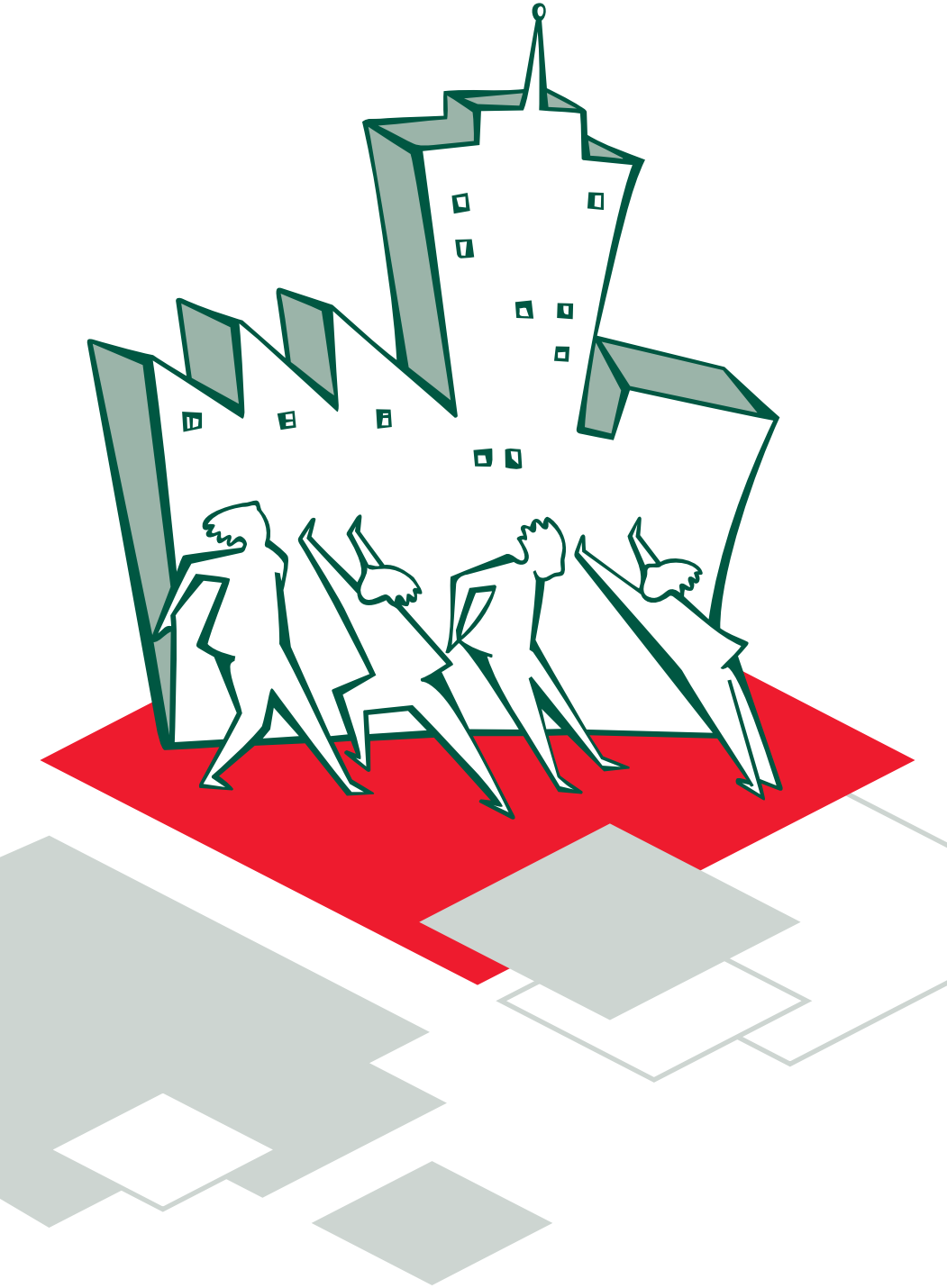


commercial strata insurance plan policy



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'easy guide' to this policy

This guide is provided for your benefit and summarises the key features of the cover provided by this policy.

It does not form part of this policy and for a full understanding of the coverage, conditions and exclusions you must read the policy wording.

Where used in this 'easy guide':

Cover

is a brief explanation of what is covered under the Policy section.

Additional or Special Benefits

refer to the extra protection that is provided.

Basis of Settlement

means how claims are paid.

Excesses

means that amount of a claim you must pay.

Exclusions

tell you the events or causes for which you are NOT covered.

Policy 1 – Building and common area contents

Cover

You are covered for ACCIDENTAL LOSS OR DAMAGE to your Building, up to the sum insured, and Common Area Contents, up to 1% of the Building sum insured. Building and Contents items are also covered while temporarily away from your premises eg for repairs.

Events or causes for which you are covered include, but are not limited to, fire, lightning, explosion, storm, tempest, rainwater, earthquake, aircraft, riot, civil commotion, malicious damage (including malicious damage by tenants), impact by vehicles, bursting – leaking – overflowing of water tanks and pipes, burglary, glass breakage, fusion, PLUS any other loss or damage NOT excluded.

The exclusions are clearly set out in your policy document.

Additional benefits

Your policy includes the following benefits UP TO THE SUM INSURED shown on the schedule.

- 1 Architects, professional fees, removal of debris
- 2 Emergency cost of minimising losses – you must advise us if you believe the costs will exceed \$1,000
- 3 Government fees, contributions or imposts
- 4 Legal fees
- 5 Storm damage to fences and gates
- 6 Tsunami damage (tidal wave caused by earthquake).

Special benefits

Your policy includes the following benefits IN ADDITION to the sum insured.

- 1a Loss of rent
- 1b Cost of temporary accommodation
- 1c Emergency accommodation
- 1d Loss of Rent or Cost of Temporary Accommodation as a result of failure of supply services
- 1e Loss of Rent or Cost of Temporary Accommodation as a result of infectious, contagious diseases
- 1f Removal, storage of Unit Owners' contents
- 2 Arson reward – up to \$5,000
- 3 Cost of new Title Deeds – up to \$500

- 4 Damage to electric motors
(up to an output not in excess of 4 kilowatts)
- 5 Exploratory costs – reasonably incurred
Replacement of defective parts – up to \$500
- 6 Fallen trees – up to \$2,000
- 7 Fire extinguishing costs – reasonably incurred
- 8 Landscaping – up to \$1,000
- 9 Maintenance fees receivable – up to \$1,000 per unit
- 10 Money – up to \$5,000
- 11 Personal property of others – up to \$5,000
- 12 Cost of boarding pets – up to \$500 per unit
- 13 Property in open air – up to \$5,000
- 14 Records – up to \$5,000
- 15 Removal/storage of Common Area Contents – up to \$5,000
- 16 Replacement of keys and locks – up to \$1,000
- 17 Automatic reinstatement of cover.

NOTE: The combined total amount you can claim for under **Special Benefits 1a, 1b, 1d, 1e and 1f** is limited to 15% of your Building sum insured unless you have asked for a different percentage.

Basis of settlement

In the event of a claim the following benefits apply.

- 1 **No Co-Insurance Clause**
There is no hidden under-insurance penalty clause in your policy.
- 2 **Reinstatement and Replacement**
The reasonable cost to rebuild to a condition that is equivalent to but not better nor more extensive than when your building was new.
- 3 **Extra Cost of Reinstatement**
Costs incurred to comply with Government, Municipal or other Statutory Authorities requirements. If your building was constructed prior to 1975 certain limitations in cover could apply and you should carefully read and note the provisions of this section.
- 4 **Abandoned Undamaged Foundations**
If the foundations are not destroyed but a Municipal or Statutory Authority insists you build on another site, it will be agreed that the foundations are destroyed and we will pay for new foundations on the new site.
- 5 **Abandoned Undamaged Portion of Insured Property**
If following major damage a Municipal or Statutory Authority insists you build on another site, any abandoned undamaged portion of your Building will be agreed to be destroyed and we will pay for these at the new site.

6 Floor Space Ratio

If any Act or By-Law of a Municipal or Statutory Authority prevents you from rebuilding to the same floor size or area you will be paid the difference between:

- a** the cost to reinstate subject to the new building restrictions on size and
- b** the estimated cost to reinstate had the building size restrictions not been changed.

7 Land Value

If following major damage, a Municipal or Statutory Authority refuses you permission to rebuild, or only partially rebuild, you will be indemnified for the loss of land value less any compensation paid by the Authority.

8 Statutory Authority

If following major damage a Municipal or Statutory Authority does not allow you to rebuild with the same number of units, you will be paid the cost of building on an alternative site a building containing the number of units you were unable to build in the replaced building.

Exclusions

It is very important you understand the exclusions contained in the policy document.

They are clearly defined so as to make them easily understandable and we do recommend you read them carefully. If you have any queries, please contact us.

Excesses

This is your part of a claim. We will deduct it from the amount we pay or will ask you to pay it.

There are two set excesses:

- 1** \$20 on defective parts and
- 2** the lesser of 1% of your Building sum insured or \$20,000 on earthquake.

Any other excess or excesses applying to your policy are shown on your schedule by way of an Excess No. and amount – the cause or event to which that excess number refers is detailed in your policy wording. If you have any queries, please contact us.

Policy 2 – Legal liability

Cover

We cover all sums which your Body Corporate becomes legally liable to pay in respect of personal injury or property damage arising out of an occurrence (accidental happening) in connection with the ownership of your Building and Common Area Contents.

Sum insured

The maximum amount for which you are covered regarding any one occurrence, is the limit specified on the schedule.

Additional benefits

- 1** Car Park liability
- 2** Hiring out of sporting and recreational activities
- 3** Recreational activities
- 4** Services
- 5** Non-registered vehicles and water craft not exceeding 7.5 metres in length.

Special benefits

Your policy includes the following special benefits.

- 1** Legal Expenses (appeal costs) – common property health and safety breaches. This is limited to \$100,000
- 2** Legal Defence Expenses. This is limited to \$20,000.

Exclusions

It is very important you understand the exclusions contained in the policy document. They are clearly defined to make them easily understandable. We do recommend you read them carefully. If you have any queries, please contact us.

Special conditions

Details the special conditions applying to **Special Benefit 2**.

Policy 3 – Voluntary workers

Cover

Compensation as detailed in the policy document will be paid to a person who is injured while voluntarily working on behalf of the Body Corporate.

We will also pay:

- 1** Loss of wages up to \$1,000 per week (if the worker is a wage or salary earner)
- 2** Reasonable costs of employing domestic assistance up to \$500 per week
- 3** Travel expenses up to \$1,000.

Special provisions

It is very important you understand the special provisions contained in the policy document. They are clearly defined to make them easily understandable. We do recommend you read them carefully. If you have any queries, please contact us.

Policy 4 – Workers compensation

Cover

Covers your Body Corporate's legal liability to its employees under the workers' compensation legislation in the State or Territory in which your building is situated. This cover only applies in NSW, ACT, NT, TAS and WA.

Policy 5 – Fidelity guarantee

Cover

Your Body Corporate is indemnified in respect of fraudulent misappropriation of its funds, which includes securities or tangible property.

Exclusions

It is very important you understand the exclusions contained in the policy document. They are clearly defined to make them easily understandable. We do recommend you read them carefully. If you have any queries, please contact us.

Policy 6 – Office bearers

Cover

Your Office Bearers are indemnified if they become legally liable to pay compensation for a wrongful act.

Special benefits

Your policy includes:

- 1** Payment of defence costs
- 2** Continuous cover
- 3** Extended period of cover.

