



Residential Landlord Insurance

Product Disclosure Statement
(PDS) and Policy Wording



Supplementary Product Disclosure Statement (SPDS)

This **Supplementary Product Disclosure Statement (SPDS)** is dated 6th September 2022 and supplements and updates the LIGO Residential Landlords Insurance Product Disclosure Statement (PDS) and Policy wording dated 05th October 2021 provided to you and is issued by the insurers Allied World Assurance Company, Ltd (Australia Branch) (ABN 54 163 304 907) ("Allied World") and Berkshire Hathaway Specialty Insurance Company (Incorporated in Nebraska, USA. ABN 84 600 643 034). AFS Licence No 466713 ("BHSI")

The information in this SPDS should be read together with the PDS and any other applicable SPDS. These documents together with your Schedule make up the terms and conditions of your insurance contract with us. Your current Schedule outlines the cover you have chosen.

Changes to your PDS

Change 1: Your PDS is amended by deleting all the terms noted under, "Cyber Clarification" and "Electronic Data Processing Media Valuation within, For all sections – General exclusions" on page 29 and replaced with the following:

Property Cyber and Data Exclusion

1 Notwithstanding any provision to the contrary within this Policy or any endorsement thereto this Policy excludes any:

1.1 Cyber Loss;

1.2 loss, damage, liability, claim, cost, expense of whatsoever nature directly or indirectly caused by, contributed to by, resulting from, arising out of or in connection with any loss of use, reduction in functionality, repair, replacement, restoration or reproduction of any Data, including any amount pertaining to the value of such Data;

regardless of any other cause or event contributing concurrently or in any other sequence thereto.

2 In the event any portion of this exclusion is found to be invalid or unenforceable, the remainder shall remain in full force and effect.

3 This exclusion supersedes and, if in conflict with any other wording in the Policy or any endorsement thereto having a bearing on Cyber Loss or Data, replaces that wording.

Definitions

Cyber Loss means any loss, damage, liability, claim, cost or expense of whatsoever nature directly or indirectly caused by, contributed to by, resulting from, arising out of or in connection with any Cyber Act or Cyber Incident including, but not limited to, any action taken in controlling, preventing, suppressing or remediating any Cyber Act or Cyber Incident.

Cyber Act means an unauthorised, malicious, or criminal act or series of related unauthorised, malicious, or criminal acts, regardless of time and place, or the threat or hoax thereof involving access to, processing of, use of or operation of any Computer System.

Cyber Incident means:

- any error or omission or series of related errors or omissions involving access to, processing of, use of or operation of any Computer System; or
- any partial or total unavailability or failure or series of related partial or total unavailability or failures to access, process, use or operate any Computer System.

Computer System means:

- any computer, hardware, software, communications system, electronic device (including, but not limited to, smart phone, laptop, tablet, wearable device, server, cloud, or microcontroller including any similar system or any configuration of the aforementioned and including any associated input, output, data storage device, networking equipment or back up facility,

owned or operated by the Insured or any other party.

Data means information, facts, concepts, code or any other information of any kind that is recorded or transmitted in a form to be used, accessed, processed, transmitted or stored by a Computer System.

In all other respects the Policy remains unaltered and is subject to the terms, conditions and exclusions contained therein.

Change 2: Your PDS is amended to update the Earthquake excess under “General Conditions of the Policy, last paragraph, point 11. Aggregation, on page 32, with the following:

An earthquake Excess of \$200 applies, in addition to the standard policy excess, for each claim or series of claims during a period of 72 hours.

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Product Disclosure Statement (PDS)

Introduction

This PDS is dated 5 October 2021

This booklet has two parts, a **Product Disclosure Statement (PDS)** and a **Policy Wording**.

The PDS provides information on important issues such as Privacy, how to make a complaint to, who is Honan Insurance Group Pty Ltd and who are the underwriters of the Policy.

The second part of the booklet is the Policy Wording. It sets out the specific terms, conditions and exclusions of the Policy.

The PDS and Policy Wording contain important information which You should read carefully before deciding to take out any insurance cover. The information in both parts is general information only and not based on Your specific information or circumstances. To understand who this product is generally designed for and who this product is generally not designed for, you can review the Target Market Determination which is available on the LIGO website at www.ligoinsurance.com.au.

The Policy provides a number of covers which may or may not be provided to You as a retail client under the Corporations Act 2001 (CTH) depending on Your circumstances. Only the parts of the Policy document relevant to cover provided to You as a retail client and any other documents which We tell You are included, make up the PDS for the purposes of the Act.

This booklet is an important document, We recommend that it be kept in a safe place for future reference. Should You require any further information about this or any other product, please contact Honan Insurance Brokers.

A supplementary PDS may be issued to You from time to time, when there are changes or updates that need to make to the PDS or Policy Wording.

Who underwrites this Policy (The “Insurers”)

The property sections of the Policy (sections 1, 2 & 3) are underwritten by Allied World Assurance Company, Ltd (Australia Branch) (ABN 54 163 304 907) (“Allied World”)

Address: 264 George Street, Australia Square Level 21, Sydney, NSW 2000.

Allied World is authorised by the Australian Prudential Regulation Authority (‘APRA’) to carry on insurance business in Australia. Allied World does not hold an Australian Financial Services Licence and save for underwriting any new, altered or renewed Policy administered, issued or otherwise arranged by Honan Insurance Brokers, does not provide any licensed financial services (including any claims handling and settlement services in relation to claims made under any Policies issued).

The other Section of the Policy (section 4) is underwritten by Berkshire Hathaway Specialty Insurance Company (Incorporated in Nebraska, USA. Liability is limited. ABN 84 600 643 034). AFS Licence No 466713 (“BHSI”)

Address: Level 23, 420 George Street, Sydney NSW 2000

Both Insurers have authorised the release of this booklet. LIGO is the brand under which the product is made available.

References to Us/Our/We mean the Insurers.

Financial Claims Scheme

In the unlikely event the Insurers becomes insolvent and are unable to meet their obligations under the Policy, a person entitled to claim may be entitled to payment under the Financial Claims Scheme. Access to the Scheme is subject to eligibility criteria. Please refer to <https://www.fcs.gov.au> for more information.

Who are Honan Insurance Brokers

Honan Insurance Group Pty Ltd (AFS Licence No. 246749) trading as Honan Insurance Brokers ABN 67 005 372 396, is the binding agent and acts under a binding authority provided by the Insurers to administer and issue policies, alterations and renewals. In all aspects of arranging this Policy, Honan Insurance Group Pty Ltd acts as an agent of the Insurers and not as agent for You, the strata committee or any other Insured Person.

Address: Level 9, IBM Centre, 60 City Road, Southbank, VIC 3006
Phone: (+613) 9947 4333 Fax: (+613) 9947 4300

About the Policy Cover

This Landlord Insurance covers Accidental loss or damage to the Building and /or Contents that make up Your rental property.

There are four (4) sections of insurance cover available under this Landlord Policy. Information on what is covered and what is excluded (the terms and conditions and exclusions) are shown under each of the sections. Please read the Policy Wording carefully. If You need any advice or if You are unsure whether the Policy will meet Your requirements, please contact Honan Insurance Brokers.

Your duty not to make a misrepresentation

Before You enter into this contract of insurance, You have a duty under the *Insurance Contracts Act 1984 (Cth)* to take reasonable care not to make a misrepresentation to Us when answering Our questions. You and any other insured person(s) must answer Our questions with relevant and complete information and You must take reasonable care not misrepresent any information that You give to us including on behalf of anyone else that You want to be covered under this Policy

If any of the information You have provided to Us changes between the date of Your application and the date You enter into this contract of insurance, You must immediately let Us know.

You also have this duty before You extend, change or renew this Policy.

If You fail to meet Your duty, the claim payment may be reduced or We may cancel the Policy, or both.

If Your failure to comply with Your duty is fraudulent, payment of Your claim may be refused and We may treat the Policy as if it never existed.

