



1 JULY 2023

Product Disclosure Statement & Policy Wording

ARX ASSET PROTECT - STRATA INSURANCE

ARX
PLACEMENT SOLUTIONS

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INTRODUCTION

This booklet contains two parts:

- > Part A Product Disclosure Statement; and
- > Part B Policy Wording.

Where words or expressions used in the PDS or Policy Wording (Part B) have a special meaning, We have used the same terms in both sections of this document. These defined terms begin with a capital letter and their special meaning is explained in the section of the Policy Wording under the heading “Definitions Which Apply To All Sections Of Your Policy.”

PRODUCT DISCLOSURE STATEMENT

The PDS has been prepared to help You to understand the key features of the insurance so You can make an informed choice about whether to purchase this Policy. It describes the main features and benefits of ARX Asset Protect. You should read this document and the Policy Wording carefully before deciding to buy this insurance.

The PDS does not form part of the insurance contract between You and the Insurer(s). The insurance contract includes the Policy Wording in Part B and the Schedule We issue to You after You purchase the insurance.

POLICY WORDING

The Policy Wording contains the terms and conditions of the insurance cover offered as well as information about Your rights and obligations under the Policy. When We issue the insurance to You, You will also receive a Schedule which describes what We have agreed to cover and other important information relating to Your information, including any applicable deductible, limits and sub-limits.

PART A - PRODUCT DISCLOSURE STATEMENT

This Product Disclosure Statement (PDS) was prepared by ARX Placement Solutions Pty Ltd on 1 July 2023. The Insurer(s) have authorised the content and distribution of this PDS. You should review the content of this document carefully so You understand the coverage provided by ARX Asset Protect before You decide to buy it.

If You purchase this product, Your Policy comprises the Policy Wording contained in this document and the Schedule We issue to You which shows details particular to You and Your coverage. Your Policy is subject to definitions, terms, conditions and limitations set out in the Policy Wording.

The PDS contains important information about the features of the insurance, including costs, significant benefits, exclusions, conditions and other information, including your duty to take reasonable care not to make a misrepresentation, how to make a claim and Your cooling-off rights.

While the PDS provides a summary of the significant benefits and features of the insurance, You should also read the Policy Wording to understand what You are and are not covered for. Exclusions should be read carefully as they will tell You what is not covered by the Policy. You can also review the Target Market Determination (TMD) for this product if You want to understand whether it is suited to Your needs and whether You are part of the target market for this product. The TMD is available at www.arxib.com.au.

The information in this document is current at the date it was prepared. We may update some of the information in the PDS from time to time without needing to notify You. A copy of any updated information can be obtained by calling ARX on (02) 9360 2244. A supplementary or new PDS will be issued if it is necessary.

ABOUT ARX

ARX Placement Solutions Pty Ltd ABN 68 656 648 538 (Authorised Representative Number 1295433) (**ARX**) is a wholesale insurance specialist and an authorised representative of BAC Insurance Brokers Pty Ltd ABN 92 003 043 294 (Australian Financial Services Licence No. 240348) to advise and deal in strata insurance products.

ARX arranges the Policy and acts as an agent of the Insurer(s). This means that in doing so, ARX will be acting on behalf of the Insurer(s), not for You.

Contact details for ARX are:

Address Level 3, 185 Liverpool Street,
Sydney NSW 2000

Tel (02) 9360 2244

Email admin@arxib.com.au

ABOUT THE INSURER(S)

The Policy is underwritten by Mitsui Sumitomo Insurance Company, Limited ABN 49 000 525 637 (Australian Financial Services Licence No. 240816) (**MSI**).

MSI is authorised to carry on insurance business in Australia under the *Insurance Act 1973* (Cth) and is an Australia Prudential Regulation Authority (**APRA**) regulated insurer. Their contact details are:

Address Level 18, 1 Bligh Street,
Sydney NSW 2000

Tel +61 2 9222 7600

Email msiaus@ms-ins.com.au

AUTHORITY TO ACT ON OUR BEHALF

We have given ARX the authority to promote and market this insurance and arrange and administer this Policy on Our behalf.