Exclusions

It is very important you understand the exclusions contained in the policy document. They are clearly defined to make them easily understandable. We do recommend you read them carefully. If you have any queries, please contact us.

Important note

This is a claims-made policy. This means the policy only responds to claims first made against you during a policy year and notified to us during that policy year.

Policy 7 – Machinery breakdown

Cover

You are covered against damage to electrical, electronic and mechanical machinery, boilers and pressure vessels and other plant forming part of your Building.

Special benefits

You are also covered, subject to your sum insured being sufficient, for:

- 1 Expediting repairs, including overtime
- 2 Express or air freight
- 3 Replacing oil and refrigerated gas
- 4 Hiring a temporary replacement item to maintain a vital common area service.

Basis of settlement

At our option we will repair, reinstate or replace the damaged item, or pay for the cost of the same, to a condition equal to but not better or more extensive than its condition immediately before the damage.

There is no deduction for depreciation in respect of parts replaced.

You cannot claim for the cost of any alteration, additions, improvements, modifications or overhauls.

Exclusions

It is very important you understand the exclusions contained in the policy document. They are clearly defined to make them easily understandable.

We do recommend you read them carefully.

If you have any queries, please contact us.

Policy 8 – Building catastrophe

Cover

Many unit owners may not be aware that when a major catastrophe (such as a cyclone, bush fire, earthquake etc.) severely damages a city or town, repair and building costs invariably soar due to a shortage of supplies and tradespeople. Your building sum insured may be adequate under normal circumstances but it may fall short after a catastrophe.

Under **Policy 8** you are covered for the escalation in the cost (due to shortage in materials and labour) of reinstatement or replacement of your Building:

- 1 due to the happening of a catastrophe or
- 2 other loss which occurs not later than sixty (60) days thereafter.

Basis of settlement

It is important you understand that in the event of a claim, the following will occur.

The amount you can claim for is the difference between:

- 1 the actual cost to replace your Building and
- 2 the greater of either:
 - a the cost to replace your Building immediately prior to the happening of a catastrophe or
 - b the sum insured shown on your schedule for **Policy 1**

No money will be paid under **Policy 8** until all monies have been paid under **Policy 1** or, if needed, any shortfall in the sum insured has been fully paid in replacing your Building.

Note: It is important you understand there is a direct relationship between **Policy 1**, which covers the replacement costs and other expenses incurred ie Loss of Rent, and **Policy 8** which covers the escalation in building cost due to a shortage in materials and labour.

Special benefits

Your Policy includes the following benefits IN ADDITION to the sum insured.

- 1 Loss of rent – extended period of cover
- 2 Cost of temporary accommodation – extended period of cover
- 3 Escalation in the cost of temporary accommodation
- 4 Removal/Storage – contents
- 5 Cost of evacuation

NOTE: The total amount you can claim for these Special Benefits is limited to the following percentages of your **Policy 8** sum insured unless you have asked for a different percentage.

Special Benefits 1 and 2 combined	15%
Special Benefit 3	5%
Special Benefits 4 and 5 combined	5%

Special condition

Other terms, conditions and exclusions are the same as for **Policy 1** and you should refer to that policy for details.

Important information

This is an original wording. No part of this publication, or any variation of it, may be reproduced, stored in a retrieval system or transmitted in any form, or by any means, without prior permission in writing of CHU Underwriting Agencies Pty Ltd. It is an offence to do so and legal action will be taken.

Information about your policy

This is Your policy wording – it tells You:

- ◆ what Your policy covers
- ◆ what Your policy does not cover
- ◆ how to make a claim
- ◆ what excesses apply
- ◆ about other conditions.

Details of the insurance that are personal to You are shown on the Schedule that is sent to You with the policy wording.

The date when Your insurance cover ends is particularly important.

Your duty of disclosure

The law requires You to tell Us everything You know (or could reasonably be expected to know in the circumstances) which is relevant to Our decision to insure You and the terms on which We insure You.

This duty applies before You enter into a contract with Us, that is, before We accept Your application and also before each time You alter or renew Your policy.

Each party named as the Insured has the same duty.

Also be sure to notify Us of any changes that affect Your policy.

Penalty for non-disclosure

If You do not tell Us everything that is relevant, We may:

- ◆ reduce or refuse to pay a claim
- ◆ cancel this policy

If You act dishonestly, We may invalidate this Policy from its beginning and not be bound by it.

You don't need to tell us anything which

- ◆ reduces the risk
- ◆ is common knowledge
- ◆ We already know, or ought to know in the ordinary course of Our business or
- ◆ We indicate We do not want to know.

If You are not sure that something is relevant, it is best to disclose it anyway.

Authority to act on our behalf

We have fully authorised CHU Underwriting Agencies Pty Ltd ABN 18 001 580 070 to market, underwrite, settle claims and administer this Policy on Our behalf. Any matters or enquiries You may have should be directed to them.

By virtue of this authority CHU Underwriting Agencies Pty Ltd act as Our agent, and not Yours, but liability within the terms and conditions of this Policy remains at all times with Us.

Headings

The Headings included throughout this policy wording are intended for information and convenience only and will in no way affect or be relevant to the construction of the terms of the Policies.

Dispute Resolution Services

QBE Insurance (Australia) Ltd and CHU Underwriting Agencies Pty Ltd support the aims and application of the General Insurance Code of Practice developed by the Insurance Council of Australia (ICA) and approved by the Australian Securities & Investments Commission (ASIC).

If You have a complaint or dispute We will try to resolve it immediately. If We cannot provide an immediate resolution You can request the matter be further considered by the CHU Internal Dispute Resolution process.

Your initial contact is the CHU State Manager in Your state who may be contacted by telephone, in person or in writing.

If You are not happy with Our decision, You may take Your complaint to the General Insurance Enquiries and Complaints Scheme (IEC), an external dispute resolution body. IEC also has a Claims Review Panel which adjudicates disputes relating to claims. They can be contacted on 1300 780 808.

Cooling-off information

You have a cooling-off period. During the cooling-off period, You may return Your insurance contract to Us and obtain a refund. You may do this by notifying Us in writing or electronically. You may only exercise this right during the period of 14 days starting on the earlier of:

- ◆ the time You received confirmation of this insurance transaction or
- ◆ the end of the 5th day after the day on which this insurance contract was issued to You.

You cannot exercise Your right at any time after:

- ◆ You have exercised a right or power under Your insurance contract (eg. You have made a claim) or
- ◆ Your rights or powers under Your insurance contract have ended.

If Your insurance contract is for an event that will start and finish within the 14 day cooling-off period, You can only exercise Your right before the event starts or at the expiry of the cooling-off period, whichever is the earlier.

If You exercise Your right to return this insurance contract then it is terminated with effect from that time. We will give You a pro rata refund. We may deduct from Your refund:

- ◆ Any tax or duty which has been paid or must be paid and which is not refundable and
- ◆ Any reasonable administrative and transaction costs.

Our agreement

Subject to the payment of the premium We will pay to You or on Your behalf, up to the sum insured specified in the policy Schedule, for loss, damage, disability, or liability occurring during the period of insurance subject to the terms, exclusions and conditions of the Policies.

General definitions

Some key words used in this policy wording have a special meaning and those words begin with a capital letter.

For those words that are only used in one policy section their special meaning is described in that policy section.

Wherever the words listed hereunder are used throughout this policy wording they mean what is set out below.

Building

means:

- 1** Building/Buildings as defined by the Strata Titles Act, Community Titles Act, Company Titles Act or similar legislation applying where Your Building is situated, including outbuildings, walls, gates, fences, external signs and awnings, elevators, escalators, inclinators, ducted airconditioning, swimming pools, underground services, satellite dishes, radio, television and other antennas (including their lead-in wiring), masts, towers
- 2** marinas, wharves, pontoons, docks or similar type facilities (whether fixed or floating) which are used for non-commercial purposes and which do not provide fuel distribution facilities, unless You advise Us and We otherwise agree in writing
- 3** other improvements of a structural nature
- 4** Proprietors, Members, Owners or Shareholders fixtures at Your Situation (or as regards **2**, at or adjacent to Your Situation) or whilst temporarily removed or in transit.

Building does not include:

- ◆ carpets (whether fixed or unfixed or carpet underlay)
- ◆ fixtures removable by a lessee at the expiration of a tenancy
- ◆ paint, wallpaper or other wall and ceiling finishes or coverings within a Unit where Your Building is situated in New South Wales.

Common area contents

means (but not to limit the generality thereof) the following items at Your Situation:

- 1** Your furniture, furnishings, carpets, computer and electronic and electrical equipment, garden equipment, plant and telephones
- 2** property for which You are legally responsible.

Common Area Contents does not include livestock, Vehicles, caravans, trailers, Watercraft over 7.5 metres in length, aircraft or accessories in or on any of them, or other than as provided herein, the personal property of Proprietors, Members, Owners, Shareholders or of any other person or party.

Cost of temporary accommodation

means, as regards any Unit occupied by a Unit Owner, an amount of money calculated on the basis of the annual rentable value (including any 'outgoings' that would have been payable by a tenant) that would have applied to such Unit immediately prior to the happening of loss or damage to Your Building.

Excess

means the amount You have to contribute towards each and every event which causes loss or damage insured by this policy. An Excess is deducted from the amount of loss or damage before the application of the sum insured or any sub-limit.

Internet Operations

means:

- 1 use of electronic mail systems by You or Your employees, including part-time and temporary staff, contractors and others within Your organisation
- 2 access through Your network to the world wide web or a public internet site by Your employees, including part-time and temporary staff, contractors and others within Your organisation
- 3 access to Your intranet (meaning internal company information and computing resources) which is made available through the world wide web for Your customers or others outside Your organisation and
- 4 the operation and maintenance of Your web site.

Land value

means the sum certified by the Valuer General as being the value of the land at Your Situation after due allowance has been made for:

- 1 variations
or
- 2 other special circumstances affecting such value either before or after the damage

and which would have affected the value had damage not occurred. The figures thus adjusted will represent as near as may be reasonably practical the true Land Value pertaining both before and after damage.

Loss of rent

means as regards any Unit, or any part of Your common area usually inhabited, an amount of money calculated on the basis of the annual rentable value (including any 'outgoings' payable by a tenant or lessee) that applied immediately prior to the happening of loss or damage to Your Building.

Proprietors, members, owners or shareholders

means and is limited to the interest of Proprietors, Members, Owners or Shareholders in respect of the ownership of Your Building and/or common property in terms of the Strata Titles Act or Community Titles Act or similar legislation applying where Your Building is situated.

The interest or liability of Proprietors, Members, Owners or Shareholders as a Unit Owner and/or occupier of a Unit is not included unless otherwise specifically provided by this policy.

Situation

means the place shown in the policy Schedule where the insured property is located.

Terrorism, Act of Terrorism

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

- 1 involves violence against one or more persons or
- 2 involves damage to property or
- 3 endangers life other than that of the person committing the action or
- 4 creates a risk to health or safety of the public or a section of the public or
- 5 is designed to interfere with or to disrupt an electronic system.

Unit, units

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

Unit owner, unit owners

means a person, persons or others registered as a proprietor or owner of an estate in fee simple in a Unit in terms of the Strata Titles Act, Community Titles Act or similar legislation applying where the Unit is situated.

Unit owners contents

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

- 1 Unit Owners personal effects, furniture, furnishings, carpets, computer and electronic and electrical equipment, garden equipment
- 2 Unit Owners business fittings, furniture, furnishings, machinery, plant, stock

but does not include livestock, or unless forming part of stock, Vehicles, caravans, trailers, Watercraft, aircraft or accessories in or on any of them.

