



**STRATA
COMMUNITY
INSURANCE**

STRATA INSURANCE PDS & POLICY WORDING



CONFIDENCE FOR YOUR COMMUNITY

CONTENTS

Product Disclosure Statement	4	Strata Insurance Policy Wording	13
Insurer	5	Important information	14
Authority to act for Us	5	What makes up this Policy	14
About Strata Community Insurance Agencies Pty Ltd	5	Policy Classification for premium and charges	14
General Information	5	Payment of Premium	14
Claims Made Notice	5	Payment by Instalment	14
What You should read	6	Adjustments on renewal	14
Summary of cover, significant benefits and risks	6	Instalment payments	15
What You are covered for / not covered for	6	Information You must tell Us	15
Other important information	6	Claims procedures	15
Monetary limits on cover	8	Acts or omissions of Your Strata Community Manager	17
Review Your sums insured regularly	8	Cancelling Your Policy	17
Payment of Excess	9	Goods and Services Tax (GST) Notice	17
Goods and Services Tax (GST) Notice	9	General conditions	18
Applying for cover	9	General exclusions	19
The cost of this insurance	9	General definitions	20
Cooling off period	9	Section 1 – Insured Property	25
Your Duty to take reasonable care not to make a misrepresentation	10	What We cover	25
The General Insurance Code of Practice	10	Section 1 – Part A	25
How to make a claim	10	Section 1 – Part B	29
Complaints	10	Section 1 – Part C	30
Privacy Notice	11	Optional Covers	31
Updating Our Product Disclosure Statement	12	Exclusions – what We do not cover under Parts A, B and C	31
Financial Claims Scheme	12	Claims – basis of settlement	32
Terrorism and Cyclone Insurance Act	12	Special provisions	33
Further information and confirmation of transactions	12	Section 2 – Liability to others	34
		What We cover	34
		Exclusions – what We do not cover	35
		Special conditions	36
		Special definitions	36



Section 3 – Voluntary Workers	37	Section 8 – Catastrophe insurance	47
What We cover	37	What We cover	47
Benefits	37	Section 8 – Part A	47
Exclusions – what We do not cover	38	Section 8 – Part B	47
Special conditions	38	Claims – basis of settlement	48
Special definitions	38	Special provisions	48
Section 4 – Workers compensation	39	Special conditions	48
What We cover	39	Special definitions	48
Special provision	39	Section 9 – Government audit costs and legal expenses	49
We do not cover	39	What We cover	49
Section 5 – Fidelity guarantee	40	Exclusions – what We do not cover	49
What We cover	40	Special conditions	50
Exclusions – what We do not insure	40	Section 9 – Part B: Appeal expenses – health and safety breaches	50
Section 6 – Office Bearers Liability	41	What We cover	50
What We cover	41	Section 9 – Part C: Legal defence expenses	50
Exclusions – what We do not cover	42	What We cover	50
Special conditions	42	Excess and Contribution	51
Special definitions	43	Exclusions – what We do not cover	51
Section 7 – Machinery breakdown	44	Special conditions	51
What We cover	44	Special definitions	53
Section 7 – Part A	44	Section 10 – Lot Owners’ Fixtures and Improvements	54
Section 7 – Part B	44	What We cover	54
Exclusions – what We do not cover	45	Claims – basis of settlement	54
Claims – basis of settlement	46	Special definition	54
Special conditions	46	Section 11 – Loss of Lot market value	55
Special definitions	46	What We cover	55
		Special conditions	55
		Special definitions	55

PRODUCT DISCLOSURE STATEMENT



PRODUCT DISCLOSURE STATEMENT

This Product Disclosure Statement (PDS) operates as a PDS under the *Corporations Act 2001* (Cth).

The information in this PDS is of a general nature only and has not considered Your objectives, financial situation or needs. The PDS sets out the standard terms, conditions limits and exclusions of the cover. Therefore, it is important that You read it carefully and in conjunction with the other documents that form part of the Policy, such as the Schedule, to ensure You have the cover that is right for You.

In this PDS some words that begin with a capital letter have a special meaning and their meaning is defined in General definitions commencing on page 20.

Insurer

The Policy is insured by Allianz Australia Insurance Limited, ABN 15 000 122 850, AFS Licence No. 234708, of 10 Carrington Street, Sydney NSW 2000.

The preparation date of the PDS is 1 April 2026.

Authority to act for Us

Strata Community Insurance Agencies Pty Ltd ABN 72 165 914 009 (Strata Community Insurance) have been given a binding authority by Us to market, underwrite, settle claims and administer this Policy on Our behalf.

Any matters or enquiries You may have should be directed to Strata Community Insurance in Your State. The contact details are shown on the back cover of this document.

Under the terms of this binding authority Strata Community Insurance act as Our agent, and not Yours.

About Strata Community Insurance Agencies Pty Ltd

Strata Community Insurance is an insurance intermediary and holds an Australian Financial Service licence (AFS Licence No. 457787) to issue and advise on general insurance products and provide claims handling and settling services. Their founders created Australia's first strata insurance policy in 1978, and that legacy has since grown beyond Australia to five other countries, building a depth of experience unmatched in strata insurance. Such experience ensures that their products are innovative and provide comprehensive cover for Your insurable assets and liabilities.

General information

The Claims made notice set out below is provided for Your general information only. It does not form part of the insurance contract with You and is not part of the Policy.

Nothing contained in the claims made notice imposes contractual obligations on You, or creates contractual rights. These are contained in the Policy and any Endorsement.

Claims made notice

Section 6 of the Policy operates on a 'claims made and notified' basis. This means that subject to the provisions of **Section 6**, where You give notice in writing to Us of any facts that might give rise to a claim against You as soon as reasonably practicable after You become aware of those facts but before the expiry of the Period of Insurance, You may have rights under Section 40(3) of the *Insurance Contracts Act 1984* (Cth) to be indemnified in respect of any claim subsequently made against You arising from those facts notwithstanding that the claim is made after the expiry of the Period of Insurance.

Any such rights arise under the legislation only, in that the terms of the Policy and the effect of the Section, subject to the continuous cover Special conditions, is that You are not covered for claims made against You after the expiry of the Period of Insurance.

WHAT YOU SHOULD READ

This Product Disclosure Statement (PDS) is an important document to help You understand this insurance, and Your rights and obligations under it. Please read it carefully before making a decision to purchase this Policy to ensure it provides the cover You need.

You should also carefully read:

- The Policy wording that commences on page 13. It tells You about:
 - what makes up the insurance (i.e. Your contract with Us which We call a Policy);
 - important definitions that set out what We mean by certain words;
 - the cover We can provide under Sections 1 to 11;
 - what Excesses You may have to pay (see 'Payment of Excess' below);
 - when You are not insured (see General exclusions and other exclusions under Sections 1 to 11);
 - what You and We need to do in relation to claims (see "Claims procedures" in the Policy Wording and "Claims – basis of settlement" in Sections 1, 7, 8 and 10);
 - Your and Our cancellation rights (see "Cancelling Your Policy" in the Policy Wording).
- the relevant proposal form You, if so requested, needed to complete to apply for cover;
- any Schedule (see definition under General definitions in the Policy wording) when it is issued to You; and
- any other documents (for example Supplementary PDSs or Endorsements) We may give You at or prior to Your entry into the Policy or when required or permitted by law that vary Our standard terms of cover set out in this document.

Summary of cover, significant benefits and risks

This Policy includes 11 separate Sections which allow You to select covers, and within each Section there are options which You can also select, subject to Strata Community Insurance agreeing to provide those covers.

The following is a summary only and as such does not form part of the terms of Your insurance. The examples detailed herein are some of the benefits and risks but You do need to read the Policy Wording which details the terms, conditions and exclusions of this insurance to make sure it matches Your expectations.

What You are covered for / not covered for

The following is a summary of what You are covered for under the Policy only. For the full terms, conditions, limits and exclusions You need to read and consider this PDS, any Supplementary PDS, the Schedule and any other document We tell You forms part of the Policy.

Section 1 – Insured Property

Section 1 covers Loss or Damage to Your Insured Property (Building and Common Area Contents) which occurs during the Period of Insurance and includes additional covers up to specified limits, for example:

Under Part A:

- Storm damage to gates and fences.
- Tsunami damage to Your Insured Property.
- architects and professional fees, removal of debris.
- up to \$500,000 for building alterations, additions or renovations.
- up to \$10,000 for arson, theft, vandalism or malicious damage conviction.
- Fusion of electric motors up to \$5,000.
- up to \$100,000 for rewriting or reconstructing Your records.

Under Part B:

- the cost of Temporary Accommodation (Lots occupied by a Lot Owner) and loss of Rent (Common Area and Lots leased to a Tenant);

Under Part C:

- up to \$2,500 a Lot for emergency accommodation incurred by Lot Owners and/or Tenants if their Lot becomes unfit for its intended purpose by an insured Event.
- up to \$2,000 a Lot for Lot Owners' contributions, levies, maintenance and other fees if their Lot becomes unfit to be occupied for its intended purpose by an insured Event.
- up to \$1,000 a Lot for the cost of boarding pets following insured damage.

► Some examples of the Events that We do not cover include:

- Loss or Damage caused by Flood unless You take Optional Cover.
- Loss or Damage caused by the sea, high water or tidal wave other than if caused by a Tsunami.
- Loss or Damage caused by the invasion of tree or plant roots or the cost of cleaning pipes or drains they block.
- Loss or Damage to Your Building directly resulting from alterations, additions or renovations where the value of such work exceeds \$250,000 unless We have otherwise agreed before the commencement of such work.

Section 2 – Liability to others

Section 2 covers Your legal liability to others for death, bodily injury, or Loss or Damage to property, that happens during the Period of Insurance.

Section 3 – Voluntary Workers

Section 3 provides benefits that are payable to a Voluntary Worker who sustains bodily injury while engaged in voluntary work or duties for Your Strata Community. These benefits include:

- \$300,000 for accidental death, or loss of the use of two hands, two feet or two eyes.
- \$150,000 for loss of the use of one hand, one foot or one eye.
- up to \$2,000 a week for lost income if totally disabled from engaging in his/her usual employment or business.
- up to \$1,000 a week for lost income if partially disabled from engaging in his/her usual employment or business.
- up to \$500 a week for domestic assistance if totally disabled from engaging in his/her usual employment or business or usual household duties.

► Some Events We do not cover include:

- weekly benefits to Voluntary Workers not in receipt of wages, salaries or other remuneration from their own personal exertion;
- weekly benefits in excess of 104 weeks for lost income or 10 weeks for domestic assistance;
- a Voluntary Worker under the age of 12 years;
- intentional self-injury or suicide or any attempt thereat.

Section 4 – Workers compensation

Section 4 covers Your legal liability to employees under workers compensation legislation if Your Insured Property is situated in Tasmania, Australian Capital Territory, Northern Territory or Western Australia.

No workers compensation is provided in Queensland, New South Wales, South Australia or Victoria.

Section 5 – Fidelity guarantee

Section 5 provides cover against the fraudulent misappropriation of Your Funds.

Section 6 – Office Bearer's liability

Section 6 covers the legal liability of Strata Community office holders and committee members for any wrongful act they commit. This Section is issued on a claims made basis which means it responds to claims first made against You during the Period of Insurance and notified to Us during that same period.

Section 7 – Machinery breakdown

Section 7 provides cover against the breakdown of electrical, electronic and mechanical plant.

Section 8 – Catastrophe insurance

Section 8 covers the unforeseen increase in the Replacement cost of Your Insured Property following the happening of a catastrophe from an Event for which the Insurance Council of Australia issues a catastrophe code.

Other benefits include:

- extended period of cover for loss of Rent.
- extended period of cover and escalation in the cost of Temporary Accommodation.
- removal and storage of Your undamaged Insured Property.
- cost of evacuation for resident Lot Owners.

► We do not cover Loss or Damage from any Event which is not claimable under **Section 1**.

Section 9 – Government audit costs and legal expenses

Section 9 provides cover for:

Part A – the cost of professional fees if You are audited by the Australian Tax Office or another government organisation.

Part B – the cost of appealing against common property health and safety breaches.

Part C – the cost of defending specific litigation brought against You. A special Excess and contribution payment applies to **Part C**.

Section 10 – Lot Owners' fixtures and improvements

Lot Owners occasionally replace existing or install additional fixtures and fittings in their Lot without Your Strata Community knowledge.

When this occurs the cost of these improvements may not be included when arriving at the building replacement cost, thus increasing the possibility of under-insurance in the event of a major loss.

This **Section 10** covers the Replacement cost of such installations following Loss or Damage covered under **Section 1**. There is a limit to the amount We pay (up to 10% of the Sum Insured) and the cover is also subject to the terms, conditions and exclusions of **Section 1** and the General exclusions.

Section 11 – Loss of Lot market value

Section 11 covers the reduction in the market value of a Lot or Lots following a total loss or Constructive Total Loss, or partial loss of Your Insured Property when permission to rebuild is limited or restricted by any public or statutory authority that results in all or some Lot Titles being terminated.

Please read the appropriate Sections in the Policy wording for full details of the terms, conditions, exclusions and limits that apply to all sections and how We settle claims.

Other important information

Some other important things to remember are:

- Keep records such as receipts, invoices or other reasonable evidence of ownership and value of property that You insure as proof of ownership and value should You have to make a claim.
- When Your Insured Property is a total loss and We have paid out the total Sum Insured, the cover under **Section 1** ceases. If You rebuild or replace Your Insured Property, You will need to take out new cover and pay the applicable Premium.

- Pay Your Premium on time because if it is not paid by the due date or Your payment is dishonoured, Your Policy may be cancelled in accordance with the process set out in the "Cancelling Your Policy" section. Strata Community Insurance will give You written notice of cancellation.
- Throughout the Period of Insurance and when renewing Your insurance with Us You must advise if circumstances relevant to Your Policy have changed where You know, or ought reasonably to have known, that the change is relevant to Our decision to insure You and the terms on which We will insure You. You must advise Us of:
 - all changes in occupancy relating to Your Insured Property and other property insured under the Policy;
 - any change in information or details You have given Us in relation to You, or Your Insured Property and other property insured under the Policy; and
 - any change that increases the risk of Loss or Damage, or the likelihood or personal injury or liability losses in connection with Your Insured Property or other property insured under the Policy.
- Strata Community Insurance will notify You in writing of any proposed effect a change may have on Your existing insurance or its renewal. We may cancel Your Policy if there is a change and We can't reach an agreement with You on altered terms and conditions or Premium, or We are no longer prepared to insure You because there has been a material change to the risk.

Further We may also cancel Your Policy as permitted by law or refuse to pay or reduce the amount We pay under a claim to the extent We are prejudiced by Your non-compliance if You:

- do not comply with the cover conditions as detailed in the Policy Wording;
- do not comply with Your duty to take reasonable care not to make a misrepresentation; or make a fraudulent claim.

Monetary limits on cover

We can insure You up to the amount of the Sum Insured or other specified limits for Your Insured Property. These amounts are specified in the relevant clauses in the Policy wording or on the Schedule.

Covers for Liability to others, Office Bearers Liability, Machinery breakdown and Government audit costs and legal expenses insure You up to a set Sum Insured that is shown on the Schedule.

Review Your sums insured regularly

You need to make sure You are happy with the relevant sum(s) insured and limits.

If You do not adequately insure yourself You may have to bear the uninsured proportion of any loss yourself.

For example, if You don't have a sufficient Sum Insured to replace Your Insured Property at new cost You will bear the shortfall. The cost of demolition and removal of debris from the site, and other costs such as the cost of employing an architect or surveyor, the replacement of other structures such as driveways, roadways, kerbing, above and below ground services should all be included in the Sum Insured. If You are unsure whether Your Insured Property is insured for the correct amount, You should seek professional advice.

You should also advise Strata Community Insurance of any changes in the details of the information You have given Us such as alterations or extensions to Your Insured Property. If You do not do so Your insurance may not be sufficient.

Payment of Excess

An Excess may apply to any claim under this insurance.

An Excess is an amount You may have to pay towards each claim You make under this insurance Policy. The Excess that is applicable is shown on the Schedule, and/or within the relevant Section or Part. If We settle Your claim by cash settlement We will deduct the Excess from the amount We pay You. In other circumstances, You may need to pay the Excess applicable to Your claim.

An Excess will be applied for each claim arising out of any one Event or Occurrence.

We will tell You the amount of any Excess when You apply for cover and they may vary according to a number of factors, such as Your risk location and Your insurance history.

Goods and Services Tax (GST) Notice

The Policy wording part has provisions relating to GST that You should read in full (see Goods and Services Tax on page 17). In summary, they are as follows:

- the amount of Premium payable by You for this Policy includes an amount on account of the GST on the Premium (including any administration fee charged by Strata Community Insurance).
- the Sum Insured and other limits of insurance cover shown on Your Policy documentation are GST inclusive.
- when We pay a claim, Your GST status will determine the maximum amount We pay You.
- there may be other taxation implications affecting You, depending upon Your own circumstances. We recommend that You seek professional advice.

Applying for cover

When You apply for cover under this Policy We may, based on the information You provide, be able to offer cover and terms specific to You. Once We have agreed to cover You We will issue You with a Schedule confirming this, including the following information:

- the Sum Insured and Situation of Your Insured Property;
- Excess and Contribution applicable;
- Premium including taxes and charges and any administration fee charged by Strata Community Insurance.

The cost of this insurance

In order to calculate Your Premium, We take various factors into consideration, including:

- the cover required and sum(s) insured;
- the address of Your Insured Property;
- Your insurance history;
- the security features of Your Insured Property.

The Premium also includes amounts payable in respect of compulsory government charges including Stamp Duty, GST, any Fire Service Levy (where applicable) and Strata Community Insurance's administration fee (see their Financial Services Guide for details).

The occupancy of Your building and the percentage of commercial floor space and residential floor space will affect premium, taxes, duties and levies applicable as well as any administration fees charged by Strata Community Insurance.

When You apply for this insurance, You will be advised of the Premium. If You choose to effect cover, the amount will be set out on the Schedule.

Cooling off period

A 21-day cooling off period applies to this insurance. So, if You decide You don't want this Policy, You can cancel it up to 21 days from:

- the date We issue a new Policy to You, or
- the start date of a renewed Policy.

We'll refund Your premium in full, as long as You:

- haven't made a claim, or
- don't need to make a claim.

We may deduct government taxes or duties from Your refund.

Your Duty to take reasonable care not to make a misrepresentation

You must take reasonable care not to make a misrepresentation to Us (Duty). This responsibility applies until We issue You with a Policy for the first time or agree to renew, extend, vary/change, or reinstate Your Policy.

You must answer Our questions honestly, accurately and to the best of Your knowledge. A misrepresentation includes a statement that is false, partially false, or which does not fairly reflect the truth. It is not misrepresentation if You do not answer a question or if Your answer is obviously incomplete or irrelevant to the question asked.

The responsibility to take reasonable care not to make a misrepresentation applies to everyone who will be insured under the Policy. If You are answering questions on behalf of anyone, We will treat Your answers or representations as theirs.

Whether or not You have taken reasonable care not to make a misrepresentation is to be determined having regard to all relevant circumstances, including the type of insurance, who it is intended to be sold to, whether You are represented by a broker, Your particular characteristics and circumstances We are aware of.

