and carried out without unreasonable delay;
- (b) if you caused unreasonable delays in commencing or carrying out replacement or repair, we will not pay any extra costs that result from that delay;
- (c) where material used in the original construction are not readily available, we will use the nearest equivalent available;
- (d) when we wish to repair or replace and you do not want this to occur, we will only pay the indemnity value.

The maximum amount that we will pay in the aggregate will be 15% of the *sum insured*.

Provided that we will not pay for the cost to:

- (i) replace undamaged *unit owner's fixtures and improvements*;
- (ii) replace or repair illegal installations; or
- (iii) replace or repair floating floorboards that have sustained water damage caused by the escape of water from tanks, apparatus, pipes or other installations within the unit.

#### 18. Environmental Upgrade – Better Green™ Coverage

##### (a) Better Green Building

In the event of physical loss or damage to your *building* and *common contents* by any event insured, we will pay the reasonable and necessary additional costs you incur to repair, replace, or rebuild the damaged *building* in order to comply with the 'green standards' that are applicable at the time of the loss or damage.

##### (b) Better Green Enhancements

###### (i) Air Quality Management

We will pay for the reasonable and necessary costs you incur to flush out the air in the repaired, replaced, or rebuilt *property* with 100% outside air as required by The Green Building Council of Australia Green Star® or LEED® standards.

- (ii) **Building Commissioning Expenses**  
We will pay for the reasonable and necessary expenses you incur for a qualified engineer, as required by the Green Building Council of Australia Green Star® Rating System or LEED® Green Building Rating System™, to provide building commissioning or re-commissioning services and to oversee the repair, rebuilding, or replacement of your *building* and *common contents* and to verify and document that the repaired, rebuilt, or replaced *property* has been installed and calibrated properly and to perform to documented design criteria and manufacturers' specifications.
- (iii) **Debris Recycling**  
We will pay your expense to clean-up, sort, segregate, and transport recyclable debris of *property* from the premises to recycling facilities.
- (iv) **Professional Services**  
We will pay for the reasonable expenses you incur to retain architects, engineers, or design professionals who are accredited by The Green Building Council of Australia or LEED® to participate in the design, repair, replacement, or rebuilding of the damaged portion of your *building* and *common contents*.
- (v) **Recertification Fees**  
We will pay for the reasonable and necessary registration and certification fees charged by the Green Building Council of Australia to re-certify the *property* to the level of certification prior to the loss of or damage to your *building* and *common contents*.
- (3) **Leadership in Energy & Environmental Design, LEED® Green Building Rating System™ of the U.S. Green Building Council;**
- (4) **'Green Globes™' environmental assessment, educational, and rating system promoted in the United States by the Green Building Initiative;**
- (5) **'ENERGY STAR®' rating standard, joint program of the U.S. Environmental Protection Agency and the U.S. Department of Energy; and**
- (6) **any other recognised local or international environmental codes.**

### Exclusions

We do not insure you against loss or damage caused by:

1. an animal kept by you or anyone living at, or visiting the *location*.
2. water or rain to the exterior of the *building*, unless by a sudden and unforeseen event.
3. water seeping or percolating through walls, roofs or floors or by water entering as a result of structural defects, faulty design, any gradual process or faulty workmanship in the *building* or water entering through an opening made for the purpose of alterations, additions, renovations or repairs.
4. hydrostatic pressure, popping or the accidental breakage, chipping or lifting of swimming pools, spas and their surrounds including tiles or pavers.
5. *flood*.
6. erosion, subsidence, earth movement or collapse resulting from the action of the sea, high water or tidal wave.

Exclusion 3. will not apply to any subsequent damage to your *building* or *common contents* if you were not aware of, and a reasonable person in the circumstances could not be expected to have been aware of, the structural defect, faulty design, any gradual process or faulty workmanship.

Exclusion 6. will not apply to any damage to your *building* or *common contents* if caused by an earthquake or *tsunami*. An earthquake excess of \$200 applies for each claim or series of claims during a period of 72 hours. Each earthquake event is measured over a 72 hour period from when the first earthquake starts. Another event will occur if earthquake activity continues past the first 72 hour period which means you will be required to pay another excess.

The most we will pay under this additional coverage provided under Additional Benefit 10. Environmental Upgrade – Better Green™ Coverage (a) and (b) above, is 15% of the normal cost of repair or reinstatement of the damaged *building* and *common contents* for any one event and in the aggregate any one *period of insurance*.

For the purpose of this Additional Benefit 'green standards' means the following standards, products, methods, and processes for improving the environment, increasing energy efficiency, and enhancing safety and property protection:

- (1) The Green Building Council of Australia, Green Star® Rating System;
- (2) National Australian Built Environment Rating System, NABERS;

7. normal settling, seepage, shrinkage or expansion in buildings or foundations, walls, pavements, roads and other structural improvements, creeping, heaving and vibration.
8. the removal or weakening of supports or foundations for the purpose of alterations, additions, renovations or repair.
9. birds, moths, termites or other insects, vermin or wildlife, rust or oxidation, mildew, mould, contamination or pollution, wet or dry rot, corrosion, change of colour, algae, dampness of atmosphere or other variations in temperature, evaporation, disease, inherent vice or latent defect, change in texture or finish, smut or smoke from industrial operations, the process of cleaning involving the use of chemicals, dilution or contamination of chemicals or contamination of water in a swimming pool or spa.
10. the invasion of tree or plant roots. However if such an invasion blocks your drainage system, this Exclusion will not apply to any subsequent damage to your *building* or *common contents* caused by the escape of water or liquids from the damaged pipes.
11. error or omission in design, plan, specification, failure of design, faulty material or faulty workmanship.
12. mechanical, hydraulic, electrical or electronic breakdown (other than fusion of an electric motor as provided for in Additional Benefits within the Sum Insured), failure, malfunction or derangement, computer virus or processing error, of any machine or electrical and/or electronic device.