Vehicle, vehicles

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

Vehicle or Vehicles does not mean wheelchairs, garden appliances or golf buggies, or as regards **Policy 2**, only when they do not have to be insured under any legislation in the State or Territory of Australia in which they are being used.

Voluntary worker

means a person engaged solely in work or duties on Your behalf without promise of reward or remuneration, other than an honorarium for duties associated with the position of an office holder.

Voluntary Worker does not mean Your employees, contractors or any person who receives a payment, reward or remuneration (other than provided herein) for their services.

Watercraft

means a vessel, machine or object designed to be used on or in water.

We, us, our

means the Company named in the Schedule as the Insurer.

You, your, yours

means:

1 in respect of Policies 1, 5, 7 and 8:

the Body Corporate, Corporation, Owners Corporation, Plan or Company named in the Schedule including, but limited to, the interest therein of Proprietors, Members, Owners or Shareholders.

2 in respect of Policy 2:

the Body Corporate, Corporation, Owners Corporation, Plan or Company named in the Schedule including, but limited to:

- a** the interest therein of Proprietors, Members, Owners or Shareholders
- b** a Voluntary Worker whilst engaged solely in work or duties on behalf of the Body Corporate, Corporation, Owners Corporation, Plan or Company named in the Schedule.

3 in respect of Policy 3:

a Voluntary Worker whilst engaged solely in work or duties on behalf of the Body Corporate, Corporation, Owners Corporation, Plan or Company named in the Schedule.

4 in respect of Policy 4:

the Body Corporate, Corporation, Owners Corporation, Plan or Company named in the Schedule.

5 in respect of Policy 6:

the past, present or future Office Bearer(s) and/or Committee Members of the Body Corporate, Corporation, Owners Corporation, Plan or Directors of the Company, including those persons:

- a** estate, heirs, legal representative or assigns
- b** legal representative or assigns if he/she is incompetent, insolvent or bankrupt

but does not include any professionally contracted person(s), firm or company.

Policy 1 – Building & common area contents

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This **Policy 1** is a 'broad form' accidental loss and damage insurance contract in terms of the Insurance Contracts Act, 1984 and on that basis We agree to indemnify You in respect of ACCIDENTAL LOSS or DAMAGE to Your Building and Common Area Contents occurring during the period of insurance by payment, or at Our option, by reinstatement, replacement or repair subject to the following terms, conditions and exclusions.

Property insured

We cover:

- ◆ Your Building, up to the limit of the sum insured specified in the schedule
- ◆ Your Common Area Contents whilst contained in, on or under Your Building at the Situation or whilst temporarily removed or in transit, up to the limit of one percent (1%) of the sum insured on Your Building or such other percentage as specified in the Schedule.

Additional benefits

We will pay for **Additional Benefits 1 to 6**, provided the sum insured on Your Building is not otherwise exhausted in respect of any one loss or series of losses arising out of one event.

1 Architects and professional fees, removal of debris

- a** architects fees, surveyors fees and other professional fees
- b** the cost of removal, storage and/or disposal of debris, being the residue of Your damaged Building or Common Area Contents (including debris You are required to remove from adjoining or adjacent public or private land
- c** the cost of dismantling, demolishing, shoring up, propping, underpinning, or other temporary repairs

necessarily incurred with Our written consent in the repair or reinstatement of damage to Your Building or Common Area Contents arising from any cause not excluded under this **Policy 1**.

2 Emergency cost of minimising losses

Emergency repair costs necessarily and reasonably incurred by You in pursuance of Your duty to minimise insured loss and avoid further losses provided that if there are reasonable grounds to believe such costs are likely to exceed \$1,000 You must promptly inform Us.

3 Government fees, contributions or imposts

Government fees, contributions or imposts payable to any Government or Local Authority necessarily incurred with Our written consent and incurred as a condition precedent to the obtaining of consent to reinstate Your Building, provided that We will not be liable for payment in respect of any fine or penalty imposed by any such Authority.

4 Legal fees

Legal fees necessarily incurred with Our written consent in making submissions and/or applications to State and/or Federal Government and/or Builders Licensing and/or Local Government Authorities and/or Land and Environment Courts as a result of loss or damage to Your Building or Common Area Contents arising from any cause not excluded under this **Policy 1**.

5 Storm damage to fences and gates

The cost of loss or damage to Your fences and gates as a result of storm and/or tempest except where wear, tear, gradual corrosion, gradual deterioration, wet or dry rot, rust, vermin or insects have primarily contributed toward the loss or damage.

You must not repair or replace damaged fences or gates until We have had an opportunity of inspection and/or given Our consent to such action.

6 Tsunami damage

The cost of loss or damage to Your Building or Common Area Contents as a result of a tsunami. Tsunami is a high tide or tidal wave caused by an earthquake, earth tremor or seismological disturbance under the sea.

Special benefits

We will pay for **Special Benefits 1 to 17** in addition to the sum insured for this **Policy 1**, and where applicable will also treat Unit Owners as though they were You.

1 Loss of rent, temporary and emergency accommodation

a Loss of rent

Loss of Rent incurred in the event of Your Building being damaged so as to make uninhabitable any Unit, or any part of Your common area usually inhabited:

- i** by any cause not excluded under this **Policy 1**
or
- ii** if reasonable access to and/or habitation of any undamaged Unit, or any undamaged part of Your common area usually inhabited, is prevented as a consequence of such damage or by such damage to property in the immediate vicinity.

We will pay for Loss of Rent incurred:

- ◆ as regards **ai** – during the time reasonably necessary for reinstatement of Your Building
or
- ◆ as regards **aia** – until access is re-established.

b Cost of temporary accommodation

The Cost of Temporary Accommodation necessarily incurred in the event of Your Building being damaged so as to make uninhabitable any Unit occupied by a Unit Owner:

- i** by any cause not excluded under this **Policy 1**
or
- ii** if reasonable access to and/or habitation of any such undamaged Unit is prevented as a consequence of such damage or by such damage to property in the immediate vicinity.

We will pay for the Cost of Temporary Accommodation incurred:

- ◆ as regards **bi** – during the time reasonably necessary for reinstatement of Your Building
or
- ◆ as regards **bii** – until access is re-established.

c Emergency accommodation

The cost of reasonable emergency accommodation necessarily incurred in the event of Your Building being damaged so as to make uninhabitable any Unit occupied by a Unit Owner for residential purposes:

- i** by any cause not excluded under this **Policy 1**
or
- ii** if reasonable access to and/or habitation of any such undamaged Unit is prevented as a consequence of such damage or by such damage to property in the immediate vicinity.

We will pay for the cost of emergency accommodation necessarily incurred:

- ◆ for the first three (3) nights, to a limit of \$200 per night per Unit.

d Failure of supply services

Loss of Rent and/or Cost of Temporary Accommodation incurred in the event of the failure of electricity, gas, water or sewerage services so as to make uninhabitable any Unit, or any part of Your common area usually inhabited in consequence of damage to property belonging to or under the control of any public supply undertaking from which the supply is obtained by any cause not excluded under this **Policy 1**.

Cover under this **Special Benefit 1d**:

- i** commences at the expiration of forty-eight (48) hours from the time of the failure and
- ii** continues until the time such services are reinstated, or for a period of thirty (30) days, whichever first occurs.

e Infectious, contagious diseases

Loss of Rent and/or Cost of Temporary Accommodation incurred in the event of an infectious or contagious disease, murder or suicide occurring at Your Situation and habitation of any Unit, or any part of Your common area usually inhabited, is not permitted by order of a Government Authority.

Cover under this **Special Benefit 1e**:

- i** commences at the time such order is invoked and
- ii** continues until the time such order is revoked, or for a period of thirty (30) days, whichever occurs first.

f Removal, storage – unit owners contents

The costs necessarily incurred of:

- i** removing undamaged Unit Owners Contents to the nearest place of safe keeping
- ii** storing undamaged Unit Owners Contents at that place or an equivalent alternate place
- iii** returning undamaged Unit Owners Contents to Your Situation when habitation of Your Building or their Unit is permitted

in the event of Your Building being damaged by any cause not excluded under this **Policy 1** so as to make uninhabitable any Unit.

The amount payable under this **Special Benefit 1f** will be reduced by any amount payable for such costs under any policy of insurance effected by a Unit Owner.

With the exception of **Special Benefit 1c** the combined total amount We will pay for **Special Benefit 1** arising out of events occurring in any one period of insurance is limited to:

- ◆ a sum equivalent to fifteen percent (15%) of the sum insured on Your Building or such other percentage as We may agree in writing.

2 Arson Reward

We will pay a reward of up to \$5,000 any one event for information (irrespective of the number of people supplying information) which leads to a conviction for arson in connection with a loss covered under this **Policy 1**.

For the purpose of this **Special Benefit 2** the reward will be payable to the person or persons providing such information or in such other manner as We may decide.

3 Cost of new title deeds

The cost of preparing new Title Deeds to Your land, Building or any Unit contained therein if the Title Deeds are lost or damaged or destroyed whilst anywhere in Australia, to a limit of \$500 any one loss or series of losses arising out of one event.

4 Damage to electric motors

The cost to You of repairing or replacing an electric motor forming part of Your Building or Common Area Contents which has been burnt out by electric current.

We will not pay for:

- a** motors under a guarantee or warranty or maintenance agreement
- b** motors with an output in excess of four (4) kilowatts or more than twenty (20) years old
- c** other parts of any electric appliance nor for any software
- d** lighting or heating elements, fuses or protective devices
- e** contact at which sparking or arcing occurs in ordinary working.

5 Exploratory costs, replacement of defective parts

The exploratory costs reasonably incurred by You (including reinstatement of the area of Your Building necessarily damaged by exploratory work) in locating the source of bursting, leaking, discharging or overflowing of tanks, apparatus or pipes used to hold or carry liquid of any kind where the breach in the tank, apparatus or pipe is from any cause not excluded by this **Policy 1**.

Further where such breach is from any cause not excluded by this **Policy 1** We will also pay the costs reasonably incurred in:

- a** repairing or replacing the defective part or parts of such tanks, apparatus or pipes, to a limit of \$500
- b** rectifying contamination damage or pollution damage to Your land at Your Situation caused by the escape of liquid, to a limit of \$500.

6 Fallen trees

The professional costs necessarily incurred for the removal and disposal of Your fallen trees and/or branches (but not tree stumps or roots) that have caused damage to Your Building, Common Area Contents or landscaped gardens, to a limit of \$2,000 any one loss or series of losses arising out of one event.

7 Fire extinguishing

The cost and expenses necessarily and reasonably incurred by You for the purposes of:

- a** extinguishing fire at Your Situation or in the vicinity of Your Situation and threatening to involve Your Building or Common Area Contents or for the purpose of preventing or diminishing damage, including the costs to gain access to any property
- b** replenishing firefighting appliances
- c** shutting off the supply of water or any other substance following the accidental discharge or escape of such substances from fire protective equipment.

8 Landscaping

The cost necessarily incurred by You in the replacement or repair of landscaping at Your Situation from any cause not excluded by this **Policy 1**, to a limit of \$1,000 any one period of insurance.

For the purpose of this **Special Benefit 8** landscaping means trees, shrubs, plants, lawns, or rockwork.

9 Maintenance fees receivable

Amounts due to You as maintenance fees required to be paid by individual Unit Owners which You, having used all reasonable endeavours, have been unable to collect following an insured loss which has rendered such Units uninhabitable, to a limit of \$1,000 per Unit.

We reserve Our right of subrogation to collect the outstanding fees.