If You do not meet the above Duty, We may reject or not fully pay Your claim and/or cancel Your Policy. If the misrepresentation was deliberate or reckless, this is an act of fraud, and We may treat Your Policy as if it never existed.

If Our information or questions are unclear, You can contact Strata Community Insurance using the details on the back cover of this document.

The General Insurance Code of Practice

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

The Code Governance Committee (CGC) is an independent body that monitors and enforces insurers' compliance with the Code.

You can obtain more information on the Code of Practice and how it assists You by contacting Strata Community Insurance. Contact details are provided on the back cover of this PDS.

For more information on the Code Governance Committee (CGC) go to <https://insurancecode.org.au/>

How to make a claim

You should contact Strata Community Insurance as soon as reasonably possible to advise of any incident that could lead to a claim. If You do not, We may reduce or deny Your claim to the extent We are prejudiced by Your delay.

Having the required documentation and if possible photographs of the items will assist in having Your claim assessed and settled.

In order to be sure that You are covered under this Policy You should always contact Us for approval before You incur costs You wish to claim. If You do not, We will pay for costs incurred up to the amount We would have authorised had You sought approval from Us first.

When You make a claim You must:

- provide details of the incident and when requested complete the claim form We send You;
- allow Us or Strata Community Insurance to inspect Your Insured Property at reasonable times and frequency and take possession of any damaged item for reasonable purposes and in any reasonable manner;
- take all reasonable steps to reduce the Loss or Damage and prevent further Loss or Damage;
- inform the Police as soon as reasonably possible following theft, vandalism, malicious damage or misappropriation of money or property;
- take reasonable steps to keep any damaged items. To ensure You are covered, please contact Us or Strata Community Insurance for approval before any disposal; and
- not get repairs done, except for essential temporary repairs necessary to reduce, or prevent further, Loss or Damage, until We or Strata Community Insurance give You authority and subject to Our and Strata Community Insurance's right to choose the repairer or supplier. Please contact Us to confirm approval for these costs.

These are only some of the things that You must do if making a claim. Please refer to "Claims procedures" in the Policy wording part which sets out claims information and what You must do if making a claim.

Complaints

If You are dissatisfied with Our service in any way, please contact Us and We will attempt to resolve the matter in accordance with Our internal dispute resolution procedures.

If We do not make a decision within the period that We tell You We will respond, We will tell You about Your right to lodge a complaint with an external dispute resolution scheme.

If You are not happy with Our response, You can refer Your complaint to AFCA subject to its terms of reference. AFCA provides a free and independent dispute resolution service for consumers who have general insurance disputes falling within its terms.

AFCA's contact details are:

The Australian Financial Complaints Authority

Online: www.afca.org.au

Phone: 1800 931 678

Email: info@afca.org.au

Mail: GPO Box 3 Melbourne VIC 3001

For more information on how We handle complaints You can request a copy of Our procedures, using Our contact details on the back cover.

Privacy Notice

Both We and Strata Community Insurance give priority to protecting the privacy of Your personal information. We do this by handling personal information in a responsible manner and in accordance with the *Privacy Act 1988* (Cth).

Further information is available in Our Privacy Policy available at <https://www.allianz.com.au/> and the Strata Community Insurance Privacy Policy available at <https://stratacommunityinsure.com.au/>

How We Collect Your Personal Information

We and Strata Community Insurance usually collect Your personal information from You or Your agents. We may also collect it from Our or Strata Community Insurance's agents and service providers; other insurers and insurance reference bureaus; people who are involved in a claim or assisting in investigating or processing claims, including third parties claiming under Your Policy, witnesses and medical practitioners; third parties who may be arranging insurance cover for a group that You are a part of; law enforcement, dispute resolution, statutory and regulatory bodies; marketing lists and industry databases; and publicly available sources.

Why We Collect Your Personal Information

We and Strata Community Insurance collect Your personal information to enable the provision of products and services, including to process and settle claims; make offers of products and services provided by Us or Strata Community Insurance, related companies, brokers,

intermediaries, business partners and others that We or Strata Community Insurance have an association with that may interest You; and conduct market or customer research to determine those products or services that may suit You. You can choose not to receive such product or service offerings by:

- calling the Allianz Direct Marketing Privacy Service Line on 1300 360 529, EST 8am to 6pm Monday to Friday, or going to Our website's Privacy section at www.allianz.com.au/; or
- with respect to Strata Community Insurance, contacting them using the details on the back cover of this document.

If You do not provide Your personal information We require, We and Strata Community Insurance may not be able to provide You with Our services, including settlement of claims.

Who We Disclose Your Personal Information To

We and Strata Community Insurance may disclose Your personal information to others with whom We or Strata Community Insurance have business arrangements for the purposes listed in the paragraph above or to enable them to offer their products and services to You. These parties may include insurers, intermediaries, reinsurers, insurance reference bureaus, related companies, Our advisers, persons involved in claims, external claims data collectors and verifiers. Disclosure may also be made to parties listed as co-insured on Your Policy, government, law enforcement, dispute resolution, statutory or regulatory bodies, or as required by law.

Disclosure Overseas

Your personal information may be disclosed to other companies in the Allianz Group, business partners, reinsurers and service providers that may be located in Australia or overseas. The countries this information may be disclosed to will vary from time to time, but may include Canada, Germany, New Zealand, United Kingdom, United States of America and other countries where the Allianz Group has a presence or engages subcontractors. We and Strata Community Insurance regularly review the security of systems used for sending personal information overseas. Any information disclosed may only be used for the purposes of collection detailed above and system administration.

Access to Your Personal Information and Complaints

You may ask for access to the personal information both We and Strata Community Insurance hold about You and seek correction by:

- calling Us on 1300 360 529 EST 8am-6pm, Monday to Friday; or
- with respect to Strata Community Insurance, contacting them using the details on the back cover of this document.

Our and Strata Community Insurance's Privacy Policies contain details about how You may make a complaint about a breach of the privacy principles contained in the *Privacy Act 1988* (Cth) and how We deal with complaints.

Our Privacy Policy is available at allianz.com.au.

Telephone Call Recording

We and Strata Community Insurance may record incoming and/or outgoing telephone calls for training or verification purposes. Where Your telephone call is recorded, You can be provided with a copy at Your request, where it is reasonable to do so.

Your consent

By providing Us and/or Strata Community Insurance with personal information You and any other person You provide personal information for, consent to these uses and disclosures until You tell Us or Strata Community Insurance otherwise. If You wish to withdraw Your consent, including for things such as receiving information on products and offers by Us, Strata Community Insurance or persons We and/or they have an association with, please contact Us and/or Strata Community Insurance.

Updating Our Product Disclosure Statement

Information in the PDS may need to be updated from time to time. Strata Community Insurance will provide You with a new PDS, Supplementary PDS or other compliant document to update the relevant information except in limited cases. Where the information is not correcting a misleading or deceptive statement or omission, or is not something that would be materially adverse from the point of view of a reasonable person considering whether to buy this insurance, Strata Community Insurance may provide You with notice of this information in other forms or keep an internal record of such changes. A copy of any updated information is available to You at no cost by calling Strata Community Insurance.

Other documents may form part of the PDS, for example Schedules, Supplementary PDSs and/or Endorsements, and if they do We will tell You before You enter into this Policy and in the relevant document. We may also issue other documents forming part of Our PDS and the Policy where required or permitted by law.

Financial Claims Scheme

This Policy is a protected policy under the Financial Claims Scheme (FCS), which protects certain insured's and claimants in the event of an insurer becoming insolvent and being unable to meet their obligations under a contract of insurance. In the unlikely event of Us becoming insolvent, a person entitled to claim under the Policy may be entitled to payment under the FCS provided they meet the eligibility criteria.

More information about the FCS may be obtained from the APRA website at apra.gov.au and the APRA hotline on 1300 55 88 49.

Terrorism and Cyclone Insurance Act

We have determined that the Policy (or part of it) is a Policy to which the *Terrorism and Cyclone Insurance Act 2003* (Cth) applies. We may elect to reinsure part or all of Our liability under the Act with the Commonwealth Government reinsurer, the Australian Reinsurance Pool Corporation (ARPC). As a consequence, We may be required to pay a premium to ARPC and that amount (together with the cost of that part of the cover provided by Us and administrative costs associated with the legislation) is reflected in the Premium charged to You. As with any other part of the Premium, it is subject to government taxes and charges such as GST, Stamp Duty and where applicable, Fire Service Levy.

For further information contact Strata Community Insurance, Allianz or Your intermediary.

Further information and confirmation of transactions

If You require further information about this insurance or wish to confirm a transaction, including a claim, please contact Us. Alternatively, if You wish to automatically receive the confirmation of the transaction after it occurs e.g. at the conclusion or settlement of the claim, please contact Us.

STRATA INSURANCE POLICY WORDING

IMPORTANT INFORMATION

It is very important that You read the Policy carefully and make sure You are satisfied with this insurance.

What makes up this Policy

The PDS, this Policy wording, the Schedule, any Endorsements and any other documents that We tell You form part of the Policy such as any Supplementary Product Disclosure Statement (SPDS):

- must be read together as they form Your insurance contract;
- set out what You are insured for and those circumstances where You will not be insured.

Some words and expressions have been given a specific meaning in this Policy and You will find their meaning in the General definitions and individual Section Special definitions.

Policy Classification for premium and charges

We will classify Your risk based on characteristics such as the percentage of floorspace which is used for residential and commercial purposes. This classification will determine the premium, taxes, duties and levies applicable, as well as any administration fees charged by Strata Community Insurance. Any differences in cover based on this classification, where applicable, are detailed in this Policy.

Payment of Premium

Provided We receive the Premium, We will insure You as set out in this PDS and the Schedule.

You may elect to pay Your Premium annually one payment or by instalments.

Payment by Instalment

When You elect to pay Your Premium by instalments by way of a direct debit from Your credit card or financial institution these payments will be deducted on the date or frequency nominated. You must tell Us, as soon as reasonably practicable, but before Your next instalment is due, if these details change.

If Your credit card provider or financial institution dishonours a direct debit payment due to lack of funds in Your account, or any other reason. We may charge You for any direct and indirect costs that We incur arising from Your payment being dishonoured.

You must ensure that Your instalments are paid on time. We will notify You if an instalment has not been paid and We will try to deduct the overdue amount along with Your next regular payment on the next instalment due date. If the next attempt to deduct the outstanding amount fails, We will cancel Your Policy for non-payment. We will send You a notice advising You of cancellation, and cancellation will be effective 14 days from the date of this notice. So it's important that You pay Your instalments on time. If You can't, You should get in touch with Us before the instalment is due.

Adjustments on renewal

Notice

At least 14 days before Your Policy expires, We will tell You if We will renew Your Policy or provide notice confirming whether We are prepared to negotiate to renew or extend Your cover. In certain circumstances We will send You a request for additional information in order to consider any changes to Your Sums Insured, Premium and charges, or if We want to make changes to the terms, conditions and Excesses that previously applied.

You should carefully check all these details and promptly advise Strata Community Insurance if You wish to vary any of the limits.

Indexation

On renewal We will increase Your Sums Insured under **Section 1 Parts A and B** and **Section 8** by reference to market indices for building construction increases.

The renewal Schedule We send You will show Your updated Sums Insured and the Premium applicable to Your new Policy. You should promptly advise Strata Community Insurance if You wish to vary these updated Sums Insured.

Indexation does not apply to any other policy limit contained in **Sections 1 and 8**.

Whether or not indexation applies, You should check Your Sums Insured on each renewal to ensure that the level of cover remains right for You.

Instalment payments

If paying by instalments, and We agree to renew Your Policy, We will automatically continue Your cover on the terms contained in the renewal offer We send You unless You tell Us not to. We will, unless You advise Us to the contrary, continue to deduct Your instalment payments during the next Period of Insurance.

If a claim occurs in the previous Period of Insurance and You do not notify Us until after the Premium and other conditions for the next Period of Insurance are determined We may propose an additional Premium in order to maintain cover. We may cancel Your Policy if there is a change and We can't reach an agreement with You on altered terms and conditions or Premium, or We are no longer prepared to insure You because there has been a material change to the risk. This condition does not affect any other rights that We have, including the rights We have under Your duty to take reasonable care not to make a misrepresentation.

Information You must tell Us

You are asked at the time You take out this insurance to tell Us about any information that might affect Our decision to insure You or the terms We offer, concerning any:

- application for or renewal of any insurance cover that was declined, cancelled or refused, or where any non-standard excess was imposed in the last 5 years;
- claim refused by an insurer;
- claim made by Your Strata Community;
- known defect;
- change to commercial occupancies;
- non-compliant building materials;

in relation to You because any of these may affect the Premium and extent of insurance. If You are not sure about the answers or the accuracy or completeness of the information, You should take the time to find out before providing a response.

As well as Your obligations under the duty to take reasonable care not to make a misrepresentation when You enter into the policy with Us, You must tell Us as soon as reasonably possible if, during the Period of Insurance, there are any changes to information You have provided Us. We will notify You in writing of the effect a change may have on Your renewal.

When We receive this information, We may:

- propose changes to the terms and conditions of Your Policy;
- propose to charge You a higher Premium;
- cancel Your Policy if there is a change and We can't reach an agreement with You on altered terms and conditions or Premium; or
- if We are no longer prepared to insure You because there has been a material change to the risk, decide not to offer to renew Your Policy.

Claims procedures

1. What You must do

As soon as reasonably possible after You discover that something has happened that is likely to result in a claim, You must:

- (a) notify Us.
- (b) take all reasonable steps to reduce Loss or Damage and to prevent any further Loss or Damage.
- (c) inform the Police as soon as reasonably possible following theft, vandalism, malicious or intentional damage, or misappropriation of money or property.

2. What You should not do

Whatever the circumstances You should not:

- (a) admit guilt or fault (except in court or to the Police);
- (b) admit or deny liability if an incident occurs which is likely to result in someone claiming against You for something We insure;
- (c) offer or negotiate to pay a claim;
- (d) dispose of any damaged items without taking reasonable steps to keep the items or first seeking Our approval. To ensure You are covered, please contact Us before any disposal.

If You do make an admission, denial or offer or if You negotiate to pay a claim or dispose of damaged items, We may reduce or refuse Your claim to the extent We are prejudiced.

3. How to make a claim

When You make a claim, You must:

- (a) as soon as reasonably possible, inform Strata Community Insurance by telephone, in writing or in person. If Your notification is late and results in higher costs for Us or harms Our investigation opportunities Our liability may be reduced to the extent We are prejudiced;
- (b) provide details of what has occurred and when requested complete and return Our claim form as soon as reasonably possible together with reasonable proof to support Your claim. Examples of proof include any letters, documents, valuations, receipts or evidence of ownership that You have been reasonably asked to provide;
- (c) comply with reasonable requests to provide written statements under oath if We require it;
- (d) comply with reasonable requests to be interviewed about the circumstances of the claim, if We require this;
- (e) allow Us to inspect Your Insured Property at reasonable times and frequencies and take possession of any damaged item to deal with it for reasonable purposes and in a reasonable way;
- (f) provide Us as soon as reasonably possible with every notice or communication received concerning a claim by another person or concerning any prosecution, inquest or other official inquiry arising from the Event.

4. Approval needed for repairs

You should not commence repairs without Our approval except for reasonable emergency repair costs permitted under Benefit 1) h) of **Part A** of **Section 1**. Please contact Us to confirm approval for these costs.

5. Repairs or Replacement

We have the right to nominate the repairer or supplier to be used (acting reasonably). If after We have assessed Your claim, You are required to enter into a contract with a third party to replace or reinstate Loss or Damage to Insured Property that We have agreed to pay You will enter into that agreement with the third party as Our agent unless We otherwise advise in writing.

6. You must assist Us

You must:

- (a) comply with all the requirements of this Policy. We may reduce or refuse Your claim to the extent We are prejudiced by Your non-compliance;
- (b) give Us information and assistance which We reasonably require in relation to the claim and any proceedings; and
- (c) allow Us access to any and all documents that We reasonably require to ascertain the maintenance history of the Building.

7. False or misleading information

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

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

8. Claim administration and legal proceedings

When a claim is admitted under this Policy, We have the right at Our discretion to exercise all Your legal rights relating to the claim and to do so in Your name.

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

We will act reasonably having regard to Your interests and will keep You informed if You ask Us to.

9. Salvage value

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

At Our discretion (and if safe to do so), You may reclaim the item if You agree to pay the salvage price.

10. Contribution

Where a claim covered under this Policy is also insured elsewhere, We may exercise Our right to seek contribution from the other insurer or insurers.

Acts or omissions of Your Strata Community Manager

We will not deny liability for a claim, or reduce the amount of a claim, if Our right of denial or reduction is solely caused by an act, error or omission of Your Strata Community Manager while acting on Your behalf and You have not directly authorised the act, error or omission.

Cancelling Your Policy

When You can cancel this Policy

You may cancel this Policy at any time by giving Us notice using the details set out on the back cover.

When We can cancel this Policy

We have the right to cancel this Policy in certain circumstances, including where:

- You failed to comply with Your duty to take reasonable care not to make a misrepresentation,
- You have failed to comply with a provision of Your Policy, including a term relating to payment of Premium,
- You have made a fraudulent claim under Your Policy or under some other contract of insurance that provides cover during the same period of time that the Policy covers You, or
- where We are otherwise permitted to do so by law.

If You pay Your premium by instalments and an instalment becomes overdue, We will cancel in accordance with the process set out in 'Payment by Instalment', see page 14.

If You pay annually and You have not paid Your Premium or We cancel the Policy for any other reason, We'll give You at least 3 business days' notice in writing before the cancellation date, either:

- in person to You or Your agent
- electronically to the email address You've given Us where You have agreed to receive notices electronically
- by post to the address You've given us.

Cancellation costs

If Your Policy is cancelled, We may deduct a pro rata proportion of the Premium for time on risk, plus all or part of any government taxes, levies or duties.

Where We have paid the total Sum Insured on a claim under any Section, that Section of Your Policy with Us is deemed to have been fulfilled and there is no refund of any Premium.

Goods and Services Tax (GST) Notice

The amount of Premium payable by You for this Policy includes an amount on account of the Goods and Services Tax (GST) on the Premium.

When We pay a claim, Your GST status will determine the amount We pay.

When You are:

1. not registered for GST:
 - We will pay up to the Sum Insured, limit of indemnity or other Policy limit including GST.
2. registered for GST:
 - (a) and We have arranged services directly with the service provider, We will pay up to the relevant Sum Insured or other Policy limit including GST
 - (b) when We settle direct with You, We will pay up to the Sum Insured, limit of indemnity or other Policy limit and where You are liable to pay an amount for GST in respect of an acquisition relevant to Your claim We will pay for the GST amount but We will reduce the GST amount We pay by the amount of any Input Tax Credits to which You are or would be entitled.

You must advise Us of Your correct Australian Business Number and Input Tax Credit Entitlement. Any GST liability arising from Your incorrect advice is payable by You.

Where the settlement of Your claim is less than the Sum Insured or the other limits of insurance cover, We will only pay an amount for GST (less Your entitlement for Input Tax Credit) applicable to the settlement. This means that if these amounts are not sufficient to cover Your loss, We will only pay the GST relating to Our settlement of the claim.