ARX will provide quotations for the insurance and liaise with the Insurer in relation to the acceptance of your application for insurance. ARX issues the insurance documentation including Your Policy wording and Policy Schedule (and any endorsements required by the Insurer).

ARX will also offer renewal of the Insurance, subject to the Insurer's directions.

Any matters or enquiries You may have about the Insurance should be directed to ARX by contacting them at the contact details shown above.

DUTY NOT TO MISREPRESENT

You have a duty to take reasonable care not to make a misrepresentation to Us or ARX when You answer questions that We or ARX ask You or when providing Us or ARX with information which are relevant to Our decision to insure You and on what terms. This duty applies when You first apply for the Policy but also when You request changes to Your Policy or at renewal.

You and other insured person(s) must answer Our questions with relevant, true, up-to-date and complete information and You must take reasonable care not to make any misrepresentation. A misrepresentation includes a statement that is in any way false, misleading, dishonest or which does not fairly reflect the truth. You have the same duty in relation to anyone else whom You want to be covered by the Policy.

If You fail to comply with this duty and We would not have entered into this Policy for the same premium and on the same terms and conditions expressed in this Policy, We may be entitled to reduce Our liability under the Policy in respect of any claim or We may cancel the Policy.

If Your failure to comply is fraudulent, We may refuse to pay Your claim and treat this Policy as never having been in existence.

OUR AGREEMENT WITH YOU

Subject to Your payment of or agreement to pay Us the premium set out in Your Schedule (including any additional premium for the inclusion of available additional benefits), We agree to provide the insurance on the terms and conditions set out in this Policy, which includes Your Schedule and any endorsement We might issue. You should read each of these documents carefully for full details of the terms.

We will cover You for covered loss or damage under the sections of the Policy You selected.

If You make a claim, We will not pay more than the Sums Insured or Maximum Loss Limit (as applicable) shown in Your Schedule or section unless We have stated that there is an additional benefit applying to a particular section.

SIGNIFICANT FEATURES AND BENEFITS

The following provides a summary of the main covers available only. You need to read the Schedule and the Policy Wording for full details of the available cover, terms, definitions, conditions, exclusions and limits that may apply to understand the coverage provided by this insurance and make sure it meets Your expectations. The cover in each section is provided only if specified as applicable in the Schedule.

In each section described below, there may be additional benefits available to You, some of which are automatic while others are optional upon payment of an additional premium. We will pay the additional benefit(s) when the Sum Insured applicable to the section is not otherwise exhausted and where they are paid in connection with or following a valid claim under that section. Some of the sections are subject to specific exclusions.

SECTION 1 - INSURED PROPERTY FOR DAMAGE TO YOUR INSURED PROPERTY (BUILDING AND COMMON CONTENTS)

We insure You up to the Sum Insured shown in the Schedule for section 1 for Damage to Your Insured Property (Building and Common Contents) that occurs during the Period of Insurance not otherwise excluded in the Policy.

If Your Maximum Loss Limit is not exhausted, We will also pay for the costs or fees incurred as a result of Damage to Your Insured Property under section 1. Details of the costs and fees We pay are set out under the heading “Additional Benefits Applicable to Section 1” in section 1.

We also provide cover for optional additional benefits in addition to Your Sum Insured and automatic additional benefits for section 1. Details of these optional additional benefits are set out under the heading “Optional Additional Benefits Applicable to Section 1” in section 1. The maximum amount We will pay in relation to each of the optional additional benefits is shown in Your Schedule.

SECTION 2 - LOT OWNER'S IMPROVEMENTS

We insure the cost of reinstating damaged Lot Owner's Improvements to the Insured Property provided that the Sum Insured under section 1 is exhausted. Replacement of such installations must be following Damage by any event that occurs during the Period of Insurance and that is not otherwise excluded under section 1.