We do not insure you for:

13. loss or damage to *property* undergoing construction, erection, alteration, addition or renovation where the contract value of the work exceeds \$500,000.
14. loss or damage to carpets or window applications by staining, fading or fraying, unless by a sudden and unforeseen event.
15. loss or damage to glass or windows by chipping, scratching or discolouration, unless the loss or damage is through the entire thickness of the glass or window.
16. any consequential loss other than specifically covered by this policy.

17. wear and tear, fading, chipping, scratching or marring, rust, gradual corrosion or gradual deterioration or concrete or brick cancer or developing flaws, or wet or dry rot or normal upkeep or making good. However, this Exclusion will not apply to any subsequent damage to your *building* or *common contents* if you were not aware of, and a reasonable person in the circumstances could not be expected to have been aware of, the wear and tear, gradual corrosion or gradual deterioration or developing flaws.

In addition to these Exclusions, please refer to the General Exclusions which are applicable to your policy.

### Optional Extension of Cover

#### Catastrophe cover

If your *property* suffers loss or damage which is covered by this cover section and we declare it beyond economical repair and that loss or damage was caused by:

- (a) an event which causes damage leading to the declaration by the relevant authority of a state of emergency or natural disaster at the *location*; or
- (b) another event which occurs not later than sixty (60) days after such declaration, provided the *property* has been continuously insured with us for that period,

we will:

- (i) increase the *sum insured* on the *property* and all other Additional Benefits in this cover section by up to 30% if the *property* is rebuilt; and
- (ii) include, as an Additional Benefit within the increased *sum insured*, cover for the costs that your *unit owners* necessarily incur to evacuate from the *building* to a place of safety following an order to evacuate the *building* issued by the police, a public or statutory authority or other body, entity or person so empowered by law and to return from the place of evacuation to the *building* once it is fit again to be occupied, where such costs are not otherwise compensated by any public or statutory authority.

In all other respects, the normal terms and conditions of this policy apply.

This optional extension of cover only applies:

- (a) when indicated on your *schedule of insurance*; and
- (b) to loss or damage which is otherwise covered by the cover section.

# Legal Liability Cover Section

## What you are insured against

We will indemnify you in respect of any claim for compensation or expenses which you become legally liable to pay in respect of:

1. *personal injury*; or
2. *property damage*;

in connection with the ownership of the *property* as a result of an *occurrence* happening during the *period of insurance*.

## Definitions specific to this Cover Section

### Computer equipment

*computer equipment* means data or part of data, computer hardware, operating system, computer network, equipment, web sites, servers, extranet, software, applications software, computer chip including microprocessor chip and coded instructions as well as any new technology, product or service replacing or improving existing technology, product or service.

### Personal injury

*personal injury* means:

- (a) bodily injury, death, sickness, disease, shock, fright, mental anguish, psychiatric or psychological disorder, mental injury or loss of consortium;
- (b) false arrest, false or wrongful detention or imprisonment, malicious prosecution or humiliation;
- (c) the publication or utterance of libellous or slanderous comments;
- (d) wrongful eviction or entry or other invasion of privacy; and
- (e) assault or battery not committed by you or at your direction unless for the purpose of preventing or eliminating danger to persons or property.

### Property damage

*property damage* means:

- (a) physical damage to, or loss or destruction of, tangible property including any subsequent loss of use from the damage or destruction;
- (b) loss of use of tangible property, which has not been physically damaged or destroyed, provided the loss of use is as a direct result of an *occurrence*.

## Occurrence

*occurrence* means:

- (a) in relation to part (a) of the Definition of *personal injury* and the Definition of *property damage*, any event, including continuous or repeated exposure to substantially the same general conditions, which causes *personal injury* or *property damage* which is neither expected nor intended by you to happen. All *personal injury* and *property damage* arising directly or indirectly from one original source or cause shall be deemed to be the one *occurrence*.
- (b) in relation to parts (b) to (e) of the Definition of *personal injury* any act or series of acts of the same or similar nature, which cause *personal injury* which is neither expected nor intended by you to happen. Any such act or series of acts regardless of their frequency or the number of claimants shall be deemed to be the one *occurrence*.

## How much we will pay

We will pay up to the *sum insured* for all compensation or expenses in relation to any one *occurrence*.

## Additional Benefits

We agree to extend cover in accordance with the following, subject to the Terms and Conditions and Exclusions of this policy, unless expressly stated otherwise. No Additional Benefit (other than 'Payments in addition to the sum insured') increases the *sum insured*, unless expressly stated otherwise.

### 1. Payments in addition to the sum insured

We will pay, in addition to the *sum insured*:

- (a) reasonable and necessary legal costs and expenses (including the costs of representation at any coronial hearing or other official investigation into the circumstances) incurred by you and approved by us in the defence or settlement of any claim; and
- (b) compensation of \$250 to an *officer* for each day that the *officer* attends court as a witness, at our request, in connection with a claim under this cover section.

### 2. Recreational activities

This cover section is extended to cover your liability for *personal injury* or *property damage* as a result of an *occurrence* arising from social or recreational activities arranged for and on behalf of *unit owners* and occupiers of units happening during the *period of insurance*.

For the purposes of this Additional Benefit, 'your liability' will also mean the liability of the individuals organising the activities, with respect to claims arising from their duties connected with such activity.

### 3. Cover For Others

Provided that they observe, fulfil and are subject to the Terms and Conditions and Exclusions of this policy, we will also cover, as though they were you, any officer or employee of the *body corporate*, but only for liability incurred by them while acting within the scope of their duties in such capacity.

## Exclusions

We will not indemnify your claims in respect of:

### 1. Employer's liability

*personal injury* to any person:

- (a) arising out of, or in the course of, their employment with you; or
- (b) employed by you where such claims arise from a liability imposed by the provisions of any workers compensation legislation, an industrial award or agreement or determination.

### 2. Vehicles

*personal injury* or *property damage* arising out of the ownership, possession, operation, control, maintenance or use by you of any *vehicle* which is:

- (a) registered; or
- (b) required to be registered by law; or
- (c) wholly or partly insured by you or on your behalf by or under any legislation including any compulsory statutory insurance or accident compensation scheme, or would have been, but for the failure to register the *vehicle* or to apply for cover under the scheme or to comply with a term or condition of the scheme.