GST, Input Tax Credit (ITC), Business Activity Statement (BAS) and Acquisition have the same meaning as given to those expressions in *A New Tax System (Goods and Services Tax) Act 1999* (Cth) and related legislation as amended from time to time.

Input Tax Credit Entitlement is Your entitlement to an Input Tax Credit on Your Premium as a percentage of the total GST on that Premium.

General conditions – which apply to all Sections unless otherwise stated

1. Alteration of risk

You must advise Us as soon as reasonably possible of any changes in the details of the information You have given Us that You know or ought reasonably to have known is relevant to Our decision to insure You and the terms on which We will insure You, or if the nature of the occupation or other circumstances affecting Your Insured Property are changed in such a way as to increase the risk of Loss or Damage or the likelihood of liability losses.

You must advise Us:

- where Your Insured Property is undergoing alteration or construction;
- any known defects You are aware of or should reasonably be aware of associated with Your Insured Property;
- all changes in occupancy relating to Your Insured Property;
- non-compliant building materials;
- any known Illegal or Non-Compliant Installations.

If You do not do so We may not be liable for any Loss or Damage or liability caused or contributed to by any such change or alteration to the extent that We are prejudiced by Your omission to tell Us.

2. Excess

You must pay or contribute the amount of any Excess shown in this Policy or on the Schedule in accordance with the relevant Section. If We settle Your claim by cash settlement We will deduct the Excess from the amount We pay You. In other circumstances, You may need to pay the Excess as a contribution to Your claim.

Any Excess applying to Loss or Damage caused by an earthquake, Tsunami or seismological disturbance that occurs during any one period of seventy-two (72) consecutive hours will be considered as one Event and not within the period of any previous Event.

Should more than one Excess be payable for any claim under this Policy arising from the one Event, such Excesses will not be aggregated and the highest single level of Excess only will apply.

3. Joint insureds, interested parties

- (a) When more than one party is named on the Schedule as an insured We will treat each as a separate and distinct party. The words You, Your, Yours will apply to each party in the same manner as if a separate Policy had been issued to each party;

- (b) When any other party or entity has a legal insurable interest in Your Insured Property duly notated in Your records We will treat each party or entity as a third party beneficiary without notification or specification provided such interest is fully disclosed to Us in the event of Loss or Damage; provided that as regards both a) and b) Our liability for any Sum Insured or other Policy limit for any one Event is not thereby increased.

Any act, breach or non-compliance with the terms and conditions of this Policy committed by any one such party or third-party beneficiary:

- (a) shall not be prejudicial to the rights and entitlements of the other insured party(ies) or third-party beneficiaries; provided that
- (b) the other insured party(ies) or third-party beneficiaries upon becoming aware of any such act, breach or non-compliance which increases the risk of loss, damage or liability give Us written notice within a reasonable time.

4. Reinstatement of Sum Insured

After We have admitted liability for a claim We will automatically reinstate Your Sum Insured and/or other limits to their pre-loss amount, however, We may at Our option charge an additional Premium based on the amount of the claim and the unexpired term of the Policy.

► This condition does not apply:

- (a) when We pay a total loss or Constructive Total Loss;
- (b) when We pay the full Sum Insured;
- (c) to **Section 1**;
 - (i) **Part A** benefits 7), 20), 22) and 24)
 - (ii) **Part B** benefit 4),
- (d) to **Sections 6 and 9**.

5. Swimming Pools

If Your Insured Property includes any swimming pool at the Situation, You must take reasonable steps to ensure that it is compliant with:

- (a) all applicable laws, acts and regulations, and
- (b) the Australian Pool Safety Standard AS1926 or any other Australian Standard applicable to You.

If You do not comply with any of these conditions, We may reduce or refuse Your claim to the extent We are prejudiced and/or cancel Your Policy.

6. Commercial Cooking

It is Your responsibility to ensure that Lot Owners and Tenants carrying out any commercial cooking at any part of Your Insured Property:

- (a) have professional contractors thoroughly clean the entire internal and external area of all filters, canopies/hoods, flues and extraction ducting, including extraction motors and fans, by the removal of all greasy and oily deposits and other waste materials, in accordance with AS 1668.

- (b) install suitable fire extinguishers and/or blankets in the frying area as recommended by a professional fire safety company in accordance with AS 1841 and AS 2444.
- (c) inspect, clean, and maintain all fire protection equipment (installed to AS 2118 for sprinklers or AS 3772 for pre-engineered systems) in accordance with AS 1851.

A written record of all such formal cleaning including details of all professional contractors together with certificates of completion and invoices are to be kept readily available for review upon reasonable request.

If You do not comply with any of these conditions, We may reduce or refuse Your claim to the extent We are prejudiced and/or cancel Your Policy.

7. Electric Vehicle Charging

It is Your responsibility to ensure You and all Lot Owners, where there is installed electric vehicle charging equipment occupying any part of Your Insured Property:

- (a) approve and implement suitable electric vehicle by-laws for installation and use on Common Area in accordance with the applicable strata scheme legislation for Your Insured Property
- (b) ensure installation in Common Area and within any Lots is completed by qualified and licensed professionals for installation, maintenance and storage of all electrical charging equipment and wiring in accordance with AS/NZS 3000A
- (c) keep written records, that are readily available for review when requested, of all such installations, maintenance agreements and emergency plans including details of all professional contractor(s) together with certificates of completion and invoices.

If You do not comply with any of these conditions, We may reduce or refuse Your claim to the extent We are prejudiced and/or cancel Your Policy.

General exclusions – what is not insured under any Section

We will not pay for any loss, damage, benefit, legal liability, compensation, or any other loss, costs, fees, charges or expenses of whatsoever kind, caused by, arising from or in any way connected with the following:

1. Act of Terrorism

to the extent permitted by law (including but not limited to as provided under the *Terrorism and Cyclone Insurance Act 2003* (Cth)):

- (a) any Act of Terrorism;
- (b) any action taken in controlling, preventing, suppressing, retaliating against or responding to an Act of Terrorism;

- (c) biological, chemical, nuclear or radioactive contamination, pollution, weapons or explosion arising from an Act of Terrorism;
- (d) non-material damages or non-physical damages of any kind arising from or in any way connected with an Act of Terrorism; or
- (e) any threat of an Act of Terrorism.

2. Cyber and Electronic Data

- (a) the total or partial damage to, loss, destruction, distortion, erasure, corruption, alteration, misinterpretation, theft or other dishonest, criminal, fraudulent or unauthorized manipulation of Electronic Data from any cause whatsoever (including, but not limited to Cyber Event and/ or a Cyber War & Terrorism Event) or loss of use, reduction in functionality, loss, cost, expense and/or fee of whatsoever nature resulting therefrom; or
- (b) an error in creating, amending, entering, deleting or using Electronic Data, or
- (c) total or partial inability or failure to receive, send, access or use Electronic Data for any time or at all,

regardless of any other cause or event contributing concurrently or in any other sequence to the Loss or Damage.

However, in respect of Sections 1, 7, 8 and 10, but for this exclusion, in the event that any Loss or Damage results from any of the matters described in this General Exclusion 2 (except for a Cyber War & Terrorism Event) the Policy, subject to all its terms, provisions, conditions, exclusions and limitations, will cover direct Loss or Damage and/or consequential loss arising therefrom occurring during the Period of Insurance to Insured Property.

Further, this General Exclusion 2 does not apply to costs and expenses specifically covered under benefit 24 (Cyber Response Costs) of **Section 1 Part A**, subject to all terms, provisions, conditions, exclusions and limitations applicable to that benefit.

3. Intentional damage

any deliberate or intentional damage or liability or omission caused or incurred by You or by any person acting with Your express or implied consent unless for the purpose of preventing or eliminating danger to Insured Property or persons.

4. Nuclear

Ionising radiation from, or contamination by radio-activity from:

- (a) any nuclear fuel or nuclear waste or
- (b) the combustion of nuclear fuel (including any self-sustaining process of nuclear fission), or
- (c) nuclear weapons material.

5. War

war or warlike activities including invasion, act of a foreign enemy, hostilities (whether war is declared or not), civil war, mutiny, civil commotion assuming the proportions of or amount to a popular uprising, rebellion, revolution, insurrection, military rising, use of military or usurped power, martial law or state of siege, looting, sacking or pillage following any of these, or the expropriation of property.

6. Lawful seizure

the lawful seizure, detention, confiscation, nationalisation or requisition of the Insured Property.

7. Sanctions

circumstances where any cover or benefit or any claim payment where the provision of cover or benefit or payment of claim would constitute a breach of any trade or economic sanction, embargo, prohibition or restriction imposed by any of the following: United Nations, United States of America, Australia, European Union, UK, or New Zealand, or any other applicable national trade or economic sanctions, law or regulations. This clause shall apply where such geographical location, provision of goods, services or other reasons shall contravene such sanction, embargo, prohibition or restriction.

8. Communicable Disease

any claims or costs arising out of any actual or alleged loss, liability, damage, compensation, loss of use, loss of profit, injury, sickness, disease, death, medical payment, defence cost, inquest cost, accident enquiry, cost, expense or any other amount incurred either directly or indirectly and regardless of any other cause contributing concurrently or in any sequence, originating from, caused by, arising out of, contributed to by, resulting from, or otherwise in connection with a Communicable Disease or the fear or threat (whether actual or perceived) of a Communicable Disease or the actual or alleged transmission of a Communicable Disease.

This exclusion does not apply to Section 4 – Workers' compensation, in respect of which cover is subject to the relevant terms, conditions, limits and exclusions provided in the applicable workers compensation policy.

General definitions – the meaning of some words

The words listed below have been given a specific meaning in this Policy and these specific meanings apply when the words begin with a capital letter.

There are other definitions that are specific to individual **Sections** and these appear in the relevant **Section**.

Act of Terrorism

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

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

Agreed Value

means the Sum Insured shown on Your Schedule for **Section 1** at the time of Loss or Damage that results in all or some Lot Titles being terminated.

Common Area

means the area at Your Situation that is not part of any Lot or is identified as common.

Communicable Disease

means:

- (a) any disease infectious in humans forming part of the listed human diseases under, or that is the subject of a human biosecurity emergency under, the *Biosecurity Act 2015* (Cth) and any of its subsequent amendments or any similar such listing or declarations of diseases under any subsequent statute that repeals and replaces the *Biosecurity Act 2015* (Cth) in whole or part, whether or not such declaration has taken place before or after commencement of this Policy; or
- (b) Highly Pathogenic Avian Influenza in humans; or
- (c) any pandemic or epidemic, as defined and declared by the World Health Organisation.

Constructive Total Loss

means when We determine (acting reasonably) that the estimated cost of reinstating the damaged portions of Your Insured Property would exceed the cost for Replacement of Your Insured Property immediately prior to the Loss or Damage.

Cyber War & Terrorism Event

means any Act of Terrorism or Cyberterrorism, regardless of any other cause or event contributing concurrently or in any other sequence to the Loss or Damage.

Cyber Event

means:

- (a) unauthorised access to, or unauthorised use of, Your computer systems, networks or Electronic Data;
- (b) any malicious direction of network traffic, introduction of malicious computer code, or other malicious attack directed at, occurring within, or utilising the computer system or network of whatsoever nature;
- (c) payment redirection fraud, phishing, social engineering or similar deceptive practices that result in the unauthorised:
 - (i) transfer of Your money; or
 - (ii) disclosure of Your confidential information or Electronic Data;
- (d) human error or malicious act by any person authorised to access Your computer systems that results in unauthorised disclosure, deletion, corruption or encryption of Your Electronic Data;

Depreciation

means the reduction in the value of the item due to Wear and Tear.

Cyber terrorism

means any premeditated politically, religiously, or ideologically (or similar objective) motivated attack or disruptive activity, or the threat thereof, by a group or individual against a computer system or network of whatsoever nature or to intimidate any person in furtherance of such objectives.

Earth Movement

means heavage, landslide, land-slippage, mudslide, settling, shrinkage, subsidence or collapse.

Electronic Data

means data of any kind including, but not limited to, facts, concepts and other information in a form usable by computers or other electronic or electromagnetic data processing equipment. Electronic Data shall also include computer Software and all other coded instructions for the processing or manipulation of data on any such equipment.

Endorsement

means a written alteration to the terms, conditions, exclusions and limits of this Policy that are shown on and form part of the Schedule.

Erosion

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

Event

means an unintended and unexpected single happening or incident which causes or results in Loss or Damage, or a legal liability to pay compensation, that is covered under this Policy.

Excess

means the amount You must pay towards each and every claim arising out of one Event or Occurrence. You will find the amount of any Excess shown on the Schedule or within the Policy.

Floating Floors

means engineered, laminated, veneered or similar (pre-finished) type flooring not fixed or attached to the sub-floor but held in position by its own weight and/or skirting boards at perimeter walls.

Flood

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

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

Funds

means money, securities or tangible property received by You, or collected on Your behalf, which has been or was to be set aside for the financial management of Your affairs. Funds do not include the personal money, securities or tangible property of Lot Owners or Members.

Fusion

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

Illegal or Non-Compliant Installations

means works, including but not limited to construction, installation, alteration, modification or changes to Your Insured Property or any Lot, that have not obtained all required development approvals and building permits, or that have not complied with applicable legislative requirements and by-laws, including compliance with the National Construction Code and manufacturers' specifications applying at the time the works are undertaken.

Insured Property

(a) Building

means building or buildings as defined by the Strata Schemes Management Act, Strata Titles Act, Community Titles Act or similar legislation applying where Your Building is situated, including:

- (i) outbuildings;
- (ii) fixtures and structural improvements including fencing, gates, paths and roadways, retaining walls, awnings, external blinds and signs;
- (iii) tennis courts, in-ground swimming pools and spas;
- (iv) fixed or built in plant, equipment and appliances;
- (v) floor coverings but excluding carpets (whether fixed or un-fixed) and Floating Floors;
- (vi) marinas, wharves, jetties, docks, pontoons, swimming platforms, or similar type facilities (whether fixed or floating) that are:
 - (a) used exclusively for non-commercial purposes; and
 - (b) that do not provide fuel distribution facilities, unless You advise Us and We otherwise agree in writing;
- (vii) satellite dishes, radio, television and other antennas including their associated wiring, masts, footings, foundations, moorings and towers;
- (viii) underground and overhead services;
- (ix) unfixed building materials and uninstalled fittings that are to be fitted to Your Insured Property but limited to an amount not exceeding 10% of the Sum Insured for Insured Property, or \$100,000, whichever is the lesser.
- (x) electric vehicle charging stations permanently attached to the building.
- (xi) solar panels and associated solar energy equipment including photovoltaic panels, solar collectors, inverters, batteries, mounting systems and related wiring, when installed for use by You.
- (xii) Stratum Lot or Volumetric Lot

(b) Common Area Contents

means (but not so as to limit the generality thereof):

- (i) furniture, furnishings, household goods, light fittings, internal blinds, curtains, unfixed artwork, curios, fire extinguishers and the like;
- (ii) freestanding appliances such as refrigerators, freezers, washing machines and dryers, other electrical items;
- (iii) carpets (whether fixed or unfixed), floor rugs and Floating Floors;
- (iv) computers, electronic equipment and office equipment;
- (v) swimming pools or spas that are not in-ground including their covers and accessories;
- (vi) wheelchairs, garden equipment including lawn mowers, golf carts, golf buggies or other similar type items but only if such item is not required to be registered; that You own or have legal responsibility for:
 - (a) at, in or adjacent to Your Situation, or
 - (b) temporarily removed elsewhere in Australia including transit to and from Your Situation.

► Building and Common Area Contents do not include:

- (i) aircraft, caravans, trailers, Vehicles, (other than garden appliances not required to be registered), hovercraft and Watercraft including their accessories or spare parts whether fitted or not;
- (ii) damage to internal paintwork and wallpapering of Lots in New South Wales and Australian Capital Territory unless You include Optional Cover 3 of **Section 1**;
- (iii) livestock, fish, birds or other animals;
- (iv) works undertaken by Lot Owners or Tenants, including but not limited to construction, installation, alteration, modification and changes to Your Insured Property which have not received Your written approval and complied with requirements specified under relevant strata legislation applying where Your Building is situated, prior to those works being undertaken;
- (v) Lot Owners' Contents and any other personal property of theirs;
- (vi) contents, items and any other property of Tenants;
- (vii) Lot Owners' Floating Floors installed within their Lot unless You include Optional Cover 2 of **Section 1**;
- (viii) money, other than as covered under benefit 15 of **Part A of Section 1**;
- (ix) plants, hedges, trees, shrubs, gravel, shale, stones, clay or soil on paths or driveways or tennis courts, soil or bark or mulch in gardens other than as covered under benefit 3 of **Part B of Section 1**;
- (x) temporary wall, floor and ceiling coverings within a Lot;
- (xi) mobile or fixed air-conditioning units servicing an individual Lot (Queensland).

Where anything in this definition of 'Insured Property' is contrary to the Strata Schemes Management Act, Strata Titles Act, Community Titles Act or similar legislation applying where Your Building is situated the requirements of Your Act will apply.

Land Value

means the sum certified by the Valuer General as being the value of the land at the Situation

Loss or Damage

means direct physical loss of, destruction of, or damage to property from any sudden and accidental cause not otherwise excluded by this Policy.

Lot

means an area shown on a plan as a Lot in terms of the Strata Schemes Management Act, Strata Titles Act, Community Titles Act or similar legislation applying where Your Insured Property is situated.

Lot Owner

means a person, persons or other entity registered as a proprietor or owner of a Lot in Your Building in terms of the Strata Schemes Management Act, Strata Titles Act, Community Titles Act or similar legislation applying where Your Insured Property is situated.

Lot Owners' Contents

means (but not so as to limit the generality thereof):

- (a) freestanding appliances such as dishwashers, washing machines and dryers;
- (b) computers, electronic and electrical equipment, garden equipment;
- (c) Lot Owners' business and personal effects, furniture, furnishings, carpets, floor rugs and Floating Floors installed within their Lot.

Member(s)

means and is limited to the interest of proprietors, members, Lot Owners or shareholders in respect of the ownership of Your Insured Property in terms of the Strata Schemes Management Act, Strata Titles Act, Community Titles Act or similar legislation applying where Your Insured Property is situated. Their interest or liability as an owner and/or occupier of a Lot is not included unless otherwise specifically provided by this Policy.

Period of Insurance

means the period that You are insured. The commencement and expiry dates are shown on the Schedule.

Policy

means this PDS, the Schedule (including any issued in substitution), any Endorsements attaching to or contained within those documents and any other documents We tell You form part of the Policy, including any SPDS. These will be the legal contract between You and Us.

Premium

means any amount We require You to pay under the Policy. Government charges and/or levies will be added at the prevailing rate and separately identified on the Schedule.

Rainwater

means the rain that falls naturally from the sky. It includes Rainwater run-off over the surface of the land but not Flood.

Rent

means, as regards any Lot or part of Your Common Area leased to a Tenant, an amount of money calculated on either:

- (a) the basis of the annual rentable value (including any 'outgoings' payable by a Tenant or lessee) that applied immediately prior to the happening of Loss or Damage; or
- (b) In the case of short-term rental accommodation, a pro-rata basis, calculated as a daily rate based on short term stay receipts from the previous 12 months of bookings that applied immediately prior to the happening of Loss or Damage.