Cooling off

You have the right to cancel the Policy by notifying Us in writing within 21 days of the date it was issued to You. This period is referred to as the "cooling off period". However, You cannot cancel the Policy within the cooling off period if You have exercised any right or power under the Policy (e.g. made a claim).

If You cancel the Policy within the cooling off period and You have not made a claim under the Policy during the cooling off period, You will receive a full refund of Your Premium.

After this cooling-off period ends, You still have cancellation rights. Please see the General Terms and Conditions.

Privacy

Honan Privacy Statement

In this Honan Privacy Statement the use of: 'We', 'Us' and 'Our' means Honan Insurance Brokers ("Honan").

We are committed to protecting Your privacy. We are bound by the obligations of the Privacy Act 1988 (CTH). This sets out basic standards relating to the collection, use, storage and disclosure of personal information.

We need to collect, use and disclose Your personal information (which may include sensitive information) to consider Your application for insurance and to provide the cover You have chosen, administer the insurance and assess any claim. You can choose not to provide Us with some of the details or all Your personal information, but this may affect Our ability to provide the cover, administer the insurance or assess a claim. In order to provide the cover, administer the insurance and assess and otherwise deal with claims, we will disclose Your personal information to the relevant insurance underwriters.

We may in the course of providing insurance disclose personal information to third party organisations (some of which may be outside Australia):

- Reinsurers;
- External valuers and appraisers;
- Loss adjustors and other investigators;
- Professional advisers, such as accountants and lawyers;
- Other organisations that provide services to The Insurer in relation to the provision of insurance.

To assist Us in providing insurance services to You, We may transfer personal information overseas to third party service providers, including without limitation to Malaysia, Hong Kong, Singapore or the United Kingdom.

The privacy policy contains information on how You may access personal information held by Us and how to seek correction of such information. It also provides information on how You can make a complaint against Us for a breach of the Australian Privacy Principles (APPs), or registered APP code(s), if any, that bind the Insurer.

Honan's privacy policy statement is readily available on our website at www.honan.com.au/privacy-policy/

Allied World Privacy Statement

Allied World, together with its affiliates (in this section "Allied World", "We", "Us" or "Our"), are committed to protecting the privacy of Your personal information and complying with Our obligations under the Australian Privacy Principles that are set out under the Australian Privacy Act 1988.

This statement contains a summary of information relating to Our collection, use, storage and disclosure of personal information. This statement also contains summarised information on how You may access Your personal information held by Us and how to seek correction of such information. You may obtain a copy of Our Australian privacy policy from <http://www.alliedworldinsurance.com/australia> or request a copy to be sent to You by calling (02) 8015 2500.

The types of personal information We may collect and hold includes, but is not limited to, name, date of birth, age, identification number, address, contact details, employment details and credit card details. Depending on the product or service You purchase or require from Us, We may also collect and hold Your sensitive information. Sensitive information may include, but is not limited to, information about Your health, genetics, biometrics, criminal convictions and memberships of any organisations.

We collect Your personal information from You or a person authorised by You to provide the information on Your behalf, to Our agents or Your representatives, Our service providers, other insurers and insurance related organisations, statutory and regulatory bodies, people who are involved in a claim or who assist Us in investigating or handling claims, including third parties claiming under Your Policy, witnesses, health care practitioners, marketing lists, industry databases and publicly available sources. If You provide Us with personal information about another person You must only do so with their consent and agree to make them aware of this privacy statement (including Allied World's Australian privacy policy).

We collect, use and disclose Your personal information so that We can, among other things, provide You with insurance products and services, including considering and processing Your application; varying, cancelling or renewing Your insurance; responding to Your queries; referring any claims under Your Policy to our third party administrator for our third party administrator to deal with and/or process such claims, including settling and conducting necessary investigations; completing due diligence and background checks that are either required by law or regulation or have been put in place by Allied World; responding to Your queries and administering Your Policy including correspondence with You; investigating fraud, misconduct or any unlawful act or omission in relation to Your Policy; so that We can comply with legal obligations; for research and statistical purposes; marketing (including direct marketing) of other services provided by Us; and/or any purpose directly related to the above.

We may disclose Your personal information to third parties where necessary for the purposes listed above. Parties to whom We may disclose Your personal information include, among others, other insurers; reinsurers; intermediaries; insurance associations, federations or similar organisations; related companies; our professional advisers, such as lawyers and accountants; service providers; external claims data collectors and verifiers; parties with whom We may have an insurance scheme in place under which You purchased Your Policy; parties involved in claims investigation and management; government and statutory agencies; and/or as otherwise required or allowed by law. The parties that We disclose your personal information to may be located in either Australia or overseas. The countries in which these recipients may be located will vary from time to time, but may include Bermuda, the United States of America, the United Kingdom, Ireland, Singapore, Hong Kong and other countries where Allied World operates. In most instances, the overseas parties are Allied World's related entities or external service providers engaged by Allied World who provide support to Us in delivering Our products and services to You.

You may ask to access the personal information We hold about You or seek correction, subject to relevant law, by contacting the Legal & Compliance Department via the contact details below.

Phone: +612 8015 2500

Email: auscompliance@awac.com

Address: Allied World Assurance Company, Ltd

Level 21, Australia Square

264 George Street

Sydney, NSW 2000

BHSI Privacy Statement

BHSI, along with all companies in the Berkshire Hathaway group of insurance companies, are committed to safeguarding Your privacy and the confidentiality of Your personal information. BHSI, and entities acting on BHSI's behalf, only collect personal information from or about You for the purpose of assessing Your application for insurance and administering Your insurance Policy, including managing and administering any claim made by you. Without Your personal information, BHSI may not be able to issue insurance cover, administer Your insurance or process Your claim. BHSI will only use Your personal information in accordance with the Privacy Act 1988 (CTH) and for the purposes outlined above.

We collect personal information directly from You unless You have consented to collection from someone else, it is unreasonable or impracticable for Us to do so or the law permits Us to. If You provide Us with personal information about another person You must only do so with their consent and agree to make them aware of this Privacy Notice.

BHSI may disclose Your personal information to other companies in the Berkshire Hathaway group and other third party service providers for the purposes outlined above or where disclosure is permitted by law. These entities may be located in Australia or overseas, including in New Zealand, India, Malaysia, Singapore, Hong Kong, Germany, UAE, the United Kingdom and the United States of America. Where such disclosure is made, BHSI makes all reasonable efforts to ensure that the arrangements BHSI has in place with overseas parties impose appropriate privacy and confidentiality obligations on those parties to ensure that imparted personal information is kept secure and that such information is only used for the purposes noted above.

If You wish to obtain details of the personal information BHSI holds about You (including contacting BHSI to correct or update the personal information BHSI holds about you), or if You have a complaint about a breach of Your privacy, please refer to BHSI's privacy policy available at <http://www.bhspecialty.com/privacy-policy.html> or contact BHSI's Privacy Officer by email to australasia.privacy.compliance@bhspecialty.com.

BHSI reserves the right to refuse access under the grounds permitted by the Privacy Act 1988 (CTH) and if You are seeking information on another person's behalf, BHSI will require written authorisation from that individual.

Summary of Cover

The following is a summary of the major benefits of covers available under the Policy . Please refer to each Cover Section in the **Policy Wording** for full details of cover terms, conditions and exclusions.

You can choose from two levels of cover:

Option A - Building and Contents cover - Your Building and Contents and all additional covers (Section 1-4).

Option B – Contents only cover – Your Contents only and all additional covers (Section 2-4).

Your Policy Schedule will indicate what option and level of cover You have chosen. The Schedule will also state the Excess You will have to pay for each claim.