Exclusion 2. (c) does not apply to *personal injury* or *property damage* caused by or arising:

- (i) from the delivery or collection of goods to or from any *vehicle* which is beyond the limits of any public road i.e. off a public road; or
- (ii) out of the loading or unloading of, or the delivery or collection of, goods to or from any *vehicle* used in work undertaken by you or on your behalf but not in your physical or legal control.

### 3. Property owned or in your physical or legal control

*property damage* to property owned by you or in your physical or legal control.

However, this Exclusion shall not apply to personal property at the *location*, which has suffered loss or damage arising from an insured event covered under your Building and Common Contents cover section. The maximum we will pay is \$10,000 any one occurrence and \$20,000 any one period of insurance for all occurrences.

### 4. Contractual liabilities

any contract, warranty or agreement requiring you to be liable for *personal injury* or *property damage* regardless of fault except to the extent that the liability:

- (a) would have been implied by law in the absence of contract, warranty or agreement;
- (b) arises from a provision in a contract for lease of real or personal property; or
- (c) arises from a provision in a managing agreement with the company, person or firm appointed as your strata management agent, other than where liability arises out of:
  - (i) any act of negligence on the part of such strata management agent; or
  - (ii) their default in performing their obligations under such agreement.

### 5. Professional indemnity

any liability arising out of any breach of the duty owed in a professional capacity by you or persons for whose breaches of such duty you may be legally liable.

However, this Exclusion shall not apply to the rendering of or the failure to render first aid at the *location*.

### 6. Watercraft and aircraft

any liability caused by or arising directly or indirectly out of or in connection with the ownership, custody, use or operation of any *watercraft*, *aircraft* or aircraft landing strip and all operations necessary and incidental to such craft.

### 7. Business or profession

the conduct of any business or profession other than the ownership of the *property*.

### 8. Goods sold

any liability caused by the nature, condition or quality of goods (which includes containers) sold or supplied by you.

**9. Building alterations**

any liability arising directly or indirectly out of or in connection with the construction, erection, alteration, addition, renovation or demolition of a building by you or on your behalf where the contract value of the work exceeds \$500,000.

**10. Vibration / Removal of support**

any liability arising directly or indirectly from vibration, removal or the weakening or interference with support to land, buildings or other property.

**11. Territorial limits**

any actions or claims against you instituted outside the Commonwealth of Australia.

**12. Pollution**

any liability caused by or arising out of contamination or pollution by the harmful nature of any substance discharged, released or which has escaped into or upon land, the atmosphere or any watercourse or body of water.

However, this Exclusion shall not apply where the liability arises from a sudden identifiable, unintended and unexpected event which takes place in its entirety at a specific time and place and the maximum we will pay, inclusive of all costs and in the aggregate, in respect of such liability is the *sum insured*.

**13. Asbestos**

any liability arising out of asbestos or asbestos products or asbestos contained in any products.

**14. Libel or Slander**

any liability arising as a result of libel or slander made by you or at your direction with your knowledge of its falsity.

**15. Fines and penalties**

any liability for fines, penalties, punitive, exemplary, liquidated or aggravated damages of any kind regardless of any other provisions of this policy.

**16. Information Technology Hazards**

any liability caused or contributed by or arising directly or indirectly out of or in connection with any:

- (a) total or partial destruction, distortion, erasure, corruption, alteration, misuse, misinterpretation, misappropriation or other use of *computer equipment*;
- (b) error in creating, amending, entering, directing, deleting, or using *computer equipment*; or
- (c) total or partial inability or failure to receive, send, access or use *computer equipment* for any time or at all.

In addition to these Exclusions, please refer to the General Exclusions which are applicable to your policy.

# Fidelity Guarantee Cover Section

## What you are insured against

We will pay for the value of *funds* which are lost as a direct result of an *event* that is first *discovered* during the *period of insurance*.

## Definitions specific to this Cover Section

### Discovered or discovery

*discovered* or *discovery* means the moment when you or any *officer* not in collusion with any person(s) committing the fraudulent or dishonest act become aware of any fact or facts that give reasonable grounds to believe that loss as insured under this cover section has been or may be incurred even though the exact amount or details of the loss may not then be known.

### Funds

*funds* means money, negotiable instruments, securities or tangible property received by you, or collected on your behalf, which has been or was to be set aside for the financial management of your affairs. *Funds* do not include the personal money, securities or tangible property of *unit owners*.

### Event

*event* means any fraudulent or dishonest act and includes:

- (a) theft;
- (b) embezzlement;
- (c) misappropriation;
- (d) conversion; and
- (e) fraud.

## How much we will pay

We will pay up to the *sum insured* for all loss of *funds*, per *event* and in total, during the *period of insurance*.

## Special Terms and Conditions

1. Where more than one loss arises from one fraudulent or dishonest act or from a series of fraudulent or dishonest acts which are connected causally with another or which are by any means inter-related or inter-connected, they shall be deemed to be a single loss notwithstanding the number of loss notifications that have been made and such single loss shall be attributed solely to the *period of insurance* during which the first loss arising from such series of acts was *discovered*.
2. You must provide us with written notice of loss within 90 days of *discovery*.

## Exclusions

We will not be liable for any:

1. payment under this policy unless you have previously exhausted your rights and entitlements under any other fidelity bond or fund, whether of a statutory nature or not;
2. further *event* committed after the initial discovery of loss;
3. losses arising out of an *event* where you had or ought to have had knowledge of the likelihood of an *event* as a result of prior *events*; or
4. losses you are not able to prove to us to our satisfaction.

In addition to these Exclusions, please refer to the General Exclusions which are applicable to your policy.

# Personal Accident (Voluntary Workers) Cover Section

## What you are insured against

We will pay compensation to any *voluntary worker* who suffers injury as a result of an accident, occurring during the *period of insurance* and while the *voluntary worker* is working in connection with the *property* and which results in one of the listed insured events within one calendar year of the accident. Injury does not include sickness, disease or mental illness.