10 Money

Loss of Money, to a limit of \$5,000 any one loss or series of losses arising out of one event, whilst in the personal custody of an Office Bearer or Committee Member of the Body Corporate, or custody of a duly appointed strata manager acting on behalf of the Body Corporate, but excluding fraudulent misappropriation, larceny or theft or any attempt thereof by:

- a** any person in Your employment
- b** a Unit Owner or a proxy of a Unit Owner or any member of his/her family residing permanently with him/her.

11 Personal property

The market value of personal property of others, including employees, lost or damaged or destroyed from any cause not excluded by this **Policy 1**, whilst in Your physical or legal control, to a limit of \$5,000 any one loss or series of losses arising out of one event.

12 Pets

We will, in respect of Units occupied solely for residential purposes, pay the Unit Owner for the cost of boarding pets if their Unit is rendered uninhabitable from any cause not excluded by this **Policy 1** and temporary accommodation does not allow pets, to a limit of \$500 per Unit any one period of insurance.

13 Property in the open air

The cost of loss or damage to Common Area Contents in the open air at Your Situation, from any cause not excluded by this **Policy 1**, to a limit of \$5,000 any one loss or series of losses arising out of one event.

For the purpose of this **Special Benefit 13** 'open air' also means any part of Your Building not fully enclosed by walls and roofing (such as a carport or balcony) and while at Your Situation in or on any motor vehicle or motor cycle whether locked or not.

14 Records

Expenditure incurred by You to a limit of \$5,000 in any one period of insurance in collating information, preparing and/or rewriting Your records, electronic data and valuable papers lost or damaged or destroyed, from any cause not excluded by this **Policy 1**, whilst at Your Situation, or elsewhere in Australia, while in the custody of an Office Bearer or Committee Member, or a duly appointed strata manager acting on Your behalf.

15 Removal, storage costs

The costs necessarily incurred in:

- a** removing undamaged Common Area Contents to the nearest place of safe keeping
- b** storing undamaged Common Area Contents at that place or an equivalent alternate place
- c** returning undamaged Common Area Contents to Your Situation when habitation of Your Building is permitted

as a result of loss or damage to Your Building arising from any cause not excluded by this **Policy 1**, to a limit of \$5,000 any one loss or series of losses arising from the one event.

16 Replacement keys and locks

The cost of re-keying or re-coding locks together with replacement keys, or replacing with locks of a similar type and quality if they cannot be re-keyed or re-coded, in the event of keys to a Unit being stolen as a consequence of forcible entry into that Unit or Your Building or where there are reasonable grounds to believe keys have been duplicated, to a limit of \$1,000 any one loss or series of losses arising out of one event.

This **Special Benefit 16** does not apply to keys or codes stolen or duplicated by tenants, or where there are reasonable grounds to believe they have been stolen or duplicated by tenants, either during or immediately following a period of tenancy.

17 Reinstatement of cover

With the exception of **Special Benefits 8, 12 and 14** the sums insured and/or limit(s) any one loss under this **Policy 1** will in the event of a claim, provided Your Building and/or Common Area Contents are not totally destroyed, be automatically reinstated until the expiration of the period of insurance without You having to pay any additional premium.

Basis of settlement of claims

Reinstatement, Replacement

In the event of Your Building or Common Area Contents being destroyed or damaged, the basis upon which the amount payable under this **Policy 1** is to be calculated will be the cost of Reinstatement or Replacement at the time of reinstatement or replacement of such loss or damage subject to the following Special Provisions and also the terms and conditions of this **Policy 1**.

Special provisions

- 1** Reinstatement and Replacement means:
 - a** as regards Your Building:
 - i** the reasonable and necessary cost of rebuilding, replacing or repairing to a condition which is equivalent to but not better nor more extensive than when it was new
 - b** as regards Your Common Area Contents:
 - i** when an item or items are destroyed – the cost of replacing them with an item or items of the same specifications, or if the same is not available, with substantially the same specifications
 - ii** when an item or items are damaged – the cost of repairing them to a condition substantially the same as but not better nor more extensive than when they were new.
- 2** The necessary work for rebuilding or replacing or repairing as the case may be (which may be carried out upon another site, and in any manner suitable to Your requirements but subject to Our liability not being thereby increased), must be commenced and carried out with reasonable despatch, failing which We will effect settlement on an indemnity basis.
- 3** If it is lawful, and subject to Our prior consent, You will not be bound to actually rebuild any building destroyed but may purchase an alternative existing building to replace that destroyed. Such replacement will be deemed to constitute Reinstatement for the purpose of this insurance but subject to Our liability not being thereby increased.

We do not cover the cost to reinstate illegal installations.

Extra cost of reinstatement

In the event of Your Building being destroyed or damaged this **Policy 1** extends to include the extra cost of Reinstatement, including demolition or dismantling, necessarily incurred to comply with the requirements of any Act of Parliament or Regulation made thereunder or any By-Law or Regulation of any Municipal or other Statutory Authority, subject to the following Special Provisions and also to the terms and conditions of this **Policy 1**.

Special provisions

Special Provision 4 will not apply to Your Building if its construction commenced on or after 01 January 1975.

- 1** The necessary work of Reinstatement (which may be carried out wholly or partially upon another site, and in any manner suitable to Your requirements but subject to Our liability not being thereby increased, must be commenced and carried out with reasonable despatch, failing which We will not be liable to make any payment in respect of the extra cost of Reinstatement.

- 2** The amount We pay for extra cost of Reinstatement will not include the costs that would have been incurred in complying with orders issued under any Act, Regulation or By-Law prior to the happening of the loss or damage.
- 3** The indemnity provided in respect of extra cost of Reinstatement will not apply unless all other insurances effected by You on Your Building covered by this **Policy 1**, against all or any of the causes insured hereby, are on a similar basis.
- 4** If the cost of reinstatement of insured damaged property is less than fifty (50%) of what would have been the cost of reinstatement of Your Building if it had been wholly destroyed, the amount recoverable will:
 - a** be limited to the extra cost necessarily incurred in reinstating only that proportion damaged
 - b** not include any extra cost in relation to any portion of Your Building not damaged
 - c** not exceed, in any event, the sum that We could have been called upon to pay if Your Building had been wholly destroyed.

We do not cover the cost to reinstate illegal installations.

Abandoned undamaged foundations

In the event of Your Building being destroyed or damaged but its foundations are not destroyed and due to the exercise of statutory powers or delegated legislation or authority by any Government Department, Local Government or other Statutory Authority reinstatement of Your Building is carried out upon another site then the abandoned foundations will be deemed to have been destroyed.

If the presence of the abandoned foundations increases the sale value of the original Situation then the amount of such increase will be regarded as salvage and will be payable by You to Us upon completion of the sale or will be deducted from the total amount otherwise payable by Us under this **Policy 1**, whichever will occur later.

All differences relating to the amount of such increase in the value of the original Situation arising out of this **Policy 1** may by agreement between both of us be referred to the President of the Australian Property Institute Inc. who will appoint a registered and qualified valuer whose decision will, if we both so agree, be final and binding and who will at the same time decide as to payment of any costs of such referral.

Abandoned undamaged portion of insured property

In the event of Your Building being destroyed or damaged and due to the exercise of statutory powers or delegated legislation or authority by any Government Department, Local Government or other Statutory Authority reinstatement of Your Building is carried out upon another site then the abandoned undamaged portion of Your Building will be deemed to have been destroyed.

If the presence of such undamaged portion of Your Building increases the sale value of the original Situation then the amount of such increase will be regarded as salvage and will be payable by You to Us upon completion of the sale or will be deducted from the total amount otherwise payable by us under this **Policy 1**, whichever will occur later.

All differences relating to the amount of such increase in the value of the original Situation arising out of this **Policy 1** may by agreement between both of us be referred to the President of the Australian Property Institute Inc. who will appoint a registered and qualified valuer whose decision will, if we both so agree, be final and binding and who will at the same time decide as to payment of any costs of such referral.

Floor space ratio

In the event of Your Building being damaged and reinstatement of such damage is limited or restricted by any Act of Parliament or Regulation thereunder, or any By-Law or Regulation of any Municipal or other Statutory Authority, which results in the reduction of the Floor Space Ratio Index We will, in addition to any amount payable on reinstatement of Your Building, pay the difference between:

- 1 the actual costs incurred in Reinstatement subject to the reduced Floor Space Ratio Index and
- 2 the estimated cost of Reinstatement at the time of damage had the reduced Floor Space Ratio Index not applied.

Our liability under this clause will be limited to the extent to which the sum insured on Your Building is not otherwise exhausted.

Land value

Subject to the sum insured on Your Building not being otherwise exhausted We will:

- 1 pay by way of indemnity the deficiency between Your Land Value before and after the loss or damage in the event of the absolute refusal by the relevant Government Department, Municipal or other Statutory Authority to allow the reconstruction of Your Building or
- 2 pay by way of indemnity the deficiency between Your Land Value before and after the loss or damage, in the event of the relevant Government Department, Municipal or Statutory Authority allowing partial reconstruction only of Your Building

less any sum paid by way of compensation by such Authority arising out of the action referred to above.

All differences relating to Your Land Value arising out of this **Policy 1** may by agreement between both of us be referred to the President of the Australian Property Institute Inc. who will appoint a registered and qualified valuer whose decision will, if we both so agree, be final and binding and who will at the same time decide as to payment of any costs of such referral.

Statutory Authority

In the event of damage occurring to Your Building which necessitates the rebuilding of part of the structure, if the approval to rebuild to the dimensions of Your Building at the time of the said damage is not given by a Municipal or other Statutory Authority as a result of change of zoning or any other reason so that Your Building as repaired will have less Units therein than at the date of damage, We agree to pay the cost of erecting on an alternative site a building containing Units equal to and similar to those which cannot be rebuilt or a sum of money equal to the cost of purchasing the same number of Units in another Strata Plan, whichever is the less.

In no case will the proportion which the said sum of money bears to the sum insured exceed the proportion which the Unit entitlement of those Units bears to the aggregate Unit entitlement.

Exclusions

We will not pay for:

- 1 Loss or damage to retaining walls resulting from storm and/or tempest and/or rainwater.
- 2 Loss or damage to carpets resulting from staining, fading or fraying, but this exclusion will not apply to loss or damage which results from any other cause not excluded by this **Policy 1**
- 3 Rectification of:
 - a wear, tear, fading, gradual corrosion or gradual deterioration, concrete or brick 'cancer', developing flaws, wet or dry rot, rust or oxidation
 - b mechanical breakdown or derangement or overwinding
 - c electrical breakdown or derangement or failure caused by electric current.
However under **Exclusions 3b** and **3c** cover still applies if the loss or damage is due to:
 - i fusion of electric motors as covered under **Special Benefit 4**
 - ii lightning
 - iii power surge when such event is confirmed by the supply authority or
 - iv if fire damage results.
 - d defect, error or omission in design, plan or specification or failure in design
 - e normal settling, seepage, shrinkage, or expansion in buildings or foundations, walls, pavements, roads and other structural improvements, creeping or heaving
 - f smut or smoke from industrial operations (other than sudden or unforeseen damage resulting therefrom).
- 4 The movement of swimming pools or spas or the accidental breakage, chipping or lifting of tiles of swimming pools or spas or their surrounds.
- 5 Demolition ordered by any Government, Local Government, or Statutory Authority as a result of Your failure, or the failure of anyone acting on Your behalf, to comply with any lawful requirement or due to the incorrect siting of Your Building.
- 6 Consequential loss (other than as specifically provided under Additional Benefits or Special Benefits), loss of use or depreciation.