SECTION	TYPE OF COVER AVAILABLE	BRIEF SUMMARY	PAGE
Section 1	Building Cover	Covering physical loss or damage to Your Building happening during the Policy period, up to the sum insured. Additional covers include: Fusion of electric motors no more than 4 horsepower up to \$2,500 per claim Cover for theft by a Tenant up to 10% of the Sum Insured Costs to remove fallen trees up to \$2,000 per claim Damage by Tenant’s Pet up to \$2,500	16
Section 2	Contents Cover	Covering physical loss or damage to Your Contents happening during the Policy period, up to the sum insured. Additional covers include: Deliberate Damage to Your Contents up to \$60,000 Fusion of electric motors no more than 4 horsepower up to \$2,500 per claim Damage by Tenant’s Pet up to \$2,500	21
Section 3	Loss of Rent following a Building or Contents claim	Loss of rent up to 12 months, if the property becomes uninhabitable following a claim being agreed under either the building or contents sections of this Policy.	24
Section 4	Legal Liability	Cover for claims for compensation or expenses, which You become legally liable to pay in respect of personal injury or property damage, happening as a result of an occurrence arising in connection with the ownership of the property.	25

Other issues to consider before taking out this insurance

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

Adequate Sum Insured – Building and Common Contents

In the event of a claim, the Sum Insured should be sufficient to allow for replacement of the Building and its Contents including all associated costs (e.g. the value of demolition work, removal of debris, surveying, engineering and architectural fees). To ensure adequacy of the Sum Insured, a professional replacement valuation should be obtained on a regular basis.

Read the following to understand your cover

The proposal completed by You has the information on which the Policy terms and conditions have been issued. To understand the type and amount of cover, what can be claimed and what is excluded, the following documents should be read and understood:

- Policy wording, which tells You what is covered, sets out the claims procedure, exclusions and other terms and conditions of cover;
- Policy schedule of insurance issued by Us and shows the insurance cover issued. It includes any changes, exclusions, terms and conditions made to suit Your individual circumstances and may amend the Policy; and
- Any other written changes advised by Us in writing (such as an Endorsement or a supplementary PDS). These written changes vary or modify the above documents.

Only those Cover Sections shown as insured in the Schedule are insured, if they are not insured, no claim can be made for that cover. This document is also the PDS for any offer of renewal We may make, unless We advise You otherwise. Please keep Your Policy in a safe place. We reserve the right to change the terms of this product where permitted to do so by law.

How to apply for insurance cover

You may need to complete an application form. We will use the information You supply to determine the terms of cover We will provide. The terms of cover are contained in this PDS and the most recent Schedule, and the Policy Wording that We issue to You.

How to renew this insurance

Before the expiry date of the Policy, We will send You a notice advising whether We will offer to renew the Policy and on what terms. You should carefully check the information shown on each renewal notice to ensure that the details are correct. We will provide You with a supplementary PDS if any information in the original PDS has changed since the insurance was first taken out.

The premium shown on the Policy Schedule

We consider a number of factors when calculating the Premium for this insurance. They include the type of property being insured (including its age and construction), the Location of the property, the level of cover requested and Your previous insurance and claims history.

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

The Premium payment may also be increased or decreased when changes are made to Your Policy or upon renewal. Please note that the cover We provide is subject to the Premium being paid by You. We will provide a premium comparison on renewal showing the changes in state and federal taxes and charges.

Sanctions clause

The Insurers shall not be deemed to provide cover nor be liable to pay any claim or provide any benefit under this Policy to the extent that the provision of such cover, payment of such claim or provision of such benefit would expose the Insurer or their parent or affiliate or ultimate holding company, or reinsurer to any sanction, prohibition or restriction under United Nations resolutions, or the trade or economic sanctions, laws or regulations of Australia, the European Union, United Kingdom or United States of America.

Complaints resolution

Any complaint relating to this Policy should be referred to Honan in the first instance.

You can make a complaint by contacting Honan using the contact details below:

Honan Complaints Team

Address: Level 9, IBM Centre, 60 City Road, Southbank, VIC 3006

Phone: (+613) 9947 4333

Email: complaints@honan.com.au

Honan will acknowledge Your complaint within one (1) business days of receiving Your complaint. For complaints relating to the Cover Sections insured by Allied World, Honan will direct Your complaint to Allied World for resolution. Your complaint will be handled in accordance with the Allied World complaints handling procedures available at <https://alliedworldinsurance.com/australia/>. The contact details for Allied World complaints are set out below:

Phone: +612 8015 2500

Email: auscomplaints@awac.com

Address: Allied World Assurance Company, Ltd
Level 21, Australia Square 264 George Street
Sydney, NSW 2000

For complaints relating to the Cover Sections insured by BHSI, Honan will direct Your complaint to BHSI for resolution. The contact details for BHSI complaints are set out below.

Email: Complaints.Australia@bhspecialty.com

Post: Berkshire Hathaway Specialty Insurance GPO Box 650, Sydney NSW 2001

For all other complaints, Honan will follow the complaints resolution process set out below. Honan will seek to resolve any complaint in a fair, efficient and transparent manner.

Honan will investigate Your complaint and will make a decision in relation to Your complaint within thirty (30) calendar days. Except in the case of a complaint about a declined claim, the value of a claim or about financial hardship, if Honan is able to resolve Your complaint to Your satisfaction within five (5) business days after receiving it, You will not receive a written response to Your complaint unless You have asked for a response in writing. Otherwise, Honan's decision on Your complaint will be communicated to You in writing. Honan will keep You updated as Your complaint is investigated and will provide progress updates to You at least every ten (10) business days.

External Dispute Resolution If Honan is unable to make a decision in relation to Your complaint within thirty (30) calendar days, Honan will provide You with a reason for the delay and advise You of Your right to take Your complaint to the Australian Financial Complaints Authority (AFCA), subject to AFCA's rules on whether it can deal with Your complaint.

If You are dissatisfied with Honan's decision on Your complaint or Honan is unable to resolve Your complaint to Your satisfaction within thirty (30) calendar days, You may refer Your complaint to AFCA subject to AFCA's rules on whether it can deal with Your complaint.

The contact details for AFCA are:

Australian Financial Complaints Authority
GPO Box 3

Melbourne VIC 3001

Phone: 1800 931 678

Email: info@afca.org.au

Website: www.afca.org.au

Policy Wording

Our Agreement

Subject to all of the terms and conditions contained in Your Policy document and payment of the Premium, We will provide You with the cover shown in the relevant Cover Sections of Your Policy document up to the appropriate amount shown in Your Schedule of insurance or other limits shown in Your Policy.

Definitions

The following definitions shall apply to these words when used in Your Policy (regardless of Cover Section), unless otherwise defined in the individual Cover Sections.

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

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

- i. involves violence against one or more persons; or
- ii. involves damage to property; or
- iii. endangers life other than that of the person committing the action; or
- iv. creates a risk to health or safety of the public or a section of the public; or
- v. is designed to interfere with or disrupt an electronic system.

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

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

- Any domestic outbuildings and their fixtures, including boat sheds or, garages attributed to the exclusive use of your residential or holiday home, flat or unit;
- Fixed coverings on floors, walls and ceilings including permanently affixed floors which are glued or nailed;
- Fixed appliances which are permanently connected to the electrical, gas or plumbing systems including for example air conditioners, dishwashers, fans, hot water services, light fittings, room heaters and stoves;
- Services connected to the insured property including electricity, water and communications;
- Structural improvements of a domestic nature that are permanently affixed and legally compliant, including swimming pools, spa baths, saunas, tennis courts, paving, driveways, gates, fences, retaining walls, television antennae and aerials, external blinds and awnings; and
- Docks, wharves, pontoons or similar structures that are permanently fixed to the land at the Situation and that are used for non-commercial purposes at which fuel is neither stored nor distributed.

