



commercial strata
insurance

COMMERCIAL STRATA INSURANCE PRODUCT DISCLOSURE STATEMENT AND POLICY

Preparation Date: 23/02/04

Product Disclosure Statement

This Product Disclosure Statement (PDS) contains important information required under the Financial Services Reform Act 2001.

Introduction

Who is the Insurer

CGU Insurance Limited is the insurer of the insurance policy. Our Australian Business Number is 27 004 478 371. Our Australian Financial Services Licence Number is 238291. In this insurance policy the insurer is called 'we', 'us' or 'our'. We can be contacted by writing to us at CGU Insurance, GPO Box 9902 in your capital city or by telephoning 131532.

Who is Strata Unit Underwriters

In arranging this product, Strata Unit Underwriting Agency Pty Limited trading as Strata Unit Underwriters is acting as an intermediary for the insurer and is also a wholly owned subsidiary of the insurer. Their Australian Business Number is 30 089 201 534. Their Australian Financial Services Licence Number is 246719. They can be contacted by writing to Strata Unit Underwriters, 5/263 Alfred St, North Sydney NSW 2060 or by telephoning 1300 668 066.

The purpose of this PDS

The PDS has been prepared to assist you in understanding the insurance policy and making an informed choice about your insurance requirements. This PDS sets out the significant features of the insurance policy including its benefits, risks and the information about how the insurance premium is calculated. You still need to read the policy wording which commences on page 7 for a full description of the terms and conditions and limitations of the insurance policy.

General Insurance Code of Practice

CGU Insurance proudly supports the General Insurance Code of Practice. The purpose of the Code is to raise the standards of practice and service in the general insurance industry. Details about the Code are shown in the policy wording under 'General Insurance Code of Practice' on page 7. Brochures on the Code are available from your nearest offices of CGU Insurance and Strata Unit Underwriters.

Your cooling-off period

We will refund all premium paid for cover under the insurance policy if you request cancellation within 21 days of its commencement. To do this, you must advise Strata Unit Underwriters in writing and return the schedule to them. You will not receive a refund if you have made a claim under the insurance policy. Details about the cooling-off period are shown in the policy wording under 'Money Back Guarantee' on page 7.

What to do if you have a dispute

If you have a concern about the insurance policy, our decision on your claim, our service or the service of our intermediary, loss adjustors or investigators, you may access our internal dispute resolution process. To do so, please contact your nearest CGU Insurance office. If we are unable to resolve your concern, you may request it be reviewed by the insurance industry's review panel. This is a free service available to you by calling 1300 780 808. The review panel is administered by Insurance Enquiries and Complaints Ltd (IEC) ABN 23 062 284 888.

Your Duty of Disclosure

We rely upon the information you provide to use when you apply for insurance, and when you renew, change or reinstate your policy. You must tell us anything you know, or should know, that could affect our decision to insure you and/or the terms on which we insure you.

Details about disclosure information are shown in the policy wording under 'Your Duty of Disclosure' on page 7.

How to apply for insurance

Complete our application form. If we accept your application for insurance, you will receive a schedule that sets out details of the insurance you have taken out.

How to make a claim

To make a claim, please contact Strata Unit Underwriters on 1300 668 066 when something happens that you believe you can claim for. Details about making a claim are shown in the policy wording under 'Claims Procedure' on pages 12, 18, 24, 27, 30, 32 and 37.

Taxation Information

CGU Insurance shows all taxes and charges as separate items on all schedules (e.g. stamp duty and the Goods and Services Tax). Details about the Goods and Services Tax are shown in the policy wording under 'Goods & Services Tax' on page 8.

Significant features and benefits

You secure the insurance cover you require by selecting from the extensive range of covers and options we offer with this policy.

You can choose cover for:

- Buildings and Common Contents.
- Public Liability.
- Fidelity Guarantee.
- Office Bearers' Liability.
- Voluntary Workers Personal Accident.
- Machinery.
- Workers Compensation in NSW, WA, Tasmania and NT.

We offer accidental damage cover for buildings including common contents and new for old cover for buildings, including common contents. You also choose the liability cover you need – you can select \$5 million, \$10 million, \$15 million or \$20 million. Higher limits may be available upon request.

Another feature includes no loss sharing penalties for under insurance.

With the covers for buildings and common contents, office bearers' liability and personal accident, a range of additional benefits is included. These benefits are shown in the policy wording under 'Additional Benefits' on pages 14-16, 21, 26, 32, 34 and 35.

Exclusions

Our insurance is designed to provide protection for you in the event of something happening which has been insured against.

Under some circumstances, this policy will not provide any insurance cover to you. For example, we do not pay for loss or damage caused by:

- The action of the sea, tidal wave, storm surge, high water or flood.
- Erosion.
- Moths, termites or other insects, rust or oxidation, mould/and or fungi and mildew.
- Wear and tear, fading, scratching, marring or gradual deterioration.

This lists some of the events that are not covered by this insurance, and for full detail of all relevant policy exclusions you should read the policy wording and make yourself aware of all the exclusions that apply.

In the policy wording we show when cover is not provided. Events that we will not pay for under the various sections of the policy are listed on the pages referred to below:

- General exclusions are shown on page 11 and 12.
- Buildings and common contents are shown on page 17.
- Public Liability are shown on pages 21, 22, and 23.
- Fidelity Guarantee are shown on page 26.
- Office Bearers' Liability are shown on page 29.
- Voluntary Workers Personal Accident are shown on page 32.
- Machinery are shown on pages 36 to 37.

It is important that you are aware of these exclusions and so you should read them.

There are the things that you must do in order for your insurance cover to apply. For example, you must pay the premium. In the policy wording we show what you need to do under 'General Conditions' on pages 10 and 11.

Significant risks

Adequate sum insured

In the event of a major loss, your sum insured should be sufficient to allow for replacement of your property.

Strata Insurance requirements

There are specific requirements in each state and territory that deal with insurance for strata properties. You should check that your insurance meets those requirements.

Disclosure

You have certain disclosure obligations that you need to comply with. Failure to comply with these obligations may have consequences in terms of both your insurance cover or in the event that you make a claim. Your disclosure obligations and the consequences of not complying with these obligations are outlined in the policy wording under 'Your Duty of Disclosure' on page 7.

Excesses

An excess is the amount of money we will deduct from the amount we pay for your claim. If you make a claim under the policy, you may be required to pay one or more excesses. Details in respect of the excess is shown in the policy wording under 'Excess' on pages 8, 9, 18 and 20 and the amount of each excess will be shown on your schedule. We take into account a number of factors when setting an excess. These include factors relating to the activities carried out at the premises and your previous insurance and claims history. At the time of your enquiry or application for Commercial Strata Insurance, the excess will be advised to you.

Costs

The premium payable by you will be shown on your schedule. The key factors that influence the premium calculation are reflected in the questions asked, and information sought at the time of your enquiry or application for Commercial Strata Insurance. These include factors relating to the activities carried out at the premises, the materials used in the construction of the premises, the value of the premises, and your previous insurance and claims history.

Premiums are subjected to Commonwealth and state taxes and/or charges. These include the Goods and Services Tax and stamp duty. The amount of these taxes and/or charges will be shown on your schedule.

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YOUR POLICY

This Insurance Policy has been arranged in conjunction with CGU Insurance Limited and Strata Unit Underwriting Agency Pty Limited trading as Strata Unit Underwriters.

This is an important document. If you cannot read and understand English, please use an interpreter to explain it to you before entering into this contract of insurance. This insurance policy sets out the terms, conditions and limits that apply for the insurance we offer to you. If we accept your application for insurance, you will receive a schedule that sets out details of the insurance you have taken out.

Our agreement with you is made up of your application, this insurance policy and, the schedules and endorsements we send to you. Endorsements are notices we send to confirm any change to your insurance. Keep this insurance policy in a safe place. You may want to refer to it from time to time. If you need more information about this insurance policy, please contact our office immediately.

Your Duty of Disclosure

Before you enter into a contract of general insurance with an insurer, you have a duty, under the *Insurance Contracts Act 1984*, to disclose to the insurer every matter that you know, or could reasonably be expected to know, is relevant to the insurer's decision whether to accept the risk of the insurance and, if so, on what terms. You have the same duty to disclose those matters to the insurer before you renew, extend, vary or reinstate a contract of general insurance.

Your duty however does not require disclosure of matter:

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

Non-Disclosure

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

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

Money Back Guarantee

You have 21 days after you receive your numbered policy schedule to be sure you have the cover you require. If it is not the cover you require, you can cancel the policy. To do this, you must advise us in writing and return the schedule and insurance policy to us. You will receive a full refund of the premium paid, providing nothing had occurred for which a claim is payable under the policy.

General Insurance Code of Practice

CGU proudly supports the General Insurance Code of Practice. The purpose of the code is to raise the standards of practice and service in the general insurance industry. The code aims to improve:

- the quality, comprehension and accuracy of policy documents and other information provided to consumers
- employee and agent training supervision
- claims handling and dispute resolution

Important Notices

1. Claims

In respect of all sections, other than for Section 2 – Public Liability, Section 3 – Fidelity Guarantee and Section 4 – Office Bearer's Liability, this policy does not provide cover in relation to events that occurred before cover under the relevant section was entered into.

2. Public Liability Claims – Section 2

This section only provides cover in relation to personal injury or damage to property that occurs during the period of insurance for this section. This does not include personal injury or damage to property that has already been discovered before, or is first discovered after that period of insurance.

3. Fidelity Guarantee Claims – Section 3

This section only provides cover in respect of acts of fraud or dishonesty committed within the twelve (12) months prior to the date of discovery by you and discovered during the period of insurance for this section.

4. Office Bearers Liability – Section 4

This Section only provides cover when:

- (a) Facts or circumstances that may give rise to a claim are notified to us during the period of insurance in which they first become known; or
- (b) Where a claim is made against a Committee Member or Sub-Committee Member and is notified to us during the period of insurance in which the claim was first made.

5. Voluntary Worker's Personal Accident – Section 5

For cover under this section, in relation to:

- (a) Illness or disease – this policy does not cover illness or disease.
- (b) Hernia- this policy does not cover hernia.

6. Excess

An excess is an amount of money we will not pay in respect of a claim. The schedule, policy and endorsements will detail the excesses which may be applicable.

7. Liability Assumed Under Agreement

Liability cover provided by this policy does not cover liability which you have agreed to accept unless you would have been so liable in the absence of such agreement.

8. Acceptance of the Application

This insurance will not be in force until the completed application has been received and the risk accepted by us. We reserve the right to decline any application.

9. Goods and Services Tax

Where we make a payment 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. Where we make a payment 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 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 other supply.

The Agreement

The Policy, Schedule (which expression includes any schedule substituted for the original schedule), Application and Endorsements (if any) are to be read together. In return for you having paid or agreed to pay the premium to us, subject to the terms, conditions, exclusions and limitations contained in, or endorsed on or otherwise expressed in this policy or the schedule, we will indemnify you in the manner and to the extent described in this policy.