Any annual or daily rentable value must be substantiated by means of a signed tenancy or lease agreement or by other reasonable evidence including bookings captured under an electronic short term stay booking platform.

Any amount of annual or daily rentable value shall not include any commission, fees or charges to any person(s), provider or entity responsible for provision of services or the management of any such arrangement.

Replacement

means:

- (a) the reasonable cost of rebuilding, replacing or repairing Your Insured Property to a condition which is equivalent to or substantially the same as but not better nor more extensive than when it was new; and
- (b) the extra costs necessarily incurred to:
 - (i) alter or upgrade Your Insured Property to comply with public, statutory or environmental protection authority requirements; and
 - (ii) flush out the air in the repaired, replaced, or rebuilt Insured Property with 100% outside air as required by The Green Building Council of Australia Green Star® standard,

but does not include any costs that would have been incurred in complying with orders issued prior to the happening of Loss or Damage.

Schedule

means one of the following:

- (a) the document titled Schedule which includes Your name and address, the Premium and any other variables to Our standard Policy (including any Endorsement clauses);
- (b) the renewal Schedule You have paid.

Either of these documents may be re-issued from time to time where required or permitted by law and each successor overrides the earlier document.

Situation

means the land at the address(es) shown on the Schedule or the registered address of Your Strata Community where Your Insured Property is situated.

Software

means a collection of programmes which cause machinery or electronic equipment to perform a desired operation or series of operations.

Storm

means a violent wind, thunderstorms or hail which may be accompanied by rainwater or snow.

Storm Surge

means an abnormal rise or fall in the level of the sea caused by the winds of a Storm or cyclone.

Strata Community

means the owner(s) of Your Insured Property and Common Area incorporated under the Strata Schemes Management Act, Strata Titles Act, Community Titles Act or similar legislation applying where Your Insured Property and Common Area is situated.

Strata Community Manager

means a person or other entity appointed in writing by Your Strata Community with delegated functions including the authority to act as an Office Bearer in terms of the Strata Schemes Management Act, Strata Titles Act, Community Titles Act or similar legislation applying where Your Insured Property is situated.

Stratum Lot or Volumetric Lot

means an area or lot forming part of the Building required to be insured as part of this insurance cover excluding a Lot / Unit.

Sum Insured

means the amount(s) shown on the Schedule You are covered for and is the maximum amount of Our liability, inclusive of claimant's costs and expenses recoverable from You, for all claims during any one Period of Insurance or unless a specified amount is otherwise stated in the Policy wording.

Temporary Accommodation

means similar accommodation of substantially the same size, containing similar facilities and in a location relative to the uninhabitable Lot.

Tenant

means any person or other entity authorised under the terms of a tenancy, lease, or similar type agreement who occupies a Lot including any other occupant or family normally residing with the Tenant, or who leases a Common Area.

Title

means a certificate or instrument issued by the Registrar or Registrar-General in terms of the Strata Schemes Management Act, Strata Titles Act, Community Titles Act or similar legislation applying where Your Insured Property and Common Area is situated that evidences the ownership of:

- (a) Your land and/or common property, and
- (b) each Lot forming part thereof.

Tsunami

means a sea or ocean wave caused by an earthquake, earth tremor or seismological disturbance under the sea.

Vehicle(s)

means:

- (a) any type of machine on wheels or self-laid tracks made or intended to be propelled by other than manual or animal power that is or should be registered and/or insured under legislation in the State or Territory of Australia in which it is being used; and
- (b) any trailers or other attachments made or intended to be drawn by any of those machines.

Voluntary Worker

means a person aged twelve (12) years or over engaged solely in work or duties on Your behalf without promise of reward or remuneration, other than an honorarium for duties associated with that function but does not mean employees, contractors or any person who receives a payment, reward or remuneration (other than provided herein) for their services.

Watercraft

means any vessel, craft or thing made or intended to float on or in or travel through water.

Wear and Tear

means damage or a reduction in value through age, ordinary use or lack of maintenance.

We, Our, Us

means Allianz Australia Insurance Limited
ABN 15 000 122 850.

You, Your, Yours

means:

- (a) in respect of **Sections 1, 7, 8 and 10**:
the Strata Community, including Lot Owners in respect of **Parts B and C of Section 1, Part B of Section 7 and Part B of Section 8**.
- (b) in respect of **Section 2**:
the Strata Community, including:
 - (i) the organisers of recreational and other activities in respect of **Section 2 (1) (b) (v)**;
 - (ii) a Voluntary Worker whilst engaged solely in work or duties on behalf of the Strata Community named on the Schedule but does not include office bearers while acting in that capacity.
- (c) in respect of **Section 3**:
a Voluntary Worker whilst engaged solely in work or duties on behalf of the Strata Community.
- (d) in respect of **Sections 4, 5, and 9**:
the Strata Community.
- (e) in respect of **Section 6**:
the past, present or future Office Bearers or committee members of the Strata Community including those persons':
 - (i) estate, heirs, legal representative or assigns;
 - (ii) legal representative or assigns if he/she is incompetent, insolvent or bankrupt,
▶ but does not include a Strata Community Manager or any other contracted person(s), firm or company when acting in their professional capacity.
- (f) in respect of **Section 11**:
the Strata Community and Lot Owners whose Lot Titles are terminated.

SECTION 1 INSURED PROPERTY

What We cover

This Section contains **Parts A, B and C** that detail the benefits available in respect of Loss or Damage to Your Insured Property which occurs during the Period of Insurance.

SECTION 1: PART A

In order to be sure that You are covered under this Policy You should always contact Us for approval before You incur costs You wish to claim. If You do not, We will pay for costs incurred up to the amount We would have authorised had You sought approval from Us first.

You are covered for the following benefits. Cover for benefits 3 to 24 of **Part A** is included in addition to the Sum Insured for **Section 1**.

1. We will pay up to the Sum Insured shown on the Schedule for Section 1, for Loss or Damage to Your Insured Property on the basis set out in "Claims – basis of settlement", including the cost of:
 - (a) (i) architects fees, surveyors fees and other professional fees;
 - (ii) removal, storage and/or disposal of debris, being the residue of Your damaged Insured Property (including debris required to be removed from adjoining or adjacent public or private land), damaged Lot Owners Contents and occupiers contents and of anything which caused the Loss or Damage;
 - (iii) demolition and disposal of any undamaged portion of Your Insured Property including undamaged foundations and footings in accordance with a demolition order issued by a public or statutory authority.
- (b) fees and contributions required to be paid to any public or statutory authority to obtain their authority to rebuild, repair or replace Your Insured Property, but We will not pay for any fine or penalty imposed by any such authority.

- (c) legal fees You necessarily incur in making submissions and/or applications to any public or statutory authority, Builders Licensing Board, or Land and Environment Courts.
- (d) Loss or Damage to fences and gates as a result of Storm.
- (e) Loss or Damage caused by a Tsunami.
- (f) Loss or Damage caused by emergency services such as Police, Fire Brigade, Ambulance or others acting under their control, in gaining access to Your Insured Property in the lawful pursuit of their duty.
- (g) sudden and unforeseen Loss or Damage caused by smoke or smut from industrial operations but excluding Loss or Damage resulting from any gradually operating cause.
- (h) reasonable emergency repair costs You necessarily incur in pursuance of Your duty to minimise insured Loss or Damage and avoid further losses.
- (i) reasonable costs for the temporary protection and safety of Your Insured Property and residents that You necessarily incur as a result of Loss or Damage that is admitted as a claim under **Section 1**.

2. Act of Terrorism

Where:

- (a) We determine that the Policy is not an eligible insurance contract as defined under the *Terrorism and Cyclone Insurance Act 2003* (Cth), and;
- (b) the total Sums Insured for Your Insured Property as shown on the Schedule under **Sections 1**, and **Section 8** if applicable, are less than \$100,000,000;

then We may agree that General Exclusion 1(a) will not apply in relation to actual Loss or Damage, cost or expense otherwise covered under this **Section 1**.

If Your Policy is classified as an eligible contract, and/ or We agree to provide this cover it will be shown on Your Schedule, however, if Your Policy is not an eligible contract Our maximum liability in the aggregate in any one Period of Insurance will not exceed the Sum Insured

of the Insured Property as shown in the Schedule or \$100,000,000, whichever is the lesser. No cover is provided for Events which are excluded under General exclusions 1.(b), (c), (d) or (e).

3. Alterations / additions

When You make alterations, additions or renovations to Your Insured Property during the Period of Insurance We will pay up to a maximum of \$500,000 for Loss or Damage to such alterations, additions or renovations by an Event claimable under **Section 1** provided:

- (a) the cost of such work does not exceed \$250,000, or where the cost of such work does exceed \$250,000 You notify Us and We agree in writing (acting reasonably) before the commencement of such work; and
- (b) upon practical completion;
 - (i) You notify Us within sixty (60) days; and
 - (ii) You have Your Building Sums Insured reviewed;

and, if requested You pay any extra Premium We may require.

► We will not pay:

- (a) for Illegal or Non-Compliant Installations;
- (b) if You have entered into a contract with a builder, contractor or similar entity that requires, and they have effected, insurance for property damage and liability for the alterations, additions and renovations.

However, as permitted by law, when You are required under the terms of a contract condition to effect insurance on Your Insured Property in the names of both You and the contractor, We will cover the interest of the contractor as a joint insured in respect of Loss or Damage to such alterations, additions or renovations.

4. Arson reward

We may pay a reward of up to \$10,000 for information (irrespective of the number of people supplying information) which leads to a conviction for arson, theft, vandalism or malicious damage provided such Loss or Damage is claimable under **Section 1**.

We will pay the reward to the person or persons providing such information or in such other manner as We may reasonably decide.

5. Electric motors

We will pay up to \$5,000 for the cost of repairing or replacing, at Our discretion (acting reasonably), an electric motor forming part of Your Insured Property which has been burnt out by Fusion.

If the motor forms part of a sealed unit We will also pay for the cost of replacing gas.

If the motor in a sealed unit cannot be repaired or replaced because of the unit's inability to use a different type of refrigerant (a new gas as required by regulation) or parts are no longer available then We will only pay the cost

that would have been incurred in repairing a sealed unit in an equivalent modern-day appliance. If an equivalent modern day appliance is not available, then one as close as possibly equivalent will be the basis of any claim.

► We will not pay for:

- (a) motors under warranty or maintenance agreement;
- (b) other parts of any electrical appliance nor for any software;
- (c) lighting or heating elements, fuses, protective devices or switches;
- (d) contact at which sparking or arcing occurs in ordinary working;
- (e) any motor, where **Section 7 – Machinery** breakdown has been selected and is shown on the Schedule.

6. Electricity, gas, water and similar charges – excess costs

We will pay up to \$5,000 for the cost of:

- (a) increased usage of metered electricity, gas, sewerage, oil and water;
- (b) accidental discharge of metered electricity, gas, sewerage, oil and water;
- (c) additional management charges;

You are required to pay following Loss or Damage to Your Insured Property by an Event which is admitted as a claim under **Section 1**.

7. Electricity, gas, water and similar charges – unauthorised use

We will pay up to \$5,000 any one Period of Insurance for the cost of metered electricity, gas, sewerage, oil and water You are legally required to pay following its unauthorised use by any person taking possession or occupying any part of Your Insured Property without Your consent.

► If You do not take reasonable steps to terminate such unauthorised use as soon as reasonably possible after You become aware of it We will not pay or may reduce payment of a claim to the extent We are prejudiced by Your failure.

8. Environmental improvements

If Your Insured Property is:

- (a) damaged by an Event claimable under **Section 1**; and
- (b) the cost to rebuild, replace or repair the damaged portion is more than twenty five percent (25%) of what the cost would have been had Your Insured Property been totally destroyed;

We will, in addition to the cost of environmental improvements claimable under **Section 1**, also pay up to \$40,000 for the cost of additional environmental improvements not previously installed such as rainwater tanks, solar energy, hot water heat exchange systems, and grey water recycling systems.

9. Exploratory costs, Replacement of defective parts

When Your Insured Property suffers Loss or Damage as a result of:

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

We will pay the reasonable costs of locating the cause of the Loss or Damage and for any Loss or Damage caused in locating the leak. We will also pay:

- (a) up to \$1,000 for the repair or replacement of the defective part or parts of such tanks, apparatus, pipes or other installations giving rise to the Loss or Damage; and
- (b) up to \$1,000 to rectify contamination damage or pollution damage to land at Your Situation caused by the escape of the liquid giving rise to the Loss or Damage.

▶ We will not pay for any of these costs if the bursting, leaking, discharging or overflowing is caused by a building defect, building movement or faulty workmanship that You were aware of or a reasonable person in the circumstances could be expected to have been aware of.

We will also not pay for these costs if caused by rust, oxidation, corrosion, Wear and Tear, gradual corrosion or gradual deterioration that You should reasonably be expected to have been aware of, or Earth Movement (unless the bursting, leaking, discharging or overflowing is caused by Earth Movement within 72 hours as a direct result of Events listed in **Section 1 – Insured Property**) or by trees, plants or their roots.

10. Fallen trees

We will pay for the reasonable professional costs You necessarily incur for:

- (a) the removal and disposal of trees or branches;
- (b) the cost of treating the stump or root to prevent re-growth;

if a tree or branch falls and causes Loss or Damage to Your Insured Property or landscaped gardens.

▶ We will not pay for removal or disposal of:

- (a) trees or branches that have fallen and not damaged Your Insured Property or landscaped gardens; or
- (b) tree stumps or roots.

11. Fire extinguishing

We will pay for the reasonable costs and expenses You necessarily incur in:

- (a) extinguishing a fire at Your Situation, or in the vicinity of Your Situation and threatening to involve Your Insured Property or for the purpose of preventing or diminishing damage including the costs to gain access to any property;

- (b) replenishing firefighting appliances, replacing used sprinkler heads, and resetting fire, smoke and security alarm systems following their use in extinguishing a fire at the Situation; and
- (c) shutting off the supply of water or any other substance following the accidental discharge or escape of such substances from fire protective equipment.

12. Keys, lock replacement

If keys to Your Insured Property are accidentally lost or stolen, We will pay up to \$25,000 for the reasonable costs You necessarily incur in:

- (a) re-keying or re-coding locks together with replacement keys; or
- (b) replacing locks with locks of a similar type and quality if they cannot be re-keyed or re-coded

to restore security to the same level of security that existed prior to the loss or theft of these keys.

13. Temporary meeting or conferencing facilities

We will pay up to \$5,000 for the cost of hiring temporary meeting room facilities, including electronic conferencing facilities, for the purpose of holding Your general meetings or committee meetings if You are unable to occupy the meeting room facilities forming part of Your Insured Property by Loss or Damage which is covered under **Section 1**.

We will pay from the time of the Event until the time when access to Your meeting room facilities is re-established.

14. Modifications

When a resident Lot Owner is physically injured and becomes a paraplegic or quadriplegic as the direct consequence of Loss or Damage to Your Insured Property by an Event which is admitted as a claim under **Section 1** We will pay up to \$50,000 for modifications to Your Insured Property or their Lot to cater for the needs of the Lot Owner. This benefit only applies if the paraplegia or quadriplegia has continued for a period of not less than six (6) months from the date of the Event and is substantiated by a legally qualified medical practitioner.

15. Money

We will pay up to \$25,000 for loss of Your money while in the personal custody of an office bearer or committee member of Yours, or of Your Strata Community Manager while acting on Your behalf.

▶ We will not pay for fraudulent misappropriation, theft or any attempt thereof by:

- (a) any person in Your employment;
- (b) a Lot Owner, including any family member permanently residing with them; or
- (c) a proxy of a Lot Owner.

16. Mortgage discharge

Where the Strata Community has a mortgage in respect of any part of Your Insured Property and if it becomes a total loss, is not replaced and We have paid the amount due under **Section 1**, We will pay reasonable legal costs up to \$10,000 to discharge any mortgage over Your Insured Property.

17. Personal property of others

We will pay up to \$10,000 for personal property of others (including employees) that is damaged by an Event claimable under **Section 1** while in Your physical or legal control.

18. Purchaser's interest

We will cover a purchaser's legal interest in Your Insured Property, in the terms of **Section 1**, when the purchaser has signed an agreement to buy part of or all of such property.

19. Records

We will pay up to \$100,000 for the reasonable expenditure You necessarily incur in collating information, preparing, rewriting or reproducing records, books of account, Electronic Data and valuable papers directly related to Your Insured Property that are damaged by an Event claimable under **Section 1**, while anywhere in Australia.

20. Removal of nests

We will pay up to \$1,000 any one Period of Insurance for the cost of removing wasps' or bees' nests from Your Insured Property that present as a danger to residents or the public.

▶ We will not pay for the cost of removing any nests that existed prior to the commencement of **Section 1**.

21. Removal, storage costs

We will pay up to \$25,000 for the reasonable costs You necessarily incur in:

- removing any undamaged portion of Your Insured Property to the nearest place of safe keeping;
- storing such undamaged portion at that place or an equivalent alternate place;
- returning such undamaged portion to the Situation when restoration work is completed;
- insuring Your undamaged Insured Property during such removal, storage and return, following Loss or Damage to Your Insured Property that is paid as a claim under **Section 1**.

22. Removal of illegally deposited rubbish

We will pay up to \$5,000 any one Period of Insurance for the reasonable costs and expenses incurred by You with Our consent in the clearing and removal of any illegally deposited rubbish that causes a public health and safety risk at Your Situation.

▶ We will not pay if such a happening is not reported to the appropriate authority such as the Police or local council as soon as reasonably practical.

You must by way of Excess pay or contribute the first \$1,000 for each and every claim.

23. Water removal from basement

We will pay up to \$5,000 for the reasonable costs You necessarily incur in removing water from the basement or undercroft area of Your Insured Property if such inundation is directly caused by Storm or Rainwater, or Flood where Optional Cover 1 is shown as Included on Your Schedule.

24. Cyber Response Costs

We will pay during the Period of Insurance either:

- up to \$25,000 any one Event and in the aggregate each Period of Insurance for reasonable and necessary costs You incur as a direct result of a Cyber Event affecting Your own computer systems and Electronic Data; or
- where Your Electronic Data or information is held by Your Strata Community Manager and Your Electronic Data is impacted by a Cyber Event solely directed at Your Strata Community Manager's computer systems impacting Your Electronic Data and the Electronic Data of other customers of Your Strata Community Manager, We will pay up to \$100,000 any one Event and in the aggregate each Period of Insurance towards Your Strata Community Manager's reasonable and necessary costs in recovering Electronic Data as a result of that Cyber Event,

including:

- Funds transferred from Your accounts as a result of payment redirection fraud, phishing or social engineering;
- cyber response costs including:
 - fees for information security experts to investigate and determine the cause and extent of the Cyber Event;
 - reasonable costs to restore, repair or replace Your computer systems and Electronic Data to substantially the same condition as before the Cyber Event;
 - costs to recover or recreate records, Electronic Data or software that have been corrupted, deleted or stolen;
 - fees for legal advisers We agree in writing, prior to the fees being incurred, are necessary to respond to the Cyber Event;
- notification costs including:
 - costs to notify affected parties if personal or sensitive information is compromised; and
 - costs of credit monitoring services You are legally required to provide to affected persons.