Buildings are not:

- Temporary wall, ceiling or floor coverings;
- Property of Tenants, their guests or visitors, boarders, lodgers or paying guests;
- Carpets, curtains, drapes or internal blinds or shutters;
- Trees, shrubs or other plants, potted or otherwise, or common property if the building is part of a Strata plan or other body corporate;
- Property in the course of construction, erection, alteration, addition or renovation where the contract value of the work exceeds \$30,000;
- Illegal installations;
- Contents of the home, flat or unit owned by You (or for which You are legally responsible) and provided by You for use by the Tenant at the Situation;
- Plant and machinery.

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

- Fittings, furniture, carpets, internal blinds, curtains and drapes;
- Household goods and furnishings (however, antiques, fine art, paintings, curios and other bona fide artwork, collections of any kind and unfixed electronic equipment are only covered up to a maximum Sum Insured of
 - \$2,500 for any one item (unless separately specified in the Schedule as having a higher Sum Insured), up to
 - \$10,000 in any one Period of Insurance;
- Fixtures and domestic structural improvements not insured by a body corporate or other party defined in the applicable Strata legislation or similar State or Territory legislation, and; or
- Swimming pools and spas that are not permanently fixed and where located in Open Air, which are designed for such a purpose.

Contents are not:

- Property of Tenants, their guests or visitors, boarders, lodgers or paying guests;
- Articles belonging to You or any other person, which are not for the sole use of Your tenant and are being stored at the risk address;
- Vehicles, motorcycles, caravans, trailers, watercraft and aircraft (other than model aircraft) or any trailers or accessories to such things, where affixed or not;
- Plants, lawns, shrubs or trees in gardens;
- Animals and pets;
- Non-physical property and intellectual property or
- Furs, gold or silver articles, jewellery, watches, documents, Money.

Cover Section means the relevant section of this Policy referred to, and shall, at any one time, be one or all of the following, depending on the context:

Section 1 – Buildings Common Contents

Section 2 – Contents

Section 3 – Loss of Rent following a Building or Contents claim

Section 4 – Legal Liability

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

Depreciation means the reduction of an items value due to factors such as Wear and Tear.

Earthquake means snowslide, landslide or other earth movements occurring concurrently with and directly resulting from an earthquake shock.

Event means a sudden and accidental happening or an incident which occurs during a particular interval of time and causes or results in loss or damage, or a series of loss or damage happening from that one Event, that is claimable under this Policy.

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

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

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

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 but not where fusion is as a result, directly or indirectly, of machinery or electrical breakdown.

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

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

Money means irreplaceable current coin, bank notes, currency notes, cheques, credit card sales and/or discount house vouchers, postal orders, Money orders, unused postage and revenue stamps and including the value of stamps contained in franking machines, whilst at the Location and whilst in transit to and from the Location anywhere in Australia, including whilst contained in the night safe of any bank or financial institution where You transact business, and in Your personal custody and/or persons authorised by You whilst contained in their private residences or elsewhere within the Strata complex in a duly locked safe / strong room / cabinet outside normal business hours.

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

Period of Insurance means the period of time We will insure You for as shown in Your Schedule of insurance.

Policy means the Cover Sections selected by You from the available Cover Sections in this booklet and as shown in Your Schedule of insurance. Your Policy includes this Policy booklet, Your Schedule of insurance, the proposal and any endorsements or alterations made, that We have agreed to.

Pollutants means any solid, liquid, gaseous or thermal irritant or contaminant, including but not limited to smoke, vapour, soot, fumes, cinders, dust, odours, noise, acids, alkalis, chemicals or waste. Waste includes materials to be recycled, reconditioned or reclaimed.

Pollution means physical loss or damage arising out of the discharge, dispersal, release or escape of Pollutants into or upon any property, land, atmosphere or any water course or body of water (including ground water).

Replacement Cost means the cost of replacing, rebuilding or repairing the Building and/or Contents (or the damaged portion of the Building and/or Contents if they are damaged in part only) to a condition that is substantially the same but not better nor more extensive than as when new. Where replacement is not reasonably possible the Replacement Costs shall be limited to the amount of the item as if a total loss had occurred for that item.

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

Schedule means the document which sets out the specific details (e.g. limits of liability, Excesses) which apply to You . We give You this Schedule of insurance when You first buy this insurance and includes any endorsements We issue to You each time You request an addition, alteration or renewal. The Schedule of insurance forms part of Your Policy.

Section means the applicable Section of the Policy referred to.

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

Storm means violent atmospheric disturbance including cyclones and strong winds that may be accompanied by lightning, rain, hail, snow or sleet.

Sum Insured means the maximum amount We will pay under each applicable Cover Section and is shown in Your Schedule of insurance except as otherwise provided for specifically in a Cover Section.

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

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

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

We, Us, Our, Insurers means Allied World Assurance Company & Berkshire Hathaway Specialty Insurance Company, as relevant for each Section of the Policy.

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

- their legal spouse or de facto, or
- any member of Your family (including adopted children, stepchildren and foster children), spouses, fiancé(e)s, co-habitees or partners.

Section 1 – Buildings Cover

What is covered

This cover only applies when Building cover is selected by You and is specified as covered in the Schedule. We agree to cover You for Accidental loss or damage to Your Building caused by an Event that occurs during the Period of Insurance.

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

We also agree to cover You for the Additional Benefits below which are within the Sum Insured. We provide this cover in the manner explained under "Basis of settlement for claims covered by Section 1" on page 17.

What is NOT covered

We will not cover Your Building(s) for any loss or damage that is excluded by any of the General Exclusions (see page 24).

Notwithstanding any other provision of this Policy, this Policy does not insure any Loss of any kind caused by or attributable to any virus, bacterium, parasite, microorganism, or any other pathogenic substance or agent of any type, nature or description ('Excluded Items'), that causes or is capable of causing physical distress, illness or disease.

This exclusion applies to any Loss incurred in investigating, testing, monitoring, abating, removing (or similar) any of the Excluded Items, or cleaning, detoxifying, disinfecting, decontaminating (or similar) the insured's premises of any of the Excluded Items.

For the purposes of this exclusion the meaning of the word 'Loss' includes but is not limited to any kind of pecuniary losses whether described as costs, expenses, fees, charges, levies or similar terms.

Additional Benefits

Under Section 1 of the Policy We will pay the Additional Benefits appearing below.

However, these Additional Benefits will only be available to the extent that the Sum Insured applicable to Section 1 has not been exhausted by a claim for Accidental loss or damage under Section 1. These additional benefits fall within the Sum Insured and shall not increase or be reinstated with any reinstatement of the Sum Insured.

The costs or losses covered by the Additional Benefits numbered 1, 4, 5, 6, 9 & 10 will only be paid when they result from Accidental loss or damage to Your Building covered and accepted by Honan under Section 1.

1. Authority fees

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

- fines or penalties imposed by such authority; or
- cost imposed by any government or local authority that would have applied to the Building prior to the loss or damage or which were foreseeable prior to the loss or damage.

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

2. Fumigation costs

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

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

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

3. Fusion

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

Under this Additional Benefit, We will (at Our option and following Honan's assessment of the claim) pay the cost to repair or replace the electric motor or any sealed compressor within the motor provided that:

a) We shall not be liable for:

- the repair or replacement of any part not forming part of the motor;
- the cost of repair or replacement of rectifiers and transformers;
- any motor under any manufacturer's, seller's or distributor's warranty or guarantee;
- any motor used for a business, trade or profession; or

b) There will be no reduction for Depreciation of motors up to 10 years of age (from date of manufacture), but for motors older than 10 years of age, We will reduce the amount We pay by Depreciation.

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

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

4. Mortgage discharge legal fees

The reasonable and necessary legal costs of discharging Your mortgage on the Building if You are required to pay Your mortgage in full following loss or damage, but not default amounts or charges incurred prior to the loss or damage.

The maximum that We will pay in any one Period of Insurance shall not exceed \$5,000.

5. Professional fees

The reasonable and necessary fees and incidental costs incurred by You (with Our prior written consent, which will not be unreasonably refused or withheld) of architects, surveyors, consulting engineers and lawyers for:

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

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

The maximum We will pay in any one Period of Insurance is 10% of the Sum Insured applicable to Section 1 or any other amount as noted in the Schedule.