- 7** Loss or damage to property occasioned by its undergoing any process necessarily involving the application of heat. This exclusion only applies to the property to which heat is being applied.
- 8** Loss or damage caused by:
- a** flood, being the inundation of normally dry land by water which escapes or is released from the confines of any natural or artificial watercourse, lake, reservoir, canal or dam
 - b** water from or action by the sea, tidal wave or high-water, other than as provided under **Additional Benefit 6**
 - c** vibration or from the removal or weakening of or interference with the support of land or buildings or any other property, erosion, subsidence, landslide, mudslide, shrinkage or any other earth movement or collapse resulting therefrom but this exclusion will not apply if the loss or damage is caused by or arises out of earthquake or seismological disturbance, explosion or physical impact by aircraft
 - d** the invasion of tree or plant roots, but if such invasion blocks Your drainage system this exclusion will not apply to any subsequent damage to Your Building or Common Area Contents caused by the escape of water or liquids therefrom
 - e** vermin, insects, mildew, inherent vice or latent defect, or by pecking, biting, chewing or scratching by birds or animals, but this exclusion will not apply to loss or damage which results from any other cause not excluded by this **Policy 1**.
- 9** Loss or damage to:
- a** Your property if it is vacant and undergoing demolition
 - b** Your property directly resulting from construction, erection, alteration or addition where the value of such work exceeds ten percent (10%) of Your Building sum insured or \$500,000, whichever is the lesser. This exclusion will not apply to loss or damage which results from any other cause not excluded by this **Policy 1**
- unless You advise Us of such demolition or work and We agree thereto in writing.
- 10** Loss or damage to:
- a** Your boilers (other than a boiler used for domestic purposes) and/or economisers and/or pressure vessels and their contents resulting from the explosion thereof
 - b** Your property which is insured by any other policy covering boiler explosion except for any amount beyond that payable for damage to Your property under such other policy.

Excesses

You will in relation to:

- 1 Special Benefit 5a** – replacement of defective parts – bear the first \$20 of the cost of loss or damage
- 2** earthquake or seismological disturbance – bear the lesser of the following amounts for each and every loss or series of losses arising out of or consequent upon such cause or event occurring during any one period of forty eight (48) consecutive hours:
 - a** \$20,000
 - or
 - b** an amount equal to one (1%) of the sum insured on Your Building.

With the exception of the replacement of defective parts Excess mentioned in **1** above, should You have to bear more than one Excess for any loss or series of losses arising from the one event, such excesses will not be aggregated and the highest single level of Excess only will apply.

Excess no.

Whenever an Excess Number and amount is specified in the policy Schedule, You will bear that amount for each and every loss or series of losses arising out of or consequent upon such cause or event.

- 1** Damage by water or liquid, including exploratory costs incurred in locating the source of damage, caused by the bursting, leaking, discharging or overflowing of tanks, apparatus or pipes
- 2** Damage by water or liquid, other than that caused by the bursting, leaking, discharging or overflowing of tanks, apparatus or pipes
- 3** Breakage of or damage to glass or mirrors
- 4** Storm and/or tempest
- 5** Any cause whatever
- 6** Damage to electric motors
- 7** Malicious acts, vandalism, graffiti
- 8** Impact caused by road vehicles or animals
- 9** Burglary and/or theft and/or any attempt thereat.

Policy 2 – Legal liability

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We insure You up to the Sum Insured shown under **Policy 2** in the Schedule if You become legally responsible to pay by way of compensation for:

- ◆ Personal Injury or
- ◆ Property Damage

resulting from an Occurrence in connection with:

- ◆ Your Business or
- ◆ an operative Additional Benefit

which happens during the Period of Insurance.

Additional benefits

1 Car park liability

We will pay up to the Sum Insured under **Policy 2** should You become legally responsible to pay by way of compensation for Property Damage to Vehicles in Your physical or legal control where such Property Damage occurs in a car park You own or operate at the Situation.

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

2 Hiring out of sporting and recreational facilities

We will pay up to the Sum Insured under **Policy 2** should You become legally responsible to pay by way of compensation for Personal Injury or Property Damage arising from the hiring out of sporting or recreational facilities (such as but not limited to tennis courts or swimming pools) owned by You.

3 Recreational activities

We will pay up to the Sum Insured under **Policy 2** should You become legally responsible to pay by way of compensation for Personal Injury or Property Damage arising from recreational or social activities arranged for and on behalf of Unit Owners and occupiers of Units.

You, in this **Additional Benefit 3**, includes the organisers of any such activity in respect of claims that arise from their duties connected with such activity.

4 Services

We will pay up to the Sum Insured under **Policy 2** should You become legally responsible to pay by way of compensation for Personal Injury or Property Damage arising out of the Service or Services You provide for the benefit, general use and enjoyment of Unit Owners and occupiers of Units in Your scheme.

5 Vehicles, watercraft

We will pay up to the Sum Insured under **Policy 2** should You become legally responsible to pay by way of compensation for Personal Injury or Property Damage arising from any Vehicle or Watercraft (not exceeding 7.5 metres in length) owned by You, in Your possession or physical or legal control.

We will not pay if any such item is or should be insured under legislation of the State or Territory of Australia in which it is being used.

Special benefits

1 Legal expenses – common property health and safety breaches

When You obtain Our written consent, We will pay up to \$100,000 in any one Period of Insurance for legal expenses You, as owner of Your Building and/or provider of Services, incur in appealing against:

- a** the imposition of an improvement or prohibition notice under any workplace, occupational health, safety or similar legislation applying where Your Building is situated or
- b** the determination under any workplace occupational health, safety or similar legislation applying where Your Building is situated of a review committee, arbitrator, tribunal or Court.

The imposition of an improvement or prohibition notice must happen during the Period of Insurance and arise out of:

- a** an unplanned Occurrence or incident that causes or contributes to Personal Injury or Property Damage or
- b** failure by You to provide and maintain so far as is reasonably practicable:
 - i** a safe working environment
 - ii** a safe system of work
 - iii** plant and substances in a safe condition
 - iv** adequate facilities of a prescribed kind for the welfare of Your employees.

2 Legal defence expenses

When You obtain Our written consent We will pay up to \$20,000 in any one Period of Insurance for Legal Defence Expenses You necessarily incur in connection with litigation arising out of a Claim made or brought against You:

- a** in connection with the conduct of the ordinary Business and affairs of Your Body Corporate
- b** under the Trade Practices Act 1974 and/or under any other Consumer Protection Legislation
- c** arising out of any dispute with an employee, former employee or prospective employee:
 - i** concerning the terms and conditions of their contract of employment or alleged contract of employment with You
 - ii** leading to civil or criminal proceedings under any Race Relations and/or Sexual Discrimination Legislation

We will not indemnify You unless any such Claim is first made or brought against You during the Period of Insurance and You report it to Us during that Period of Insurance or within thirty (30) days thereafter.

For each and every Claim You must, by way of Excess, pay or contribute the amount of \$250.

Special provisions

Under **Policy 2**:

- 1** The maximum amount We will pay is:
 - a** for **Special Benefit 1** – the amount of \$100,000 in any one Period of Insurance
 - b** for **Special Benefit 2** – the amount of \$20,000 in any one Period of Insurance and
 - c** for any other claim or series of claims arising out of any Occurrence – the Sum Insured under **Policy 2**

These maximum amounts include all legal costs and expenses that are recoverable from You by a claimant.

- 2** We will, other than for **Special Benefits 1** and **2**, also pay:
 - a** all legal costs and expenses incurred by Us
 - b** all reasonable expenses incurred by You which We have agreed to reimburse
 - c** all interest accruing after judgment has been entered against You until We have paid, tendered or deposited in court the amount that We are liable to pay following judgmentin addition to the Sum Insured under **Policy 2**
- 3** We will not pay any fine, penalty or punitive, exemplary, aggravated or additional damages resulting from the multiplication of compensatory damages imposed against You.

Exclusions

We will not pay for any claim:

- 1** In connection with any liability for Personal Injury to any employee arising out of or in the course of their employment with You.
Exclusion 1 will not apply to an 'eligible person' as defined under Section 25 of the WorkCover Queensland Act.
- 2** In respect of liability imposed by the provisions of any workers' compensation, accident compensation or similar legislation applying where Your Building is situated.
- 3** In respect of damage to property:
 - a** belonging to, rented by or leased by You or in Your physical or legal control, other than as provided under an operative Additional Benefit of **Policy 2**
 - b** belonging to any person who is deemed a worker or employee within the provisions of any workers' compensation, accident compensation or similar legislation applying where Your Building is situated.
- 4** Arising out of the rendering or failure to render professional advice by You or any error or omission connected therewith.
Exclusion 4 does not apply to the rendering or failure to render professional medical advice by a legally qualified medical practitioner, legally qualified registered nurse, dentist or first aid attendant You use to provide first aid services on Your premises.
- 5** Arising out of the publication or utterance of a libel or slander:
 - a** made prior to the commencement of **Policy 2**
 - b** made by You or at Your direction when You knew it to be false.
- 6** Arising out of the ownership, possession or use by You of any Vehicle, Watercraft, aircraft or aircraft landing areas other than as provided under an operative Additional Benefit of **Policy 2**.
- 7** Arising out of or in connection with marinas, wharves, jetties, docks, pontoons or similar type facilities (whether fixed or floating) if such facilities are used for commercial purposes or provide fuel distribution facilities, unless We otherwise agree in writing.
- 8** Arising out of construction, erection, demolition, alterations or additions to Your Building where the cost of such work exceeds ten percent (10%) of Your Building sum insured or \$500,000, whichever is the lesser, unless You advise Us and obtain Our written consent to continue cover before commencement of such works.
- 9** Arising from vibration or from the removal or weakening of or interference with the support of land or buildings or any other property.
- 10** Arising under the terms of any agreement unless liability would have attached to You in the absence of such agreement.
Exclusion 10 will not apply to:
 - a** Liability assumed by You under any contract or lease of real or personal property.
 - b** Liability assumed by You in the course of Your Business under the terms of any written agreement with the company, person or firm appointed to manage Your Business except where liability arises out of:
 - i** any act of negligence on the part of Your manager or
 - ii** by any default by Your manager in performing his/her obligations under such agreement.

11 Arising out of any process of decontamination, treatment, removal or control of asbestos.

Exclusion 11 only applies to claims arising in consequence of inhalation of asbestos fibre or for damage to or loss of property due to the presence of asbestos.

12 Claims arising out of or caused by the discharge, dispersal, release of or escape of pollutants into or upon land, the atmosphere, or any water course or body of water. This exclusion does not apply if such discharge, dispersal, release or escape is sudden, identifiable, unexpected and unintended and takes place in its entirety at a specific time and place during the period of insurance.

13 Claims arising out of or incurred in the prevention, removing, nullifying or clean-up of any contamination or pollution. This exclusion does not apply to clean-up, removal or nullifying expenses only which are incurred after a sudden, identifiable, unexpected and unintended happening which takes place in its entirety at a specific time and place during the period of insurance.

14 Claims made or actions instituted:

- ◆ outside Australia
- ◆ which are governed by the laws of a foreign country.

Exclusions 15 and 16 apply to **Special Benefit 2** only.