## Definitions specific to this Cover Section

### Voluntary worker

*voluntary worker* means any *unit owner* or other person working on your behalf in connection with the *property* and at your direction without fee or reward or any expectation of fee or reward.

## How much we will pay (capital and weekly benefits)

Subject to the Special Terms and Conditions below, we will pay the following compensation for each insured event:

1. death: capital benefit of \$200,000.
2. total and irrecoverable loss of all sight in both eyes: capital benefit of \$200,000.
3. total and permanent loss of the use of both hands or of both feet or the loss of use of one hand and one foot: capital benefit of \$200,000.
4. permanent quadriplegia, paraplegia or incurable paralysis of all limbs: capital benefit of \$200,000.
5. total and permanent loss of use of one hand or the use of one foot: capital benefit of \$100,000.
6. total and irrecoverable loss of all sight in one eye: capital benefit of \$100,000.
7. (a) total disablement from carrying out the principal duties of their usual profession, business or occupation and not able to work in a similar profession, business or occupation for which the *voluntary worker* is qualified by education, training or experience – in respect of each week of disablement: a weekly benefit of \$2,000.  
(b) partial disablement from carrying out all the normal duties of their usual profession, business or occupation – in respect of each week of disablement: a weekly benefit of \$1,000.
8. reasonable and necessary cost of hiring or employing domestic assistance following certification by a qualified medical practitioner that a *voluntary worker* is totally disabled from performing their usual profession, business or occupation or usual household activities – in respect of each week of disablement: a weekly benefit of \$1,000.
9. travel expenses necessarily incurred at the time of sustaining bodily injury and not otherwise recoverable from any other source – limit for any one event: \$2,000.
10. reasonable costs of burial or cremation of the *voluntary worker* who dies as a direct result of bodily injury claimed under insured event 1. – limit for any one event: \$5,000.

## Special Terms and Conditions

1. Compensation to each *voluntary worker* injured will be paid on the basis that:
  - (a) if a *voluntary worker* suffers more than one disability, we pay only the higher of the two amounts of compensation shown for the disabilities suffered;
  - (b) if the *voluntary worker* dies as a result of a disability, we will reduce the amount we pay for death by any compensation we have paid for the disability;
  - (c) we pay only if the *voluntary worker* is not entitled to compensation under any workers' compensation insurance, transport accident scheme or other statutory scheme or fund;
  - (d) in the event that total or partial disablement benefits are claimed, the *voluntary worker* can demonstrate that they earned a regular income prior to the accident; and
  - (e) after the occurrence of any one of the insured events 2 to 7 there will be no further liability under this cover section in respect of the same *voluntary worker* for future injuries.
2. Each *voluntary worker* injured will not be paid more than one total or partial disablement weekly benefit as compensation in respect of the same accident or *period of insurance*.
3. Total or partial disablement weekly benefits will not be paid in respect of the first seven days of disablement.
4. Total or partial disablement weekly benefits for each *voluntary worker* injured will not exceed a maximum of 104 weeks.
5. Compensation to each *voluntary worker* injured will not be paid unless the injured *voluntary worker* shall, as soon as possible after the accident, procure and follow medical advice from a legally qualified medical practitioner.

## Exclusions

We shall not be liable for:

1. any claim arising out of or attributable to intentional self-injury or suicide, including injuries suffered as a result of attempted suicide;
2. any claim arising out of or attributable to any pre-existing medical condition, sickness or disease;
3. any claim arising out of or attributable to a *voluntary worker* being under the influence of alcohol or any drug, other than a drug prescribed by a qualified medical practitioner and taken according to instructions;
4. any claim arising out of or attributable to a *voluntary worker's* pregnancy or childbirth notwithstanding that miscarriage or childbirth may have been accelerated or induced by the accident resulting in the bodily injury;
5. any amounts recoverable under a Medicare benefit or payable by any registered health benefits insurer; or
6. any fees or charges in relation to the provision in Australia of medical expenses, hospital treatment or ancillary benefits as defined by the Health Insurance Act, 1973 (Cth).

In addition to these Exclusions, please refer to the General Exclusions which are applicable to your policy.

# Machinery Breakdown Cover Section

## What you are insured against

We agree to indemnify you against *breakdown* of your *machinery* occurring during the *period of insurance*.

## Definitions specific to this Cover Section

### Breakdown

*breakdown* means sudden and unforeseen physical damage which requires immediate repair or replacement to enable normal operation to continue.

### Machinery

*machinery* means:

- (a) lifts, elevators, escalators and inclinators provided they are subject to a current comprehensive maintenance agreement; and
- (b) all other electrical machinery, mechanical machinery, boilers and pressure vessels.

### Material Defect

*material defect* means any physical imperfection, which impairs worth or usefulness.

## How much we will pay

We will pay up to the *sum insured* for the cost of repairing or, at our option, replacing:

1. *machinery* that is damaged as a result of *breakdown*; and
2. *property* belonging to you or to property for which you are responsible that is damaged by flying fragments from *machinery*,

*provided* that the damage to the *machinery* occurs during the *period of insurance*.

## Additional Benefits

We will pay the following Additional Benefits when the *sum insured* is not otherwise expended in respect of any one event.

### 1. Increased Costs

We will pay the following reasonable expenses following a *breakdown*:

- (a) temporary repairs;
- (b) overtime and express freight; and
- (c) hiring of temporary plant.

We will not pay for:

- (i) expenses for overseas specialists or consultants to carry out or supervise repairs;
- (ii) air freight by *aircraft* specifically chartered for the purpose;

- (iii) overtime charges greater than fifty percent (50%) of the cost of carrying out the repairs at ordinary rates; or
- (iv) any repairs or replacement of hired or loaned plant.

### 2. Insulating Oil Refrigerant Cost

We will pay for the cost of liquids or refrigerant gas for air conditioning or refrigeration units following a *breakdown*. We will also pay the cost of insulating oil from transformers or capacitors, subject to the *sum insured* for the item(s) not being exhausted.