SECTION 3 - DAMAGE BY WATER AND OTHER LIQUIDS

This benefit is optional and is subject to You paying an additional premium.

Provided that section 3 is shown as “Included” in Your Schedule, We will insure You for loss or Damage to Your Insured Property that is caused by water or other liquids (except Storm or Flood) during the Period of Insurance up to Your Sum Insured for this section or the Maximum Loss Limit (whichever is the lesser).

If Your Sum Insured under section 3 is not exhausted, We will also pay for certain costs or fees incurred as a result of damage to Your Insured Property under this section. Details of the costs and fees We pay are set out under the heading “What You Are Covered for Under Section 3.”

We also provide cover for additional benefits in addition to Your Sum Insured for section 3. Details of the additional benefits are set out under the heading “Additional Benefits Applicable to Section 3” in section 3. The maximum amount We will pay for an additional benefit under this section is the lesser of the amount or percentage shown in the Schedule for the additional benefit or the Maximum Loss Limit.

SECTION 4 - DAMAGE BY STORM

This benefit is optional and is subject to You paying an additional premium.

Provided that section 4 is shown as “Included” in Your Schedule, We will insure You for loss or Damage to Your Insured Property caused by Storm during the Period of Insurance, up to Your Sum Insured shown for this section in the Schedule or the Maximum Loss Limit (whichever is the lesser).

If Your Sum Insured under section 4 is not exhausted, We will also pay for certain costs or fees incurred as a result of damage to Your Insured Property under this section. Details of the costs and fees We pay are set out under the heading “What You Are Covered for Under Section 4.”

We also provide cover for additional benefits in addition to Your Sum Insured for section 4. Details of the additional benefits are set out under the heading “Additional Benefits Applicable to Section 4” in section 4. The maximum amount We will pay for an additional benefit under this section is the lesser of the amount or percentage shown in the Schedule for the additional benefit or the Maximum Loss Limit.

ADEQUATE SUMS INSURED

It is Your responsibility to ensure the Sums Insured are appropriate for You and are likely to adequately cover loss You may suffer. You should review these amounts both during the currency of the Policy and prior to renewal each year. Regular building valuations should be sought to ensure that limits are set at appropriate levels. If You do not adequately insure Yourself, You may have to bear the uninsured proportion of any loss Yourself.

Seek professional valuation advice where necessary and contact Us if You need to revise Your level of cover.

CALCULATING YOUR PREMIUM

We take a number of factors into account when calculating Your premium. The annual premium payable by You will be shown in Your Schedule. Premiums are subject to applicable statutory taxes and charges.

There are a number of significant factors which impact generally when We calculate Your premium. These can include:

- > The Sums Insured under each chosen section;
- > The location of the subject Insured Property; and
- > The Building's size (lots), age and construction type.

DEDUCTIBLE

The Deductible is the amount You must contribute towards the cost of any claim You make. If We agree to pay Your claim, the Deductible will be deducted from the amount of the claim that is paid to You, or You may be asked to pay the Deductible to a supplier, repairer or to Us.

The amount of each applicable Deductible in relation to each policy section is shown in the Policy or Your Schedule.

COOLING-OFF PERIOD

If this Policy does not meet Your requirements or You change Your mind about the Policy and haven't made a claim or exercised a right under the Policy, You can cancel it within 20 days from the date the Policy is issued by contacting ARX at the contact details shown above.

If You cancel the Policy during the cooling off period, We will refund the full amount of Your premium less any taxes or duties payable on Your behalf that We are unable to have refunded to Us. The Policy will be terminated from the date You notify Us of Your request to cancel the Policy, unless We agree otherwise with You.

HOW TO MAKE A CLAIM

If an event has occurred which You believe has, or is likely to, give rise to a claim under the Policy, You must notify us as soon as possible after the Damage, preferably within 30 calendar days, by contacting ARX using the contact details set out in this PDS or Your insurance broker who arrange this Policy for You.