15 We do not insure Legal Defence Expenses for any Claim:

- a** that You have pursued or defended without Our consent
- b** that You have pursued or defended contrary to or in a different manner from that advised by the Appointed Representative.
- c** arising from an act, omission, liability or event for which indemnity is otherwise provided under the terms and conditions of **Policy 2** or **Policy 6** (Office Bearers Legal Liability Policy) or would have been provided if **Policy 6** were operative.
- d** arising from circumstances that You knew of prior to the inception of **Special Benefit 2**, or a reasonable person in the circumstances could be expected to know, to be circumstances that may give rise to a Claim against You.
- e** arising from a deliberate act, including a deliberate act of fraud or dishonesty, on Your part if a judgment or other final adjudication adverse to You establishes that such act was committed or attempted by You with actual dishonest purpose or intent and was material to the cause of action so adjudicated.
- f** between You and Us including our Directors, employees and/or servants.
- g** that involves a conflict of duty or interest of Yours.
- h** made or threatened or in any way intimated on or before the inception date shown in the Schedule, except as otherwise provided by **Special Condition 4**.
- i** first notified to Us more than thirty (30) days after the expiry of **Policy 2**, except as otherwise provided by **Special Condition 4**.

16 We will not be liable for:

- a** the cost of litigation or proceedings initiated by You
- b** the payment of any compensation or damages of any kind other than Your liability to pay fees, expenses and disbursements of other persons or entities by reason of an order of any Court, Arbitrator or Tribunal.

Special conditions

Special Conditions 1 to 12 apply to **Special Benefit 2** only.

1 Appeal procedure

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

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

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

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

2 Bill of costs

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

You must not without Our written approval enter into any agreement with the Appointed Representative as to the level of fees and expenses to be charged. Further You must not represent to the Appointed Representative that all fees and expenses charged to Your account are insured by **Special Benefit 2**.

3 Consent

We will not be liable to indemnify You unless You have first obtained our specific consent to incur Legal Defence Expenses in the defence of any Claim instituted against You. The granting of any such consent will not be unreasonably withheld after You have given notice to Us of any occurrence or circumstance that might result in a Claim being made or proceedings instituted against You.

4 Continuous cover

We agree that should a Claim arise which should have been or could have been notified to Us during a prior Period of Insurance when **Special Benefit 2** was operative We will accept the notification of such Claim under **Special Benefit 2**.

Provided always that:

- a We have continuously been the insurer for **Special Benefit 2** between the date when such notification should have been given and the date when such notification was in fact given and
- b the terms and conditions applicable to **Special Condition 4** and to that notification will be the terms and conditions, including the limit of liability and deductible, applicable to **Special Benefit 2** under which the notification should have or could have been given.

5 Information to be given to the appointed representative

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

6 Jurisdiction

Any dispute arising out of or under **Special Benefit 2** will be subject to determination by any Court of Competent Jurisdiction within Australia according to the law applicable to that Jurisdiction.

7 Nomination of appointed representative

You may request Us to nominate a solicitor to act as Your Appointed Representative or if You elect to nominate Your own solicitor to act as the Appointed Representative, You must submit the name and address of that solicitor to Us. We may accept or refuse such nomination without giving a reason.

If agreement cannot be reached on the appointment the President of the Law Society within Your State will be requested to nominate an Appointed Representative. During this period We will be entitled but not bound to instruct an Appointed Representative on Your behalf if We consider it necessary to do so to safeguard Your immediate interests.

In all cases the Appointed Representative will be appointed in Your name and will act on Your behalf.

8 Offer of settlement

You must inform Us immediately if You receive an offer to settle a Claim. We reserve the right to discontinue Our liability for the payment of Legal Defence Expenses where You unreasonably withhold Your agreement to such a settlement.

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

9 Our access to the appointed representative

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

10 Recovery of legal defence expenses

If You are awarded costs, You must take all reasonable steps to recover such fees and expenses for which You are indemnified by **Special Benefit 2**. All such fees and expenses actually recovered will be taken into account when calculating Our liability.

11 Reporting and notice

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

12 Subrogation

In the event of a payment under **Special Benefit 2** to or on Your behalf We will, subject to the Insurance Contracts Act 1984, be subrogated to all Your rights of recovery of Legal Defence Expenses against all persons or organisations and You will execute and deliver instruments and papers and do all that is necessary to assist Us in the exercise of such rights.

Special definitions

Appointed representative

means a solicitor, barrister, assessor, consultant, investigator or other appropriately qualified person instructed to act on Your behalf in connection with any Claim with respect to which Legal Defence Expenses are payable under **Special Benefit 2**.

Business

means, other than as provided under an operative Additional Benefit of **Policy 2**, the ownership of Your Building and/or Common Area Contents unless You otherwise advise Us and We agree to such inclusion in writing.

Claim, claims

under **Special Benefit 2** means:

- 1** a written or verbal advice of intent to initiate legal proceedings or a civil or criminal action against You or
- 2** a civil proceeding commenced by the service of a complaint, summons, statement of claim or similar pleading against You or
- 3** a criminal proceeding commenced by a summons or charge against You.

Legal defence expenses

means:

- 1** fees, expenses and other disbursements necessarily and reasonably incurred by an Appointed Representative in connection with any Claim brought against You including costs and expenses of expert witnesses as well as those incurred by Us in connection with any such Claim
- 2** fees, expenses and disbursements incurred by persons or entities other than You in so far as You are liable to pay such fees, expenses and disbursements by reason of an order of any Court, Arbitrator or Tribunal
- 3** legal fees, expenses and other disbursements reasonably and necessarily incurred in appealing or resisting an appeal from the judgment or determination of a Court, Arbitrator or Tribunal.

Occurrence

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

Personal injury

means:

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

which happens during the Period of Insurance anywhere in Australia.

Pollutants

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

Property damage

means:

- 1** physical damage to or destruction of tangible property including its loss of use following such physical damage or destruction or
- 2** loss of use of tangible property which has not been physically damaged or destroyed provided that the loss of use has been caused by an Occurrence

which happens during the Period of Insurance anywhere in Australia.

Policy 3 – Voluntary workers

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We will pay to a Voluntary Worker, or that persons estate, the compensation detailed in this **Policy 3** in the event of such Voluntary Worker sustaining bodily injury:

- ◆ whilst voluntarily engaged in work on Your behalf and
 - ◆ caused solely and directly by violent, accidental, external and visible means and
 - ◆ which, independently of any other cause results in the following insured Events:
- | | | |
|----------|---|-----------|
| 1 | Death | \$100,000 |
| 2 | Total and irrecoverable loss of all sight in both eyes | \$100,000 |
| 3 | Total and permanent loss of the use of both hands or of the use of both feet or of the use of one hand and one foot | \$100,000 |
| 4 | Total and permanent loss of the use of one hand or of the use of one foot | \$50,000 |
| 5 | Total and irrecoverable loss of all sight in one eye | \$50,000 |
| 6 | a Total disablement from engaging in or attending to usual profession, business or occupation – in respect of each week of disablement a weekly benefit of | \$1,000 |
| | b Partial disablement from engaging in or attending to usual profession, business or occupation – in respect of each week of disablement a weekly benefit of | \$500 |
| 7 | The reasonable and necessary cost of hiring or employing domestic assistance following certification by a qualified medical practitioner that a Voluntary Worker is totally disabled from performing his/her usual profession, business, occupation or usual household activities – in respect of each week of disablement a weekly benefit not exceeding | \$500 |
| 8 | Travel expenses necessarily incurred at the time of sustaining bodily injury and not otherwise recoverable from any other source – limit any one event | \$1,000 |

Special provisions

- 1** If a Voluntary Worker becomes entitled to compensation under more than one of the **Events 1 to 5** in respect of the same bodily injury, the compensation payable will be cumulative up to one hundred percent (100%) of the compensation payable for **Event 1**
- 2** After the occurrence of any one of the **Events 2 to 5** there will be no further liability under this **Policy 3** for these Events in respect of the same Voluntary Worker.
- 3** We will not pay:
 - a** for more than one of **Events 6a** and **6b** in respect of the same period of time
 - b** under **Event 6a** and **Event 6b** in respect of persons not in receipt of wages, salaries or other remuneration from their personal exertion
 - c** under **Event 6a** and **Event 6b** in excess of an aggregate of one hundred and four (104) weeks in all, in respect of any one disablement
 - d** under **Event 7** in excess of an aggregate of ten (10) weeks in all, in respect of any one disablement
 - e** in respect of children under the age of twelve (12) years
 - f** under this **Policy 3** unless the results of bodily injury manifests itself within twelve (12) months of sustaining such bodily injury
 - g** unless an injured Voluntary Worker will, as soon as possible after the occurrence of any bodily injury, procure and follow proper medical advice from a legally qualified medical practitioner
 - h** for any amounts recoverable under a medicare benefit or payable by any registered health benefits insurer
 - i** for any fees or charges in relation to the provision in Australia of medical expenses, hospital treatment or ancillary benefits as defined by the Health Insurance Act, 1973.
- 4** No compensation will be payable under this **Policy 3** in respect of claims arising out of:
 - a** intentional self-injury or suicide, or any attempt thereat
 - b** attributable wholly or in part to childbirth or pregnancy, notwithstanding that miscarriage or childbirth may have been accelerated or induced by the bodily injury sustained
 - c** a Voluntary Worker being under the influence of alcohol or any drug, other than a drug prescribed by a qualified medical practitioner.

Special definitions

Temporary partial disablement

means partial disablement which entirely prevents a voluntary worker from carrying out the normal duties of such persons usual occupation, profession or business or, where such person engages in more than one occupation, profession or business, ANY of them.

Temporary total disablement

means total disablement which entirely prevents a voluntary worker from carrying out all of the normal duties of such persons usual occupation, profession or business or, where such person engages in more than one occupation, profession or business, ALL of them.

Policy 4 – Workers compensation

Your policy Schedule will show if You are insured for workers' compensation for employees in the State or Territory where Your Building is situated.

When You are covered for workers compensation for employees We will insure You for all amounts You become legally liable to pay to Your employees under the workers compensation legislation in the State or Territory in which Your Building is situated.

Special provision NSW

If Your Schedule states that insurance is provided in New South Wales, QBE Workers Compensation (NSW) Limited ABN 93 003 195 604 will on behalf of the New South Wales Government pay all amounts which You become legally liable to pay under NSW workers compensation legislation for employees.

Policy 5 – Fidelity guarantee

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We will, up to the limit of indemnity stated in the Schedule, indemnify You in respect of:

- ◆ fraudulent misappropriation of Your funds.

Exclusions

We will not be liable for:

- 1** any payment under this **Policy 5**, unless and until You have exhausted Your rights and entitlements to payment pursuant to any other fidelity bond or fidelity fund of whatsoever nature which might exist whether effected pursuant to statute or otherwise
- 2** any fraudulent misappropriation committed after the initial discovery of loss
- 3** any losses arising out of misappropriation committed prior to the commencement of this **Policy 5**
- 4** any claims arising out of losses discovered more than nine (9) months after the expiry of this **Policy 5**, or any renewal thereof.

Special definition

Funds

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

Policy 6 – Office bearers legal liability

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This Office bearers legal liability policy is issued on a claims-made basis. This means this policy responds to claims first made against You during the policy year and notified to Us during that policy year.

We will, subject to any Excess specified in the Schedule:

- ◆ pay on Your behalf all Loss for which You are not indemnified by Your Body Corporate or
- ◆ pay on behalf of Your Body Corporate all Loss for which they grant indemnification to You, as permitted or required by law

arising from any Claim:

- A** first made against You, individually or otherwise, during the policy year and
- B** is reported to Us during the policy year or within thirty (30) days thereafter.

Provided that Claims which do not comply with all of **A** and **B** of this insuring clause are not, other than as provided under **Special Benefit 2** of this **Policy 6**, the subject of this insurance or any indemnity.

The amount payable in respect of all Claims under this **Policy 6** will not in the aggregate exceed the limit of liability stated on the Schedule, inclusive of claimants costs and expenses and Defence Costs incurred by Us, during the currency of any one annual policy year.