6. Removal of debris

The reasonable and necessary costs incurred by You with our prior written consent (which will not be unreasonably refused or withheld) in removing and disposing of any debris resulting from an insured Event, necessary to repair, replace or rebuild any damaged portion of the Building.

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

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

7. Theft

We will pay for loss or damage to Your Building caused directly by theft committed by a Tenant or any person ordinarily residing with the Tenant, but excluding any theft of property in the Open Air. You shall be liable for the Excess stated in the Schedule in respect of each claim made under this Additional Benefit.

The maximum amount We will pay under this Additional Benefit in the Period of Insurance is limited to 10% of the Sum Insured applicable to Section 1 or any other amount as noted in the Schedule.

8. Riot and civil commotion

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

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

9. Pet Damage

We will pay for loss or damage to Your Building caused by a Tenants Pet, that permanently resides at the property. No cover extends to loss or damage caused by reptiles or any illegally housed animals.

The Maximum we will pay under this additional benefit will be \$2,500 for one Period of Insurance.

10. Landscaping

We will pay the costs incurred by You for restoring landscaping, trees, shrubs, plants and lawns following Accidental damage or loss occurring at the Situation.

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

11. Removal of fallen trees

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

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

12. Exploratory Costs

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

The maximum We will pay under this Additional Benefit during the Period of Insurance is \$5,000 in any one Period of Insurance.

13. Replacement of external locks

We will pay the cost of replacing external lock(s) to the Building following theft of the key(s) to them to the same level of security that existed prior to the loss of these keys.

The maximum We will pay under this Additional Benefit during the Period of Insurance is \$1,000 in any one Period of Insurance.

14. Inflation Protection

If You make a claim during the Period of Insurance, the sums insured for Your Building will be adjusted to include any increase in the Consumer Price Index from the beginning of the Policy period but in not circumstances shall we pay more than the Sum Insured for this Cover Section and up to 3.5%.

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

Basis of settlement for claims covered by Section 1

We will pay up to the Sum Insured for physical loss or damage to Your Building. In the Event of a claim for a Building We will at, Our option and following Honan's assessment of the claim:

1. repair, rebuild or replace the Building, whichever is less; or
2. pay the reasonable cost of repair, rebuilding or replacement of the Building, to a condition substantially the same as but not better or more extensive than when new; or
3. pay up to the Sum Insured.

We will not sell or dispose of any salvage without giving You the opportunity to purchase it at its salvage value, but this does not allow You to abandon any Property to Us and such purchase shall be taken into account in respect of Your claim.

The work of rebuilding, replacing, repairing, restoring or reinstating the Building, as the case may be, must commence within six (6) months of the loss or damage occurring (or any other period which We agree with You), and costs must be incurred within eighteen (18) months (or by a later time as We reasonably agree with You, acting reasonably). After this time, where We are prejudiced by the delay, We may refuse to make any payment beyond the amount which would have been payable had the delay not occurred and You may have to pay any increase in the cost.

Payment of the Excess

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

Our limit of liability

The maximum We will pay for any one Claim under Section 1 in any one Period of Insurance shall be the Sum Insured applicable to Section 1. However, if We agree to pay You for loss or damage under Section 1 We shall reinstate the Sum Insured applicable to Section 1 (unless Your Claim is for a total loss and We pay You the Sum Insured) upon payment of an additional Premium.

Section 2 – Contents Cover

What is covered

This cover only applies when Contents cover is selected by You and is specified as covered in the Schedule. We agree to cover You for Accidental loss or damage to Your Contents caused by an Event that occurs during the Period of Insurance.

The maximum amount of cover available is the Sum Insured applicable to Section 2 shown in the Schedule for any one claim or series of claims arising out of one Event. Please also refer to Table 1 on page 19, which states the maximum amount We will pay for certain types of Contents.

Further, if Your Contents are:

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

The maximum amount We will pay for any one item is \$2,500 (unless it has been specified in the Schedule as having a higher amount of cover) up to \$10,000 for any one Period Of Insurance.

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

We provide this cover in the manner explained under “Basis of settlement for claims covered by Section 2 on page 20.

What is NOT covered

We will not cover Your Contents for any loss or damage that is excluded by any of the General Exclusions (see page 24), and specifically;

Notwithstanding any other provision of this Policy, this Policy does not insure any Loss of any kind caused by or attributable to any virus, bacterium, parasite, microorganism, or any other pathogenic substance or agent of any type, nature or description (‘Excluded Items’), that causes or is capable of causing physical distress, illness or disease.

This exclusion applies to any Loss incurred in investigating, testing, monitoring, abating, removing (or similar) any of the Excluded Items, or cleaning, detoxifying, disinfecting, decontaminating (or similar) the insured’s premises of any of the Excluded Items.

For the purposes of this exclusion the meaning of the word ‘Loss’ includes but is not limited to any kind of pecuniary losses whether described as costs, expenses, fees, charges, levies or similar terms.

Additional Benefits

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

1. Fusion

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

Under this Additional Benefit We will (at Our option and following Honan’s assessment of the claim) pay the cost to repair or replace the electric motor or any sealed compressor within the motor, provided that:

- a) We shall not be liable for:
 - the repair or replacement of any part not forming part of the motor;
 - the cost of repair or replacement of rectifiers and transformers;
 - any motor under any manufacturer’s, seller’s or distributor’s warranty or guarantee;
 - any motor used for a business, trade or profession; or
 - any motor that is partly or wholly submerged or underground, and

b) There will be no reduction for Depreciation of motors up to 10 years of age (from the date of manufacture), but for motors older than 10 years of age, We will reduce the amount We pay by Depreciation.

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

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

2. Theft

We will pay for loss or damage to Your Contents caused directly by theft committed by a Tenant or any person ordinarily residing with the Tenant, but excluding any theft of property in the Open Air. You shall be liable for the Excess stated in the Schedule in respect of each claim made under this Additional Benefit.

The maximum We will pay under the Additional Benefits for in any one Period of Insurance shall not exceed \$60,000 or any other amount as note in the Schedule.

3. Riot and civil commotion

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

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

Our liability for all claims under this Additional Benefit in any one Period of Insurance shall not exceed \$60,000 or any other amount as noted in the Schedule.

4. Fumigation costs

The necessary and reasonable costs of cleaning up and fumigating a Building following the death of a person at the Situation during the Period of Insurance rendering the Building Unfit for Habitation. You shall be liable for the Excess stated in the Schedule in respect of each claim made under this Additional Benefit.

Our liability for all claims under this Additional Benefit in any one Period of Insurance shall not exceed \$5,000.

5. Pet Damage

We will pay the reasonable cost of repair or replacement to a condition substantially the same as but not better or more extensive than loss or damage to Your Contents caused by a Tenants Pet, that permanently resides at the property. No cover extends to loss or damage caused by reptiles or any illegally housed animals.

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

6. Removal of debris

The necessary and reasonable costs incurred by You in removing and disposing of any debris resulting from an insured Event, necessary to repair, replace or rebuild any damaged portion of the Contents.

Our liability for all claims under this Additional Benefit in any one Period of Insurance shall not exceed 10% of the Sum Insured applicable to Section 2.