You are insured for those items, including variations and extensions, for which a sum insured or limit of indemnity is shown in the schedule or which are otherwise indicated in the schedule as being operative.

However:

1. the sum insured under any item is as shown in the schedule or as otherwise expressed in the policy;
2. where the insurance is varied or extended by any additional benefit, special clause, variation and extension or endorsement, the insurance provided by such additional benefit, special clause, variation and extension or endorsement is subject to the terms, conditions, exclusions and limitations of the policy in so far as they apply.

The policy, schedule, application and endorsements together form the agreement.

General Definitions

Business means the ownership of the property of the strata or community scheme described in the schedule and no other.

Excess means the sum shown in the schedule, this policy, or an endorsement to this policy (if any) which any loss or claim must exceed before we will be liable under this policy and which we will not be liable to pay in respect of each claim.

Flood means when water from a river, creek, lake, swamp, watercourse, reservoir, dam or navigable canal (whether they are in their original state or have been modified), overflows onto normally dry land. Water that escapes from an irrigation canal is not flood. We also regard any rainwater on your property;

- that cannot run off into a river, creek, lake, swamp, watercourse, reservoir, dam or navigable canal (whether they are in their original state or have been modified), because it is overflowing in flood, and/or
- that mixes with the floodwater coming from the river, creek, lake, swamp, watercourse, reservoir, dam or navigable canal (whether they are in their original state or have been modified);

as water coming from a flood.

Indemnity Value means the cost necessary to reinstate, replace or repair the property to a condition substantially the same as but not better or more extensive than its condition at the time of the destruction, loss or damage, taking into consideration age, condition and remaining useful life.

Period of Insurance means the period of insurance shown in the schedule.

Schedule means the schedule to this policy.

Situation means the situation (s) shown in the schedule.

Other words may be defined within specific sections that form part of this policy. If so, they are shown under the heading of Definitions within that section.

Who is insured under this Policy

The name and/or number set out in the schedule is insured. In this policy the insured is called "you" or "your".

Who is the insurer

CGU Insurance Limited is the insurer. Our Australian Business Number is 27 004 478 371. Our Australian Financial Services Licence Number is 238291. In this policy the insurer is called "we", "us", or "our".

Who is Strata Unit Underwriters

Strata Unit Underwriting Agency Pty Limited trading as Strata Unit Underwriters is acting as an intermediary for the insurer and is also a wholly owned subsidiary of the insurer. Their Australian Business Number is 30 089 201 534. Their Australian Financial Services Licence Number is 246719.

General Conditions

1 (a) Your Duty

The extent of Our liability is conditional upon:

- (1) **Payment of the premium**
We **will not** pay any claim until you have paid the premium.
- (2) **Notification of Changes**
Notification as soon as possible by you to us of any change materially varying any of the facts or circumstances existing at the commencement of this policy or following any renewal of this policy.
- (3) **Reasonable Precautions**
You taking all reasonable precautions to prevent destruction, loss or damage to property or bodily injury and complying and ensuring that your employees, servants and agents comply with all statutory obligations and bylaws or regulations imposed by any public authority for the safety of property or person.
- (4) **Observance of Policy Terms**
The observance of the terms of the policy by you and by any other person entitled to indemnity under this policy.

(b) Transfer of Interest

No interest in this policy can be transferred without our written consent.

(c) Our Rights of Conduct and Recovery

Subject to the provisions of the *Insurance Contracts Act 1984*, We have the right to recover or obtain contribution from, any person against whom you may be able to claim and the right to take action in your name. We shall have full discretion in the conduct, defence or settlement of any claim. You and any other person entitled to benefit under this policy must not hinder these rights and must give all such information and co-operation as we may require.

2 Jurisdiction

Any dispute arising from this policy will be determined by Australian courts and in accordance with the laws of the State or Territory of Australia in which the policy was issued.

3 Cancellation

- (a) Under the Section 60 of the *Insurance Contracts Act 1984*, we may cancel this policy or any section at any time, by giving notice in writing to You of the date from which cancellation is to take effect, where you have:
 - (1) Failed to comply with your duty of utmost good faith.
 - (2) Failed to comply with your duty of disclosure at the time when this policy or any section of the policy was entered into, varied, altered, or renewed.
 - (3) Made a misrepresentation to us during the negotiations for this policy, but before we agreed to issue this policy
 - (4) Failed to comply with a provision of the policy.
 - (5) Failed to pay the premium for this policy.
 - (6) Made a fraudulent claim under this policy, or any other contract of insurance (whether with us or another insurer) that provided cover during any part of the period of insurance of this policy.
 - (7) Failed to comply with a requirement in this policy that you notify us of an act or omission which occurred after this policy was entered into.
 - (8) Failed to notify us of any specific act or omission or such a notification as is required under the terms of this insurance policy.

We may deliver such notice to you personally or by post, at your address last notified to us.

- (b) Under Section 60 of the *Insurance Contracts Act 1984*, we may cancel this policy at any time where:
 - (1) It is in force by virtue of Section 58 of the *Insurance Contracts Act 1984*; or
 - (2) It is an interim contract of general insurance.
- (c) You may cancel this policy at any time by notifying us in writing.
- (d) After cancellation, we will refund premium for the time remaining on the policy, less any non-refundable duties, unless you have made a fraudulent claim.

4 Inspections

We (or agents appointed by us) have the right to inspect and examine, by mutual appointment, any property insured.

General Exclusions

We will not be liable for any loss, damage, destruction, or liability, caused by, or arising directly or indirectly from:

1. (a) Any consequence of war, invasion, act of foreign enemy, hostilities (whether war is declared or not), civil war, rebellion, revolution, insurrection, military or usurped power.
 - (b) Terrorism; being an act, which may include but is not limited to an act involving the use of force or violence and/or threat thereof, of any person or group(s) of persons, whether acting alone or on behalf of or in connection with any organisation(s) or government(s), which from its nature or context is done for, or in connection with, political, religious, ideological or ethnic or similar purposes or reasons, including the intention to influence any government and/or to put the public, or any section of the public, in fear. In accordance with the **Terrorism Insurance Act 2003**, *this exclusion will not apply in respect of an act deemed by the Federal Treasurer to be a declared terrorist incident.*
 - (c) Confiscation or nationalisation, or requisition or destruction of or damage to property by or under the orders of any government or public or local authority, other than loss, damage or destruction which occurs as a result of such an order if it prevents or attempts to prevent fire or other damage covered by this policy.
 - (d) Any loss or destruction of or damage to property, personal injury, consequential loss, or liability of any nature, directly or indirectly caused by or contributed to by, or arising from, ionising radiations or contamination by radioactivity from any nuclear fuel or from any nuclear waste.
 - (e) Loss, destruction, damage or liability directly or indirectly caused by or contributed to by, or arising from, nuclear weapons or nuclear material.
2. Destruction, loss or damage intentionally caused or liability intentionally incurred by:
 - (a) You; or
 - (b) Any person(s) acting with our express or implied consent.

3. Date Recognition Special Exclusion

There is no insurance under this policy in respect of any claim of whatsoever nature which consists of, or arises, directly or indirectly out of, or in connection with, the failure or inability of any:

- (a) electronic circuit, microchip, integrated circuit, microprocessor, embedded system, BIOS or other instructions set, hardware, software, firmware, program, computer, data processing equipment, telecommunication equipment or systems, or any similar device or any
- (b) media or systems used in connection with any of the foregoing whether the property of the insured or not, at any time to achieve fully and successfully, any or all, of the purposes and consequential effects intended by the use of any number, symbol or word to denote, represent or express a date.

Including, but without being limited to, any failure or inability to recognise, capture, save, retain or restore and/or correctly to manipulate, interpret, transmit, return, calculate or process any date data, information, command, logic or instruction as a result of or in connection with;

- (i) anything referred to in (a) or (b) recognising, using or adopting any date, day of the week or period of time, otherwise than as, or other than, the true or correct date, day of the week or period of time, or
- (ii) the operation of any command or logic which has been programmed or incorporated into anything referred to in (a) or (b) above.

Exception to Date Recognition Special Exclusion

However, this special exclusion will not exclude any claim for subsequent loss or destruction of or damage to any property or consequential loss which is solely and directly caused by a defined contingency (as defined hereunder), arising under Section 1 - Building and Common Contents, but only to the extent that such claim would otherwise be insured under that section.

4. **Electronic Data Exclusion** (applicable to Sections 1, 3 and 6)

We will not be liable for any loss, damage, destruction, or liability, caused by, or arising directly or indirectly from:

destruction, loss, damage or liability due to loss of, corruption or destruction of, or unavailability of, any kind of data on any kind of data carrying media and/or damage due to malfunction of software, unless

- (a) there is ensuing damage not otherwise excluded but then only for such ensuing damage, or
- (b) An insured event, other than an event involving:
 - (i) unauthorised access into a computer system or part of a computer system, or
 - (ii) malicious or negligent transfer (electronic or otherwise) of a computer program that contains any malicious or damaging code, including but not limited to computer virus, worm, logic bomb, or Trojan horse,

leads to the loss of, corruption or destruction of, or unavailability of, data and/or malfunction of software, notwithstanding any provision to the contrary in the Policy or any endorsement thereto.

5. (applicable to Section 2)

There is no insurance under this policy in respect of any claim of whatsoever nature which consists of, or arises directly or indirectly out of, or connection with the loss of, corruption or destruction of, or unavailability of, any kind of data on any kind of data media and/or damage due to malfunction of software, caused by or through:

- (a) unauthorised access into a computer system or part of a computer system, or
- (b) malicious or negligent transfer (electronic or otherwise) of a computer program that contains any malicious or damaging code, including but not limited to computer virus, worm, logic bomb, or Trojan horse,

not withstanding any provision to the contrary in the policy or endorsement thereto.

Definition

For the purposes of this special exclusion only, 'Defined Contingency' shall mean fire, lightning, explosion (other than loss or destruction of or damage to boilers and pressure vessels), aircraft and other aerial devices or articles dropped there from, riot, civil commotion, strikers, locked out workers, persons taking part in labour disturbances, malicious persons, earthquake, storm, flood, escape of water from any tank or apparatus or pipe, impact by any road vehicle or animal, or theft (other than theft by employees).

This special exclusion does not apply in respect of Section 5 – Voluntary Workers Personal Accident, if provided by this policy.

Claims Procedure

General – All Sections

1. You or your legal representatives must forward to us every communication, writ or summons within 72 hour or receipt by you or service upon you.