Cyber Events affecting Your Electronic Data or information while held by Your Strata Community Manager will only be payable:

- to a maximum of \$100,000 any one Event and in the aggregate each Period of Insurance for one Strata Community Manager; and

(b) if Your Strata Community Manager maintains information security management systems, policies, controls and procedures that are consistent with the principles embodied in the ISO/IEC 27001, or other industry best practice information security management standards such as the 'Essential Eight' cybersecurity framework developed and maintained by the Australian Signals Directorate's Australian Cyber Security Centre.

► We will not pay for:

- (a) any loss, cost or expense arising from a Cyber Event involving the personal devices, email accounts or computer systems of:
 - (i) individual Office Bearers, committee members or Lot Owners; or
 - (ii) employees of Your Strata Community Manager;
- (b) unless the Cyber Event also affects Your computer systems or Your Electronic Data held by You or Your Strata Community Manager;
- (c) any ransom payment;
- (d) the costs of any improvements, upgrades or betterments to computer systems, software or security measures beyond what existed immediately prior to the Cyber Event;
- (e) costs that would have been incurred regardless of the Cyber Event, such as routine system maintenance or planned improvements;
- (f) any Cyber Event occurring prior to the commencement of this Policy or any Cyber Event You knew about or ought reasonably to have known about prior to the commencement of this Policy that may give rise to a claim;
- (g) any Cyber Event caused by or arising from a Cyber War & Terrorism Event; or
- (h) legal or regulatory fines, penalties or sanctions.

SECTION 1: PART B

Part B covers You and Lot Owners as specified. The combined total amount We will pay under **Part B** benefits 1 to 5 arising out of any one Event that is admitted as a claim under **Section 1** is limited to the Sum Insured shown on the Schedule for **Part B** of **Section 1**.

In order to be sure that You are covered under this Policy You should always contact Us for approval before incurring costs You wish to claim. If You do not, We will pay for costs incurred up to the amount We would have authorised had You sought approval from Us first.

1. (a) Rent

When the Common Area or a Lot has been leased out, or can be substantiated by means of a signed agreement or other reasonable evidence that the Common Area or Lot would have been leased out but for the Loss or Damage We will pay You and/or the Lot Owner for the Rent that is lost or would have been lost if:

(i) the Common Area or Lot is unfit to be occupied for its intended purpose as a result of Loss or Damage that is admitted as a claim under **Section 1**. We will pay from the time of the Event until the time the Common Area or Lot is relet following completion of rebuilding, replacing or repairing provided You or they demonstrate that all reasonable actions have been taken to relet the Common Area or Lot.

► when the Loss or Damage to Your Insured Property is not rebuilt, replaced or repaired, We will only pay for the time it would have reasonably taken to rebuild, replace or repair Your Common Area or Lot up to a maximum of twelve (12) months.

(ii) reasonable access to or occupancy of the Common Area or Lot is prevented by damage from an Event claimable under Section 1 happening to other property in the immediate vicinity. We will pay from the time of the Event until the time when access to the Common Area or Lot is re-established, up to a maximum of twelve (12) months.

(b) Temporary Accommodation

When a Lot Owner occupies their Lot We will pay the reasonable cost of Temporary Accommodation they necessarily incur if their Lot is made uninhabitable due to:

(i) Loss or Damage that is admitted as a claim under **Section 1**. We will pay from the time of the Event until the time they are reasonably able to reoccupy their Lot following completion of rebuilding, replacing or repairing.

► When the Loss or Damage to their Lot is not rebuilt, replaced or repaired, We will only pay for the time it would have reasonably taken to rebuild, repair or replace their Lot up to a maximum of twelve (12) months.

(ii) reasonable access to or occupancy of their Lot is prevented by damage from an Event claimable under **Section 1** happening to other property in the immediate vicinity. We will pay from the time of the Event until the time when access to their Lot is re-established, up to a maximum of twelve (12) months.

In order to be sure there is cover under this Policy You should always contact Us for approval before incurring costs You wish to claim. If You do not, We will pay for costs incurred up to the amount We would have authorised had You sought approval from Us first.

(c) Disease, murder and suicide

We will pay You and/or the Lot Owner for:

(i) the reasonable cost of Temporary Accommodation necessarily incurred;

(ii) Rent that is lost;

if Your Common Area or their Lot cannot be occupied by order of the Police, a public or statutory authority, other body, entity or person so empowered by law, due to:

- the discharge, release or escape of legionella or other airborne pathogens from water tanks, water systems, air-conditioning plant cooling towers and the like;
- a human infectious or contagious disease other than a Communicable Disease;
- murder or suicide;

occurring at Your Situation.

We will pay from the time the order is invoked until the time the order is revoked, or for a period of thirty (30) days, whichever first occurs.

▶ We will not pay for loss, costs or damage caused by, arising from or in any way connected with Highly Pathogenic Avian Influenza in humans or any disease infectious in humans forming part of the Listed Human Diseases under, or is the subject of a Human Biosecurity Emergency under, the *Biosecurity Act 2015* (Cth) and any of its subsequent amendments or any similar such listing or declarations of diseases under any subsequent statute that repeals and replaces the *Biosecurity Act 2015* (Cth) in whole or part, or any pandemic or epidemic, as declared as such by the World Health Organisation.

(d) Failure of supply services

We will pay You and/or the Lot Owner for:

- (i) the cost of Temporary Accommodation necessarily incurred;
- (ii) Rent that is lost;

if Your Common Area or their Lot is made unfit to be occupied for its intended purpose by the failure of electricity, gas, water or sewerage services resulting from physical loss or damage happening to property belonging to or under the control of any supply authority caused by a sudden and accidental event.

Provided the failure of services extends for more than twenty-four (24) hours We will pay from the time of the failure until the time such services are reinstated, or for a period of thirty (30) days, whichever first occurs.

2. Cost of reletting

When any part of Your Common Area or a Lot has been leased out and it is made unfit to be occupied for its intended purpose by:

- (i) Loss or Damage that is admitted as a claim under **Section 1**; and
- (ii) Your Tenant at the time of the Event subsequently advises they will not be reoccupying the Common Area or the Lot they previously leased;

We will pay You and/or the Lot Owner reasonable reletting costs up to \$1,500.

3. Landscaping

We will pay up to \$25,000 for the reasonable costs You or a Lot Owner necessarily incur in replacing or repairing damaged trees, shrubs, plants, lawns or rockwork at Your Situation damaged by an Event claimable under **Section 1**.

4. Removal of squatters

We will pay You and/or the Lot Owner up to \$1,000 any one Period of Insurance for legal fees necessarily incurred to repossess Your Insured Property or their Lot if squatters are living in it.

▶ We will not pay unless You or they first obtain Our consent to incur such legal fees.

5. Title deeds

We will pay for the reasonable costs You or a Lot Owner necessarily incur in replacing Title deeds to Your Insured Property or their Lot if they are lost or damaged by an Event claimable under **Section 1**, while anywhere in Australia.

SECTION 1: PART C

Part C applies to Lot Owners. Cover for benefits 1 to 6 of **Part C** are included in addition to the Sum Insured for **Section 1**.

1. Emergency accommodation

When a Lot is occupied by a Lot Owner or Tenant for residential purposes We will pay:

- (a) the Lot Owner; and/or
- (b) the Tenant named on the lease, rental or similar type agreement;

up to \$2,500 a Lot, irrespective of the number of people occupying the Lot, for the reasonable cost of emergency accommodation necessarily incurred in circumstances where two (2) or more residential Lots are made uninhabitable:

- (i) due to Loss or Damage to Your Insured Property that is admitted as a claim under **Section 1**; or
- (ii) by reasonable access to or occupancy of the Lot being prevented by Loss or Damage from an Event claimable under **Section 1** happening to other property in the immediate vicinity; or
- (iii) by reasonable access to or occupancy of the Lot being prevented by the Police or other emergency service due to a danger or disturbance in the immediate vicinity.

2. Funeral expenses

When a Lot is occupied by the Lot Owner, We will pay up to \$5,000 a Lot for funeral expenses if the Lot Owner, or a family member who permanently resides with the Lot Owner, dies as the direct consequence of Loss or Damage to Your Insured Property that is admitted as a claim under **Section 1**.

3. Lot Owners' contributions and fees

We will pay, up to \$2,000 a Lot, for contributions and/or levies the Lot Owner is required to pay during the period their Lot is unfit to be occupied for its intended purpose by Loss or Damage to Your Insured Property that is admitted as a claim under **Section 1**.

4. Lot Owners' removal and storage costs

We will pay up to \$5,000 for the reasonable costs a Lot Owner necessarily incurs in:

- (a) removing their undamaged Lot Owners' Contents to the nearest place of safe keeping;
- (b) storing their undamaged Lot Owners' Contents at that place or an equivalent alternate place;
- (c) returning their undamaged Lot Owners' Contents to Your Situation when occupancy of their Lot is permitted;
- (d) insuring their undamaged Lot Owners' Contents during such removal, storage and return;

following Loss or Damage to Your Insured Property that is admitted as a claim under **Section 1** that makes their Lot unfit to be occupied for its intended purpose.

5. Lot Owners' travel costs

When a Lot Owner has leased out their Lot We will, if their Lot is made unfit to be occupied for its intended purpose by Loss or Damage that is admitted as a claim under **Section 1**, pay up to \$250 a Lot for reasonable travel costs the Lot Owner incurs in visiting their Lot for the purpose of consulting with claim adjusters and/or Building repairers.

► We will not pay unless You or they first obtain Our consent to incur such travel costs.

6. Pets, security dogs

When a Lot Owner occupies their Lot solely for residential purposes and there is Loss or Damage to Your Insured Property that is admitted as a claim under **Section 1** rendering their Lot uninhabitable, and their temporary accommodation does not allow pets or security dogs, We will pay up to \$1,000 for the costs necessarily incurred for boarding their pets or security dogs.

Optional Covers

The following optional coverage extensions apply to **Section 1** and are operative when shown as 'Included' on Your Schedule. They are not mandatory under strata legislation applicable to You, and You may choose to include any or all of them based on Your specific needs, risk profile, and financial position.

1. Flood

If Flood is shown as included on Your Schedule, We will pay, for Loss or Damage caused by Flood which happens during the Period of Insurance.

► Our liability under Optional Cover 1 is limited to the lesser of:

- (a) \$10,000,000; or
- (b) Our maximum aggregate liability under **Parts A, B and C** of **Section 1**; or
- (c) the Flood sublimit shown on Your Schedule.

2. Floating floors

Provided Your Sum Insured under **Section 1** is not otherwise exhausted We will pay for the cost of repairing or replacing Lot Owners' Floating Floors if damaged by an Event claimable under **Section 1**.

3. Lot Owners' wall coverings (applicable to New South Wales and Australian Capital Territory)

Provided Your Sum Insured under **Section 1** is not otherwise exhausted We will pay for the cost of repainting or re-wallpapering internal walls or ceilings of a Lot if damaged by an Event claimable under **Section 1**.

Our liability under Optional Cover 3 is limited to the room, hallway or passageway where the Loss or Damage occurs.

Exclusions – what We do not cover under Parts A, B and C

► 1. We will not pay for Loss or Damage caused by, arising from or in any way connected with:

- (a) Flood
 - However, We will pay if Optional Cover 1 is shown as included on Your Schedule.
- (b) to retaining walls resulting from Storm or Rainwater.
- (c) the following gradually operating causes:
 - (i) deterioration, Wear and Tear, concrete or brick cancer, rust, oxidisation, or corrosion, that You were aware of or a reasonable person in the circumstances could be expected to be aware of; or
 - (ii) contamination, pollution, evaporation, disease, mildew, mould, wet or dry rot; or
 - (iii) staining, fading, fraying, change in colour or texture or finish, dampness of atmosphere, or other variations in temperature; or
 - (iv) moths, termites or other insects, vermin, mice, rats, or pecking or biting or chewing or scratching by animals; or
 - (v) lack of maintenance or failure to maintain Your Insured Property in a reasonably good state of repair; or
 - (vi) inherent vice or latent defect.
- (d) non-rectification of an Insured Property defect that You were aware of, or a reasonable person in the circumstances could be expected to have been aware of, including any such defects that are in the process of being rectified.
- (e) mechanical breakdown or derangement, electrical breakdown or derangement, or failure caused by electric current.
 - However We will pay if the Loss or Damage is due to:
 - (i) Fusion of electric motors as covered under benefit 5 of **Part A**; or
 - (ii) a power surge when such is confirmed by the supply authority.

- (f) any action of the sea, high water or high tide, or tidal wave.
However, We will pay if the Loss or Damage is due to Tsunami.
- (g) Storm Surge.
However, We will pay if the Loss or Damage is due to cyclone.
- (h) vibration or from the removal or weakening of or interference with the support of land or Buildings or any other property, Erosion or Earth Movement.
However, We will pay if the Loss or Damage is due to:
 - (i) earthquake or seismological disturbance, Tsunami, explosion, physical impact by aircraft; or
 - (ii) bursting, leaking or overflowing of water tanks, pipes, drains, gutters or other water or liquid carrying apparatus; or
 - (iii) Flood if Optional Cover 1 is shown as included on Your Schedule; or
 - (iv) Storm or Rainwater.
- (i) hydrostatic water.
However We will pay if the Loss or Damage is due to bursting, leaking or overflowing of water tanks, pipes, or drains.
- (j) the invasion of tree or plant roots nor for the cost of clearing pipes or drains blocked by any such invasion.
- (k) the movement of swimming pools or spas or the accidental breakage, chipping or lifting of tiles of swimming pools or spas or their surrounds.
- (l) smut or smoke from industrial operations.
- (m) any process involving the application of heat being applied directly to any part of Your Insured Property.
- (n) normal settling, cracking, creeping, heaving, seepage, shrinkage, or expansion in Buildings, foundations/footings, walls, bridges, roadways, kerbing, driveways, paths, garden borders and other structural improvements.
- (o) glass caused by, arising from or in any way connected with artificial heat, during installation or removal, that has a crack or imperfection, or that is required to be insured by any other party in terms of an occupancy agreement.
- (p) floor coverings resulting from staining, fading or fraying.
However We will pay if the Loss or Damage directly results from any other Event claimable under **Section 1**.
- (q) to boilers (other than boilers used for domestic purposes), economisers or pressure vessels and their contents resulting from the explosion thereof.

- (r) Your Insured Property if it is vacant and undergoing demolition unless Our written consent to continue cover has been obtained before the commencement of demolition.
- (s) Your Insured Property caused by, arising from or in any way connected with the construction, erection, alteration or addition where the cost of such work exceeds \$500,000, unless Our written consent to provide You cover has been obtained before the commencement of such work.
- (t) Your Electronic Data, including any loss of use, consequential losses, or expenses resulting therefrom, except as specifically provided under benefit 24 (Cyber Response Costs) of **Part A**.

► 2. We will not pay for:

- (a) demolition ordered by any public or statutory authority as a result of Your failure, or the failure of anyone acting on Your behalf, to comply with any lawful requirement or due to the incorrect siting of Your Insured Property;
- (b) the cost of rectifying faulty or defective materials, or faulty or defective workmanship, design or specification;
- (c) consequential loss, meaning We don't cover You for anything not expressly described under **Parts A, B and C**. Some examples of what We won't pay for include loss of use or depreciation.
- (d) the cost of clearing blocked pipes or drains unless the blockage causes or is the result of physical damage to the pipe or drain.
However, We will pay for water or liquid damage to Your Insured Property resulting from the overflow of such blocked pipes or drains.

Claims – basis of settlement

1. Replacement

If Your Insured Property is damaged, We may choose (acting reasonably) to either rebuild, replace, repair or pay the amount it would cost to rebuild, replace or repair.

The amount We pay under **Section 1** will be the cost of Replacement at the time of Replacement subject to the following provisions:

- (a) the necessary work of rebuilding, replacing or repairing (which may be carried out upon another site or in any manner suitable to Your requirements provided Our liability is not increased), must be commenced and carried out without unreasonable delay (provided that You will not be responsible for any delay caused by Us);
- (b) where Your Insured Property contains any architectural or structural feature of an ornamental, heritage or historical character or where materials used in the original construction are not reasonably available We will use the nearest equivalent available to the original materials;

- (c) if it is lawful, and with Our prior written consent, You will not be required to actually rebuild any Building destroyed but may purchase an alternative existing Building or part thereof to replace all or part of the one destroyed. Such Replacement will be deemed to constitute Replacement for the purpose of Your Policy provided Our liability is not increased;
- (d) when We choose to pay the amount it would cost to rebuild, replace or repair, We will pay You the reasonable cost to rebuild, replace or repair.

► **We will not pay for any costs:**

- (i) to rebuild, replace, repair, upgrade, alter or remove Your undamaged Insured Property;
- (ii) to rebuild, replace, repair, upgrade, alter or remove Illegal or Non-Compliant Installations.
- (iii) arising from any unreasonable delays You cause in commencing or carrying out Replacement or in reoccupying or tenating Your Lot.

For each and every claim You have to pay the amount of Excess shown on the Schedule or in **Section 1**.

2. Undamaged part of Insured Property, foundations and footings

If Your Insured Property is damaged and any public or statutory authority requires replacement to be carried out on another site We will pay for the value of any undamaged part of Your Insured Property, including foundations and footings, as though they had been destroyed.

If the sale value of the original Situation with such undamaged part is greater than without them We will deduct the amount of such difference from any settlement otherwise payable by Us.

3. Floor space ratio

If Your Insured Property is damaged and Replacement is limited or restricted under an Ordinance or Regulation issued by a public or statutory authority requirement that results in the reduction of the floor space ratio index, We will pay the difference between:

- (a) the actual costs incurred in Replacement in accordance with the reduced floor space ratio index; and
- (b) the estimated cost of Replacement at the time of Loss or Damage had the reduced floor space ratio index not applied.

4. Land value

We will pay the difference between Land Value before and after Loss or Damage if any public or statutory authority refuses to allow Your Insured Property to be replaced or only allows partial Replacement, less any sum paid by way of compensation by any such authority.

5. Claim settlement (when Section 11 is shown as a Sum Insured on the Schedule)

When **Section 11** is shown on the Schedule as a Sum Insured We agree that We will treat Your Sum Insured under **Section 1** on an Agreed Value basis.

In the event of Loss or Damage that results in:

- (a) a total loss or Constructive Total Loss of Your Insured Property and Your Strata Community Title and all Lot Titles are terminated We will pay You the Sum Insured shown on the Schedule for **Section 1**.
- (b) a partial loss and some but not all Lot Titles are terminated We will, in respect of the Lots where title has been terminated, pay You the amount calculated on the percentage of the Sum Insured for **Section 1** that the affected Lot entitlements bear to the total Strata Community entitlement.

When We pay a claim under Clause 5.(b), any Loss or Damage to Lots where Title has not been terminated will be settled in terms of Clause 1. Replacement above but Your Sum Insured thereunder will be reduced by the amount We pay under Clause 5.(b).

6. Reimbursement of expenses and costs incurred

If You submit a claim for reimbursement of repair, replacement or rebuilding of Your Insured Property that has already been carried out, We will at Our option (acting reasonably):

- (a) assess the claim You have submitted for Us to pay
- (b) obtain quotations for the repair, replacement, or rebuilding that You have carried out; and
- (c) reduce the amount We pay You by the amount which represents any disadvantage We suffer as a result of the repair, replacement, or rebuilding being carried out without Our consent.