## Special Terms and Conditions

1. This cover section only applies after you have fulfilled all relevant provisions for installation and certification of the *machinery* and it must be in sound working order without any *material defects*.
2. Where components or manufacturer's specifications are no longer available because they are obsolete, we may choose to either:
  - (a) pay the costs which would have been incurred if the components or manufacturer's specification had still been available; or
  - (b) pay the actual value of the item immediately before the *breakdown* occurred,whichever is the lesser.

## Exclusions

We will not pay for:

1. damage caused by fair wear and tear. This means the wasting or wearing out of any part of *machinery* due to natural, ordinary use or gradual deterioration including (but not limited to):
  - (a) erosion, corrosion, rust, boiler scale or oxidation, fatigue fractured pipes or damage due to cavitation;
  - (b) tightening of loose components, recalibration or adjustments, other than as a result of the *breakdown*;
  - (c) slowly developing deformation, distortion or cracking; or
  - (d) any crack, blister, flaw or grooving which has not penetrated the entire thickness of the *machinery's* material although repair or replacement may be necessary at some time in the future.

2. damage caused by a deliberate act ordered or carried out by you or by any person acting with your permission, except when it is to avoid or reduce *breakdown* which would otherwise happen.
3. damage caused by theft or any attempted theft.
4. damage caused by testing (involving the imposition of abnormal conditions), intentional overlooking or experiments of any kind, unless agreed by us and noted on the *schedule of insurance*.
5. consequential loss of any kind.
6. damage to expendable or consumable parts, such as:
  - (a) seals, gaskets, joints, belts, ropes, wires, chains, links, felts, sieves, fabrics, joinings or packings, unless damaged as a result of the *breakdown*;
  - (b) electric heating elements, electric contacts, fuses, filaments, glass, porcelain or ceramic components other than when used as electrical insulation;
  - (c) cutting edges, tyres, rails, wear plates, dies, engraved cylinders, moulds, patterns, exchangeable tools; or
  - (d) concrete, brickwork or refractories, unless damaged as a result of the *breakdown*.
7. excluded plant, which is:
  - (a) electronic apparatus other than control equipment associated exclusively with and forming part of the *machinery*. This Exclusion does not apply if the apparatus is specifically listed on the *schedule of insurance*;
  - (b) lighting equipment, reticulating electrical wiring and sub distribution switchboards, reticulating liquid and gas piping, ducting;
  - (c) storage tanks, vats or vessels containing explosive gases, unless required to be registered by a Statutory Authority as a registered pressure vessel;
  - (d) mobile *machinery* unless specifically listed on the *schedule of insurance*; or
  - (e) coin/card operated machines.
8. the cost of removing or reinstalling pump units from bores or loss or pumps units within bores, unless listed on the *schedule of insurance*.
9. costs due to the modification or replacement or *machinery* due to any legal requirement relating to the use of refrigerant gases. This Exclusion applies regardless of whether a *breakdown* has occurred.
10. damage that is claimable from any manufacturer, supplier, engineer or other person under the provisions of any maintenance or warranty agreement.
11. damage caused by the application of any tool or process in the course of maintenance, inspection, repair, alteration, modification or overhaul.
12. loss of oil, liquid or gas resulting from leakage from glands, seals, gaskets, joints or from corroded, pitted or deteriorated parts.
13. damage occurring during installation or erection other than the dismantling, movement and re-erection for the purpose of cleaning, inspection, repair or installation in another position within the *location*.

In addition to these Exclusions, please refer to the General Exclusions which are applicable to your policy.

# Office Bearer's Liability Cover Section

## What you are insured against

### 1. Office Bearer's liability

We will pay to or on behalf of an *officer* loss not indemnified by the *body corporate* that arises from any *claim* made against the *officer* arising out of a *wrongful act*.

### 2. Body corporate reimbursement and vicarious liability

We will pay to or on behalf of the *body corporate* loss indemnified by it that arises from any *claim* made against an *officer* arising out of a *wrongful act* or for which the *body corporate* is vicariously liable at law.

### 3. Investigation Costs

We will pay to or on behalf of:

- (a) an *officer* *investigation costs* arising from an *investigation*, that are not indemnified by the *body corporate*; and
- (b) the *body corporate* *investigation costs* arising from an *investigation*, that are indemnified by it.

This cover section operates on a 'claims made' basis.

It only covers *claims* and *investigations* first made during the *period of insurance* and notified to us during the *period of insurance* or within 30 days of expiry.

## Definitions specific to this Cover Section

### Claim

*claim* means any writ, summons, application, other originating legal or arbitral proceeding, cross claim or counter claim issued or served upon an *officer* alleging any *wrongful act* or any written or verbal demand alleging any *wrongful act* communicated to an *officer* in any way.

### Defence costs

*defence costs* means costs and expenses an *officer* incurs with our prior written consent in the investigation, defence or settlement of any *claim* or a circumstance that may give rise to a *claim* under this policy. We pay only costs and expenses incurred during the time the *officer* is entitled to cover under this policy

### Investigation

*investigation* means a formal or official criminal, administrative or regulatory investigation, examination, hearing or enquiry of an *officer* in their capacity as such by an *official body* into the affairs of the *body corporate* which an *officer* is legally required to attend.

*investigation* does not include industry-wide or sector investigations, hearings, examinations or any routine regulatory audit, examination, inspection or review or any audit of the *body corporate's* tax liabilities.

An *investigation* shall be deemed to be 'first made' when the *officer* is first so required to attend in writing.

### Investigation costs

*investigation costs* means reasonable fees, costs, charges and expenses incurred with our prior written consent, such consent not to be unreasonably withheld or delayed, by or on behalf of an *officer* directly in connection with such *officer* preparing for and attending an *investigation*.

### Loss

*loss* means:

- (a) money payable under a judgement ordered by a court of law or as a result of any arbitration, award or settlement negotiated with our consent;
- (b) legal costs awarded against an *officer*;
- (c) *defence costs*; and
- (d) *investigation costs* (under clause 3 'Investigation Costs').