Be mindful that Our liability to pay a claim under this Policy is subject to compliance with the procedures set out under the heading "Claims Conditions and Procedures" of the Policy. You should familiarise Yourself with that section in order to avoid unexpected complications with a claim.

While Your claim is being processed, You must not do any of the following things:

- > Authorise any repairs;
- > Settle or attempt to settle or defend a claim;

- > Admit liability for any loss or legal liability; or
- > Incur any legal expenses without Our prior written consent.

SUBROGATION RIGHTS

If You have a right to claim against a third party for a claim You made under this Policy, You give Us Your rights to make that claim. You also give Us Your rights to conduct, defend or settle any legal action, which We would do at Our expense, and to act in Your name. This transfer of rights from You to Us is known as subrogation.

You must not do anything which prevents Us from enforcing these rights and to assist Us in this regard, You must provide Us all the information and cooperation that We reasonably require.

In the event of a successful action against such a third party, We will be entitled to retain an amount from the sum recovered as would equal the original sum paid by Us to You plus Our costs of pursuing the claim. Should any money be recovered in excess of this, it will be paid to You.

TAX IMPLICATIONS

The Policy has provisions relating to Goods and Services Tax (**GST**) under the heading "Conditions Which Apply To All Sections of Your Policy."

In summary, if You:

- > Are registered for GST; and
- > Would be entitled to an input tax credit if You were to incur the cost to which a claim under this Policy relates,

We will reduce any amount We pay under any such claim by an amount equal to Your input tax credit entitlement. This tax information is a general statement only. See Your tax adviser for information about Your specific circumstances.

GENERAL INSURANCE CODE OF PRACTICE

We are a member of the Insurance Council of Australia (**ICA**) and support the General Insurance Code of Practice (**Code**), which is self-regulatory, and aims to raise the standards of practice and service in the general insurance industry.

The Code encourages general insurance companies to meet standards in:

- > Training of employees and agents;
- > Policy documentation;
- > Claims handling; and

- > Dispute resolution.

If You would like further information about the Code, please contact Us. Alternatively, a copy of the General Insurance Code of Practice can be viewed at the ICA's website (www.ica.com.au).

COMPLAINTS AND DISPUTES

INTERNAL DISPUTE RESOLUTION PROCESS

If You have concerns or wish to make a complaint about Your Policy, Our services or a claim, please contact ARX at the details included in this document and they will attempt to resolve Your concerns in accordance with its Internal Dispute Resolution (IDR) procedure and any guidelines issued by Us.

When ARX receives Your complaint, they will promptly acknowledge to You that they have received it. ARX will then consider all the facts and circumstances and contact You within 5 business days. If Your complaint cannot be resolved within this timeframe and/or Your complaint relates to the insurance or a claim, ARX will refer the matter to Us for a decision. We will advise You of Our final decision within 15 business days of commencing Our IDR process.

If We require additional information for our assessment or investigation of Your complaint, We will contact You and agree with You on a timeframe to resolve the matter.

EXTERNAL DISPUTE RESOLUTION

If You are not satisfied with Our decision or if Your complaint remains unresolved after 20 business days (or any other timeframe agreed with You), You can refer the matter to the Australian Financial Complaints Authority (AFCA). AFCA is an independent body that provides a complaints resolution service – free of charge. AFCA provides advice and assistance to consumers to help them in resolving complaints relating to members of the financial services industry. We have membership with AFCA.

You may be able to access the services of AFCA, subject to eligibility. Information about AFCA, and the types of disputes that it can consider, can be found at its website. The services of AFCA are available to customers who fall within their terms of reference. They will advise if they can be of assistance to You.

Any decision by AFCA in relation to a complaint that they review, is not binding on You unless You accept the decision, it is binding on Us. If You do not accept the decision of AFCA, You have the option of seeking other remedies.