Special benefits

1 Payment of defence costs

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

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

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

2 Continuous cover

We agree that should a Claim, fact or circumstance arise which should have been or could have been notified to Us during a prior policy year of this **Policy 6** or under an earlier Office Bearers Liability Insurance Policy issued by Us, We will accept the notification of such Claim, fact or circumstance under this **Policy 6**.

Provided always that:

- a** We have continuously been the insurer under an Office Bearers Liability Insurance Policy between the date when such notification should have been given and the date when such notification was in fact given and
- b** the terms and conditions applicable to this **Special Benefit 2** and to that notification will be the terms and conditions, including the limit of liability and deductible, applicable to Our Office Bearers Liability Insurance Policy under which the notification should have or could have been given.

3 Extended period of cover

We agree that should a Claim, fact or circumstance arise within a period of thirty (30) days following the expiry date of this **Policy 6** and Your renewal instructions have not been received We will, subject to Your renewal instructions being received by Us within that period, accept the notification of such Claim, fact or circumstance under this **Policy 6**.

Provided always that the terms and conditions applicable to this **Special Benefit 3** and to that notification will be the terms and conditions, including the limit of liability and deductible, applicable to Our Office Bearers Liability Insurance Policy during the immediate prior policy year.

Exclusions

We will not be liable for:

- 1** Loss or liability arising from circumstances which You knew of prior to the **Policy 6** inception, or a reasonable person in the circumstances could be expected to know, to be circumstances which may give rise to a Claim against You
- 2** Any dishonest or fraudulent act, criminal act or malicious act or omission of Yours or of any person at any time employed by You, but this exclusion will not apply to the costs incurred by You in successfully defending any Claim or suit made against You
- 3** Claims for death, bodily injury, sickness, disease, or damage to property but this exclusion will not apply:
 - a** to loss or damage to documents which are Your property, or entrusted to You, or costs and expenses incurred by You in replacing or restoring such documents
 - b** if it is the result of Your failure to effect valid insurance on behalf of the Body Corporate.
- 4** Loss or liability arising out of a publication or utterance of a libel or slander or other defamatory or disparaging material
- 5** Fines, penalties, punitive or exemplary or aggravated damages or any additional damages resulting from the multiplication of compensatory damages
- 6** You gaining or having gained any personal profit or advantage to which You were not legally entitled or for which You may be held accountable to the Body Corporate or any individual member thereof
- 7** Monies or gratuity given to You without authorisation by the Body Corporate where such authorisation is necessary pursuant to the Articles of the Body Corporate or prescribed law
- 8** A conflict of duty or interest of Yours
- 9** Any intentional exercise of the powers of You for a purpose other than the purpose for which such powers were conferred by the Articles of the Body Corporate
- 10** Any Wrongful Act made or threatened or in any way intimated on or before the inception date specified in the Schedule, except as otherwise provided in **Special Benefit 2** of this **Policy 6**
- 11** Any Claim first notified to Us after the expiry of this **Policy 6**, except as otherwise provided in **Insuring Clause B** of this **Policy 6**
- 12** Any Claim brought against You in a Court of Law outside Australia.

Special conditions

Defence and settlement

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

Jurisdiction

Any dispute arising out of or under this **Policy 6** will be subject to determination by any Court of Competent Jurisdiction within Australia according to the law applicable to that Jurisdiction.

Reporting and notice

A specific Wrongful Act will be considered to have been first reported to Us:

- 1** at the time You first give written notice to Us that a Claim has been made against You for such Wrongful Act
or
- 2** at the time You first give written notice to Us:
 - a** of the material facts or circumstances relating to such Wrongful Act as facts or circumstances having the potential of giving rise to a Claim being made against You
 - b** of the receipt of written or oral notice from any party that it is the intention of such party to hold You responsible for such Wrongful Actwhichever first occurs.

Severability and non-imputation

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

- 1** failed to comply with the duty of disclosure in terms of the Insurance Contracts Act 1984 or
- 2** made a misrepresentation to Us before this contract of insurance was entered into or
- 3** failed to comply with any terms or conditions of this **Policy 6**

will not prejudice the right of the remaining party or parties to indemnity as may be provided by this **Policy 6**.

Provided always that:

- a** such remaining party or parties will be entirely innocent of and have no prior knowledge of any such conduct and
- b** as soon as is reasonably practicable upon becoming aware of any such conduct advise Us in writing of all known facts in relation to such conduct.

Subrogation

In the event of a payment under this **Policy 6** to or on Your behalf We will, subject to the Insurance Contracts Act 1984, be subrogated to all Your rights of recovery against all persons or organisations and You will execute and deliver instruments and papers and do all that is necessary to assist Us in the exercise of such rights.

Special definitions

Claim, claims

means:

- 1** a written or verbal allegation of any Wrongful Act communicated to You or
- 2** a civil proceeding commenced by the service of a complaint, summons, statement of Claim or similar pleading against You alleging any Wrongful Act or
- 3** a criminal proceeding commenced by a summons or charge against You alleging any Wrongful Act.

Defence costs

means costs, charges and expenses (other than Your fees, salaries or salaries of Your employees) incurred by Us or with Our written consent (such consent not to be unreasonably withheld in the investigation, defence, monitoring or settlement of any Claim or proceedings and appeals therefrom together with the costs of appeal.

Documents

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

Loss

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

Wrongful act

means any error, misstatement, act or omission, or neglect or breach of duty made, committed, attempted or allegedly made, committed or attempted by You or any matter claimed against You solely by reason of You serving on the Body Corporate as an Office Bearer and/or Committee Member and/or Director. Where any such Wrongful Act results in more than one Claim all such claims will jointly constitute one Loss and be deemed to have originated in the earliest policy year in which any of such Wrongful Acts is first reported to Us.

Policy 7 – Machinery breakdown

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We will indemnify You against Insured Damage provided that the Insured Item is within Your Situation and is in the ordinary course of working at the time damage occurs.

The amount payable by Us will be calculated in accordance with the:

- ◆ Basis of Settlement clause hereof
- ◆ the application of the Excess shown on the Schedule and
- ◆ will not exceed the limit of indemnity stated in the Schedule.

Special benefits

We will, if incurred as a result of Insured Damage and subject to the limit of indemnity stated in the Schedule not being otherwise exhausted, pay for the cost of:

- 1** expediting repair including overtime working
- 2** express or air freight
- 3** replacing oil and refrigerant gas from airconditioning units or refrigeration units
- 4** hiring a temporary replacement item provided such cost is necessary to maintain a vital common area service of Your Building, up to a limit of five percent (5%) of the sum insured or such higher amount as We may agree to in writing.

Basis of settlement of claims

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

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

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

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

Exclusions

- 1** Except as specifically provided by this **Policy 7** We will not be liable for damage to any Insured Item caused by:
 - a** wear and tear
 - b** chipping, scratching or discolouration of painted, polished or finished surfaces
 - c** the deterioration of any pre-existing crack, fracture, blister, lamination, flaw or grooving which had not previously penetrated completely through the entire thickness of the material of the Insured Item, notwithstanding that repair or renewal of the part affected may be necessary either immediately or at some future time, except where caused by Insured Damage and You did not know or should not reasonably have known of the pre-existing condition
 - d** the wearing away or wasting of material caused by or naturally resulting from atmospheric conditions, rust, erosion, corrosion, oxidation or ordinary use
 - e** the tightening of loose parts, recalibration or adjustments
 - f** the carrying out of tests involving abnormal stresses or the intentional overloading of any insured item.
- 2** We will not pay for damage to:
 - a** glass or ceramic components
 - b** defective tube joints or other defective joints or seams
 - c** any valve fitting, shaft seal, gland packing joint or connection except where caused directly by Insured Damage
 - d** foundations, brickwork, and refractory materials forming part of an Insured Item
 - e** television, video or audio equipment other than security system equipment
 - f** expendable items, including electrical and electronic glass bulbs, tubes, lamps, x-ray tubes, electrical contacts, fuses, heating elements, commutators, slip rings, conducting brushes, thermal expansion (TX) valves, thermostats, protective and controlling devices, overloads, chains, belts, ropes, tyres, pressure switches, bearings, valves, valve plates, filters and dryers
 - g** computers, telecommunication transmitting and receiving equipment, electronic data processing equipment, electrical office machines, coin-operated machines, gaming machines, storage tanks and vats, stationary and mobile pressure vessels containing explosive gases, mobile machinery, ducting, reticulating electrical wiring, water and gas piping and all other plant and equipment not owned by You
 - h** plant which has been hired or is on loan to You unless We specifically agree in writing.
- 3** There is no indemnity under this **Policy 7** for consequential loss of any kind other than that which is specifically stated.
- 4** There is no indemnity under this **Policy 7** for damage caused by the application of any tool or process in the course of maintenance, inspection, repair, alteration, modification or overhaul.
- 5** There is no indemnity under this **Policy 7** for damage occurring during installation or erection other than the dismantling, movement and re-erection for the purpose of cleaning, inspection, repair or installation in another position within Your Situation.

- 6** There is no indemnity under this **Policy 7** if the Insured Damage is claimable from any manufacturer, supplier, engineer or other person under the provisions of any maintenance or warranty agreement.
- 7** We will not pay for loss of oil, liquid or gas resulting from leakage from glands, seals, gaskets, joints or from corroded, pitted or deteriorated parts.
- 8** We will not pay for the cost of converting refrigeration/airconditioning units from the use of CFC (chlorofluorocarbon) refrigerant gas to any other type of refrigerant gas.

Special definitions

Insured damage

means unforeseen and accidental physical damage other than as a result of a cause:

- 1** for which cover is provided under **Policy 1**
or
- 2** which is specifically excluded herein

occurring during the period of insurance and requiring repair or replacement to allow continuation of use.

Insured item

means all electrical, electronic and mechanical machinery, boilers and pressure vessels and other plant forming part of Your Building or building services but does not include lifts, elevators or escalators unless We specifically agree to such inclusion in writing.

Policy 8 – Building catastrophe insurance

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In the event of Your Building being destroyed or if We declare it a constructive total loss We will, up to the limit of the sum insured specified in the Schedule, pay to You or on Your behalf or at Our option for the cost of Reinstatement or Replacement in respect of the:

ESCALATION IN THE COST OF REINSTATEMENT OR REPLACEMENT

of Your Building following loss occurring during the period of insurance and which is necessarily incurred:

- A i** due to the happening of a Catastrophe
or
 - ii** other loss which occurs not later than sixty (60) days after a Catastrophe, provided Your Building has been continuously insured with Us for that period
- and
- B** the cause giving rise to the loss is admitted as a claim under **Policy 1**.

Special benefits

We will pay for **Special Benefits 1 to 5** in addition to the sum insured for this **Policy 8**, and where applicable will also treat Unit Owners as though they were You.

1 Loss of rent – extended period of cover

Loss of Rent incurred in the event of Your Building being damaged so as to make uninhabitable any Unit, or any part of Your common area usually inhabited:

- a** due to the happening of a Catastrophe, or other loss referred to in **Aii** of the insuring clause hereof
and
- b** the damage to Your Building giving rise to Loss of Rent is admitted as a claim under **Policy 1** or this **Policy 8**.

Cover under this **Special Benefit 1**:

- ◆ commences at the expiration of the indemnity provided under **Special Benefit 1a** of **Policy 1**
and
- ◆ continues until the time reasonably necessary for reinstatement of Your Building.