*loss* does not mean fines, penalties, punitive, exemplary, liquidated or aggravated damages.

### Wrongful act

*wrongful act* means any actual or alleged error or misstatement, misleading statement, negligent act, error or omission, or breach of duty by an *officer* which leads to a *claim* against the *officer* solely in their capacity as an *officer* or any matter claimed against an *officer* solely by reason of his or her status as such.

### How much we will pay

The total amount of *loss* we will pay in respect of all *claims* and *investigations* under this cover section shall not exceed the *sum insured* during any one *period of insurance* regardless of the number of *claims* or *investigations* made or reported.

## Additional benefits

We agree to extend cover in accordance with the following, subject to the Terms and Conditions and Exclusions of this policy, unless expressly stated otherwise. No Additional Benefit increases the *sum insured*, unless expressly stated otherwise.

### 1. Advance Payment of Defence Costs

We agree, in respect of a *claim* or *investigation* and prior to final adjudication or finalisation of the *claim* or *investigation*, unless or until we have denied indemnity, to pay *defence costs* and *investigation costs* in advance as they are incurred by an *officer*.

We will not rely on Exclusion 1. to deny indemnity or to refuse to advance such costs until the conduct in question has been finally established by written admission or final non-appealable adjudication.

We reserve the right to recover any such costs advanced by us to an *officer* in the event that the *officer* is not entitled to the payment of those costs and expenses under this cover section.

### 2. Continuous Cover

Notwithstanding Exclusion 12, we will pay *loss* which arises from any *claim* or *investigation* first made against an *officer* during the *period of insurance* arising from any fact or matter, which the *officer* knew, or which a reasonable person in the *officer's* position would have thought prior to the commencement of the *period of insurance*, might result in an allegation against the *officer* of a *wrongful act*.

Provided that:

- (i) the *body corporate* has maintained without interruption, office bearer's liability insurance with us from the time the *body corporate* first became aware of the fact or matter to the present date;
- (ii) neither the *claim* or *investigation* nor the fact or matter has been notified to us earlier or to any other insurer under any policy at any time;
- (iii) there has been no fraudulent non-disclosure or misrepresentation to us in respect of the fact or matter; and
- (iv) cover under this additional benefit will be pursuant to the terms, conditions and exclusions of the policy in force at the time the *officer* first became aware of the fact or matter, but only where such earlier policy affords no greater or wider cover in respect of the *claim* or *investigation* than the provisions of this policy.

## Special Terms and Conditions

1. We have the right to negotiate, defend or settle in your or the *officer's* name and on your or the *officer's* behalf any *claim* and will have full discretion in the conduct of any proceedings, in the settlement of any *claim* or in the representation of the *officer* at an *investigation*.
2. Any sum paid by us in the discharge or settlement of any threat or intimation of a *claim* or in relation to any circumstance which might give rise to a *claim*, shall be deemed to be a payment made in the discharge or settlement of a *claim*.
3. The *officer* must give us written notice of:
  - (a) any *claim* made against them;
  - (b) the receipt of any notice from any person of an intention to make a *claim* against them; and
  - (c) the receipt of any written notice that the *officer* is required to attend an *investigation*,as soon as is reasonably practicable after the *officer* first becomes aware of such *claim* or notice and in no event later than 30 days after the expiry of the *period of insurance*.
4. If, during the *period of insurance* or within 30 days of expiry, an *officer* becomes aware of any circumstances occurring during the *period of insurance* which may give rise to a *claim* under this cover section and gives us written notice of those circumstances, we will treat any *claim* arising out of those circumstances at any time as if it were a *claim* notified to us during the *period of insurance*.
5. The *officer* must give all reasonable assistance and cooperate with us in the defence of *claims* and his or her representation at *investigations* at his or her cost.
6. The *officer* must not admit liability, settle any *claim* or incur any costs without our prior written agreement.
7. The *officer* must use due diligence and act at all times to avoid or diminish any *claim* or costs.
8. Where this policy insures more than one party, the application for insurance is construed as a separate application by each *officer*. When determining whether coverage is available under this policy:
  - (a) any failure by an *officer* to comply with the duty of disclosure shall not be imputed to any other *officer*, where the other *officer* is innocent of and had no prior knowledge of the failure; and
  - (b) for the purposes of the Exclusions, no facts pertaining to, conduct of or knowledge possessed by an *officer* shall be imputed to any other *officer*.

## Exclusions

We will not be liable to make any payment for any *loss* in relation to:

1. (a) an *officer* gaining or having gained any personal profit or advantage to which they are not legally entitled or for which they may be held accountable to you or another *unit owner*; or  
(b) any dishonest, fraudulent or criminal activity or malicious act or omission by an *officer*.  
  
This Exclusion only applies where the conduct in question has been finally established by written admission or by final non-appealable adjudication;
2. money or gratuity given to an *officer* without your authority if that authority is required under any statute, or any by-law of your organisation;
3. death, bodily injury, sickness or disease of any person, or damage to, or loss of use of, any tangible property;
4. liability for fines, penalties, punitive, exemplary, liquidated or aggravated damages of any kind regardless of any other provisions of this policy;
5. any conflict of duty and interest;
6. an intentional exercise of the powers conferred on the *officer* for a purpose other than the purpose for which those powers were conferred;
7. liability arising as a result of libel or slander made by you or your *officer* or at your direction with your knowledge of its falsity relating to advertising, broadcasting or publishing activities;
8. any action against the *officer* instituted outside the Commonwealth of Australia;
9. any warranty or guarantee given by an *officer*;
10. any action made or threatened or in any way intimated against an *officer* before the inception of this policy;
11. any notice to attend an *investigation* received by the *officer* before the inception of this policy;
12. any circumstances of which an *officer* was aware prior to the inception of this policy that the *officer* (or a reasonable person in the *officer's* position) would reasonably expect might lead to a *claim* being made against an *officer*;
13. any *claims*, facts or circumstances or notices of *investigations* notified to an insurer under any previous policy;

14. any *claim*, circumstances or notice of *investigation* first notified to us more than 30 days after expiry of this policy;
15. any matter disclosed in arranging this insurance; or
16. any *claim* for failure to correctly purchase, retain in force or selection of correct policy limits in respect of insurance.