7. Professional Fees

We will pay up to \$50,000 for the reasonable costs You necessarily incur with Our written consent in the preparation of a claim under **Section 1** and when applicable **Sections 8, 10** and **11**.

- We will not pay for any costs incurred in connection with the preparation or conduct of any complaint or dispute.

Special provisions

1. Under Clauses 2., 3., and 4. of "Claims - basis of settlement" Our liability is limited to the extent to which the Sum Insured for **Section 1** is not otherwise expended.

After any difference or dispute arises under the Policy relating to values You and We may or may not choose to enter into a separate agreement to refer the matter to the President of the Australian Property Institute Inc. who will appoint a specialist valuer who is registered and qualified to carry out such valuations in accordance with accepted valuation practices. The valuer's decision will, if both You and We so agree, be final and binding. The valuer will also decide as to payment of the costs of referral if both You and We agree. Clauses 2., 3., and 4. of "Claims - basis of settlement" do not apply in respect of any claim settled in terms of Clause 5. of "Claims - basis of settlement" above.

SECTION 2

LIABILITY

TO OTHERS

In the event of a claim under this **Section 2**, You should always contact Us for approval before You incur costs You wish to claim. If You do not, We will pay for costs incurred up to the amount We would have authorised had You sought approval from Us first.

What We cover

1. We will pay up to the Sum Insured shown in the Schedule for **Section 2** where You become legally liable to pay compensation (including plaintiff's legal costs) in respect of:

- (a) Personal Injury; or
- (b) Property Damage,

resulting from an Occurrence that happens in Australia during the Period of Insurance in connection with Your ownership of Your Common Area and Insured Property.

Automatic Extensions

We will pay up to the Sum Insured shown in the Schedule for **Section 2** where You become legally liable to pay compensation in respect of Personal Injury or Property Damage:

- (a) **Bridges, roadways, kerbing, footpaths, services** arising from bridges, roadways, kerbing, footpaths, and underground and overhead services You own at the Situation.
- (b) **Car park liability** arising from the use of Vehicles in Your physical or legal control where such Property Damage occurs in a car park You own at the Situation.

▶ We will not pay if the Vehicle is owned or being used by You or is being used on Your behalf.

(c) **Fertiliser, pesticide, herbicide application** arising from the application of any fertiliser, pesticide or herbicide to Your Common Area or Insured Property.

▶ We will not pay:

- (a) unless the fertiliser, pesticide or herbicide has been applied in conformity with any public or statutory Authority requirement or, in the absence of any such requirement, in conformity with the manufacturer's recommendations.
- (b) Your liability for Loss or Damage to Your Common Area or Insured Property, or its improvements including gardens and lawns, to which the fertiliser, pesticide or herbicide was being applied.

(d) **Hiring out of sporting and recreational facilities** arising from the hiring out of sporting or recreational facilities (such as but not limited to tennis courts or swimming pools) owned by You.

(e) **Recreational and other activities** arising from recreational, social or other activities arranged for and on behalf of Lot Owners and occupiers of Lots.

(f) **Services** arising out of the service or services You provide for the benefit, general use and enjoyment of Lot Owners and occupiers of Lots at Your Situation.

(g) **Watercraft** arising from any Watercraft (not exceeding 8 metres in length) owned by You, in Your possession or physical or legal control.

▶ We will not pay if the Watercraft is or should have been insured under legislation of the State or Territory of Australia in which it is being used, or if the Watercraft is subject to hire for fee or payment.

(h) **Garden equipment and unregistered vehicles** arising from any wheelchair, garden equipment including lawn mowers, golf cart, golf buggy or other Vehicle owned by You, in Your possession or physical or legal control.

► We will not pay if any such item or Vehicle is or should have been registered and/or insured under legislation in the State or Territory of Australia in which it is being used.

2. Cost of defending a claim

We will pay in addition to the Sum Insured under 1. above:

- (a) all legal costs and expenses incurred by Us;
- (b) reasonable cost of legal representation You necessarily incur with Our written consent at a coronial inquest or inquiry into any death that may be the subject of a claim for compensation under **Section 2**;
- (c) other reasonable expenses You necessarily incur that We have agreed to reimburse; and
- (d) all interest accruing after judgment has been entered against You until We have paid, tendered or deposited in court the amount that We are liable to pay following judgment.

3. Court appearance

We will pay compensation of \$250 per day if We require an Office Bearer, committee member or Your Strata Community Manager to attend a Court as a witness in connection with a claim under **Section 2**.

Exclusions – what We do not cover

► We will not pay for any claim:

- (a) in connection with any liability for Personal Injury to any employee arising out of or in the course of their employment with You.
This exclusion does not apply to an 'eligible person' as defined under the *Workers' Compensation and Rehabilitation Act 2003* (Qld).
- (b) in respect of liability imposed by the provisions of any workers' compensation, accident compensation or similar legislation applying where Your Insured Property is situated.
- (c) in respect of:
 - (i) damage to property belonging to, rented by or leased by You or in Your physical or legal control, other than as specifically provided by this **Section 2**;
 - (ii) damage to property belonging to any person who is deemed a worker or employee within the provisions of any workers' compensation, accident compensation or similar legislation applying where Your Insured Property is situated.

(d) arising out of the rendering or failure to render professional advice by You or any error or omission connected therewith.

This exclusion does not apply to the rendering or failure to render professional medical advice by a legally qualified medical practitioner, or first aid officer You use to provide first aid services at Your Situation.

- (e) arising out of the publication or utterance of defamatory material, libel or slander:
 - (i) made prior to the commencement of **Section 2**; or
 - (ii) made by You or at Your direction when You knew it to be false.
- (f) arising out of the ownership, possession or use by You of any Vehicle, Watercraft, hovercraft, aircraft or aircraft landing areas other than as specifically provided in **Section 2**.
- (g) arising out of or in connection with Your ownership of marinas, wharves, jetties, docks, pontoons or similar type facilities (whether fixed or floating) if such facilities:
 - (i) are used for commercial purposes; or
 - (ii) provide fuel distribution facilities, unless We otherwise agree in writing.
- (h) arising out of construction, erection, alteration or addition to Your Insured Property where the cost of such work exceeds \$250,000, unless Our written consent to provide You cover has been obtained before the commencement of such work.
- (i) arising from vibration or from the removal or weakening of or interference with the support of land or Buildings, Common Area or any other property.
- (j) arising under the terms of any agreement unless liability would have attached to You in the absence of such agreement.

This exclusion does not apply to:

- (i) liability assumed by You under any contract or lease of real or personal property;
- (ii) liability assumed by You under the terms of any written agreement with any other party except where liability arises out of:
 - (a) any act of negligence on their part; or
 - (b) by their default in performing their obligations under such agreement.
- (k) arising out of or caused by the discharge, dispersal, release of or escape of Pollutants into or upon property, land, the atmosphere, or any water course or body of water.

This exclusion does not apply if such discharge, dispersal, release or escape is sudden, identifiable, unexpected and unintended and takes place in its entirety at a specific time and place during the Period of Insurance.

- (l) arising out of or incurred in the prevention, removing, nullifying or clean-up of any contamination or pollution.

This exclusion does not apply to clean-up, removal or nullifying expenses only which are incurred after a sudden, identifiable, unexpected and unintended happening that takes place in its entirety at a specific time and place during the Period of Insurance.

- (m) for fines or penalties or for punitive, aggravated, exemplary or additional damages (including interest and costs) imposed against You.
- (n) made or actions instituted outside Australia that are governed by the laws of a foreign country.
- (o) for liability to pay for Personal Injury or Property Damage, or any consequential loss arising therefrom, caused by or arising directly or indirectly out of or in connection with the actual or alleged use or presence of asbestos or in any way involving asbestos or asbestos contained in any materials in whatever form or quantity.

Special conditions

1. Strata Community Manager defence

If a claim is made jointly against You and Your Strata Community Manager solely by virtue of their relationship with You, We will treat Your Strata Community Manager as though they were You.

► We will not indemnify Your Strata Community Manager if their joining in the claim is attributable to a negligent or wrongful act, error or omission of theirs when acting in a professional capacity, including but not limited to performance of their obligations with respect to any management agreement or other contractual arrangement they may have in place with You.

2. Adjoining Property Extension

Section 2 is extended to include Your liability for any part of Your Insured Property that overhangs and/or infringes adjoining public or private property subject to all other Policy terms, conditions, limits and exclusions.

Special definitions

The words listed below have been given a specific meaning and apply to **Section 2** when they begin with a capital letter.

Occurrence

means an Event, including continuous or repeated exposure to substantially the same general conditions, that results in Personal Injury or Property Damage neither expected nor intended to happen by You.

Personal Injury

means:

- (a) bodily injury (including death and illness), disability, fright, shock, mental anguish or mental injury;
- (b) false arrest, wrongful detention, false imprisonment or malicious prosecution;
- (c) wrongful entry or eviction or other invasion of the right of privacy;
- (d) a publication or utterance of defamatory or disparaging material;
- (e) assault and battery not committed by You or any Lot Owner or at Your or their direction unless committed for the purpose of preventing or eliminating danger to person or property.

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.

Property Damage

means:

- (a) physical damage to or destruction of tangible property including its loss of use following such physical damage or destruction; or
- (b) loss of use of tangible property that has not been physically damaged or destroyed provided that the loss of use has been caused by an Occurrence,

that happens during the Period of Insurance anywhere in Australia

SECTION 3

VOLUNTARY WORKERS

What We cover

We will pay to a Voluntary Worker, or that person's estate, the compensation detailed in **Section 3** in the event of such Voluntary Worker sustaining bodily injury:

- (a) whilst voluntarily engaged in work on Your behalf; and
- (b) caused solely and directly by violent, accidental, external and visible means; and
- (c) which, independently of any other cause results in the following insured benefits.

Benefits

1. Accidental Death:	\$300,000		
2. Total and irrecoverable loss of all sight in both eyes:	\$300,000		
3. Total and permanent loss of the use of both hands or of the use of both feet or the use of one hand and one foot:	\$300,000		
4. Total and permanent loss of the use of one hand or of the use of one foot:	\$150,000		
5. Total and irrecoverable loss of all sight in one eye:	\$150,000		
6. Total Disablement from engaging in or attending to usual profession, business or occupation – in respect of each week of Total Disablement a weekly benefit of:	\$2,000	7. Partial Disablement from engaging in or attending to usual profession, business or occupation – in respect of each week of Partial Disablement a weekly benefit of:	\$1,000
		8. The reasonable and necessary cost of hiring or employing domestic assistance if a Voluntary Worker is totally disabled from performing:	
		(a) their usual profession, business, occupation;	
		or	
		(b) usual household activities;	
		in respect of each week of Total Disablement a weekly benefit not exceeding:	\$500
		9. The reasonable cost of travel expenses necessarily incurred at the time of, or subsequent to, the sustaining of bodily injury and not otherwise recoverable from any other source – a benefit not exceeding:	\$2,000
		10. The reasonable cost of home tutorial expenses if the Voluntary Worker is a full-time student – in respect of each week of Total Disablement a weekly benefit not exceeding:	\$250
		11. The reasonable cost of burial or cremation of a Voluntary Worker following a claim payable under benefit 1 – a benefit not exceeding:	\$5,000

Exclusions – what We do not cover

▶ 1. We will not pay:

- (a) for more than one of benefit 6 and 7 in respect of the same period of time;
- (b) under benefit 6 and 7 in respect of persons not in receipt of wages, salaries or other remuneration from their personal exertion;
- (c) under benefit 6 and 7 in excess of an aggregate of one hundred and four (104) weeks in all, in respect of any one disablement;
- (d) under benefit 8 and benefit 10 in excess of an aggregate of ten (10) weeks in all, in respect of any one disablement;
- (e) unless the results of bodily injury manifest within twelve (12) months of sustaining such bodily injury;
- (f) unless an injured Voluntary Worker will, as soon as possible after the occurrence of any bodily injury, procure and follow proper medical advice from a legally qualified medical practitioner;
- (g) for any amounts recoverable under a Medicare benefit or payable by any registered health benefits insurer;
- (h) for any fees or charges in relation to the provision in Australia of medical expenses, hospital treatment or ancillary benefits as defined by the *Health Insurance Act, 1973* (Cth) or where payment is otherwise prohibited by law.

▶ 2. We will not pay compensation in respect of claims arising out of:

- (a) illness;
- (b) attempted or intentional self injury or suicide;
- (c) attributable wholly or in part to childbirth or pregnancy, notwithstanding that miscarriage or childbirth may have been accelerated or induced by the bodily injury sustained;
- (d) a Voluntary Worker being under the influence of alcohol or any drug, other than a drug prescribed by a qualified medical practitioner.

Special conditions

1. If a Voluntary Worker becomes entitled to compensation under more than one of the benefits 1. to 5. in respect of the same bodily injury, the compensation payable will be cumulative up to one hundred percent (100%) of the compensation payable for benefit 1.
2. After the occurrence of any one of benefits 2. to 5. there will be no further liability under **Section 3** for these benefits in respect of the same Voluntary Worker.

Special definitions

The words listed below have been given a specific meaning and apply to **Section 3** when they begin with a capital letter.

Partial Disablement

means an injury which prevents a Voluntary Worker from:

- (a) carrying out a substantial part of the normal duties of such person's usual occupation, profession or business;
or
- (b) where such person engages in more than one occupation, profession or business, any of them,
as certified by a legally qualified medical practitioner.

Total Disablement

means an injury which entirely prevents a Voluntary Worker from:

- (a) carrying out all of the normal duties of such person's usual occupation, profession or business;
or
- (b) where such person engages in more than one occupation, profession or business, all of them,
as certified by a legally qualified medical practitioner.

SECTION 4 WORKERS COMPENSATION

What We cover

When Your Schedule shows **Section 4** is selected, cover is provided for Your legal liability under the applicable workers compensation legislation of the State or Territory where Your Insured Property is situated. Workers compensation cover is provided under a separate policy and is subject to the terms and conditions of that policy.

Special provision

When **Section 4** is shown on the Schedule as selected cover is provided by:

Allianz Australia Insurance Limited in the Australian Capital Territory, Northern Territory, Western Australia and Tasmania.

We do not cover

- ▶ Workers Compensation in South Australia, Queensland, New South Wales or Victoria.

SECTION 5 FIDELITY GUARANTEE

What We cover

We will indemnify You, in respect of fraudulent misappropriation of Your Funds committed during the Period of Insurance, up to:

- (a) the Sum Insured shown on the Schedule for **Section 5**.
- (b) \$5,000 for the cost of fees payable to external auditors that are reasonably and necessarily incurred to support a valid claim.

Exclusions – what We do not insure

▶ We will not pay for:

- (a) any fraudulent misappropriation unless and until You have exhausted Your rights and entitlements to payment pursuant to any other fidelity bond or fidelity fund of whatsoever nature that might exist pursuant to any law;
- (b) any fraudulent misappropriation committed after the initial discovery of loss;
- (c) any losses arising out of fraudulent misappropriation committed prior to the commencement of **Section 5**;
- (d) any claims arising out of losses discovered more than twelve (12) months after the expiry of **Section 5**.

SECTION 6

OFFICE BEARERS LIABILITY

This Office Bearers Liability section is issued on a 'Claims made and notified basis'. This means **Section 6** responds to Claims first made against You during the Period of Insurance and notified to Us during that same period.

In the event of a Claim under this **Section 6**, You should always contact Us for approval before You incur costs You wish to claim. If You do not, We will pay for costs incurred up to the amount We would have authorised had You sought approval from Us first.

What We cover

1. We will pay up to the Sum Insured as shown on the Schedule:

- (a) (i) on Your behalf, all Loss for which You are not indemnified by Your Strata Community;
 - (ii) on behalf of Your Strata Community, all Loss for which they grant indemnification to You, as permitted or required by law, or for which Your Strata Community is vicariously liable at law;
- arising from any Claim first made against You individually or otherwise, or against Your Strata Community Manager while acting as an Office Bearer, during the Period of Insurance; and
- (b) reported to Us during the Period of Insurance,
- provided that Claims which do not comply with all of (a) and (b) above are not, other than as provided under **Special Condition 1** of **Section 6**, the subject of this insurance or any indemnity.

2. Defence costs

We agree that in relation to any Claim under **Section 6**:

- (a) where indemnity has been confirmed by Us in writing, We will advance Defence Costs arising from such Claim;
- (b) where indemnity has not been confirmed by Us in writing, We will:
 - (i) where We elect to conduct the defence or settlement of such Claim, pay Defence Costs arising from such Claim; or
 - (ii) in any other case, We may at Our discretion advance the Defence Costs arising from such Claim.

In the event the Claim is withdrawn or that indemnity under **Section 6** is subsequently withdrawn or denied We will cease to advance Defence Costs and You will refund any Defence Costs advanced by Us to the extent that We are satisfied that You were not entitled to such Defence Costs, unless We agree in writing to waive recovery of such Defence Costs.

3. Reinstatement of the Sum Insured

When We have paid a Claim under **Section 6** and the limit of the Sum Insured for the Period of Insurance is exhausted, We will reinstate the Sum Insured once only to the amount that is shown on the Schedule, subject to Our right to charge reasonable additional Premium.

- ▶ This reinstatement shall not apply to:
 - (a) any Claim, fact or circumstance that should have been or could have been notified to Us during the preceding Period of Insurance of **Section 6** or under an earlier Office Bearers Liability section issued by Us;
 - (b) any Claim notified to Us for which a Loss payment has not been made;
 - (c) any existing Claim on which a Loss payment has been made including any subsequent Claim that may arise from the same Event.

4. Total limit of Our liability

The maximum We will pay for all Claims in respect of any one Period of Insurance is:

- (a) the Sum Insured shown on the Schedule for **Section 6**; and
 - (b) when We have reinstated Your cover under **Insuring Clause 3** an additional amount equal to that Sum Insured,
- inclusive of claimant's costs and expenses and Defence Costs incurred by Us.

Exclusions – what We do not cover

► We will not pay for:

1. Claims arising from any facts or circumstances that You knew of prior to or at the commencement of **Section 6**, or that a reasonable person in the circumstances could be expected to know, that may give rise to a Claim against You.
2. Claims brought about or contributed to by any dishonest or fraudulent, criminal or malicious act or omission of Yours or of any person at any time employed by You.

However this exclusion does not apply to:

- (a) any party or entity not committing or condoning any such act or omission; and
- (b) the costs incurred by You in successfully defending any Claim or suit made against You.

3. Claims for death, bodily injury, sickness, disease, or damage to property.

However this exclusion will not apply to Loss or Damage to Documents that are Your property, or entrusted to You, or costs and expenses incurred by You in replacing or restoring such Documents.

4. Claims resulting from Your intentional decision not to effect and maintain insurances as required by the Strata Schemes Management Act, Strata Titles Act, Community Titles Act, Company Titles Act or similar legislation applying where the Insured Property is situated.
5. Claims arising out of publication or utterance of a libel or slander or other defamatory or disparaging material.
6. fines, penalties, punitive or exemplary or aggravated damages or any additional damages resulting from the multiplication of compensatory damages.
7. You gaining or having gained any personal profit or advantage to which You are not legally entitled or for which You may be held accountable to Your Strata Community or any individual Member thereof.
8. any money or gratuity given to or taken by You without authorisation by Your Strata Community where such authorisation is necessary pursuant to the articles of Your Strata Community or prescribed law.