<p>NOTE: Failure to forward to our agent any writ or summons served upon you within the time stipulated may result in us refusing to indemnify you.</p>
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2. Subject to the provisions of the *Insurance Contracts Act 1984*, you or any person making a claim under this policy must not make any admission or liability, or payment or promise, or offer of payment, in connection with any such claim, without our written consent.
3. At your own expense you will furnish us with such books of account and other business books, computer records, vouchers, invoices, balance sheets, and other documents, proofs, information, explanations and other evidence together with a statutory declaration as We may require for the purpose of investigating or verifying a claim under this policy and you and your accountants must cooperate fully in this regard
4. You, or any other persons entitled to claim under this policy, must furnish us with a statement giving details of other insurances, which may also provide cover on any property or liability hereby insured.

Introduction

This section forms part of the policy only if shown in the schedule and, if so, must be read together with the definitions, terms, conditions, exclusions and limitations expressed in the General Section of the policy and the schedule.

Definitions

In this section:

Buildings means:

1. All buildings and common contents contained in the registered strata plan or company title referred to in the schedule including:
 - (a) The units, lots or shares of the members;
 - (b) Any improvements of a structural nature;
 - (c) Any fixtures, fixed plant, machinery and underground services owned by you or for which you are responsible;
 - (d) Members fixtures and improvement.
2. Materials and supplies intended for use in the construction, alteration, erection, addition or repair of the building to an amount not exceeding ten percent (10%) of the sum insured on buildings, subject to a maximum amount of \$100,000.

Common Contents means:

1. The appliances, equipment, furniture, fixtures and fittings including carpets in any common area of the insured property which are owned by the insured.
2. Paintings, curios, works of art, tapestries, Persian and similar rugs or carpets to an amount not exceeding \$5,000 any one item, pair set or collection.
If an item forms part of a pair, set or collection the value of the entire pair, set or collection is to be regarded as the value and not the value of the item alone; and
3. Plants, shrubs and trees whilst in the buildings to an amount not exceeding \$5,000 any one item, owned by you, whilst at the situation.

But Common Contents does not include:

4. Specified Items;
5.
 - (a) Watercraft, aircraft, registered mobile plant, motor vehicles, motor cycles, trailers or caravans, including accessories tools and spare parts whilst attached to or within the watercraft, aircraft, registered mobile plant, motor vehicle, motor cycle, trailer or caravan;
 - (b) Live animals, birds, fish or any other living creature;
 - (c) Growing crops and pastures;
 - (d) Plants, shrubs and trees growing in the open air;
 - (e) Jewellery, furs, bullion, precious metals or unset precious stones, unless insured as specified Items.

Damage (with "Damaged" having a corresponding meaning) means physical loss, damage or destruction by any cause not otherwise excluded.

Debris means the residue of damaged property Insured excluding any material which is itself a pollutant or contaminant and which is deposited beyond the boundaries of the situation.

Documents means written or printed: deeds, wills, agreements, manuscripts, maps, plan, drawings, records, computer data, designs, books of account, books, letters, certificates, and other documents or forms of any nature (excluding any bearer bonds or coupons, bank or currency notes, other negotiable instruments, book debts) owned by you.

Money means current coin, bank notes, currency notes, cheques, credit card sales vouchers, negotiable securities, postal orders, money orders, unused postage and revenue stamps, public transport tickets, lottery tickets, phone, cards, stored value or similar type cards, and includes cash boxes, alarm bags or any other portable container used to convey money, all belonging to you, but does not include any of these in the possession of, or carried by, professional money carriers, professional carriers or common carriers.

Pollution or Contamination means the discharge, dispersal, release or escape of smoke, vapours, soot, fumes, acids, alkalis, chemicals, liquids or gases, waste materials or other irritants, contaminants or pollutants into or upon any property, land, atmosphere or any water course or body of water (including ground water).

Property Insured means the property shown in the schedule under this section.

Removal of Debris means:

1. The removal, storage and disposal of debris and of anything which caused insured damage, from the situation.
2. The removal, storage and disposal of debris from premises, roadways, services, railways or waterways owned by any other person or entity where You are liable at law to remove, store or dispose of such debris as a result of insured damage, together with the cost of cleaning up, but provided that such liability has not arisen as a result of any agreement made by you unless liability would have attached in the absence of such agreement.
3. The demolition, dismantling, shoring up, propping or underpinning of Property Insured or the carrying out of other temporary repairs to Property Insured as a result of insured damage.
4. The demolition and removal of property insured which is necessary for the purpose of repair or replacement as a result of insured damage.

Specified items means property specifically described in the schedule under specified items, owned by you, whilst at the situation, or whilst temporarily removed from the situation for the purpose of repair or service.

Cover

We will indemnify you for damage to property Insured whilst at the situation including:

Architect's, Surveyor's and Legal Fees. Legal fees of architects, surveyors, consulting engineers, and clerks of work's salaries for estimates, plans, specifications, quantities, tenders and supervision necessarily incurred in the reinstatement or repair of the buildings, common contents and specified items insured as a result of such damage, but not costs, fees or other expenses for preparing a claim made under this section.

Removal of Debris. The reasonable costs associated with the removal of debris.

Additional Cost of Replacement. We will also pay any additional costs required for your buildings to comply with current government or local authority bylaws. We will not pay any of these additional costs if you were required to comply with these bylaws before the damage or loss occurred. Where the damage is less than fifty per cent (50%) of the costs of rebuilding your buildings, we will only pay for these additional costs in the damaged portions. Where the damage is more than fifty per cent (50%) of the costs of rebuilding your buildings, we will pay all these additional costs.

Limitation

Our total liability during any one period of insurance or for any claim arising out of one event, or series of events arising directly or indirectly from one source or original cause, will not exceed for each item specified in the schedule, the sum insured shown in the schedule for that item. In addition we will also pay any amounts provided for under additional benefits.

Additional Benefits

1. If we indemnify you under this section, we will also provide indemnity for the following, but only to the extent that the sum insured has not already been exhausted.

(a) Reinstatement of Sum Insured

Following a claim under this section other than a claim for total loss, whether actual or constructive, we will reinstate the sum insured from the date of loss provided you pay or agree to pay any additional premium that may be required by us.

(b) Floor Space Ratio Index (Plot Ratio)

If an insured building is damaged in circumstances for which a claim is payable under this section and the cost of reinstatement is more than fifty percent (50%) of the cost of reinstatement if the building had been totally destroyed and reinstatement is only legally permissible with a reduced floor space ratio index, we will pay in addition to any other amount payable on reinstatement of the building, the difference between the actual cost of reinstatement incurred in accordance with the reduced floor space ratio index and the cost of reinstatement which would have been incurred had a reduced floor space ratio index not been applicable. In calculating the amount payable under this additional benefit any payment made by us shall include the extra cost payable under additional cost of replacement.

Any amount payable under this additional benefit shall be paid upon the completion of the rebuilding works as certified by the architect acting on your behalf in the reinstatement of the building.

(c) Undamaged Foundations

Where a building or an installation constructed on its own foundations is damaged in circumstances for which a claim is payable under this section but its foundations are not destroyed and due to legal requirements, reinstatement of the building has been carried out upon another site, the abandoned foundations shall be considered as having been destroyed.

If however, the resale value of the original building site is increased by virtue of the presence of the abandoned foundations, then such increase in resale value shall be regarded as salvage and that amount shall be paid to us by you upon completion of the sale of the site, or shall be deducted from the final amount of any moneys payable to us under this section, whichever shall occur later.

(d) Rewriting of Records

The reasonable costs associated with the rewriting and restamping of your records and books of accounts, following damage to insured common contents, in circumstances for which a claim is payable under this section. Our maximum liability under this additional benefit is limited to an amount not exceeding \$5,000 in any one period of insurance.

2. If we indemnify you under this section, we will also provide indemnity for the following, whether or not the sum insured shown in the schedule has been exhausted.

(a) Capital Additions

Alterations and additions to buildings, to an amount not exceeding \$100,000, in respect of property insured at any one situation.

(b) Fire Extinguishment Costs

Costs and expenses, including wages of your employees, up to an amount not exceeding \$25,000 necessarily and reasonably incurred:

1. (a) In extinguishing fire at or in the vicinity of , and threatening to involve; or
(b) In preventing or diminishing imminent damage to; or
(c) In gaining access consequent upon damage to,

the Property Insured.
2. In the replenishment of fire fighting appliances and apparatus.
3. For the purpose of shutting off the supply of water or other substances which are accidentally discharged from any fire protective equipment or otherwise.
4. In the removal of debris from the situation by Fire Brigade Services.

We will also pay for this additional benefit where there has been no damage to property insured.

(c) Land Value

Provided your sum insured is not totally used for a claim, we will also pay for any loss of land value following your claim. This is a result of government or local authority legislation that reduces the floor area of your buildings. Loss of land value is the difference between the value of the land just before the damage occurred and the value of the land just after the damage or loss occurred. We will reduce the amount we pay you for the loss of land value by any amount that you receive as compensation for this loss. The most we will pay is the unused portion of your sum insured.

(d) Fusion

If an electrical motor not exceeding 4 kilowatts burns out by electric current that forms part of your building or common contents, we will pay the reasonable cost to repair, reinstate or replace it.

(e) Temporary Protection and Security Guard

The temporary protection and employment of security guards to safeguard the property insured, up to an amount of \$25,000, pending upon damage for which a claim is payable.

(f) Exploratory Costs

The reasonable cost incurred by you subject to the limit of the sum insured (including reinstatement of the area of your buildings necessarily damaged by exploratory work) in identifying and locating the source of any overflowing or leakage from fixed apparatus, fixed appliances, fixed pipes or other systems used to hold or carry liquid of any kind but also apparatus, appliances, pipes or other systems. The most we will pay for the repair or replacement of such apparatus, appliance, pipes, or other systems which give rise to the damage is \$1,000.

(g) Government Fees

Any fee, contribution or other impost payable to any government, local government or other statutory authority, incurred by you because payment of such fee, contribution or impost is a condition precedent to the obtaining of consent to repair or replace any buildings insured under this section. We shall not be liable for payment of any fine or penalty imposed by such authorities. Our maximum liability under this additional benefit is limited to an amount not exceeding \$10,000 any one event.

(h) Emergency Accommodation or Loss of Rent Receivable

Where a unit or lot is unable to be tenanted as a result of damage, we will also pay:

- (1) If the unit or lot is rented, an amount equal to the rent that the owner of the unit or lot receives, until the unit or lot is relet;
- (2) If the unit or lot is occupied by the owner, an amount equal to the amount that the unit or lot could have been rented for. We will pay this amount until the or lot becomes fit to be tenanted; and
- (3) Where a unit or lot is occupied as a residence, the reasonable costs and expenses necessary to remove, store and return a unit owners contents.

The maximum period we will pay for this additional benefit will not exceed 24 months form the date of the damage, and our maximum liability will not exceed fifteen percent (15%) of the sum insured on buildings. This benefit is in addition to the sum insured.

Variation and Extension

Cover only applies if shown in the schedule:

1. **Flood** - The word Flood is hereby deleted from Exclusion 1(c).
2. **Catastrophe Cover** - We will pay up to an additional fifteen percent (15%) of the buildings sum insured for increased cost incurred if your buildings are damaged as a result of a government declared catastrophe or emergency.