In addition to these Exclusions, please refer to the General Exclusions which are applicable to your policy.

# Body Corporate Costs Cover Section

## Body Corporate Costs Cover Section

This cover section operates on a 'claims made' basis.

For Legal defence costs, it only covers *claims* first made during the *period of insurance* and notified to us during the *period of insurance* or within 30 days of expiry.

For Workplace health and safety appeal costs, it only covers notices first imposed or determinations first made during the *period of insurance* and notified to us during the *period of insurance* or within 30 days of expiry.

For Taxation audit costs, it only covers notifications first received by you during the *period of insurance* and notified to us during the *period of insurance* or within 30 days of expiry.

## What you are insured against

### 1. Legal defence costs

We will pay the *body corporate* for *legal defence costs* that arise from *claims* made against the *body corporate* in Australia by a third party (and defended by the *body corporate*) that are:

- (a) first made against the *body corporate* during the *period of insurance*; and
- (b) notified to us during the *period of insurance* or within 30 days of expiry.

### 2. Workplace health and safety appeal costs

We will pay the *body corporate* for *appeal costs* in appealing against:

1. the imposition of an improvement or prohibition notice under any workplace or occupational health and safety legislation; or
2. the determination under any workplace or occupational health and safety legislation of a review committee, arbitrator or tribunal or Court,

arising from the *body corporate's* failure to provide or maintain so far as is reasonable:

- (a) a safe working environment or system of work;
- (b) plant and equipment in a safe condition; or
- (c) adequate facilities of a prescribed kind for the welfare of your employees,

but only where:

- (i) the notice is first imposed or determination is first made during the *period of insurance* and is notified to us during the *period of insurance* or within 30 days of expiry; and
- (ii) we consider that there are reasonable prospects of the appeal being successful.

### 3. Taxation audit costs

We will pay the *body corporate* for *taxation audit costs* it incurs following notification first received during the *period of insurance* of an *audit* and notified to us during the *period of insurance* or within 30 days of expiry.

## Definitions specific to this Cover Section

*appeal costs* means the *body corporate's* reasonable legal fees, costs and expenses it incurs with our prior written consent (such consent not to be unreasonably withheld or delayed).

*audit* means an audit or investigation by a federal or state Commissioner of Taxation relating to the *body corporate's* liability to pay income tax, fringe benefits tax, capital gains tax, wholesale and sales tax, payroll tax, goods and services tax or superannuation contributions tax in respect of your management of the *body corporate*.

*claim* means

- (a) a written demand for monetary damages or non-monetary relief (including injunctive relief);
- (b) a civil proceeding, suit or counter-claim commenced by the service of a statement of claim, summons or similar pleading;
- (c) a criminal proceeding; or
- (d) an arbitration, mediation proceeding or alternative dispute resolution proceeding.

*legal defence costs* means:

- (a) reasonable legal fees, costs, charges and expenses, incurred, with our prior written consent (such consent not to be unreasonably withheld or delayed) in:
  - (i) the defence of any *claim* made against the *body corporate*; and
  - (ii) appealing or resisting an appeal from the judgment or determination of a court, arbitration or tribunal,

and also includes reasonable fees, costs, charges and expenses of any accredited expert retained through defence lawyers approved in writing by us on your behalf to prepare an evaluation, report, assessment, diagnosis or rebuttal of evidence in connection with the defence of a *claim*; and

- (b) third party plaintiff's, appellant's or respondent's legal fees and/or their reasonable costs, charges and expenses arising from a *claim* that the *body corporate* becomes legally liable to pay by reason of an order of a court, arbitration or tribunal.

*taxation audit costs* means reasonable and necessary professional fees paid to accountants or registered tax agents who are not the *body corporate's* employees, for work undertaken in connection with an *audit*.

### How much we will pay

The total amount we will pay in respect of:

- (a) all *legal defence costs* arising from all *claims*;
- (b) all *appeal costs* in respect of all notices and determinations; and
- (c) all *taxation audit costs* in respect of all *audits*,

under this cover section shall not exceed the *sum insured* during any one *period of insurance*.

### Additional benefit

We agree to extend cover in accordance with the following, subject to the Terms and Conditions and Exclusions of this policy, unless expressly stated otherwise. No Additional Benefit increases the *sum insured*, unless expressly stated otherwise.

#### 1. Continuous Cover

Notwithstanding Exclusion 1 (d), we will pay *loss* which arises from any *claim* first made against the *body corporate* during the *period of insurance* arising from any fact or matter, which the *body corporate* knew, or which a reasonable person in the *body corporate's* position would have thought prior to the commencement of the *period of insurance*, might result in a *claim* against the *body corporate*.

Provided that:

- (i) the *body corporate* has maintained without interruption, legal defence costs insurance with us from the time the *body corporate* first became aware of the fact or matter to the present date;
- (ii) neither the *claim* nor the fact or matter has been notified to us earlier or to any other insurer under any policy at any time;
- (iii) there has been no fraudulent non-disclosure or misrepresentation to us in respect of the fact or matter; and

- (iv) cover under this Additional Benefit will be pursuant to the terms, conditions and exclusions of the policy in force at the time the *body corporate* first became aware of the fact or matter, but only where such earlier policy affords no greater or wider cover in respect of the *claim* than the provisions of this policy.