9. Claims arising from a conflict of duty or interest of Yours.
10. any intentional exercise of power by You where the exercise of that power is for a purpose other than the purpose for which such power was conferred by the articles of Your Strata Community.
11. any Claim made or threatened or in any way intimated on or before the commencement date specified on the Schedule, except as otherwise provided in **Special Condition 1** of **Section 6**.
12. Claims first notified to Us after the expiry of **Section 6**, except as otherwise provided in Insuring Clause 1.(b).
13. Claims brought against Your Strata Community Manager or any other contracted person(s), firm or company when acting in their professional capacity, except as otherwise provided in Insuring Clause 1.(a).
14. Claims brought against You in a court of law outside Australia.

Special conditions

1. Continuous cover

We agree that if there is a fact or circumstance that should have been or could have been notified to Us during the preceding Period of Insurance of **Section 6** or under an earlier office bearers liability cover issued by Us, We will accept the notification of such fact or circumstance under **Section 6** subject to the following provisos:

- (a) We have continuously been the insurer in respect of office bearers liability cover between the date when such notification should have been given and the date when such notification was in fact given; and
- (b) the terms and conditions applicable to this **Special condition 1** and to that notification will be the terms and conditions, including the Sum Insured and Excess, applicable to **Section 6** current at the time when the notification could or should have been made.

2. Excess

Whenever an Excess is shown on the Schedule, You have to pay or contribute the stated amount for each Claim covered under this **Section 6**.

If more than one person or entity makes a Claim for the same Wrongful Act, that is deemed to be a single Claim for the purpose of application of the Excess.

Only one Excess is payable for Claims arising from the one originating cause or source.

3. Jurisdiction

Any dispute arising out of or under **Section 6** will be subject to the laws of Australia.

4. Reporting and notice

A Claim will be considered to have been first reported to Us at the time You first give written notice to Us that a Claim has been made against You for such Wrongful Act.

5. Settlement

If You refuse to consent to any settlement recommended by Us and elect to continue any legal proceedings in connection therewith, Our liability for the Claim will not exceed the amount for which the Claim was recommended to be settled for including the costs and expenses incurred up to the date of such refusal.

6. Severability and non-imputation

We agree that where **Section 6** insures more than one party, any conduct on the part of any party or parties whereby such party or parties:

- (a) failed to comply with the duty to take reasonable care not to make a misrepresentation in terms of the *Insurance Contracts Act 1984* (Cth); or
- (b) failed to comply with any terms or conditions of **Section 6**,

will not prejudice the rights of the remaining party or parties to indemnity as may be provided by **Section 6**, subject to the following provisos:

- (i) such remaining party or parties be entirely innocent of and have no prior knowledge of any such conduct; and
- (ii) as soon as is reasonably practicable upon becoming aware of any such conduct advise Us in writing of all known facts in relation to such conduct.

7. Subrogation

When We admit a Claim under **Section 6** We will, subject to the *Insurance Contracts Act 1984* (Cth), be subrogated to all Your rights of recovery against all persons or organisations and You will take reasonable steps to execute and deliver instruments and papers and to do all that is necessary to assist Us in the exercise of such rights.

Special definitions

The words listed below have been given a specific meaning and apply to **Section 6** when they begin with a capital letter.

Claim, Claims

means:

- (a) a written or verbal allegation of any Wrongful Act; or
- (b) a civil proceeding commenced by the service of a complaint, summons, statement of claim or similar pleading alleging any Wrongful Act; or
- (c) a criminal proceeding commenced by a summons or charge alleging any Wrongful Act.

Defence Costs

means costs, charges and expenses (other than Your fees, salaries or salaries of Your employees) incurred by Us or with Our written consent (such consent not to be unreasonably withheld):

- (a) in the investigation, defence, monitoring or settlement of any Claim or proceedings and appeals therefrom together with the costs of appeal;
- (b) in the legally compellable attendance by an Office Bearer at any official investigation into the affairs of Your Strata Community.

Documents

means deeds, wills, agreements, maps, plans, records, books, letters, certificates, forms and documents of any nature whether written, printed or reproduced by any other method but does not include currency notes or negotiable instruments of any kind.

Loss

means the amount payable in respect of a Claim made against You for a Wrongful Act and will include damages, judgements, settlements, orders for costs and Defence Costs.

Office Bearer

means:

- (a) a person or other entity appointed by Your Strata Community to act as an officer or member of a committee or council of the Strata Community;
- (b) a Strata Community Manager acting in the capacity of an officer or member of a committee or council of the Strata Community;
- (c) a person invited by an officer or member of a committee or council of the Strata Community to assist in the management of Your Strata Community affairs;

but does not include a Strata Community Manager or any other contracted person(s), firm or company when acting in their professional capacity.

Wrongful Act

means any error, misstatement, act or omission, or neglect or breach of duty made, committed, attempted or allegedly made, committed or attempted by You or any matter claimed against You solely by reason:

- (a) of You serving as an Office Bearer; or
- (b) as an Office Bearer on a related building management committee provided at the time of serving as an Office Bearer on that committee You are also an Office Bearer of Your Strata Community.

Where any such Wrongful Act results in more than one Claim covered by Us under this or another Policy, all such Claims will jointly constitute one Loss and be deemed to have originated in the earliest Period of Insurance in which any of such Wrongful Acts is first reported to Us.

SECTION 7 MACHINERY BREAKDOWN

In the event of Insured Damage under **Section 7**, You should always contact Us for approval before You incur costs You wish to claim. If You do not, We will pay for costs incurred up to the amount We would have authorised had You sought approval from Us first.

What We cover

This Section contains **Parts A** and **B** that provide cover against the following Events that occur during the Period of Insurance.

SECTION 7: PART A

1. We will pay up to the Sum Insured shown on the Schedule for **Section 7**, against Insured Damage to an Insured Item on the basis set out in "Claims – basis of settlement", including the cost of:
 - (a) (i) expediting repair including overtime working;
 - (ii) express or air freight on recognised / scheduled services;
 - (iii) replacing oil and refrigerant gas from air-conditioning units or refrigeration units;
 - (iv) hiring a temporary replacement item where such cost is necessary to maintain a vital service of Yours;and provided that the Insured Item is:
 - (b) (i) contained at Your Situation; and
 - (ii) is in the ordinary course of working at the time Insured Damage occurs.

SECTION 7: PART B

Cover under **Part B** applies to You and Lot Owners. The combined total amount We will pay under **Part B** arising out of any one Event that is admitted as a claim under **Section 7** is limited to twenty percent (20%) of the Sum Insured for **Section 7** or such other percentage as We may agree in writing. The following benefits 1 – 3 of **Part B** are included in addition to the Sum Insured for **Section 7**.

1. Rent

When the Common Area or a Lot has been leased out, or can be substantiated by means of a signed agreement or other reasonable evidence that the Common Area or Lot would have been leased out but for the Loss or Damage We will pay You and/or the Lot Owner for the Rent that is lost or would have been lost if Insured Damage occurs and the Common Area or Lot is made unfit to be occupied for its intended purpose by Insured Damage that is admitted as a claim under **Section 7**.

We will pay:

- (a) from the time of the Insured Damage until the time the Common Area or Lot is relet following completion of repairs or replacement provided You or they demonstrate that all reasonable actions have been taken to obtain a new Tenant; or
- (b) the amount of any reasonable rental rebate that is negotiated with an existing Tenant following the happening of Insured Damage until completion of repairs or replacement.

► When the Insured Damage to Your Insured Item is repaired or replaced, We will only pay up to a maximum of three (3) months following the completion of the repair or replacement.

2. Temporary accommodation

When a Lot Owner occupies their Lot We will pay the reasonable cost of Temporary Accommodation they necessarily incur if their Lot is made uninhabitable by Insured Damage that is admitted as a claim under **Section 7**.

We will pay from the time of the Insured Damage until the time they are able to reoccupy their Lot following completion of repairs or replacement.

►When the Insured Damage to Your Insured Item is repaired or replaced, We will only pay up to a maximum of three (3) months following the completion of the repair or replacement.

3. Emergency accommodation

When a Lot is occupied by a Lot Owner or Tenant for residential purposes We will pay:

- (a) the Lot Owner; and/or
- (b) the Tenant named on the lease, rental or similar type agreement;

up to \$2,500 a Lot, irrespective of the number of people occupying the Lot, for the reasonable cost of emergency accommodation necessarily incurred in circumstances where two (2) or more Lots are made uninhabitable due to Insured Damage to Your Insured Item that is admitted as a claim under **Section 7**.

Exclusions – what We do not cover

►We will not pay for:

1. Damage caused by or arising from:
 - (a) Wear and Tear, smut, smoke, soot, rust, corrosion, oxidisation or scale formation;
 - (b) Erosion, Earth Movement, sea, high water, high tide, Storm Surge, tidal wave, or Flood;
 - (c) an Event that is claimable under **Section 1**;
 - (d) chipping, scratching or discolouration of painted, polished or finished surfaces;
 - (e) the deterioration of any pre-existing crack, fracture, blister, lamination, flaw or grooving that had not previously penetrated completely through the entire thickness of the material of the Insured Item, notwithstanding that repair or renewal of the part affected may be necessary either immediately or at some future time, except where caused by Insured Damage and You did not know or should not reasonably have known of the pre-existing condition;
 - (f) the wearing away or wasting of material caused by or naturally resulting from atmospheric conditions or ordinary use;
 - (g) the tightening of loose parts, recalibration or adjustments; or
 - (h) the carrying out of tests involving abnormal stresses or the intentional overloading of any Insured Item.
2. Damage to:
 - (a) glass, porcelain or ceramic components;
 - (b) defective tube joints or other defective joints or seams;
 - (c) any valve fitting, shaft seal, gland packing joint or connection except where caused directly by Insured Damage;
 - (d) foundations, brickwork, and refractory materials forming part of an Insured Item;
 - (e) television, video or audio equipment other than security system equipment;
 - (f) expendable items such as electrical and electronic glass bulbs, tubes, lamps and x-ray tubes;
 - (g) electrical contacts, fuses, heating elements, commutators, slip rings, conducting brushes, thermal expansion (TX) valves, thermostats, microprocessor and/or controller units, protective and controlling devices, over-loads, chains, belts, ropes, tyres, pressure switches, bearings, valves, valve plates, filters and dryers;
 - (h) computers, telecommunication transmitting and receiving equipment, Electronic Data processing equipment, electrical office machines, coin operated machines, gaming machines, storage tanks and vats, stationery and mobile pressure vessels containing explosive gases, mobile machinery, ducting, reticulating electrical wiring, water and gas piping and all other plant and equipment not owned by You; or
 - (i) plant that has been hired or is on loan unless We specifically agree in writing.
3. Consequential loss of any kind other than that which is specifically stated. This means We don't cover You for anything not expressly described in the cover sections of this Policy. Some examples of what We won't pay for include loss of use or Depreciation.
4. Damage caused by the application of any tool or process in the course of maintenance, inspection, repair, alteration, modification or overhaul.
5. Damage occurring during installation or erection other than the dismantling, movement and re-erection for the purpose of cleaning, inspection, repair or installation in another position within the Situation.
6. Damage that is claimable from any manufacturer, supplier, engineer or other person under the provisions of any maintenance or warranty agreement.
7. Loss of oil, liquid or gas resulting from leakage from glands, seals, gaskets, joints or from corroded, pitted or deteriorated parts.
8. The cost of converting refrigeration/air-conditioning units from the use of CFC (chlorofluorocarbon) refrigerant gas to any other type of refrigerant gas.

Claims – basis of settlement

We will at Our option (acting reasonably) repair or replace the Insured Item or pay for the cost of same to a condition equal to but not better or more extensive than its condition immediately before the Insured Damage.

We will not make any deduction for Depreciation in respect of parts replaced.

We will not pay for the cost of any alterations, additions, improvements, modifications or overhauls.

Where components or manufacturers' specifications are no longer available due to obsolescence, the basis of settlement will be the cost of providing alternative suitable components equal to but not better or more extensive than the original component being substituted.

Special conditions

1. Excess

Whenever an Excess is shown on the Schedule, You have to pay or contribute the stated amount for each loss arising out of or consequent upon that Event.

2. Claims Preparation Costs

We will pay up to \$10,000 for the reasonable costs and other expenses You necessarily incur with Our prior written consent in the preparation of a claim under **Section 7**.

Special definitions

The words listed below have been given a specific meaning and these specific meanings apply to **Section 7** when the words begin with a capital letter.

Insured Damage

means sudden and accidental physical Loss or Damage to the Insured Item that occurs during the Period of Insurance and requires repair or replacement to allow continuation of use.

Insured Item

means:

- (a) lifts, elevators, escalators, inclinator and car stackers provided they are subject to a current comprehensive maintenance agreement;
- (b) all other electrical, electronic and mechanical machinery, boilers and pressure vessels and similar plant,

providing they form part of Your Insured Property or its services.

SECTION 8 CATASTROPHE INSURANCE

What We cover

SECTION 8: PART A

We will pay up to the Sum Insured shown on the Schedule for **Section 8**, against the unforeseen increase in the cost of Replacement of Your Insured Property if it is destroyed, or We declare it a Constructive Total Loss, following Loss or Damage admitted as a claim under **Section 1** due to:

- (a) the happening of a Catastrophe; or
- (b) another Event that occurs not later than sixty (60) days after a Catastrophe, provided Your Insured Property has been continuously insured with Us for that period.

SECTION 8: PART B

Cover for benefits 1 to 4 of **Part B** applies to You and Lot Owners. The total amount We will pay under benefits 1 to 4 of **Part B** of **Section 8** is limited to twenty percent (20%) of the Sum Insured for **Section 8** as shown on Your Schedule, or such other percentage as We may agree in writing.

Benefits 1 to 4 are included in addition to the Sum Insured for **Section 8** and apply when Loss or Damage occurs that is covered under **Section 8**.

1. Rent

When the Common Area or a Lot has been leased out, or can be substantiated by means of a signed agreement or other reasonable evidence that the Common Area or Lot would have been leased out but for the Loss or Damage, We will pay You the Rent that is lost or would have been lost if the Common Area or Lot is unfit to be occupied for its intended purpose due to the happening of Loss or Damage covered under **Section 8 - Part A**.

We will pay from the time indemnity provided under benefit 1.(a) of **Part B** of **Section 1** is expended until the time Your Lot or Common Area is relet following completion of rebuilding, replacing or repairing provided You demonstrate that all reasonable actions have been taken to relet the Common Area or Lot.

▶ When the Loss or Damage to Your Insured Property is not rebuilt, replaced or repaired, We will only pay for the time it would have reasonably taken to rebuild, replace or repair Your Common Area or Lot up to a maximum of twelve (12) months.

2. Temporary accommodation

When You occupy Your Lot We will pay the reasonable cost of Temporary Accommodation You necessarily incur if Your Lot is made uninhabitable due to the happening of Loss or Damage covered under **Section 8 - Part A**.

We will pay from the time indemnity provided under benefit 1.(b) of **Part B** of **Section 1** is expended until the time You are able to reoccupy Your Lot following completion of rebuilding, replacing or repairing.

▶ When the Loss or Damage to Your Insured Property is not rebuilt, replaced or repaired, We will only pay for the time it would have reasonably taken to rebuild, replace or repair Your Common Area or Lot up to a maximum of twelve (12) months.

3. Removal, storage

We will pay for the costs You necessarily incur in:

- (a) removing any undamaged portion of Your Insured Property to the nearest place of safe keeping;
- (b) storing the undamaged portion at that place or an equivalent alternate place;
- (c) returning such undamaged portion to Your Situation when restoration work is completed;
- (d) insuring Your undamaged Insured Property during such removal, storage and return.

4. Evacuation costs

When You occupy Your Lot for residential purposes We will pay Evacuation Costs necessarily incurred by You, or any person or persons permanently residing with You, following an order issued by a public or statutory authority or body, entity or person so empowered by law, to evacuate Your Lot.

Claims – basis of settlement

Following Loss or Damage covered under **Section 8 – Part A**, the unforeseen increase in the cost of Replacement is calculated as the difference between the actual cost of Replacement and the greater of either:

- (a) the cost for Replacement of Your Insured Property immediately prior to the Loss or Damage; or
- (b) the Sum Insured for **Section 1 - Part A** in force at the time of the Loss or Damage.

Special provisions

1. No payment will be made under **Section 8** until such time as the unforeseen increase in the cost of Replacement is calculated in accordance with "Claims – basis of settlement".
2. In certifying the cost of Replacement of Your Insured Property at the time immediately prior to the Loss or Damage covered under **Section 8 – Part A** the qualified valuer, loss adjuster or other suitably qualified person will use as the basis of certification:
 - (a) the definition of Replacement in this Policy;
 - (b) benefits covered under **Section 1 – Part A**; and
 - (c) relevant building industry standards and cost of materials guides.
3. After any difference or dispute arises under the Policy relating to calculations for purposes of the "Claims – basis of settlement" provision in **Section 8** You and We may or may not choose to enter into a separate agreement to refer the matter to the President of the Australian Property Institute Inc. who will appoint a specialist qualified valuer. The valuer's decision will, if both You and We so agree, be final and binding. The valuer will also if both You and We agree decide as to payment of the costs of such referral.

Special conditions

Terms and conditions

Section 8 is subject to the same terms, conditions and exclusions as **Section 1** and General exclusions except as they may be expressly varied herein.

Special definitions

The words listed below have been given a specific meaning and apply to **Section 8** when they begin with a capital letter.

Catastrophe

means an Event declared by the Insurance Council of Australia to be a catastrophe.

Evacuation Costs

means costs necessarily incurred for transport to the designated place of evacuation and to Your Situation from the place of evacuation to resume permanent residency.

SECTION 9

GOVERNMENT

AUDIT COSTS AND

LEGAL EXPENSES

In the event of a claim under this **Section 9**, You should always contact Us for approval before You incur costs You wish to claim. If You do not, We will pay for costs incurred up to the amount We would have authorised had You sought approval from Us first.

SECTION 9: PART A

Government audit costs

What We cover

1. We will pay up to the Sum Insured shown on the Schedule for **Section 9 – Part A** for Professional Fees You reasonably incur with Our written consent in connection with an Audit first notified to You verbally or in writing during the Period of Insurance.

We will not pay more than the Sum Insured for:

- (a) any Audit first notified to You during the Period of Insurance including any such Audit notified but not finalised until a subsequent Period of Insurance;
 - (b) all Audits notified to You in any one Period of Insurance.
2. We will pay up to \$1,000 in any one Period of Insurance for Professional Fees You reasonably incur with Our written consent in connection with a Record Keeping Audit.

Exclusions – what We do not cover

- ▶ 1. We will not pay for Professional Fees:
 - (a) if prior to the commencement of the Period of Insurance You, or any person acting on Your behalf:
 - (i) received any notice of a proposed Audit;
 - (ii) had information that an Audit was likely to take place; or
 - (iii) had information that would indicate to a reasonable person that an Audit was likely to take place.
 - (b) if a return, or a document required to be lodged in relation to an Audit, has not been lodged:
 - (i) at all;
 - (ii) properly; or
 - (iii) by the due date.
 - (c) for any Audit that is conducted specifically for the purposes of determining if a fine, penalty or prosecution should be imposed in connection with:
 - (i) any act or omission by You; or
 - (ii) any failure, act or omission arising from or in connection with Your statutory obligations.
 - (d) charged by someone other than a Professional Adviser unless We have given Our prior written consent.
 - (e) relating to the Audit of Your taxation and financial affairs unless the return is first lodged:
 - (i) during the Period of Insurance; or
 - (ii) not more than twelve (12) months prior to the original commencement date of **Section 9**; or
 - (iii) relates to a return for a financial year not more than three (3) years prior to the date You receive notification of an Audit.