Settlement of Claims

For the purpose of these Settlement Claims clauses:

Replacement Cost means the cost necessary to replace, repair or rebuild the property insured to a condition substantially the same as, but not better or more extensive than its condition when new.

- (a) No payment beyond the amount which would have been payable under the relevant Settlement of Claims clause, will be made, until a sum equal to the replacement cost has been incurred.

Conditions

1. The work of rebuilding, replacing, repairing and restoring (which may be carried out wholly or partially upon another site if the lawful authority so requires, but subject to our liability not being thereby increased) must be commenced and carried out with due diligence, failing which;
2. Where buildings, common contents or specified items are damaged in part only, our liability will not exceed the sum representing the replacement cost which we would have been called upon to pay if the buildings, common contents or specified Items had been wholly destroyed.

Buildings awaiting demolition - We will pay you the salvage value of the damaged building materials.

Exclusions

This Section does not cover damage

1. caused by, or as a consequence of:
 - (a) The operation of General Exclusions 1 & 2.
 - (b) Heating or any process involving the direct application of heat. This exclusion shall be limited to the item or items immediately affected and shall not extend to damage to other property insured, which will result from such heating or any process involving the direct application of heat.
 - (c) Flood.
 - (d) Action of the sea, tidal wave, storm surge, high water (other than that directly attributable to damage caused by tsunami).
 - (e) Fraudulent misappropriation, embezzlement, fraud or dishonest acts committed by you or by any of your employees acting alone or in collusion with any other person or persons, forgery, erasure, counterfeiting.
 - (f) Incorrect siting of buildings as a result of error in architectural design or specification, faulty workmanship or non-compliance with the requirements of any Government, Local Government or Statutory Authority.
 - (g) Demolitions ordered by Government, Public or Local Authorities as a result of your failure or the failure of your agents to comply with any lawful requirements.
 - (h) Erosion, subsidence, landslide, collapse or any other movement of earth.
 - (i) Mechanical, hydraulic, electrical or electronic breakdown, failure, malfunction or derangement of any instrument, machine, device or temperature controlling equipment.
 - (j) Moths, termites, other insects, vermin, rust or oxidation, mould and/or fungi, mildew, pollution or contamination, wet or dry rot, corrosion, change of colour, dampness, variations in temperature, evaporation, change in flavour texture or finish, stain or smoke from industrial operations.
 - (k) Wear and tear, fading, scratching or marring, gradual deterioration, developing flaws, normal up keeping or making good.
 - (l) Error or omission in design plan or specification, or failure of design.
 - (m) Normal settling, seepage, shrinkage or expansion in buildings or foundations, walls, pavements, roads, and other structural improvements, creeping, heaving, vibration.
 - (n) Faulty materials or faulty workmanship.
 - (o) Legal liability of any nature other than as provided for herein.
 - (p) Consequential loss of any kind.
 - (q) The explosion, implosion, rupture, collapse, bursting, cracking or overheating of any boiler (other than a boiler used for domestic purposes) economisers or other pressure equipment, including pipes, valves and other apparatus forming part of these. This exclusion shall be limited to the items immediately affected and shall not extend to Damage to other property caused by any of the circumstances referred to in this exclusion.
 - (r) Storm, tempest, rainwater, snow, sleet, wind or hail to:
 - (1) gates, fences, retaining walls, which are more than 15 years old.
 - (2) shade cloth, exterior textile awnings or blinds.
 - (3) property in the open air, unless such property is a permanent structure designed to function without the protection of walls or roof.

The above exclusions, (g), (h), (i), (j), (k), (l) and (p) shall be limited to the items immediately affected and shall not extend to damage to other property occasioned by a peril not otherwise excluded, or caused by any of the circumstances referred to in these exclusions.

2. To:
 - (a) Money and negotiable securities.
 - (b) Any electrical appliance or device (including wiring) caused by electric current artificially generated. Should fire ensue, We will be liable only for the damage directly caused by the ensuing fire.
 - (c) Property Insured, where the situation becomes unattended and remains so for any period of more than sixty (60) consecutive days, unless our written agreement to continue cover has been obtained.

Special Clauses

1. **Earthquake, Subterranean Fire, Volcanic Eruption Excess**

You will bear the first \$20,000 or one percent (1%) of the total sum Insured at the situation, whichever is the lesser, in respect of damage to Property Insured caused by earthquake, subterranean fire, volcanic eruption, or fire occasioned by, or happening through, or in consequence of, earthquake, subterranean fire or volcanic eruption, occurring during any period of 72 consecutive hours.
2. **Vandalism Excess**

You will bear the first \$100 in respect of vandalism to property insured.

3. **Release Clause**

Without prejudicing your position under this section, you may release any railways, statutory governmental, semi-governmental or municipal authority from any liability if required by the terms of any prior written and executed contract, to do so.

4. **Excess**

You will bear the excess specified in the schedule.

Condition

Sprinkler Installations

It is a condition of this section that, in regard to any property, being property insured in which an automatic sprinkler system is installed and which is owned by you, or where you are responsible for the operation or maintenance of the automatic sprinkler system, you shall:

1. Ensure that the property is protected as required by law by an approved installation of automatic sprinklers, automatic external alarm signal and automatic alarm signal connected with a Fire Brigade Station or other legally approved monitoring organisation.
2. Exercise due diligence to ensure that any system and alarm signal are at all times maintained in good working order.
3. Ensure that such system will be regularly maintained in accordance with Australian Standard AS1851 (Part 3)
4. Notify us, in writing and as soon as reasonably practicable, of any alterations or additions to the automatic sprinkler installation.

Claims Procedure

1. As soon as possible after the happening of any occurrence, accident or event which may give rise to a claim against us, you or your legal representative must:
 - (a) Advise details to us and send written confirmation within 30 days.
 - (b) Take all reasonable steps to minimise the loss, damage or liability and to prevent any further loss, damage or liability. We will not be liable in respect of any further damage arising out of the continued use of damaged property, until such property is repaired to our satisfaction.
 - (c) Use best endeavours to preserve any damaged or defective appliances, plant or things which might prove necessary or useful by way of evidence in connection with any claim and so far as possible, with due regard for safety, no alteration or repair shall be made without our consent.
 - (d) Retain all damaged property for inspection by us.
 - (e) Advise the nearest Police Station in the case of property lost, stolen, or vandalised, and obtain a written Police report if requested by us.
 - (f) Advise us of any impending prosecution or inquest.
 - (g) Forward to us every communication, writ or summons within 72 hours of receipt by you or service upon you.
2. Where a claim arises you must not authorise repairs to, or arrange replacement of, any of the property relevant to the claim without our consent other than as provided for under the 'use best endeavours' clause above.

Please refer to Claims Procedure, page 12, of the General Section of this policy for details of other obligations you have in the event of a claim.

Introduction

This section forms part of the policy only if shown in the schedule and, if so, must be read together with the definitions, terms, conditions, exclusions and limitations expressed in the General Section of the policy and the schedule.

Cover

We will indemnify you against public liability, if shown in the schedule as an insured item.

Definitions

In this section:

Public Liability means:

Your legal liability to pay damages for an occurrence (and for consequential loss caused by the occurrence) in the course of your business.

Business for this section includes, in addition to the general definition of business, the provision by you, incidental to your business, of any canteen, social or sporting club or first aid, fire or ambulance service.

Personal Injury means:

1. Bodily injury, death, sickness, disease, disability;
2. Shock, fright, mental anguish;
3. False arrest, false imprisonment, wrongful detention, malicious prosecution;
4. Libel, slander, defamation of character, humiliation;
5. Wrongful eviction, wrongful entry or other invasion of privacy.

Damage to Property means:

1. Physical damage to;
2. Physical destruction of;
3. Loss of use of,

Property.

Property means:

1. Physical property not in your possession or control;
2. Premises that you occupy for the purpose of the business; and
3. Vehicles not owned by you but in your possession or control while in a car park owned by you;
 - (a) not forming part of a building construction or work site; and
 - (b) for the use of which you do not charge a fee.

Occurrence means:

Personal injury or damage to property that:

1. Is neither intended nor expected from the standpoint of a reasonable person in your position;
2. Is caused by an event; and
3. Occurs:
 - (a) within the geographical limits; and
 - (b) during the period of insurance.

Event means:

1. a single incident;
2. a series or number of incidents either having the same original cause or attributable to the one source;
3. continuous or repeated exposure to substantially the same general conditions.

Geographical Limits means:

1. The situation as shown on the schedule;
2. Elsewhere in Australia excluding the ownership, of any building, land or structure other than at the situation shown in the schedule; and
3. Elsewhere in the world, excluding.
 - (a) occurrences arising from the performance of manual work; and
 - (b) the ownership, occupancy or tenancy of any building, land or structure.

North America means:

1. The United States of America and Canada; and
2. Any state or territory incorporated in, or administered by, or from, either the United States of America or Canada.

Pollutants means:

Any solid, liquid, gaseous or thermal irritant or contaminant, including, but not limited to, smoke, vapour, soot, fumes, acids, alkalis, chemicals and waste. Waste includes material to be recycled, reconditioned or reclaimed.

Vehicle means:

Any type of machine on wheels, on skis or on self-laid tracks, designed to be moved other than by manual or animal power and includes any trailer whilst attached to a vehicle.

Loading or Unloading goods onto or from a vehicle means:

The single action of transferring the weight of the goods (or of a portion of a consignment of goods) onto or from the vehicle.

Use as a working tool means:

Use for excavating, digging, grading, drilling, lifting, pumping, spraying, vacuuming and the like. It does not include use for;

1. Loading or unloading goods onto or from a vehicle, by use of a crane mounted on the vehicle;
2. Transit to or from or within a work site; or
3. Transport or haulage.

Watercraft means:

Any vessel, craft or thing designed to float on or in, or travel on or through, water.

Aircraft means:

Any vessel, craft or thing designed to transport people or goods in, or through, the air or space.

Hovercraft means:

Any vessel, craft or thing designed to transport people or goods over land or water, supported on a cushion of air.

Limitations

1. Public Liability

The maximum amount that we will pay for public liability:

- (a) For one occurrence (other than an occurrence in connection with pollutants), will be the limit of indemnity for public liability shown in the schedule;
 - (b) For one occurrence in connection with pollutants, will be the limit of indemnity shown in the schedule for public liability, less the sum of the indemnities that we have already paid for public liability in connection with pollutants, that arose during the period of insurance.
2. Where your liability arises from personal injury or damage to property caused repeatedly or continuously by one event, the personal injury or damage to property:
 - (a) Shall be an occurrence only if the personal injury or damage to property was first discovered during the period of insurance; and
 - (b) If so, shall be deemed to be a single occurrence.
 3. Personal injury or damage to property that is first discovered:
 - (a) Before the period of insurance; or
 - (b) After the period of insurance;shall not be an occurrence.
 4. Where we are indemnifying more than one legal entity, for public liability in respect of one occurrence, the maximum amount we will pay in total for all legal entities we are indemnifying, will be the limit of indemnity for public liability.