### Special Terms and Conditions

1. We have the right to negotiate, defend or settle in the *body corporate's* name and on its behalf any *claim* or appeal and will have full discretion in the conduct of any proceedings or in the settlement of any *claim* or appeal.
2. We may at our discretion make a payment to discharge or settle a *claim* or a threat or intimation of a *claim* or in relation to any circumstance which might give rise to a *claim*. Any such payment shall be deemed to be a payment made in respect of *legal defence costs*.
3. The *body corporate* and any appointed *officer* must give all reasonable assistance and cooperate with us in the defence of any *claim* or in bringing any appeal.
4. The *body corporate* and any appointed *officer* must not admit liability, settle any *claim*, bring any appeal or incur any costs without our prior written agreement.
5. The *body corporate* and any appointed *officer* must use due diligence and act at all times to avoid or diminish any *claim*.
6. The *body corporate* must lodge taxation and other returns within the time limits applicable to those returns as prescribed by statute or through extension of time granted by a Commissioner of Taxation.
7. The *body corporate* must make full and complete disclosure of all assessable income (including capital gains), as required by any relevant legislation.
8. In the event of a *claim*, a notice or determination or a notification of an *audit*:
  - (a) the *body corporate* and any appointed *officer* must notify us in writing as soon as reasonably practicable and during the *period of insurance* or within 30 days of expiry;
  - (b) the *body corporate* and any appointed *officer* must at all times keep us fully and continually informed of all material developments in relation to the *claim*, notice or determination or *audit*;

- (c) the *body corporate* and any appointed officer must take all necessary and reasonable steps to minimise any delays and the amount of any costs incurred or likely to be incurred in connection with any *claim*, notice or determination or *audit*; and
  - (d) we or our duly appointed agent may make our own investigation into any matter which is or may be the subject of a *claim*, notice or determination or *audit*.
9. If, during the *period of insurance* or within 30 days of expiry, the *body corporate* becomes aware of any circumstances occurring during the *period of insurance* which may give rise to a *claim* under this cover section and gives us written notice of those circumstances, we will treat any *claim* arising out of those circumstances at any time as if it were a *claim* notified to us during the *period of insurance*.
10. The *body corporate* and any appointed officer must ensure that your accountants, registered tax agent and/or solicitor must cooperate with us and where necessary, assist us in relation to any *audit* and assist us with any matter we wish to pursue with the Commissioner of Taxation which is or may be the subject of a *audit*.
11. In the event of a notice or determination that the *body corporate* wishes to appeal:
- (a) the *body corporate* must:
    - (i) advise us in writing of its intention to appeal at least five (5) clear business days prior to the expiry of the time for instituting an appeal or as soon as practicable if the time allowed by law to appeal is less than five (5) clear business days;
    - (ii) advise us in writing of the reasons, as fully as possible, for making an appeal; and
    - (iii) obtain our written consent to the appeal.
  - (b) We will only agree to the appeal if we consider that there are reasonable prospects of the appeal being successful.

In the event of any dispute regarding whether or not there are reasonable prospects of the appeal being successful, the matter will be referred for determination by a senior counsel (to be mutually agreed or in default of agreement, to be selected by the then President of the Bar Association, or equivalent organisation, for the State or Territory out of which the policy was issued). The costs of such determination by senior counsel are to be paid by us and will not form part of the *sum insured*.

## Exclusions

1. We will not be liable under clause 1 'Legal defence costs' for:

- (a) fines, penalties or punitive damages;
- (b) *legal defence costs* that arise from *claims* arising from or relating to dishonesty, deliberate and/or intentional violence or misconduct.

This Exclusion only applies where the conduct in question has been finally established by written admission or by final non-appealable adjudication.

- (c) *legal defence costs* that arise from *claims* for or relating to defamation or slander;
- (d) *legal defence costs* that arise from *claims* arising from or relating to facts or events, occurring prior to the commencement of this policy, which you knew or ought to have known at the time of commencement of this policy, would, or might, give rise to a *claim*;
- (e) *legal defence costs* that arise from *claims* for *vehicle, watercraft or aircraft* offences;
- (f) *legal defence costs* that arise from *claims* initiated, threatened or commenced prior to the commencement of this policy;
- (g) *legal defence costs* that arise from *claims* under or relating to any workers compensation legislation, industrial award or agreement, or statutory accident compensation scheme or compulsory third party insurance; or
- (h) *legal defence costs* that arise from *claims* which are covered under the Legal Liability cover section of this policy.

2. We will not be liable under clause 2. 'Workplace health and safety appeal costs':

- (a) for fines, penalties, compensation or awards for damages, including aggravated, exemplary or punitive damages;
- (b) in respect of any notice imposed or determination made prior to the *period of insurance*;
- (c) in respect of any notice or determination arising from or relating to any intentional violation or breach of any law or regulation by the *body corporate*.

This Exclusion only applies where the conduct in question has been finally established by written admission or by final non-appealable adjudication.

3. We will not be liable under clause 3. 'Taxation audit costs':
- (a) for the imposition of any tax, fines, penalties, court costs, penalty tax or interest;
  - (b) for *taxation audit costs* incurred after completion of the audit or investigation;
  - (c) in respect of any audit or investigation initiated, threatened or started prior to the commencement of the *period of insurance*;
  - (d) in respect of any audit or investigation arising from your improper, unwarranted or unjustified refusal or failure to comply with any lawful request made by a state or federal Commissioner of Taxation for the production of documents or the supply of information. Refusal or failure to comply will not be deemed improper, unwarranted or unjustified if you refuse or fail to comply upon the advice of your accountant or tax agent;
  - (e) in respect of any audit or investigation under customs legislation;
  - (f) in respect of any audit or investigation of income received or earned, or where the source of income is outside Australia or where the services giving rise to the claim are performed by persons or entities who ordinarily reside outside Australia;
  - (g) in respect of any fraud or fraudulent act or omission committed by you or on your behalf; or
  - (h) in respect of any audit or investigation which results in you, or any person acting on your behalf, becoming aware of any error or deficiency in any return of income or other documentation supplied to a state or federal Commissioner of Taxation and failing to notify the Commissioner of Taxation without delay.

In addition to these Exclusions, please refer to the General Exclusions which are applicable to your policy.

**Zurich Australian Insurance Limited**  
ABN 13 000 296 640, AFS Licence No: 232507  
Head Office: 5 Blue Street, North Sydney NSW 2060

Client Enquiries  
Telephone: 132 687  
[www.zurich.com.au](http://www.zurich.com.au)