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

Basis of settlement for claims covered by Section 2

Subject to Table 1 on page 20, for a claim for Accidental loss or damage to Your Contents, We will at, Our option and following Honan’s assessment of the claim:

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

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

Payment of the Excess

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

Our limit of liability

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

TABLE 1

Contents in the Open Air and where designed for such a purpose.	Our liability for all claims under this Additional Benefit in any one Period of Insurance shall not exceed 10% of the Sum Insured applicable to Section 2.
Carpets, wall, floor and ceiling coverings	We will only pay to repair or replace damaged carpet, wall, floor or ceiling coverings in the room, hallway or passageway where the loss or damage occurs.
Furniture coverings	When greater than 25% of the covering of an item of furniture is damaged, We will pay its Replacement Cost if the item is not repaired or restored by Us, provided the item is less than 10 years old. When less than 25% of the covering of an item of furniture is damaged, We will pay You up to the value of the item just before the loss or damage occurred (taking into account depreciation, Wear and Tear based upon its age and condition) if it is not repaired or restored by Us.
Manchester and linen	We will pay You up to their value just before the loss or damage occurred (taking into account depreciation, Wear and Tear based upon their age and condition) if they are not repaired or restored by Us.
Contents greater than 20 years old	We will pay You up to their value just before the loss or damage occurred (taking into account depreciation, Wear and Tear based upon their age and condition) if they are not repaired or restored by Us.
Pairs, sets and parts	We will only pay for the cost of repairing or replacing the individual item itself as a proportion of the cost of repairing or replacing the entire set, even though the set is less valuable by reason of it being incomplete.

Section 3– Loss of Rent following a Buildings or Contents Claim

What is covered

Under this Section We will cover You for Your loss of rent if the Situation becomes unfit for its intended purpose as the result of Accidental loss or damage to the Building and/or Contents and is accepted by Honan under Section 1 and/or 2 of the Policy, provided that the loss or damage that causes the Situation to be unfit for its intended purpose, including prevention of reasonable access, is to the:

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

The basis of Our calculation will be the annual rent as per the Lease agreement in place at the time of loss.

We do not pay for:

- i. Any loss of rent after the Unit is fit again to be occupied for its intended purpose or, in the case of being unable to be occupied, after the services are restored or when the order is revoked, as applicable; or
- ii. Any loss of rent is limited to \$1,000 per week for 52 weeks of lost rent, up to \$52,000 in the aggregate in any one Period of Insurance; or
- iii. Any monies collectable under any other insurance Policy, the strata owner or any government grant.

You must take all practical steps to repair, replace or rebuild (as the case may be) the Building and/or Contents as soon as practicable after the loss or damage occurred, subject to Our prior written consent (which will not be unreasonably refused or withheld) as per the General Conditions below. We may refuse to pay any Claim under this Section where We are prejudiced by Your failure to comply with this provision.

Notwithstanding any other provision of this Policy, this Policy does not insure any Loss of any kind caused by or attributable to any virus, bacterium, parasite, microorganism, or any other pathogenic substance or agent of any type, nature or description ('Excluded Items'), that causes or is capable of causing physical distress, illness or disease.

This exclusion applies to any Loss incurred in investigating, testing, monitoring, abating, removing (or similar) any of the Excluded Items, or cleaning, detoxifying, disinfecting, decontaminating (or similar) the insured's premises of any of the Excluded Items.

For the purposes of this exclusion the meaning of the word 'Loss' includes but is not limited to any kind of pecuniary losses whether described as costs, expenses, fees, charges, levies or similar terms.

Section 4–Legal Liability

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

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

- incurred by You with Our prior written consent (which will not be unreasonably refused or withheld) in the investigation, settlement or defence of any claim for compensation covered by this Section, and/or
- recoverable by a claimant from You in connection with a claim for compensation covered by this Section.

What is NOT covered

We will not cover You for any liability, loss or damage that is excluded by any of the General Exclusions (see page 24).

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

- a) arising out of the ownership, possession or use by You of any land or buildings other than those Buildings at the Situation shown in the Schedule;
- b) in respect of bodily injury to:
 - any member of Your family;
 - any person arising out of or in the course of employment of such person either in Your service or the service of any other person insured by this Section of the Policy, or
 - any person arising from the transmission of any disease;
- c) in respect of damage to property;
 - belonging to or in the physical custody or legal control of You or any person ordinarily residing with You, or
 - belonging to any person in the service of either You or of any other person insured by this Section of the Policy;
- d) arising out of or in connection with any business or occupation carried on by You or of any other person insured by this Section of the Policy other than that of landlord;
- e) arising out of or in connection with lifts or inclinators, mechanically propelled vehicles (other than garden implements used for private purposes) watercraft, aircraft (other than model aircraft) or aircraft landing areas;
- f) arising out of or in connection with property damage caused by a pontoon or floating platform that has become entirely unfixed or detached from the land or moorings at the Situation;
- g) arising out of any liability imposed or assumed by contract, or any liability for which You have waived or limited Your right of recovery against another party (in whole or in part);
- h) arising as a result of libel or slander made by You or at Your direction with Your knowledge of its falsity
- i) arising from a Landlord title building (provided that this exclusion will not apply to Your liability which falls outside the responsibility of the body corporate or Landlord title company); or
- j) in respect of fines or penalties; aggravated, punitive, liquidated or exemplary damages; or
- k) Communicable Disease

Notwithstanding any other provision of this Policy to the contrary, this Policy does not apply to any bodily injury, property damage, personal and advertising injury or any other loss, cost, defence fee, expense, injury, damage, claim, dispute or suit in whole or in part arising out of, directly or indirectly resulting from or in any way related to any actual or alleged transmission of a Communicable Disease.

For the purposes of this exclusion, loss, damage, claim, cost, expense or other sum, includes, but is not limited to, any cost to clean-up, detoxify, remove, monitor for, test for, or in any other way respond to:

- a) a Communicable Disease;
- b) any property insured hereunder that is affected by such Communicable Disease.

This exclusion applies even if the claims against any insured allege negligence or other wrongdoing in the:

- a) Supervising, hiring, employing, training or monitoring of others that may be infected with and spread a Communicable Disease;
- b) Testing for a Communicable Disease;
- c) Failure to prevent the spread of the Communicable Disease; or
- d) Failure to report the Communicable Disease to authorities.

As used herein, a Communicable Disease means any disease which can be transmitted by means of any substance or agent from any organism to another organism where:

- a) the substance or agent includes, but is not limited to, a virus, bacterium, parasite or other organism or any variation thereof, whether deemed living or not, and
- b) the method of transmission, whether direct or indirect, includes but is not limited to, airborne transmission, bodily fluid transmission, transmission from or to any surface or object, solid, liquid or gas or between organisms, and
- c) the disease, substance or agent can cause or threaten damage to human health or human welfare.

Payment of the Excess

You are liable for the Excess shown in the Schedule for this Section of the Policy. The Excess applies to each Accident. We are only liable to reimburse You above the Excess amount.

Our Limit of Liability

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

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

For all losses in relation to antiques, fine art, paintings, curios and other bona fide artwork, collections of any kind and unfixed electronic equipment our limit of liability is only up to a maximum Sum Insured of \$2,500 for any one item (unless separately specified in the Schedule as having a higher Sum Insured), up to \$10,000 in any one Period of Insurance.