2 Cost of temporary accommodation – extended period of cover

The Cost of Temporary Accommodation necessarily incurred in the event of Your Building being damaged so as to make uninhabitable any Unit occupied by a Unit Owner:

- a** due to the happening of a Catastrophe, or other loss referred to in **Aii** of the insuring clause hereof
and
- b** the damage to Your Building giving rise to the need for temporary accommodation is admitted as a claim under **Policy 1** or this **Policy 8**.

Cover under this **Special Benefit 2**:

- ◆ commences at the expiration of the indemnity provided under **Special Benefit 1b** of **Policy 1**
and
- ◆ continues until the time reasonably necessary for reinstatement of Your Building.

3 Escalation in the cost of temporary accommodation

Escalation in the Cost of Temporary Accommodation necessarily incurred in the event of Your Building being damaged so as to make uninhabitable any Unit occupied by a Unit Owner:

- a** due to the happening of a Catastrophe, or other loss referred to in **Aii** of the insuring clause hereof and
- b** the damage to Your Building giving rise for the need for temporary accommodation is admitted as a claim under **Policy 1** or this **Policy 8**.

Cover under this **Special Benefit 3**:

- ◆ commences from the time temporary accommodation is obtained and
- ◆ continues until the time reasonably necessary for reinstatement of Your Building.

4 Removal, storage – contents

The costs necessarily incurred in:

- a** removing undamaged Common Area Contents and/or Unit Owners Contents to the nearest place of safe keeping
- b** storing undamaged Common Area Contents and/or Unit Owners Contents at that place or an equivalent alternate place
- c** returning undamaged Common Area Contents and/or Unit Owners Contents to Your Situation when habitation of Your Building or their Unit is permitted

in the event of Your Building being damaged so as to make uninhabitable any Unit, or any part of Your common area where Your Common Area Contents are normally housed:

- ◆ due to the happening of a Catastrophe, or other loss referred to in **Aii** of the insuring clause hereof and
- ◆ the damage to Your Building giving rise for the need to incur removal and/or storage costs is admitted as a claim under **Policy 1** or this **Policy 8**.

The amount payable under this **Special Benefit 4** will be reduced by any amount payable for such costs under **Policy 1**, or under any policy of insurance effected by a Unit Owner.

5 Cost of evacuation

Cost of Evacuation necessarily incurred by Unit Owners who occupy their Unit for residential purposes, following an order issued by a Government Department, Municipal or Statutory Authority to evacuate Your Building:

- a** due to the happening of a Catastrophe and
- b** the damage to Your Building giving rise for the need to incur Evacuation Costs is admitted as a claim under **Policy 1** or this **Policy 8**.

This **Special Benefit 5** also applies to any person or persons permanently residing with the Unit Owner at the time immediately prior to such a happening.

Any Evacuation Costs payable by Us will be reduced by any sum paid or payable by way of compensation by any Government Department, Municipal or Statutory Authority.

For the purposes of these **Special Benefits 1 to 5** the total amount We will pay arising out of events occurring in any one period of insurance is limited to:

- ◆ the percentage shown hereunder of the sum insured for this **Policy 8** or such other percentage/s as We may agree in writing.

Special Benefits	1 and 2 combined	Fifteen percent (15%).
Special Benefit	3	Five percent (5%).
Special Benefits	4 and 5 combined	Five percent (5%).

Basis of settlement of claims

The basis upon which the amount payable as ESCALATION IN THE COST OF REINSTATEMENT OR REPLACEMENT of Your Building under this **Policy 8** is to be calculated as the difference between:

- 1** the actual cost to reinstate or replace Your Building that is necessarily incurred following the happening of a Catastrophe, or other loss referred to in **Aii** of the insuring clause hereof and
- 2** the greater of either:
 - a** the cost that would have applied to reinstate or replace Your Building, in terms of **Policy 1**, immediately prior to the happening of the Catastrophe or
 - b** the sum insured in force under **Policy 1** at the time of the happening of the Catastrophe, or other loss referred to in **Aii** of the insuring clause hereof.

Special provisions

- 1** No payment will be made under this **Policy 8** until such time as the greater amount determined in accordance with the provisions of **clause 2** of the 'BASIS OF SETTLEMENT OF CLAIMS' has been fully expended in reinstating or replacing Your Building.
- 2** In certifying the cost of Reinstatement or Replacement of Your Building at the time immediately prior to a happening giving rise to a claim under this **Policy 8** the Qualified Valuer, Loss Adjuster or other suitably qualified person will use as the basis of certification:
 - a** the accepted building industry cost standards and/or recognised cost of materials guide in force on the day immediately prior to the happening of the Catastrophe or a day as close as practicable thereto
 - b** any extra cost of Reinstatement necessarily incurred to comply with the requirements of any Act of Parliament or Regulation thereunder or any By-law or Regulation of any Municipal or other Statutory Authority but will not include the cost that would have been incurred in complying with orders issued prior to the happening of the loss or damage
 - c** Architects fees, surveyors fees and any other professional fees
 - d** Legal fees necessarily incurred in making submissions and/or applications to State and/or Federal Government and/or Building Licensing and/or Local Government Authorities and/or Land and Environment Courts as a result of loss or damage to Your Building
 - e** Government fees, contributions or imposts payable to any Government or Local Authority imposed as a condition precedent to the obtaining of consent to reinstate Your Building.
- 3** Any differences relating to the cost of Reinstatement or Replacement of Your Building at the time immediately prior to a happening giving rise to a claim under this **Policy 8** may by agreement between both of us be referred to the President of the Australian Property Institute Inc. who will appoint a registered and qualified valuer whose decision will, if we both so agree, be binding and who will at the same time decide as to payment of any costs of such referral.

Special definitions

Catastrophe

means an event which is sudden and widespread and which causes substantial damage to property over a large area and as a result of which the Insurance Council of Australia issues a catastrophe code.

Cost of evacuation

or Evacuation Costs means costs necessarily incurred for road, rail, air or sea transport to the designated place of evacuation and returning to Your Situation from the place of evacuation to resume permanent residency.

Escalation in the cost of temporary accommodation

means, as regards any Unit occupied by a Unit Owner, the difference between:

- 1** the amount of money payable for rental of a Unit or similar type accommodation (of substantially the same size, containing similar facilities and in an equivalent suburban environment as the uninhabitable Unit) following the happening of a Catastrophe, or other loss referred to in **Aii** of the insuring clause hereof and
- 2** the Cost of Temporary Accommodation that would have applied had the Catastrophe not occurred.

Reinstatement, replacement

means where Your Building is destroyed or if We declare it a constructive total loss:

- 1** the reasonable and necessary cost of rebuilding, replacing or repairing to a condition which is equivalent to but not better nor more extensive than when it was new and
- 2** the extra cost of Reinstatement necessarily incurred to comply with the requirements of any Act of Parliament or Regulation thereunder or any By-Law or Regulation of any Municipal or other Statutory Authority

but does not include the costs You would have incurred in complying with orders issued prior to the happening of the loss.

Special condition

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

General exclusions

All policies – other than Policy 4

We will not pay any claim when the claim arises out of:

Asbestos

Liability resulting from the existence, mining, handling, processing, manufacture, sale, distribution, storage or use of asbestos, asbestos products and/or products containing asbestos

Expropriation

Expropriation, lawful seizure, resumption, confiscation, nationalisation or requisition of any property by any lawfully constituted authority or persons.

Information Technology Hazards, Computer Data, Program and Storage Media

Liability in respect of:

- 1** Personal injury or property damage arising, directly or indirectly, out of, or in any way involving Your Internet Operations.

This exclusion does not apply to personal injury or property damage arising out of any material which is already in print by the manufacturer in support of its product, including but not limited to product use and safety instructions or warnings, and which is also reproduced on its site.

- 2** Property damage to computer data or programs and their storage media arising directly or indirectly out of or caused by, through or in connection with:
 - a** the use of any computer hardware or software
 - b** the provision of computer or telecommunication services by You or on Your behalf
 - c** the use of computer hardware or software belonging to any third party, whether authorised or unauthorised including damage caused by any computer virus.

Intentional act

Any intentional act or omission committed by You, or by any person acting with Your express or implied consent.

Nuclear

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, including any self-sustaining process of nuclear fission or fusion.

Terrorism

Death, injury, illness, loss, damage, liability, cost or expense directly or indirectly caused by, contributed to by, resulting from or arising out of or in connection with any Act of Terrorism, regardless of any other cause or event contributing concurrently or in any other sequence to the loss.

These Policies also exclude death, injury, illness, loss, damage, liability, cost or expense directly or indirectly caused by, contributed to by, resulting from, or arising out of or in connection with any action in controlling, preventing, suppressing, retaliating against, or responding to any Act of Terrorism.

War

War or warlike activities including the use of military power, invasion, other hostile acts of a foreign power, civil war, insurrection, rebellion, revolution or the use of usurped power.

General conditions

Acts or omission of Strata Managers

Notwithstanding any other provision of this policy we will not decline or reduce the amount of any claim if the circumstances which would entitle us to do so were caused by the act, error or omission of your Strata Manager.

Cancellation

You may cancel this policy, other than **Policy 4**, at any time by requesting cancellation in writing.

We may only cancel this policy when permitted to by the Insurance Contracts Act, 1984. If We do this, We will inform You in writing beforehand.

When the policy is cancelled, any refund of premium due will be paid to You. However when You cancel the policy We reserve the right to charge a short-term premium for the period You have been insured.

Claims procedure

- 1** On the happening of any loss or damage or event likely to give rise to a claim under any of these policies, We may refuse Your claim or reduce the amount We pay You, unless You do all of the following:
 - a** promptly inform CHU Underwriting Agencies Pty Limited by telephone, in writing or in person with full particulars of any loss, damage, injury or receipt of notice of any claim and/or of the institution of any proceedings against You
 - b** take all reasonable precautions to prevent further loss or damage
 - c** immediately inform the police of any malicious damage, burglary, housebreaking, fraudulent misappropriation, theft or any attempted theft
 - d** when requested fully complete Our claim form and return it to Us, or any person We may specifically appoint to deal with the claim, within thirty (30) days of receipt with such detailed particulars and proofs as may be reasonably required.
- 2** You will not admit liability for, or offer to agree to settle, any claim without Our written consent, and We will be entitled, in Your name, to take over the conduct of the defence of any claim or the prosecution for Our benefit, of any claim for indemnity or damages or otherwise against any third party, and will have full discretion in the conduct of any negotiations and proceedings and the settlement of the claim. You will give Us such information and assistance as We may reasonably require.
- 3** You will not dispose of any damaged property without Our consent or the consent of one of Our representatives.

Other insurances

On the happening of any loss or damage or event likely to give rise to a claim under any of these policies You will notify Us of any other insurance effected by You or by any other person or persons covering the same loss or damage or event.

Uninhabited building

Unless You advise CHU Underwriting Agencies Pty Ltd at their address shown on the Schedule or Us and obtain their or Our written consent We will not be liable for loss, damage or liability during any period in excess of sixty (60) consecutive days during which Your Building is uninhabited.

Notes

Notes

New South Wales

Level 5
1 Northcliff Street
Milsons Point 2061
Tel: 1300 361 263
Fax: 1300 361 269

Queensland

6th Floor
445 Upper Edward Street
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Fax: 07 3832 0367

Victoria

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459 Collins Street
Melbourne 3000
Tel: 03 8695 4000
Fax: 03 9620 0606

Western Australia

1050 Hay Street
West Perth 6005
Tel: 08 9322 1722
Fax: 08 9481 6017

South Australia

12 Tucker Street
Adelaide 5000
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The Specialists in Strata and
Community Title Insurance