AFCA Contact Details

Email: info@afca.org.au

Freecall number: 1800 931 678

Online complaint form: <https://ocf.afca.org.au>

FINANCIAL CLAIMS SCHEME

The Insurer(s) of this Policy are general insurers authorised to carry on insurance business in Australia and this Policy is a 'protected policy' as defined under the *Insurance Act 1973 (Act)*. This means that if one of Us becomes insolvent, You are entitled to payment under the Financial Claims Scheme that is available under the Act. The Act is administered by the Australian Prudential Regulation Authority (APRA) and further information about the scheme can be obtained from the APRA website at www.apra.gov.au or on the APRA hotline on 13000 13 10 60.

PRIVACY

ARX and the Insurer respect Your privacy.

PURPOSE OF COLLECTION

We collect personal information (this is information or an opinion about an individual whose identity is apparent or can reasonably be ascertained and which relates to a natural living person) for the purposes of providing insurance services to You including.

- > evaluating Your application;
- > evaluating any request for a change to any insurance provided;
- > providing, administering, and managing the insurance services following acceptance of an application; and
- > investigating and, if covered. Managing claims made in relation to any insurance You have with Us or other members of the group of companies to which We belong.

The personal information collected can be used or disclosed by Us for a secondary purpose related to those purposes listed above, but only if You would reasonably expect Us to use or disclose the information for this secondary purpose. However, for sensitive information, the secondary purpose must be directly related to the purposes listed above.

COLLECTION FROM AND DISCLOSURE TO OTHERS

In connection with the purposes listed above, We may disclose Your personal information to and/or collect Your personal information from:

- > a representative acting on Your behalf;
- > the policy holder (where You are an Insured and not the policy holder);
- > Our related bodies corporate;
- > Our joint venture companies;

- > others with whom We have business arrangements and third parties that assist Us in providing Our products and services and assessing claims, including Our authorised representatives and agents, intermediaries, other insurers and reinsurers, financial institutions, insurance and claims reference agencies, credit agencies, loss assessors, financial and investigative service providers, legal and other professional advisers;
- > research and development service providers, including customer research organisations;
- > information technology providers, including hardware and software vendors and consultants such as programmers;
- > government, law enforcement or statutory bodies;
- > AFCA; and
- > others where required by law.

DISCLOSURE OVERSEAS

There are also instances where We may have to send Your personal information to, or collect Your information from, entities located overseas. These instances include:

- > when We send Your personal information to Our related bodies corporate,
- > when You have asked Us to do so, when We are authorised or required by law to do so,

- > when We have outsourced a business activity or function to an overseas service provider with whom We have a contractual arrangement, and
- > when it is necessary in order to facilitate an electronic transaction on Your behalf.

CONSEQUENCES IF INFORMATION IS NOT PROVIDED

If You do not provide Us with the information We need, We will be unable to consider Your application for insurance cover, administer Your Policy or manage any claim under Your Policy.

PRIVACY POLICY

Our privacy policy contains information about how You can request access to any personal information that We hold about You and seek correction of any such information. It also contains information about how You can complain about Our handling of Your personal information, and Our complaint handling process.

It is available on Our Website <https://www.msi-oceania.com/privacy/> or at Our offices in Sydney and Melbourne.

PART B - POLICY WORDING

GENERAL PROVISIONS

1. DEFINITIONS WHICH APPLY TO ALL SECTIONS OF YOUR POLICY

We use words and expressions in this Policy which have particular meanings. They are called definitions and are listed below, and wherever they are used they appear with a capital letter at the beginning of each word. They are there to assist your understanding of how the Policy operates and they apply where they are used in all sections of the Policy. Their special meaning is described below.

ACT OF TERRORISM

means an act, including but not limited to the use of force or violence and/or the threat thereof, of any person or group(s) of persons, whether acting alone or on behalf of or in connection with any organisation(s) or government(s), committed for political, religious, ideological or similar purposes including the intention to influence any government and/or to put the public, or any section of the public, in fear.