For all Sections - General Exclusions

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

1. Flood.
2. Birds, moths, termites or other insects, vermin or wildlife, rust or oxidation, mildew, mould, fungus, contamination or Pollution, wet or dry rot, corrosion, change of colour, algae, dampness of atmosphere or other variations in temperature, evaporation, disease, inherent or latent defect, change in texture or finish, loss of weight or flavour, action of the light, smut or smoke from industrial operations, the process of cleaning involving the use of chemicals, dilution or contamination of chemicals or contamination of water in a swimming pool or spa (provided that this general exclusion will not apply in connection with liability arising from the ownership by You of any animal or bird as a domestic pet).
3. Methamphetamine or pseudoephedrine or its derivatives, However You are covered for methamphetamine contamination damage to Your Building or Contents that first occurs and that you discover during the Period of Insurance, subject to the following conditions:
There is no cover for any contamination damage where any contamination existed or occurred prior to the current Period of Insurance.
The maximum amount We will pay for all claims under all sections for this Additional Benefit in any one Period of Insurance shall not exceed \$5,000 and shall fall within the Sum Insured.
4. Any gradual deterioration or depreciation, Wear and Tear, rust or corrosion.
5. From any:
 - non-compliant building material as determined by the relevant local regulatory authority;
 - internal or external insulation system, cladding, waterproofing membrane, wall panelling or substantially similar material;
 - external water ingress, mould, fungi, mildew, rot, decay, gradual deterioration, micro-organism, bacteria, protozoa or like forms.
6. Loss or damage as a result of Deliberate Damage occurring during maintenance operations or repairs by any Tenant or anyone acting on their behalf.
7. The removal or weakening of supports or foundations for the purpose of alterations, additions, renovations or repair.
8. Destruction of, or damage to property by or under the order of any government or public or local authority, unless required to reduce further destruction or damage to the property.
9. Tenant neglect, poor housekeeping, or unhygienic living habits and Wear and Tear.
10. Theft by any Tenant or any person ordinarily residing with the Tenant except to the extent covered by Additional Benefit 7 of Section 1, Additional Benefit 3 of Section 2 or paragraph (a) of Section 4, but then only to the extent of the cover provided by those Sections of this Policy.
11. Fusion or mechanical, electrical or electronic breakdown except to the extent covered under Additional Benefit 3 of Section 1 or Additional Benefit 1 of Section 2 (with respect to the actual burning out of an electric motor having a capacity of less than 4 hp), but always excluding:
 - The repair or replacement of a sealed or semi-sealed refrigeration unit after 20 years from the date of manufacture of the unit; or
 - Motors with an output in excess of five (5) kilowatts (kW)
 - Motors under a guarantee or warranty or maintenance agreement
 - Loss or damage to lighting or heating element, fuses or protective devices; or
 - Loss or damage to electrical contacts at which sparking, or arcing occurs in ordinary working.
12. Vermin, insects or wildlife.
13. Water seepage or percolation through a wall, floor or roof.
14. Roots of trees, shrubs, plants or grass, except to the extent covered by Additional Benefit 10 of Section 1 or Additional Benefit 6 of Section 1, but then only to the extent of the cover provided by those Sections of this Policy.

15. Tree lopping or cutting down and removal of trees, except to the extent covered by Additional Benefit 10 of Part 2, Section 1 – Building Cover or Additional Benefit 6 of Part 2, Section 1 – Building Cover, but then only to the extent of the cover provided by those Sections of this Policy.

16. Inherent defects, structural defects, or faulty workmanship or design.

17. Settlement, shrinkage, vibration or expansion in buildings, foundations, slabs, walls, pavements or driveways.

18. Buildings in the course of construction or any alteration, addition, demolition, repair to or decoration of the Building exceeding \$30,000 in value in any one Period of Insurance.

19. Any process of cleaning, repairing, restoring or maintaining any item of property. This includes any such process undertaken by Your Tenant.

20. Any failure by You or Your property manager to take all practical measures to protect and maintain the Building and/or Contents.

21. War, invasion, act of foreign enemy, hostilities (whether war is declared or not), civil war or unrest, rebellion, revolution, insurrection, military or usurped power, looting, sacking or pillage following any of these. The lawful seizure, confiscation, nationalisation or requisition of Your Building and/or Contents.

22. The use, existence or escape of nuclear weapons material, or ionising radiation from, or contamination by radioactivity from, any nuclear fuel or nuclear waste from the combustion of nuclear fuel or action of nuclear fission.

23. Any pollutant or contaminant being discharged or escaping.

24. Any actual or alleged liability whatsoever for any claim or claims in respect of loss or losses arising out of, resulting from or in consequence of, or in any way involving asbestos, or any materials containing asbestos in whatever form or quantity.

25. Any Act of Terrorism regardless of any other cause or Event contributing concurrently or in any other sequence to the loss. This exclusion also excludes death, injury, illness, loss, damage, cost or expense of whatsoever nature caused by, resulting from or in connection with any action taken in controlling, preventing, investigation, suppressing or in any way relating to any Act of Terrorism.

26. Any conduct by You, any member of Your family or any other person acting with Your knowledge or participation that is:

- Dishonest, fraudulent, or criminal;
- Willfully or recklessly in breach of any statute, contract or duty, or
- Intended to cause loss, damage or liability.

27. The breaking of glass

- In any glasshouse or conservatory;
- Used in picture frames, glassware, crystal, crockery, china, ornaments, vases, lamps, clocks or radios;
- Used for a purpose not intended, or
- In any items that are wholly or partly in a defective state at the time of breaking.

28. The cost of repairing or replacing any damaged or defective fixed tanks, guttering or pipes or other fixed apparatus (or any part of them) used to hold or carry liquid of any kind.

29. The additional cost of repairing or replacing made necessary to match a repaired or replaced item to a particular style following the bursting, leaking, discharging or overflowing of fixed tanks, guttering or pipes or other fixed apparatus used to hold or carry liquid of any kind.

30. Scratching, denting, cracking, discolouring, scorching or melting of any travertine or similar material (whether fixed or unfixed), tiles, bench tops and spas.

31. Erosion, landslide or subsidence unless the loss or damage occurs within 72 hours of, and is caused by:

- An Earthquake or explosion;
- a Storm, or
- liquid escaping from a fixed pipe, or an object attached to a pipe, fixed gutter, fixed tank or a drain.

32. Arcing, sparking, scorching, melting or charring where there is no flame except in the case of loss or damage as the result of lightning.

33. Action of the sea, including any ocean, harbour, bay or tidal water.

34. Loss or damage that results from a Storm to the extent that it was caused by rain, hail, snow or sleet entering the Building as the result of an opening made for the purpose of carrying out construction, demolition, alteration or repair of or to the Building or any part of it.

35. Silica or silica products or silica contained in any products.

36. Loss, damage, destruction, distortion, erasure, corruption or alteration of electronic data from any cause whatsoever (including but not limited to a computer virus) or loss of use, reduction in functionality, cost, expense of whatsoever nature resulting therefrom, regardless of any other cause or Event contributing concurrently or in any other sequence to the loss; gates and fences not constructed of metal, brick, concrete, masonry or stone that were erected more than 15 years before the commencement of the Period of Insurance.

37. Storm damage to:

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

Property Cyber and Data Exclusion

1 Notwithstanding any provision to the contrary within this Policy or any endorsement thereto this Policy excludes any:

1.1 Cyber Loss;

1.2 loss, damage, liability, claim, cost, expense of whatsoever nature directly or indirectly caused by, contributed to by, resulting from, arising out of or in connection with any loss of use, reduction in functionality, repair, replacement, restoration or reproduction of any Data, including any amount pertaining to the value of such Data;

regardless of any other cause or event contributing concurrently or in any other sequence thereto.

2 In the event any portion of this exclusion is found to be invalid or unenforceable, the remainder shall remain in full force and effect.

3 This exclusion supersedes and, if in conflict with any other wording in the Policy or any endorsement thereto having a bearing on Cyber Loss or Data, replaces that wording.

Definitions

Cyber Loss means any loss, damage, liability, claim, cost or expense of whatsoever nature directly or indirectly caused by, contributed to by, resulting from, arising out of or in connection with any Cyber Act or Cyber Incident including, but not limited to, any action taken in controlling, preventing, suppressing or remediating any Cyber Act or Cyber Incident.

Cyber Act means an unauthorised, malicious, or criminal act or series of related unauthorised, malicious, or criminal acts, regardless of time and place, or the threat or hoax thereof involving access to, processing of, use of or operation of any Computer System.

Cyber Incident means:

5.1 any error or omission or series of related errors or omissions involving access to, processing of, use of or operation of any Computer System; or

5.2 any partial or total unavailability or failure or series of related partial or total unavailability or failures to access, process, use or operate any Computer System.

Computer System means:

6.1 any computer, hardware, software, communications system, electronic device (including, but not limited to, smart phone, laptop, tablet, wearable device, server, cloud, or microcontroller including any similar system or any configuration of the aforementioned and including any associated input, output, data storage device, networking equipment or back up facility,

owned or operated by the Insured or any other party.