Excess

The excess shall apply to each occurrence.

Additional benefits we will pay for

1. Your Legal Costs

- (a) In the case of:
 - (1) Public liability; or
 - (2) A claim of public liability being made against you;for which indemnity is or would be available under this section, we will pay your legal costs.
- (b) Your legal costs means
 - (1) The legal costs and expenses, that you incur with our written agreement, in defending a claim of public liability made against you; and
 - (2) The legal costs and expenses of any claimant against you for public liability, that you are liable to pay
- (c) In the case of public liability subject to or determined by:
 - (1) The law outside North America, the indemnity for your legal costs will not be limited by any limit of indemnity.
 - (2) The law in North America, the indemnity for your legal costs shall be limited to the amount by which the applicable limit of indemnity is not exhausted by the indemnity for the public liability

2. Cover for Others

Provided that they observe, fulfil and are subject to the definitions, terms, conditions and exclusions of this section, we will also indemnify, as though they were you, the following that are not named in the schedule.

- (a) Any of your directors, officers or employees, but only for liability incurred by them while acting within the scope of their duties in such capacity.
- (b) Any canteen, or social or sporting club, or first aid, fire or ambulance service provided by you and incidental to the business.

Exclusions

Where an exclusion nominates a cause of an occurrence, the exclusion shall apply and we will not indemnify you against the public liability for the occurrence, whether or not that cause is the proximate or effective cause of the occurrence.

We will not indemnify you against the following:

1. Employer's liability (Workers' Compensation)

- (a) Liability for personal injury to any person arising out of, or sustained in the course of, the employment of such person in your service, or through the breach of any duty owed to that person, where you:
 - (1) are indemnified or entitled to be indemnified (either in whole or in part) in respect of claims for damages under a policy of insurance (which expression includes arrangements made by you to provide accident insurance for your workers under a licence to self insure) arranged (whether required by law or not) in accordance with any workers' compensation legislation or accident compensation legislation; or
 - (2) would have been indemnified or entitled to be indemnified had you arranged a policy of insurance as required by such legislation;
- (b) Liability for personal injury to any person arising out of, or sustained in the course of, the employment of such person of whom you are deemed to be an employer by reason only of Section 175 of the Workers' Compensation and Rehabilitation Act 1981 (WA);
- (c) Liability for mental anguish suffered by any person arising out of, or in the course of, that person's employment by, or service to, you;
- (d) Liability for personal injury arising out of the harassment, libel, slander, defamation or humiliation of, or discrimination against, any person while in your service or while employed by you;
- (e) Liability of a type in respect of which indemnity previously would have been provided under a policy of insurance arranged in accordance with any workers' compensation legislation or accident compensation legislation, but in respect of which indemnity has been withdrawn or reduced as a consequence of a change to the scope, terms, provisions, or requirements of such legislation made after the commencement of the current period of insurance of this policy; and
- (f) Any other liability imposed by the provisions of any workers' compensation legislation or accident compensation legislation or any industrial award, agreement or determination.

2. Discrimination and harassment

Liability for discrimination or harassment in breach of statute.

3. **Assault or battery**
Liability for assault or battery committed by you or at your direction, unless it was committed for the purpose of preventing or eliminating danger to persons or property.
4. **Waiver of rights**
Liability in respect of all or part of which you, by an agreement, have released or waived your right to recover indemnity or contribution from another.
5. **Contractual liability**
Liability assumed by you under an agreement, unless such liability would have attached to you in the absence of that agreement.
6. **Intentionally or recklessly caused Personal Injury or Damage to Property**
Liability in connection with personal injury or damage to property intentionally or recklessly caused by you or the risk of which you deliberately courted.
7. **Aircraft, Watercraft and Hovercraft**
Liability in connection with your ownership or physical or legal control of, or use by you or on your behalf of, any:
 - (a) Aircraft;
 - (b) Land, building or structures in an area where aircraft land or take off, or are housed, maintained or operated;
 - (c) Watercraft greater than eight metres in length, except while stored on land;
 - (d) Hovercraft.
8. **Faulty Workmanship**
Liability to perform, complete or rectify any work undertaken by you or on your behalf, or to pay the cost of performing, completing or rectifying such work.
9. **Loss of use of Property**
Liability for loss of use of property that has not been physically damaged or destroyed, caused by or arising out of:
 - (a) a delay in, or lack of, performance, by you or on your behalf, of any contract or agreement ;or
 - (b) the failure of work performed by you or on your behalf, to meet the level of performance, quality, fitness or durability warranted or represented by you.
10. **Vehicles**
 - (a) Liability for Personal Injury or damage to property in connection with a vehicle when that Vehicle is required by law to be registered, or to have compulsory indemnity cover against your liability, or when such indemnity cover is in force; or
 - (b) Liability for damage to property in connection with a vehicle that is registered.
 Exclusions 10.(a) and 10.(b) will not apply where the liability arises from:
 - (c) The delivery of goods to the vehicle before the loading of the goods onto the vehicle, or arises from the collection of goods from the vehicle after the unloading of the goods from the vehicle; or
 - (d) The use of the vehicle, or plant or attachment to the vehicle, as a working tool.
11. **Earthquake, civil commotion, etc.**
Liability in connection with:
 - (a) Earthquake, subterranean fire, or volcanic eruption; or
 - (b) Riot, strike, or civil commotion.
12. **Pollution**
Liability:
 - (a) In connection with pollution occurring in North America or subject to jurisdiction of North America.
 - (b) To pay the cost of preventing discharge, dispersal, release or escape of Pollutants; or
 - (c) For :
 - (1) an occurrence in connection with the discharge, dispersal, release or escape of pollutants; or
 - (2) the cost of testing, monitoring, containing, removing, cleaning up or neutralising pollutants.
 Exclusions 12.(c)(1) and 12.(c)(2) will not apply where the discharge, dispersal, release or escape of pollutants.
 - (3) is caused by a single incident;
 - (4) is instantaneous;
 - (5) is clearly identifiable; and
 - (6) is confined to one specific location.

13. **Asbestos**
Liability caused by, arising out of, or in connection with the use or presence of, asbestos.
14. **Building and demolition**
Liability in connection with:
 - (a) The erection or demolition of buildings;
 - (b) The alteration of or addition to buildings not owned or occupied by you; or
 - (c) The alteration of or addition to buildings owned or occupied by you where the total cost of the alteration or addition exceeds \$100,000.
15. **Vibration and removal of support**
Liability for Damage to Property in connection with:
 - (a) Vibration; or
 - (b) Removal or weakening of, or interference with, support to land, buildings or any other property.
16. **Treatment, design and professional risks**
Liability caused by or arising out of Your performance or failing to perform the following:
 - (a) Rendering of professional advice or service;
 - (b) Prescription or administration of treatment of or to persons (including but not limited to, grooming, beauty, cosmetic, pharmaceutical, and therapeutic treatment), other than first aid;
 - (c) Making or formulating a design or specification within the architectural, engineering, scientific, actuarial, statistical, economic, financial, medical or chemical domain.
17. **Libel and slander**
Liability in connection with the publication or utterance of a libel or slander:
 - (a) Made before the commencement of the period of insurance;
 - (b) Made by you or at your direction with knowledge of its falsity; or
 - (c) Related to publishing, advertising, broadcasting or telecasting activities conducted by you or on your behalf.
18. **Fines and punitive damages**
Liability for fines or penalties, or punitive, exemplary or aggravated damages.
19. **Foreign non-admitted cover**
Liability under the law of any country, state or territory (outside the Commonwealth of Australia) that requires such liability to be insured or secured with an insurer or organisation licensed in that country, state or territory to grant such insurance or security.
20. **Cranes**
Liability for the operation of a crane in an unsafe condition.

Special Conditions

1. **Reasonable care**
You shall:
 - (a) Take all reasonable precautions to prevent:
 - (1) Public liability;
 - (2) Personal injury or damage to property;
 - (b) Comply with, and ensure that your employees, servants and agents comply with, all laws, bylaws, regulations and recognised standards for the safety of persons or property;
 - (c) Ensure that only competent employees use, operate, maintain and service plant and equipment; and
 - (d) Maintain all premises, fittings, plant and equipment in sound condition.
2. **Conduct of Your Defence**
When you make a claim for indemnity against public liability under this section, we shall have the right to conduct of your defence, to instruct lawyers to provide advice as to your liability and to represent you.
3. **Payment of Limit of Indemnity**
We may at any time pay to you the appropriate limit of indemnity (after deducting from it any amounts already paid) or any lesser amount for which a claim or claims may be settled. In doing so we will relinquish the conduct of, and will be under no further liability in connection with, such claim or claims except for costs and expenses incurred before we made such payment.
4. **Welding, Flame Cutting, Application of Heat**
You shall ensure that all welding and flame cutting complies with the Australian Standard "AS1674 SAA Cutting and Welding Safety Code" and its amendments. (It is a detailed Code designed to protect persons and property from injury by fire or explosion in the course of cutting, heating or welding operations)

Claims Procedure

1. As soon as possible after the happening of any occurrence, accident or event which may give rise to a claim against us, you or your legal representative must:
 - (a) Advise details to us and send written confirmation within 30 days.
 - (b) Take all reasonable steps to minimise the loss, damage or liability and to prevent any further loss, damage or liability. We will not be liable in respect of any further damage arising out of the continued use of damaged property, until such property is repaired to our satisfaction.
 - (b) Use best endeavours to preserve any damaged or defective appliances, plant or things which might prove necessary or useful by way of evidence in connection with any claim and so far as possible, with due regard for safety, no alteration or repair shall be made without our consent.
 - (c) Retain all damaged property for inspection by us.
 - (d) Advise us of any impending prosecution or inquest.
 - (e) Forward to us every communication, writ or summons within 72 hours of receipt by you or service upon you.

<p>NOTE: Failure to forward to us any writ or summons served upon you within the time stipulated may result in us refusing to indemnify you.</p>

2. Where a claim arises you must not authorise repairs to, or arrange replacement of, any of the property relevant to the claim, without our prior written consent other than as provided for under the 'use best endeavours' paragraph above.
3. Please refer to Claims Procedure, page 12, of the General Section of this policy for details of your other obligations in the event of a claim.

Introduction

This section forms part of the policy only if shown in the schedule and, if so, must be read together with the definitions, terms, conditions, exclusions and limitations expressed in the General Section of the policy and the schedule.

Definitions:

In this section:

Claim Documents means:

1. The documentation created in the preparation of, or evidencing, a claim; and
2. All records and documents which may assist us to investigate
 - (a) a claim; or
 - (b) a loss; or
 - (c) your right of recovery in consequence of a loss;

including electronic records, computer records, video and audio recordings, working papers, internal memoranda, reports, accounting records and audit documents.