AIRCRAFT

means any craft or object designed to travel through air or space, other than model aircraft, Drones or unmanned inflatable balloons used for advertising or promotional purposes.

BUILDINGS

means a “building” as defined in any act or regulation governing strata title, community title or similar property in the State or Territory where the buildings are located owned by You or for which You are responsible, including:

- > anything permanently built, constructed, or installed on Your property, including fixtures and fittings and other temporary fixtures and fittings as defined by the relevant strata title or other legislation of the State or Territory where the Building is located;
- > structural improvements, including roads, gates, fences and paths
- > blinds or awnings on the outside of the Buildings;
- > outbuildings;
- > utility services including roads, pipes, cables, power poles, aerials, satellite dishes;

- > in-ground swimming pools, spas and tennis courts
- > marinas, wharves, docks, jetties and pontoons

A Building does not include:

- > Unit Owner’s floating floors unless covered under Optional Benefit 1. of section 1.
- > any illegal installations;
- > mobile or fixed air conditioning units servicing an individual Unit / Lot where Your Building is located in Queensland;
- > plants, lawns, trees, gravel, pebbles, rocks, stones, soil, sand, bark or mulch other than as covered under additional benefit “Landscaping”.
- > property including removable fixtures that a tenant or lessee is liable for under the terms of a rental agreement; or
- > temporary floor coverings, carpets, carpet underlay, curtains, blinds and window coverings inside a Unit

Where anything in this definition of “building” is contrary to any legislation or regulation governing strata title, community title or similar property applying where Your Building is located, the requirements of the relevant legislation or regulation will apply.

CATASTROPHE

means a significant destructive natural event, in the area in which Your Building is located, which either the Insurance Council of Australia has declared to be an ‘insurance catastrophe event’ or, as a consequence of the event, the relevant government authority has declared a state of emergency.

COMMON AREA

means the area at Your Location that is not part of a Unit.

COMMON CONTENTS

means the unfixed property at Your Location that are owned by You or for which You are responsible, including:

- > carpets in Common Areas;
- > computer equipment and electronic equipment;
- > furniture and furnishings;
- > garden equipment;
- > office equipment; and
- > portable appliances.

Common Contents do not include:

- > plants, lawns, trees, gravel, pebbles, rocks, stones, soil, sand, bark or mulch other than as covered under additional benefit "Landscaping";
- > Unit Owner Contents;
- > Vehicles registered or required to be registered or compulsorily insured or be part of a statutory scheme of compensation under any legislation in the state or territory in which they are being used;

or

- > temporary floor coverings, carpets, carpet underlay, curtains, blinds and window coverings inside a Unit.

COMMUNICABLE DISEASE

means any disease which can be transmitted by means of any substance or agent from any organism to another organism where:

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

COMPUTER SYSTEM

means any computer, hardware, software, communications system, electronic device (including, but not limited to, smart phone, laptop, tablet, wearable device), server, cloud or microcontroller including any similar system or any configuration of the aforementioned and including any associated input, output, electronic Data storage device, networking equipment or back up facility, owned or operated by the Insured or any other party.

CYBER ACT

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

CYBER INCIDENT

means:

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

CYBER LOSS

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

DAMAGE

means any sudden and unforeseen physical loss of, destruction of, or damage to property from any cause not otherwise excluded by this Policy, with Damaged having a corresponding meaning.

For the purposes of the cover provided under section 2 of Your Policy, Damage includes any accidental physical loss or destruction to Lot Owners Improvements.

DATA

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

DATA PROCESSING MEDIA

means any property insured by this Policy on which Data can be stored or stored but not the Data itself.

DEDUCTIBLE

means the amount You will be required to contribute towards the cost of any claim under the Policy.

DRONE

means a remotely piloted aircraft used solely for photography, filming, mapping, monitoring or surveying activities, and which has a weight of not more than 2 kilograms.