- (f) relating to an Audit if You fail to comply with any requirement or obligation imposed upon You by any relevant legislation if a return in relation to the Audit was not prepared or reviewed by Your Professional Adviser prior to dispatch.
 - (g) to the extent We are prejudiced by You breaching any conditions in this Policy, including if You fail to take reasonable steps to comply with any requirement imposed by any relevant legislation or fail to do what You must do if You intend to make a claim or You make a claim.
- ▶ 2. We will not under any circumstances pay for the cost of:
- (a) any fines, penalties, interest or adjustment of tax, additional tax, duty, government impost or similar charges.
 - (b) any review pertaining to You maintaining any industry status, licence, membership or compliance with any employee related legislation or regulations.
 - (c) the gathering of data or information by any government, statutory body, authority or agency that is not directly part of an Audit.

Special conditions

1. You must:

- (a) make all efforts to comply with the relevant legislation, procedures and guidelines issued by the Australian Taxation Office, or Commonwealth, State or Territory Department, statutory body or agency in relation to the maintenance of records, books and documents;
- (b) lodge taxation and other statutory returns within the prescribed time limits or if an extension is granted within the further period granted;
- (c) upon becoming notified of an Audit or impending Audit promptly inform Strata Community Insurance by telephone, in writing or in person;
- (d) obtain Strata Community Insurance's written approval before engaging a Professional Adviser, other than Your accountant, and notify them of all Professional Fees Your accountant proposes to charge. Please contact Us to confirm approval for these costs.

2. An Audit:

- (a) commences at the time You first receive notice that an Auditor proposes to conduct an Audit; and
- (b) is completed when:
 - (i) the Auditor has given written notice to that effect; or
 - (ii) the Auditor notifies You that it has made a Final Decision of a Designated Liability; or
 - (iii) when the Auditor has issued an assessment or amended assessment of a Designated Liability.

SECTION 9: PART B

Appeal expenses – health and safety breaches

What We cover

We will pay up to the Sum Insured shown on the Schedule for **Section 9 – Part B** for Appeal Expenses You necessarily incur with Our consent in appealing against:

- (a) an improvement or prohibition notice issued to You under any workplace, occupational health, safety or similar legislation applying where Your Insured Property is situated; or
- (b) a determination made against You by a review committee, arbitrator, tribunal or court under any workplace occupational health, safety or similar legislation applying where Your Insured Property is situated.

▶ We will not pay:

- (a) unless any such notice or determination is first made or first brought against You during the Period of Insurance and You report it to Us during that same period.
- (b) more than the Sum Insured for **Section 9 Part B** for:
 - (i) any notice or determination first made or first brought against You during the Period of Insurance including any such notice or determination not finalised until a subsequent Period of Insurance;
 - (ii) all notices and determinations first notified or made in any one Period of Insurance.
- (c) in respect of any improvement or prohibition notice unless it arises out of Your failure to provide and maintain so far as is reasonably practicable:
 - (i) a safe working environment;
 - (ii) a safe system of work;
 - (iii) plant and substances in a safe condition; or
 - (iv) adequate facilities of a prescribed kind for the welfare of Your employees.

SECTION 9: PART C

Legal defence expenses

What We cover

We will pay up to the Sum Insured shown on the Schedule for **Section 9 – Part C** for Legal Defence Expenses You necessarily incur with Our written consent in connection with litigation arising out of a claim first made or first brought against You:

- (a) in connection with Your ownership of Your Common Area and Insured Property;

- (b) under the *Competition and Consumer Act 2010* (Cth) or under any other consumer protection legislation;
- (c) arising out of any dispute with an employee, former employee or prospective employee:
 - (i) concerning the terms and conditions of their contract of employment or alleged contract of employment with You;
 - (ii) leading to civil or criminal proceedings under any race relations, sexual discrimination or any other Australian anti-discrimination Legislation.

Legal Defence Expenses associated with any appeal which We consent to or which We bring under **Special condition 1** are included in the Sum Insured for **Part C** for the Period of Insurance in which the claim under appeal was first made or brought against You.

► We will not pay:

- (a) unless:
 - (i) any such claim is first made or first brought against You during the Period of Insurance;
 - (ii) You report it to Us during the Period of Insurance; and
 - (iii) We agree there are reasonable grounds for the defence of any such claim.
- (b) more than the Sum Insured for **Part C** for:
 - (i) any claim first made or first brought against You during the Period of Insurance including any such claim not finalised, or appeal not brought or finalised, until after the Period of Insurance has expired;
 - (ii) all claims first made or first brought against You in any one Period of Insurance and any appeals in relation to those claims.

Excess and Contribution

For each and every claim made or brought against You, You must pay:

- (a) by way of Excess - the amount shown on the Schedule; plus
- (b) by way of Contribution - the percentage shown on the Schedule.

Examples based on a Sum Insured of \$50,000:	(1)	(2)	(3)
Cost of Legal Expenses	\$20,000	\$50,000	\$80,000
less Your Excess (e.g. \$1,000)	\$1,000	\$1,000	\$1,000
Net fees after the deduction of the Excess	\$19,000	\$49,000	\$79,000
less Your Contribution (e.g. 10% of the net fees)	\$1,900	\$4,900	\$7,900
Amount claimable (*Sum Insured limit)	\$17,100	\$44,100	\$50,000*

Exclusions – what We do not cover under Part C

- 1. We will not pay Legal Defence Expenses for any claim:
 - (a) that You have defended without Our written consent;
 - (b) that You have defended contrary to or in a different manner from that advised by the Appointed Representative, to the extent that any additional Legal Defence Expenses are incurred as a result;
 - (c) where cover is available to You within any other section of this Policy or would have been available but for the operation of any clause limiting or excluding cover, even if You did not purchase that cover;
 - (d) arising from circumstances that You knew of prior to the commencement of **Section 9**, or that a reasonable person in the circumstances could be expected to know, to be circumstances that may give rise to a claim against You;
 - (e) arising from a deliberate act, including a deliberate act of fraud or dishonesty, on Your part if a judgment or other final adjudication adverse to You establishes that such act was committed or attempted by You with actual dishonest purpose or intent and was material to the cause of action so adjudicated;
 - (f) between You and Us including Our Directors, employees or agents;
 - (g) that involves a conflict of duty or interest of Yours; or
 - (h) made or threatened or in any way intimated on or before the commencement date shown on the Schedule.
- 2. We will not pay for:
 - (a) the cost of litigation or proceedings initiated by You;
 - (b) the payment of any compensation or damages of any kind; and
 - (c) Legal Defence Expenses associated with any appeal unless the claim under appeal was first made or brought against You during the Period of Insurance.

Special conditions

1. Appeal procedure

If You are dissatisfied with any decision made by a court or tribunal and wish to appeal against that decision, You must:

- (a) make a further written application to Us for Our written consent at least five (5) clear business days prior to the expiry of the time for instituting an appeal; or
- (b) if the time allowed by law to appeal is less than five (5) clear business days, You must advise Us as soon as practicable.

Your application or advice must state the reasons, as fully as possible, for making an appeal.

If We are dissatisfied with any decision made by a court or tribunal and wish to appeal that decision You must reasonably cooperate with Us in the bringing of such an appeal. In this event We will pay all costs involved.

2. Bill of costs

You must forward Us all bills of costs or other communications relating to fees and expenses as soon as practicable after receipt by You. If requested by Us, You will instruct the Appointed Representative to submit the bill of costs for taxation or adjudication by any relevant professional body, court or tribunal.

You must not without Our written approval enter into any agreement with the Appointed Representative as to the level of fees and expenses to be charged. Further You must not represent to the Appointed Representative that all fees and expenses charged to Your account are insured by this Policy.

3. Consent

We will not be liable to indemnify You unless You have first obtained Our specific written consent to incur Legal Defence Expenses in the defence of any claim made or brought against You. Please contact Us to confirm consent to these Legal Defence Expenses. The granting of any such consent will not be unreasonably withheld.

4. Information to be given to the Appointed Representative

You will at all times and at Your own expense give to the Appointed Representative all such information and assistance as reasonably required. You will take reasonable steps to ensure that You give a complete and truthful account of the facts of the case, supply all documentary and other evidence in Your possession relating to the claim, obtain and sign all documents required to be obtained and signed and attend any meetings or conferences when requested.

5. Jurisdiction

Any dispute arising out of or under **Section 9** will be subject to the laws of Australia.

6. Nomination of Appointed Representative

You may request Us to nominate a solicitor to act as Your Appointed Representative or if You elect to nominate Your own solicitor to act as the Appointed Representative, You must submit the name and address of that solicitor to Us. We may accept or refuse such nomination and We cannot unreasonably withhold Our consent.

After any difference or dispute arises under the Policy relating to the nomination of an Appointed Representative You and We may or may not choose to enter into a separate agreement to refer the matter to the President of the Law Society within Your State to nominate an

Appointed Representative. During this period We will be entitled but not bound to instruct an Appointed Representative on Your behalf if We consider it necessary to do so to safeguard Your immediate interests. The decision of the President of the Law Society within Your State will, if both You and We so agree, be final and binding. In all cases the Appointed Representative will be appointed in Your name and will act on Your behalf.

7. Offer of settlement

You must inform Us as soon as reasonably possible if You receive an offer to settle a claim. If You do not, We may reduce or deny Your claim to the extent We are prejudiced by Your delay. If such offer of settlement is, in Our judgment, considered to be fair and reasonable and You withhold Your agreement to such a settlement and elect to continue legal proceedings Our liability will not exceed the amount of Legal Defence Expenses incurred up to the date of such settlement offer.

Further if You refuse a recommendation by the Appointed Representative to settle a claim and elect to continue legal proceedings, Our liability will not exceed the amount of Legal Defence Expenses incurred up to the date of such refusal.

8. Our access to the Appointed Representative

You will do all things reasonably necessary to allow Us to obtain from the Appointed Representative any information, report, documents or advice relating to the claim. However You will not be prejudiced if the Appointed Representative refuses to make such information, report, documentation or advice available to Us on the grounds that to do so might prejudice Your interests in any litigation that is involved or may be commenced.

9. Recovery of Legal Defence Expenses

If You are awarded costs, You must take all reasonable steps to recover such fees and expenses for which You are indemnified by **Part C**. All such fees and expenses actually recovered will be taken into account when calculating Our liability.

10. Reporting and notice

A specific claim will be considered to have been first reported to Us at the time You first give written notice to Us of the receipt of written or oral notice from any party or entity that it is the intention of such party or entity to hold You responsible for a civil or criminal act.

11. Subrogation

In the event of a payment under **Part C** to You or on Your behalf We will, subject to the *Insurance Contracts Act 1984* (Cth), be subrogated to all Your rights of recovery of Legal Defence Expenses against all persons or organisations and You will take reasonable steps to execute and deliver instruments and papers and to do all that is necessary to assist Us in the exercise of such rights.

Special definitions

The words listed below have been given a specific meaning and apply to **Section 9** when they begin with a capital letter.

Appeal Expenses

means legal costs, professional costs and other disbursements necessarily and reasonably incurred with Our consent in connection with a claim brought against You.

Appointed Representative

means a solicitor, barrister, assessor, consultant, investigator or other appropriately qualified person instructed to act on Your behalf in connection with any claim with respect to which Legal Defence Expenses are payable under **Section 9**.

Audit

means an audit or investigation of Your taxation and financial affairs by the Australian Taxation Office, or by a Commonwealth, State or Territory Department, statutory body or agency in relation to and following the lodgement of Your return(s), including but not limited to Business Activity Statement (BAS), Capital Gains Tax, Fringe Benefits Tax, Income Tax, Prescribed Payment and Group Tax Returns, Payroll Tax, Stamp Duty, Compliance with *Superannuation Industry Supervision Act 1993* (Cth) and Workers Compensation Returns.

Auditor

means an officer who is authorised under Commonwealth, State or Territory legislation to carry out an Audit of Your taxation or financial affairs.

Contribution

means the proportion of Legal Defence Expenses payable by You in addition to the Excess. The Contribution is payable on the net Legal Defence Expenses after deduction of the Excess.

Designated Liability

means Your obligation to pay an amount under Commonwealth, State or Territory Legislation.

Final Decision

means a written notification of the Auditors' completed views in connection with a Designated Liability and includes any written statement that is intended by the Auditor to be its findings or the basis upon which it proposes to act in connection with a Designated Liability.

Legal Defence Expenses

means the reasonable:

- (a) fees, expenses and other disbursements necessarily and fairly incurred by You through an Appointed Representative in connection with any claim brought against You including costs and expenses of expert witnesses as well as those incurred by Us in connection with any such claim;

- (b) legal fees, expenses and other disbursements necessarily and fairly incurred in appealing or resisting an appeal from the judgment or determination of a court, arbitrator or tribunal.

Professional Adviser

means:

- (a) an accountant who is a member of a nationally recognised accounting body, registered tax agent or tax consultant;
- (b) any other professional person or consultant engaged by or at the recommendation of the accountant with Our prior written approval but does not mean You or any person working for You under a contract of employment.

Professional Fees

means the reasonable and necessary fees, costs and disbursements incurred in connection with an Audit that would be payable by You to Your Professional Adviser for work undertaken in connection with an Audit, but does not mean or include fees, costs and disbursements that:

- (a) form part of an annual or fixed fee or cost arrangement; or
- (b) relate to any subsequent objection or appeal or request for review in respect of the Audit, or any assessment, amended assessment or Final Decision of the Auditor; or
- (c) were rendered by a third party in relation to which Our written consent was not obtained before those fees were incurred; or
- (d) relate to or are associated with the preparation of any accounts, financial statements or documents or to any attendance or service that would have been or would or should ordinarily or prudently have been prepared prior to or at the time that the lodgement of any return or document was required to be lodged in connection with a Designated Liability.

Record Keeping Audit

means any enquiry or investigation, other than an Audit, to determine the extent of Your compliance with the record keeping requirements of relevant legislation that You have to comply with.

SECTION 10

LOT OWNERS' FIXTURES AND IMPROVEMENTS

What We cover

When You have exhausted Your Sum Insured under **Part A of Section 1** We will pay up to the amount shown in the Schedule for **Section 10** any one Lot for:

- (a) Loss or Damage to Lot Owners' Fixtures and Improvements caused by an Event claimable under **Section 1**; and
- (b) which occurs during the Period of Insurance.

The total amount We will pay under **Section 10** arising out of any one Event that is admitted as a claim is limited to ten percent (10%) of the Sum Insured for **Section 1** or such other percentage as We may agree in writing.

Section 10 is subject to the same terms, conditions and exclusions as **Section 1** and General exclusions except as they may be expressly varied herein.

Claims – basis of settlement

If Lot Owners' Fixtures and Improvements are lost or damaged, We may choose (acting reasonably) to either replace, repair or pay the amount it would cost to replace or repair.

The amount We pay under **Section 10** will be the cost of Replacement at the time of Replacement subject to the following provisions:

- (a) the necessary work of replacing or repairing must be commenced and carried out without unreasonable delay (provided that You will not be responsible for any delay caused by Us);

- (b) if You cause unreasonable delays in commencing or carrying out replacement or repair, We will not pay any extra costs that result from that delay;
- (c) where materials used in the original construction are not readily available We will use the nearest equivalent available; and
- (d) when We choose to pay the amount it would cost to rebuild, replace or repair, We will pay You the reasonable cost to rebuild, replace or repair.

► We will not pay for any costs:

- (i) to rebuild, replace, repair, upgrade, alter or remove Your undamaged Insured Property;
- (ii) to rebuild, replace, repair, upgrade, alter or remove Illegal or Non-Compliant Installations.

Special definition

The words listed below have been given a specific meaning and apply to **Section 10** when they begin with a capital letter.

Lot Owners' Fixtures and Improvements

means any fixture or structural improvement, other than Floating Floors, installed by a Lot Owner for their exclusive use and which is permanently attached to Your Building, including any improvements made to an existing fixture or structure.

SECTION 11

LOSS OF LOT MARKET VALUE

What We cover

If during the Period of Insurance Your Insured Property suffers Loss or Damage by an Event claimable under **Section 1** and permission to rebuild is limited or restricted under an ordinance or regulation issued by a public or statutory authority We will, if the loss results in:

- (a) a total loss or Constructive Total Loss of Your Insured Property and Your Strata Community Title and all Lot Titles are terminated; or
 - (b) a partial loss resulting in some but not all Lot Titles being terminated;
- pay You the difference between:
- (i) the Market Value of the Lot(s) immediately prior to the happening of Loss or Damage; and
 - (ii) the amount calculated on the percentage that the Lot(s) entitlement bears to the total Strata Community entitlement in respect of:
 - the Sum Insured for **Section 1** on the basis of Agreed Value; and
 - the Market Value of the Strata Community land following Loss or Damage.

The total amount We will pay for all Lots shall not exceed the Sum Insured shown on the Schedule for Section 11.

Example 1

All Lots Titles are terminated:

Market Value of all Lots prior to Loss or Damage occurring	\$10,000,000
less Sum Insured payout under Section 1	\$7,000,000
less sale/value of land	\$2,000,000
net loss of Market Value	\$1,000,000

Amount recoverable if the Sum Insured under **Section 11** is:

(a) \$1,000,000 or greater	\$1,000,000
(b) \$500,000	\$500,000

Example 2

All Lots Titles are terminated:

Market Value of the individual Lots prior to Loss or Damage occurring	\$1,000,000
less Lot entitlement to Section 1	\$700,000
less Lot entitlement to sale/value of land	\$200,000
net loss of Market Value	\$100,000

Amount recoverable if the Sum Insured under **Section 11** is:

(a) \$1,000,000 or greater	\$100,000
(b) \$500,000	\$100,000

Special conditions

- Following loss no payment will be made under **Section 11** until such time as all or specific Lot Titles have been terminated and a valuation has been provided to Us detailing:
 - (a) the Market Value of Lots where Title has been terminated at the time immediately prior to Loss or Damage; and
 - (b) the Market Value of Your land after loss.
 These valuations must be certified by a specialist valuer who is registered and qualified to carry out such valuations in accordance with accepted valuation practices of the Australian Property Institute Inc.
2. After any difference or dispute arises under the Policy relating to such valuations You and We may or may not choose to enter into a separate agreement to refer the matter to the President of the Australian Property Institute Inc. who will appoint a specialist valuer who is registered and qualified to carry out such valuations in accordance with accepted valuation practices. The valuer's decision will, if both You and We so agree, be final and binding. The valuer if both You and We agree also decide as to payment of the costs of such referral.

Special definitions

Market Value

means the price reasonably obtainable for property in the general market.



**STRATA
COMMUNITY
INSURANCE**



W stratacommunityinsure.com.au

T 1300 SCINSURE (1300 724 678)

E myenquiry@scinsure.com.au



Residential
Strata



Commercial
Strata



Community
Association