Committee Member means:

1. A person who is a member of the Committee or a duly appointed Member of a Sub-Committee of the governing body of the buildings, and who;
 - (a) owns a unit in the buildings; or
 - (b) has been appointed by an owner of a unit to represent that owner;
2. A former Committee Member during a period of not more than 30 days following the cessation of that person's service;
3. A group of Committee Members which means:
 - (a) two or more Committee Members acting in collusion;
 - (b) a Committee Member acting alone and also acting as a Member of a Group of Committee Members;
 - (c) two or more Groups of Committee Members having a Committee Member or in common;

Sub-Committee Member means:

1. A member or former member of a Sub-Committee named by the executive Committee appointed by the governing body of the buildings, and who owns a unit in the building.
2. A former Sub-Committee Member during a period of not more than 30 days following the cessation of that person's service.
3. A Group of Sub-Committee Members which means:-
 - (a) two or more Sub-Committee Members acting in collusion;
 - (b) a Sub-Committee Member acting alone and also acting as a member of a group of Sub-Committee Members;
 - (c) two or more groups of Sub-Committee Members having a Sub-Committee Member in common; but Committee Member or Sub-Committee Member does not include:
4. A member of the committee or sub-committee of the governing body of the buildings, who is an authorised strata manager, director, partner, representative or employee of a strata management company, with whom you, or the owner of a unit in the buildings, has entered into a management agreement.

Limit of Indemnity means the limit of indemnity of Fidelity Guarantee insurance shown in the schedule for all losses during the period of insurance.

Loss means direct loss:

1. Of:
 - (a) money;
 - (b) negotiable instruments; or
 - (c) goods;which:
 - (d) belong to You; or
 - (e) are in Your possession and for the loss of which You are liable;
2. Occurring in the ordinary course of your business;
3. Caused directly by an act of fraud or dishonesty:
 - (a) of an identified Committee Member or Sub-Committee Member; and

- (b) committed within twelve (12) months before discovery by You of the act of fraud or dishonesty, and
- 4. Discovered by You:
 - (a) during the period of insurance; or
 - (b) if this section is not renewed or is cancelled, within twelve (12) months after the period of insurance or the date of cancellation of this section of the policy; but in either case no later than twelve (12) months after the cessation of participation of the Committee Member on the committee of the governing body of the buildings.

But loss does not include any indirect or consequential loss whatsoever.

Cover

1. After you have:
 - (a) Provided to us the claim documents; and
 - (b) Made available to us for interview all persons nominated by us who in our opinion will be helpful to assist us to investigate your claim or a loss,We will indemnify you against loss, in the manner, and to the extent, provided for this policy.
2. The amount of the indemnity will be determined in accordance with the clauses under the heading **Settlement of Claims**.

Additional benefits we will pay for

Claims Preparation Fees

If we are liable to indemnify you against a loss and where the limit per Committee Member and the limit of indemnity are not otherwise exhausted, the cover is extended to indemnify you against:

1. The fees payable by you to your auditors; and
2. All other costs, charges and expenses;

reasonably and necessarily incurred by you with our consent in the preparation of a claim. Our liability for this additional benefit is limited to an amount not exceeding ten percent (10%) of the limit per Committee Member or \$20,000, whichever is the lesser.

Settlement of Claims

1. Our total liability for all losses and Claims Preparation Fees during the period of insurance shall not exceed the Limit of Indemnity shown on the schedule.
2. Our liability for all losses relating to acts of fraud or dishonesty committed by one Committee Member, or any group of Committee Members, or any number of groups of Committee Members that contain one common Committee Member, will not exceed the limit shown on the schedule.
3. Our liability will be reduced by the sum of all moneys to which a Committee Member who caused a loss would have been entitled, but which are retained by you or which you are entitled to retain.
4. We will be liable only for that part of the loss that exceeds the excess shown on the schedule or on any endorsement to this section.

Exclusions

This Section does not cover Loss arising from an act committed by a Committee Member after you have knowledge of, or reasonable cause to suspect, the commission by the Committee Member of an act of fraud or dishonesty, unless if, when you first obtained the knowledge.

1. The money, negotiable instruments, or goods, which are the subject of the loss, were in the possession of the Committee Member; and
2. You immediately took all reasonable action to regain possession of the money, negotiable instruments or goods.

Special Conditions

1. **Notification of Loss:**

You must:

 - (a) Notify us in writing within 14 days after discovery by you of Loss, or any act of fraud or dishonesty, by a Committee Member which may give rise to loss; and
 - (b) Deliver to us as soon as practicable, but no later than 3 months after the notice in regard to a claim, the claim documents and full details in writing of your claim under this section and the loss.

2. **Observance of System of Audit, Supervision and Checks**

You must observe the system of audit, supervision and checks which, in connection with this section, you stated to us that you observe.

3. **Notification of Alteration of Risk**

You must as soon as practicable notify us in writing, of any change that will or might increase the risk.

4. **Prevention of Further Loss After Discovery**

You must, immediately when you discover loss, take all reasonable steps to regain possession of the money, negotiable instruments or goods and take all reasonable steps to prevent further loss occurring.

Claims Procedure

Please refer to Claims Procedure, page 12, of the General Section of this policy for details of your other obligations in the event of a claim.

Introduction

This section forms part of the policy only if shown in the schedule and, if so, must be read together with the definitions, terms, conditions, exclusions and limitations expressed in the General Section of the policy and the schedule.

Cover

We will indemnify a Committee Member or Sub-Committee Member for Loss, arising from a wrongful act that occurs after the inception date and which results in a claim, that is:

1. first made against him or her during the period of insurance; and
2. notified to us during that period of insurance.

Definitions

In this section:

Claim means the allegation of a Wrongful act in:

1. any writ, summons, application or other document that originates from any legal or arbitral proceeding, cross claim or counter claim issued against or served upon a Committee Member; or Sub-Committee Member
2. any written or verbal demand communicated to a Committee Member.

Committee Member means a member or former member of the committee of the governing body of the buildings, who owns a unit in the building or is appointed by the owner of a unit in the building to represent that owner. If a committee member is a former member, that former member must have owned a unit in the building or have been appointed by the owner of a unit in the building to represent that owner, at the time the Wrongful Act was committed.

Sub-Committee Member means a member or former member of a Sub-Committee named by the executive committee appointed by the governing body of the buildings, who owns a unit in the building. If the Sub-Committee Member named by the executive committee appointed by the governing body of the buildings is a former Sub-Committee Member that former Sub-Committee Member must have owned a unit in the building at the time the wrongful act was committed.

This **does not** include:

1. any Member of the Committee or Sub-Committee of governing body of buildings:
 - (a) who is an authorised strata manager, director, partner, representative or employee of a strata management company;
 - (b) with whom You, or the owner of a unit in the buildings, have entered into any management agreement;or
2. any former member of the governing body of buildings:
 - (a) who was an authorised strata manager, director, partner, representative or employee of a strata management company;
 - (b) with whom You, or the owner of a unit in the buildings, had entered into any management agreement.

Inception Date means the date on which cover commenced under this section and from which date continuous cover has remained in force. If there has been a break in the continuity of cover, the inception date will be the date on which cover recommenced following the most recent break in the continuity of cover under this section.

Loss means money payable by reason of:

1.
 - (a) a judgment ordered by a court of competent jurisdiction; or
 - (b) any arbitration award or settlement of claims, negotiated with our consent;but **does not** include:
 - (c) money payable by way of any fine, penalty, punitive, exemplary or aggravated damages.
2.
 - (a) the legal costs and expenses, incurred with our written agreement, in defending a claim; and
 - (b) the legal costs and expenses of any claimant, awarded against a Committee Member or Sub-Committee Member.

Wrongful Act means any actual or alleged:

1. incorrect act;
2. making of an incorrect or misleading statement;
3. breach of duty;
4. failure to act as required; or
5. failure to carry out a duty properly;

by a Committee Member or Sub-Committee Member whilst acting in his or her capacity as a Committee Member or Sub-Committee Member.

You, your, insured means the entity named in the schedule and is extended to include Committee Member or Sub-Committee Members.

Limitations

1. The maximum amount we will pay for one claim will be the limit of indemnity shown in the schedule less the sum of the indemnities that we have already paid in respect of all other claims during the period of insurance.
2. In the event that the limit of indemnity is increased after the inception date of this section, such increased limit of indemnity will only be available against loss for any wrongful act committed after the date of the increase in the limit of indemnity.

Exclusions

1. We will not indemnify a Committee Member or Sub-Committee Member for any claims in respect of or by reason of:
 - (a) The gaining of a personal profit or advantage to which the Committee Member or Sub-Committee Member was not entitled, or for which the Committee Member or Sub-Committee Member was accountable to the governing body of the buildings, or to any other individual member thereof.
 - (b) Money or gratuity given to a Committee Member or Sub-Committee Member, that was not approved by the governing body of the buildings and for which the approval of the governing body of the buildings is required, or is required by law.
 - (c) Bodily injury, illness or death of any person, or damage or loss to any property including loss of use or consequential loss.
 - (d) Any loss for which a Committee Member or Sub-Committee Member will be reimbursed or is entitled to be reimbursed by the governing body of the buildings pursuant to its bylaws or other constituting documents.
 - (e) A conflict of the duty or interest of a Committee Member or Sub-Committee Member.
 - (f) An intentional exercise of the powers conferred on a Committee Member or Sub-Committee Member for a purpose other than the purpose for which such powers were conferred by the bylaws or other constituting documents of the governing body of the buildings.
2. We will not indemnify a Committee Member or Sub-Committee Member for any claims:
 - (a) Made or threatened or in any way intimated before the commencement of the period of insurance of his section.
 - (b) Arising from a Wrongful Act committed before the inception date of this section.
 - (c) Arising from any facts or circumstances of which a Committee Member or Sub-Committee Member had become aware prior to the inception date of this section, and which a reasonable person in the position of a Committee Member or Sub-Committee Member would, prior to the inception date of this section, have considered may give rise to a claim under this section.
 - (d) Arising from any facts or circumstances notified to any insurer under any previous policy.
 - (e) Arising out of any matter disclosed by a Committee Member or Sub-Committee Member or on his or her behalf in applying for this insurance.
 - (f) First notified to us after the expiry of this section.
 - (g) Brought against a Committee Member or Sub-Committee Member in a court of law outside Australia.
 - (h) For libel or slander.
 - (i) Brought about or contributed to by any dishonest, fraudulent, criminal or malicious act or omission by a Committee Member or Sub-Committee Member.
 - (j) Arising out of seepage, pollution or contamination, or the breach of any statute regulation or bylaw prohibiting or controlling emissions, effluent or pollution of any kind or from any enforcement action or proceeding brought under or pursuant to any such statute regulation or bylaw.
 - (k) Arising from an obligation under a warranty (other than a warranty of authority), agreement or contract entered into by a Committee Member or Sub-Committee Member. This exclusion will not apply to liability that would have attached in the absence of such warranty, agreement, or contract.