Data means information, facts, concepts, code or any other information of any kind that is recorded or transmitted in a form to be used, accessed, processed, transmitted or stored by a Computer System.

General Conditions of the Policy

1. Occupancy

Subject to general condition 2 (Unoccupied Buildings) below, the Building must be:

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

Payment of any claim under this Policy may be refused in its entirety if You fail to comply with this provision.

However, cover will remain available under Section 1 (Building cover), Section 2 (Contents cover) and Section 4 (Legal liability) for the period of time from when the Building is vacated to the time it is re-let and reoccupied provided the period does not exceed 90 days.

2. Unoccupied Buildings

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

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

3. Property condition report

You must ensure that a property condition report in the format required by the applicable state or territory legislation has been completed upon commencement of the Lease except in the case of a holiday home or unit. We shall be entitled to refuse to pay any claim under this Policy in its entirety if You fail to comply with this provision.

4. Jurisdiction

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

5. Premium Payment Warranty

The Premium is due on the date set out in the Schedule or 60 days after inception of the Policy, whichever is earlier (the "due date").

If You fail to pay the Premium before the due date or if the payment method is dishonoured and therefore We have not received the payment by the due date, We will have the right to cancel the Policy. Unless We tell the Insured, any payment reminder We send does not change the expiry of the cover or the due date of the Premium.

6. Cooling off

You have the right to cancel the Policy by notifying Us in writing within 21 days of the date it was issued to You. This period is referred to as the "cooling off" period. However, You cannot cancel the Policy within the cooling off period if You have exercised any right or power under the Policy (e.g. made a claim).

If You cancel the Policy within the cooling off period and You have not made a claim under the Policy during the cooling off period, You will receive a full refund of Your Premium.

After the cooling off period ends You still have cancellation rights. Please see the General Terms and Conditions.

7. Cancellation

In addition to Your rights during the cooling off period, this Policy may be cancelled by You at any time by giving Us notice in writing. Cancellation of the Policy will take effect on the date specified by You in Your notice.

We may cancel this Policy in accordance with the Insurance Contracts Act 1984 (CTH) by giving You written notice. Our rights under the Insurance Contracts Act 1984 (CTH) to cancel the Policy **include** where You have:

- i. made a misrepresentation in breach of the duty to take reasonable care not to make a misrepresentation;
- ii. failed to comply with a provision of the Policy;
- iii. failed to pay the premium; or

iv. made a fraudulent claim under the Policy.

If We cancel the Policy, cancellation will take effect fourteen days from the date We notify You of cancellation unless We tell You that cancellation will take effect at a later time.

Where We or You cancel the Policy We will retain the pro rata premium for the time the Policy has been in force.

If You or We, and prior to the cancellation being notified cancel this Policy, You have notified to Us a claim under the Policy, then:

- a) You will not be entitled to a refund of any Premium reflecting that proportion of the unexpired Period of Insurance; and
- b) You will remain liable to pay any installments of Premium due under this Policy for the remainder of the Period of Insurance.

8. Sanctions Clause

We shall not be deemed to provide cover nor be liable to pay any claim or provide any benefit under this Policy to the extent that the provision of such cover, payment of such claim or provision of such benefit would expose Us or Our parent or affiliate, or ultimate holding company or reinsurer to any sanction, prohibition or restriction under United Nations resolutions, or the trade or economic sanctions, laws or regulations of Australia, the European Union, United Kingdom or United States of America.

9. Authorised representative

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

10. Excess

You shall be liable for the Excess being the amount stated in the Schedule applicable to each Section of this Policy.

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

11. Aggregation

If the same Event, or related Events, continue for a period of time, the event shall be treated as a single Event and limited to:

- i) 72 consecutive hours as regards hurricane, cyclone, typhoon, Storm, rainstorm, hailstorm and/or tornado, not within the scope of (iii) below,
- ii) 72 consecutive hours as regards Earthquake, seaquake, tidal wave, tsunami and/or volcanic eruption,
- iii) 168 consecutive hours as regards a single named and/or identified hurricane, cyclone or typhoon,
- iv) 72 consecutive hours and within the limits of one country as regards riots, strikes, civil commotion and malicious damage,
- v) 72 consecutive hours as regards any loss or damage which includes individual loss or losses from any of the perils mentioned in (i) (except where the provisions of (iii) and (viii) apply), (ii) and (iv) above,
- vi) 168 consecutive hours for any other loss or damage of whatsoever nature which does not include individual loss or losses from any of the perils mentioned in (i), (ii) and (iv) above,
- vii) 168 consecutive hours as regards the sum total of all losses resulting from bush fires, brush fires and forest fires irrespective of origin,
- viii) 168 consecutive hours as regards Flood or Flood in combination with any of the perils mentioned in (i) above,

and no individual loss from whatever insured peril, which occurs outside of points (i) to (viii), shall be included in that loss or damage.

If the inception of the loss commences prior to the date of the expiration of this Policy, then We will be liable for any loss incurred after the expiration of this Policy if caused by this Event.

As regards any loss or damage referred to in (viii) above only one such period of 168 consecutive hours shall apply with respect to one catastrophe.

The Insurer may choose the date and time when any such period of consecutive hours commences and if any catastrophe is of greater duration than the above periods, the Insurer may divide that catastrophe into two or more of the categories listed in (i) to (viii) above, provided no two periods overlap and provided no period commences earlier than the date and time of the happening of the first recorded individual loss to the Insurer in that catastrophe.

However, in respect to loss or damage to Buildings and/or Contents caused by Earthquake (cover is only available for loss or damage that occurs within 72 hours of the Earthquake). An earthquake Excess of \$200 applies, in addition to the standard policy excess, for each claim or series of claims during a period of 72 hours.

Rights of subrogation

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

12. Treatment of GST

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

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

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

13. Input tax credit entitlement

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

Claims

How to make a Claim

All claims queries and notifications are to be made to Honan Insurance Brokers;

Address: Address: Level 9, IBM Centre, 60 City Road, Southbank, VIC 3006

Phone: (+613) 9947 4333 Fax: (+613) 9947 4300 or email landlords@honan.com.au

Claims conditions and procedures

- a) If loss or damage or an Event occurs that is likely to result in a claim under this Policy, You must at Your expense:
- advise Honan as soon as practicable of the full details of any loss, damage, liability, injury or notice of claim (including legal proceedings) against You;
 - complete and lodge a claim form;
 - take all practical precautions and other steps to prevent further loss, damage or liability occurring and to minimise the claim;
 - inform the police as soon as practicable of any actual or attempted Deliberate Damage, theft, housebreaking or attempts to commit any of these things;
 - unless another time is specified, give to Honan within thirty (30) days of the Event full details of the claim (along with all necessary supporting documentation and evidence of ownership) and any further information required to investigate and to verify the claims; and
 - assist in the defence or subrogation of any claim brought against You.
- b) If loss or damage or an Event occurs that is likely to result in a claim under this Policy, You must not without Our consent:
- arrange replacement of any Property or remove such Property in connection with any claim without Our prior written consent;
 - admit liability if an incident occurs which is likely to result in someone claiming against You and for which We insure You, without Our prior written consent.
- In each case consent will not be unreasonably refused or withheld.
- c) Where a claim is made against You or any other person insured by the Policy:
- You or they must not admit liability for or offer to settle the claim, or pay or offer to pay any money or make any promise without Our prior written consent (which will not be unreasonably refused or withheld);
 - We will be entitled to take over and conduct in Your name or theirs the defence or settlement of any claim and to prosecute in Your name or theirs for Our benefit any claim for reimbursement or damages or otherwise; and
- d) We will have full discretion and control in the conduct of the proceedings and the settlement of the claim or subrogated recovery actions and You or such other person must give all such information and assistance as We may require.

Report to the Police

You must:

- As soon as practicable report to the Police any theft, attempted theft, vandalism or malicious act, and
- give Honan any incident report number they give You.