Claims Procedure

1. You or a Committee Member or Sub-Committee Member must advise us in writing immediately upon:
 - (a) becoming aware of any claim made against a Committee or Sub-Committee Member;
 - (b) receiving any notice from any person who intends to make a claim against a Committee Member or Sub-Committee Member; or
 - (c) becoming aware of any circumstance or event which may result in a claim being made against a Committee Member or Sub-Committee Member.
2. You and the Committee Members or Sub-Committee Members must not do any of the following:
 - (a) pay, promise to pay or offer payment, or admit responsibility for a Wrongful Act.
 - (b) incur any costs or expenses for a claim, unless we agree to them.
3. Also, refer to Claims Procedure, page 12, of the General Section of this policy for details of your other obligations in the event of a claim.

Conditions

1. **Conduct of Your Defence**

When a Claim for indemnity is made under this section, we have the right to conduct of the defence, to instruct lawyers to provide advice as to the Committee Members or Sub-Committee Members liability and to represent the Committee Members or Sub-Committee Members.
2. **Payment of Limit of Indemnity**

We may at any time pay to the Committee Member or the Sub-Committee Member the appropriate limit of indemnity (after deducting from it any amounts already paid) or any lesser amount for which a claim or claims may be settled. In doing so we will relinquish the conduct of, and will be under no further liability in connection with, such claim or claims except for costs and expenses incurred before we made such payment.
3. As a condition precedent to the right of a Committee Member or Sub-Committee Member to be indemnified under this Section the Committee Member or Sub-Committee Member must give us immediate notice in writing of:
 - (a) any claim made against him or her, whether or not the potential amount of our liability might exceed the excess;
 - (b) the receipt of notice from any person of an intention to make a claim against him or her.
4. You and the Committee Members or Sub-Committee Members must not admit liability or settle any claim or incur any costs without our prior written consent.
5. If during the period of insurance of this section, a Committee Member or Sub-Committee Member first becomes aware of any facts or circumstances which may give rise to a claim, he or she must give written notice to us of those facts or circumstances, during the same period of insurance in which he or she first became aware of them.

Any claim which may subsequently be made, arising out of those facts or circumstances, will be deemed to be a claim in that period of insurance, irrespective of when such claim may actually be made.

Section 5

Voluntary Workers Personal Accident

Introduction

This Section forms part of the policy only if shown in the schedule and, if so, must be read together with the definitions, terms, conditions, exclusions and limitations expressed in the General Section of the policy and the schedule.

Definitions

In this Section:

Benefit(s) - means the amount shown as the benefit for the event as set out in the table.

Event(s) - means the event(s) set out in the table of cover.

Insured Person - means a person engaged in voluntary work, for You and authorised by You.

Medical Practitioner - means a doctor in general practice who is qualified and licensed to practise medicine in the place where he or she is practising, or a specialist medical doctor to whom the insured person is referred by such a doctor in general practice.

Occupation - means any trade, business, profession or employment for which the insured person receives an income.

Personal Weekly Income - means the average weekly income earned by the insured person (after deducting the average weekly expenses incurred in earning that income) over the period that the insured person has been continuously engaged in his or her occupation, or over 104 weeks, whichever is the shorter period, immediately before the date that the event happened.

Cover

If any of the events, set out in the table of cover, happens to the insured person during the period of insurance, We will pay the benefit set out next to that event. Your schedule sets out which of the events are covered and the amount of the benefits.

The event must result solely and directly from an injury suffered by the insured person in an identifiable accident which occurred not more than one year before the event, while:

- (a) doing voluntary work which you have organised and which you control, for You; or
- (b) travelling to, from, or during such voluntary work,

but not while travelling by air.

We will not pay the benefit for event 3 until the condition for which you are claiming has continued for at least one year.

Please also refer to the "Limitations" and "Exclusions" as set out hereunder.

Who we will pay

We will only pay benefits to you or, if requested by you, to the Insured Person or his or her personal legal representative. You cannot give anyone else an interest in this policy without our written consent.

Limitation

1. We will only pay benefits for a maximum of 104 weeks for event 1 or 2 as a result of any one accidental injury. If the insured person returns to the usual duties of his or her usual occupation, and then suffers an aggravation or relapse of the original injury, we will treat this aggravation or relapse as a continuation of the original claim and not as a new claim. The time in between, when the Insured person returned to his or her usual duties, will not count toward the limit of 104 weeks.
2. We will only pay benefits for one of the events 1 or 2 for the same period of time.
3. If You have made a claim for any of events 4 to 20, the most we will pay for event 3, as a result of the same accidental injury, is the amount, if any, by which the benefit for event 3 is more than the amount already claimed.

4. If more than one of events 4 to 20 happens to the insured person during the period of insurance, we will only pay for the event that has the greatest benefit. The most we will pay is 100% of the amount specified for Events 4 to 20 in the schedule.
5. The most we will pay for event 1 is 85% of the reduction in the insured person's personal weekly income, resulting from event 1, which is not replaced from any other source.
6. The most we will pay for event 2 is the cost actually and reasonably incurred by the insured person for the employment of essential domestic help.
7. The most we will pay in total for all Insured Persons who are injured while travelling in one vehicle, vessel or craft is \$1,000,000.

Additional things we will pay for

After an insured person is injured we will pay for expenses the Insured person incurs in travelling to obtain medical treatment.

The most we will pay for all these expenses is \$2,000 per injury.

Exclusions

1. We will not pay claims for any event which is caused by, or made more serious by:
 - (a) Any deliberately self-inflicted injury.
 - (b) Any deliberate taking of poisonous substances or drugs except as prescribed by a Medical Practitioner.
 - (c) The Insured Person being under the influence of, or addicted to, alcohol.
 - (d) Hernia.
 - (e) Any injury suffered in an accident which occurred before this cover commenced.
 - (f) The Insured Person taking part in a sporting activity.
 - (g) The Insured Person travelling by air or taking part in other aerial activities.
 - (h) The Insured Person taking part in a riot or civil commotion, or criminal activity.
 - (i) Illness and injury
2. **Age limits**
We will not pay any benefits for injury to any person who is under the age of 15 years at the time that the accident occurs.

Claims Procedure

1. You must tell us in writing as soon as possible after the insured person suffers any injury that may result in a claim.
2. You or the insured person must pay the cost, if any, of certificates, reports or other evidence that we may require (except where indicated that we will pay for the examination and the special condition, below).
 - (a) Our claim forms include certificates of incapacity to be filled in on behalf of the insured person.
 - (b) We will only consider an initial certificate of incapacity from a Medical Practitioner.
 - (c) We may require additional supporting proof if you or the insured person are claiming for any period of incapacity before the date on which the initial certificate was issued.
 - (d) We will tell you if we need you to provide any other specific information.
 - (e) We will consider certificates of continuing incapacity from a Medical Practitioner or from a registered physiotherapist, registered chiropractor or registered osteopath if appropriate to the Insured person's injury.
3. The insured person must be available as reasonably required for examination by any Medical Practitioner(s) chosen by us. We will pay for the examination(s).
4. Please refer to Claims Procedure, page 12, of the General Section of this policy for details of your other obligations in the event of a claim.

Special Condition

When an insured person dies, we may require a post-mortem examination. We will pay for this examination.

Table of Cover

The Events		The Benefits	
1	The Insured Person becoming totally incapable of carrying out all of the usual duties of his or her usual occupation. There must be no usual duties at all that the insured person can carry out.	100%	Of the weekly amount specified in events 1 & 2 in the schedule, for each week of continuing incapacity.
2	The Insured Person, being a person who does not engage in any occupation, becoming totally incapable of carrying out some of his or her usual home duties, and necessarily incurring the cost of employing domestic help as a result.	25%	
3	The Insured Person becoming totally and permanently incapable of carrying out any occupation at all. There must be no duties and no occupation at all that the insured person can carry out.	100%	Of the amount specified for event 3 in the schedule, as one lump sum.
4	Death.	100%	Of the amount specified for event 4 to 20 in the schedule, as one lump sum.
5	Total and irrecoverable loss of all sight in both eyes.	100%	
6	Total and permanent loss of the use of both hands.	100%	
7	Total and permanent loss of the use of both feet.	100%	
8	Total and permanent loss of the use of one hand and one foot	100%	
9	Total and permanent loss of the use of one arm or the greater part of one arm.	80%	
10	Total and permanent loss of the use of one leg.	75%	
11	Total and irrecoverable loss of all sight in one eye as well as irrecoverable loss of at least 50% of the sight of the other eye.	75%	
12	Total and permanent loss of the use of one hand, or four fingers and the thumb of one hand, or the lower part of one arm.	70%	
13	Total and permanent loss of the use of one foot or the lower part of one leg.	60%	
14	Total and permanent loss of hearing.	50%	
15	Total and irrecoverable loss of the lens of, or of all the sight in, one or two eyes.	50%	
16	Burns or disfigurement of more than 50% of the body.	20%	
17	Total and permanent loss of the use of either phalanx of either thumb.	15% each	
18	Total and permanent loss of the use of any phalanx of any finger.	4% each	
19	Total and permanent loss of the use of any toe other than a great toe, or either phalanx of either great toe.	6% each	
20	Total and permanent loss of hearing in one ear.	15%	

Introduction

This cover forms part of your policy only if shown in the schedule, and if so, must be read together with the definitions, terms, conditions, exclusions and limitations expressed in the General Section of the policy and the schedule.

Definitions

In this section:

Breakdown means sudden and unforeseen physical destruction or physical damage to machinery which requires repair or replacement to enable normal working to continue.

Collapse means unforeseen and unexpected physical destruction, damage, distortion, bending, or crushing, of any part of pressure equipment caused by force of steam, gas or fluid pressure or vacuum, including damage caused by overheating resulting from insufficiency of water.

Explosion means unforeseen and unexpected physical destruction or physical damage caused by sudden and violent rending of the permanent structure of the pressure equipment by force of internal steam, gas or fluid pressure (including pressure of ignited flue gases) causing displacement of any part of the Pressure Equipment together with forcible ejection of its contents.

Machinery means the electric, electronic, mechanical or hydraulic machinery, or pressure equipment belonging to you, but **does not include**:

1. Wiring, fittings and outlet sockets of electric lighting or electric power circuits.
2. Calculators, photocopiers, typewriters, mobile phones, pagers, computers and other office machinery.
3. Telephone and closed circuit television installations.
4. Any Mobile Machinery, vessel, craft or thing made or intended to fly, float or travel, or stored in or mounted upon such mobile machinery, vessel, craft or thing.
5. Pressure equipment.
6. Gaming, gambling, amusement, vending machinery, audio or visual entertainment equipment.
7. Machinery hired by you.

Mobile Machinery means any mechanically operated or driven machine on wheels or self laid tracks.

Pressure Equipment means those parts of the permanent structure of a boiler, pressure vessel, economiser and superheater and attaching pipe systems which are subject to steam, gas or fluid pressure or vacuum, all belonging to you.

Cover

The Machinery shown in the schedule, is insured whilst at the situation, against breakdown, or collapse and explosion.

Limitation

In respect of machinery, our total liability for any claim arising out of one event or series of events arising directly or indirectly from one source or original cause will not exceed the sum insured shown in the schedule.

Additional Benefits

1. Increased Cost of Working

If the sum insured under this section is not otherwise exhausted, in respect of each event resulting in a claim that has been admitted under this section for breakdown of machinery or explosion or collapse of pressure equipment, we will pay the reasonable expenses necessarily incurred for:

- (a) Temporary repairs.
- (b) Hiring of substitute machinery.
- (c) Overtime.
- (d) Express freight including overseas airfreight.

We **will not be** liable for:

- (1) Expenses for specialists or consultants to travel to or from Australia;
- (2) Air freight by aircraft specifically chartered for the purpose;
- (3) Overtime charges which exceed fifty percent (50%) of the cost of carrying out the repairs at ordinary rates;
- (4) Breakdown of machinery or explosion or collapse of pressure equipment which has been hired or is on loan to you from a third party.

Our maximum liability under this additional benefit is limited to \$25,000 or fifteen percent (15%) of the total sum insured, whichever is the lesser, for anyone event.

2. **Cover for Additional Machinery**

Cover is extended to include other machinery, delivered and installed, after the inception of this Section at any of the Situations described in the schedule, excluding items not owned by you.

- (a) Such additions must be of a similar type and class as described in the schedule.
- (b) Such additions must be free from known defects and comply with all applicable statutory requirements.
- (c) Cover will not attach until such additions have become your responsibility and have operated satisfactorily at design load, for eight hours in total.
- (d) Section limits and excesses will remain the same for such additions.
- (e) You must notify us of such additions in writing within thirty (30) days of the commencement of such additions.
- (f) You must pay the extra premium required by us for the insurance of such additions.

Settlement of Claims

In the event of a claim for:

1. **Breakdown**

In respect of breakdown of machinery, we will at our option, repair or replace the damaged items or pay the cash equivalent of such repair or replacement. We will also pay the cost of liquids or refrigerant gas or insulating oil necessary to complete the repairs.

The amount payable will include the cost of transport, labour and the on-site cost of parts.

If it is necessary to replace parts which are unavailable or obsolete, we will not pay more than the estimated cost of similar parts for similar type of plant currently available. If similar parts are found to be unobtainable, We shall not pay more than the manufacturers or suppliers latest list price.

We will not be responsible for the costs of any alterations, improvements, maintenance or overhauls carried out on the occasion of the repair or replacement.

2. **Explosion or Collapse of Pressure Equipment**

We will at our option, repair or replace the damaged items or pay the cash equivalent of such repair or replacement as follows:

- (a) In the case of repairable damage, we will pay the cost of repairs necessary to restore the pressure equipment to its condition immediately before the explosion or collapse.
- (b) In the case where the pressure equipment cannot be repaired at a cost less than the value of a new equivalent unit, we will pay the cost of installing and commissioning replacement pressure equipment of equivalent quality and size. If the pressure equipment is replaced with one that is of a better kind, quality or size, We will pay the cost that would have been incurred if an exact replacement had been installed.
- (c) If the repair or replacement is not effected within twelve (12) months of the explosion or collapse, we will only pay the indemnity value of the Pressure Equipment immediately prior to the explosion or collapse.

The amount payable will include the costs of transport, labour, the on-site cost of parts and airfreight.

We will not be responsible for the costs of any alterations, improvements, maintenance or overhauls carried out on the occasion of the repair or replacement.

In respect of each event for which a claim is made under this section:

We will deduct the excess and the value of any salvage obtained following repair or replacement.

Exclusions

We will not pay for:

1. Consequential financial loss, loss of use, or other indirect loss.
2. Liquidated damages or penalties for delay or detentions or in connection with guarantees of performance or efficiency.
3. Repair or replacement necessitated by:
 - (a) Wasting or wearing out of parts, caused by or resulting from ordinary use or working or gradual deterioration;
 - (b) Corrosion, cavitation, erosion, deposits of scale, sludge or other sediment,
 - (c) Any direct consequences of progressive or continuous influences from working or atmospheric or chemical action other than accidental contact with acids or other corrosive substances causing damage which manifests itself within 24 hours of such accidental contact,
 - (d) Rusting or scratching of painted or polished surfaces, but we will be liable for other physical damage to machinery or pressure equipment insured by this section, resulting from such causes.
4. The cost of removal of machinery from a borehole and subsequent replacement.
5. Machinery or pressure equipment that has not been commissioned.
6. In respect of machinery for breakdown:
 - (a) Loss, destruction or damage directly or indirectly caused by or arising from or in consequence of:
 - (1) Fire resulting from explosion or otherwise, lightning, thunderbolt, spontaneous combustion, fermentation, heating or any process involving the direct application of heat.
 - (2) Aircraft or other aerial devices or articles dropped there from, or sonic boom.
 - (3) Earthquake, subterranean fire, volcanic eruption.
 - (4) Storm, tempest, rainwater, snow, sleet, wind, hail, water from or action of the sea, tsunami tidal wave, high water or flood.
 - (5) Water, liquids, or substances discharged, overflowing or leaking from apparatus, appliances, pipes or other systems unless such apparatus, appliances, pipes or other systems form part of the machinery.
 - (6) Riots, civil commotions, strikes or locked out workers, or persons taking part in labour disturbances, or acts of vandalism, or acts of any lawfully constituted authority in connection with the foregoing acts, cessation of work whether total or partial.
 - (7) Explosion.
 - (8) Attempts by civil authorities to prevent the spread of fire.
 - (9) Theft or attempted theft.
 - (10) Unexplained inventory shortages or disappearances.
 - (11) Unloading on delivery to, or loading prior to dispatch from the situation.
 - (12) Incorrect siting, demolitions ordered by Government or Public or Local Authorities.
 - (13) Erosion, subsidence, or collapse or any other movement of earth.
 - (14) Testing and commissioning, intentional overloading or experiments.
 - (15) Faults or defects known to you or any employee whose knowledge in law would be deemed to be ours and not disclosed to us at the time this insurance was arranged.
 - (16) Any process of heat treatment, welding, grinding, cutting, drilling, shaping or the application of tools to the property other than for the purpose of lifting the insured machine/item.
 - (17) Damaged or faulty doors, lids, catches, latches, locks or any door or lid closing or securing mechanism or device of a cold chamber.
 - (b) For loss of or physical destruction or damage caused to:
 - (1) Bits, drills, knives, saw blades, heating elements, fuses, electronic valves and tubes, magnetron units, contacts which spark or arc.
 - (2) Dies, moulds, patterns, blocks, stamps, punches
 - (3) Coating or engraving on cylinders and rolls.
 - (4) Crushing, hammering or grinding surfaces, wear plates, screens, tyres, batteries, burner jets or other parts which by their use and nature suffer a high rate of wear or gradual deterioration.
 - (5) Sieves, flexible pipes, seals, jointing and packing materials, filters, ropes, chains, belts, elevator and conveyor belts or bands, cables (other than electrical conductors) brushes, refractory materials, fire bars, unless as a result of Breakdown.
 - (6) Fuels, chemicals, filter substances, heat transfer media, cleansing agents, lubricants, oils, catalysts or other operating materials. We will not pay for loss or damage to refrigerants or transformer oils due to defective valves, glands, seals, gauges, or loose connections of pipes.
However, we will pay for the loss or damage to refrigerants or transformer oils due

- to breaking of pipes or flared joints.
 - (7) Materials in the course of or undergoing processing.
 - (8) Foundations and masonry -unless specifically included and described in the schedule.
 - (9) Below ground turbine pump, submersible pump or motor unless such pump or motor is fitted with an effective pressure or flow cut out switch, which will stop the motor if the normal pumping pressure or flow is interrupted.
 - (10) Any unattended engine unless such engine is fitted with an effective automatic safety engine monitoring device and such device stops the engine in the event of a lubricating or cooling fault or failure.
7. In respect of pressure equipment:
for the repair or replacement caused by:
- (a) Wasting or wearing away whether by leakage, corrosion or by the action of the fuel or otherwise,
 - (b) Slowly developing deformation or distortion,
 - (c) Cracks, fractures, blisters, lamination separation, flaws or grooving which has not penetrated the entire thickness of the material, however the exclusions printed in exclusions 7(a), 7(b) and 7(c) will not apply to subsequent explosion or collapse.
 - (d) Explosion or collapse of any pressure equipment if at the time of such explosion or collapse:
 - a. The pressure on the pressure limiting device(s) upon the particular pressure equipment was in excess of that permitted in the applicable Australian Standards, codes and laws.
 - b. Any pressure limiting device was removed or rendered inoperative.
 - (e) Loss, destruction or damage to pressure equipment where such equipment:
 - a. Is operated in an unsafe condition;
 - b. Does not comply with Australian Standards, codes or laws; or
 - c. Has not been inspected in accordance with Australian Standard AS3788 as amended, and any other applicable Australian Standards, codes or laws.
8. Any increase in the cost of repair or replacement of machinery and pressure equipment necessitated by compliance with any ordinance or law regulating repair, alterations, construction, installation or operation of the machinery or pressure equipment which is insured.

Claims Procedure

1. As soon as possible after the happening of any occurrence, accident or event which may give rise to a claim against us, you or your legal representative must:
 - (a) Advise details to us and send written confirmation within 30 days.
 - (b) Take all reasonable steps to minimise the loss or damage and to prevent any further loss or damage. We will not be liable in respect of any further damage arising out of the continued use of damaged property, until such property is repaired to our satisfaction.
 - (c) Use best endeavours to preserve any damaged or defective appliances, plant or things which might prove necessary or useful by way of evidence in connection with any claim and so far as possible, with due regard for safety, no alteration or repair shall be made without our consent.
 - (d) Retain all damaged property for inspection by us.
 - (e) Advise us of any impending prosecution or inquest.
2. Where a claim arises you must not authorise repairs to, or arrange replacement of, any of the property relevant to the claim without our consent other than as provided for under 1 (c) above.
3. Please refer to Claims Procedure, page 12, of the General Section of this policy, for details of your obligations in the event of a claim.

Workers Compensation

This policy only applies when the schedule shows that you have requested cover for Workers' Compensation for persons employed in connection with owning, operating and managing the buildings

Some circumstances make Workers' Compensation insurance compulsory if you have employees. If you are unsure, check with your local Workers' Compensation Authority.

We will pay the amount you are liable to pay if a person you employ is injured while working for you. We will only pay if the person is doing work for you in respect of owning, operating and managing the buildings insured under Section 1. We will not pay if the person is working for you in your business, profession, trade or occupation.

The amount we will pay is subject to the relevant Workers' Compensation legislation in your state or territory.



more than insurance

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