FLOATING FLOORS

means laminated, veneered or similar type flooring not glued or fastened to the sub-floor but held in position by its own weight with or without skirting at perimeter walls.

FLOOD

means the covering of normally dry land by water that has escaped or been released from the normal confines of any lake or any river, creek or other natural watercourse, whether or not altered or modified, or of any reservoir, canal or dam.

GLASS

means internal and external glass that form part of Your Insured Property.

INDEMNITY VALUE

means the cost to rebuild, replace or repair Insured Property to condition that is equivalent to or substantially the same as but not better nor more extensive than its condition at the time of Damage taking into consideration age, condition and remaining useful life.

INSURED

means the person, persons, or entities shown on the Schedule.

INSURED PROPERTY

means the Buildings and/or Common Contents at the Location which is insured under this Policy.

LAND VALUE

means the sum determined in accordance with the Australian Property Institute Professional Practice Standards as being the land value at the Location.

LOCATION(S)

means those places listed in Your Schedule where Your Insured Property is situated.

LOSS OF INCOME

means an amount of money calculated on the annual rentable value of any part of Your Common Area, including outgoings that are payable by tenants or lessees, that applied immediately prior to the loss or Damage and that would have been received but for the loss or Damage.

LOT OWNER'S IMPROVEMENTS

means:

- > any New Fixtures installed by a Unit Owner; or

- > any upgrade made by a Unit Owner to an existing fixture that results in its replacement value being more than its replacement value immediately prior to the improvement,

being for the Unit Owner's exclusive use and permanently attached to or fixed to Your Insured Property.

MAINTENANCE FEES

means any fees payable by a Unit Owner for the costs of maintaining the Building (which are levied by or otherwise payable to the Building's body corporate or any other person acting on the body corporate's behalf).

MAXIMUM LOSS LIMIT

means the maximum amount We will pay for any one loss, or any series of losses arising from any one original source or cause, under all sections of this Policy (including optional coverages under section 1, section 2 and Optional Coverage sections 3 and 4) combined. Your Maximum Loss Limit will be shown in Your Schedule.

NEW FIXTURE

means an item or structure that is installed within a Unit Owner's lot that is not a replacement of an existing item or structure.

OFFICE BEARER

means:

- > a person or entity appointed by Your strata community to act as an office bearer or committee member under strata titles or similar legislation or regulation applying at Your Location; or
- > a person who has been appointed to act as agent in the capacity of any person described above.

PERIOD OF INSURANCE

means the period of time during which cover is provided by the Policy as shown on the Schedule.

POLICY

means this document, Your Schedule and any endorsements or alterations advised by Us in writing.

POLLUTION

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.

REINSTATE/REINSTATEMENT

means the repair or replacement of the Insured Property to a condition substantially the same as, but not better or more extensive than its condition when new.

REINSTATEMENT VALUE

means the cost necessary to reinstate the Damaged Insured Property to a condition substantially the same as, but not better or more extensive than its condition when new.

RENT

means an amount of money calculated on the annual rentable value of a Unit or Common Area, including outgoings that are payable by tenants or lessees, that applied immediately prior to the loss or Damage and that would have been received but for the loss or Damage less any commission or charges You are not required to pay to a letting or rental agent.

SCHEDULE

means the document We give You which sets out the details of Your insurance cover. You receive a Schedule when You first take out Your insurance, and again when Your Policy is renewed or changed.

STORM

means a violent wind sometimes combined with thunder and/or lightning, heavy falls of rain, hail, snow, tempest, windstorm, hurricane, tornado, cyclone and typhoon, wind, sleet, wind driven objects, including subsequent Damage caused by water that backs-up from a sewer or drain as a direct result of Storm, but excluding Flood resulting from the same meteorological or atmospheric disturbance.

STORM SURGE

means an abnormal rise in the level of the sea along a coast caused by the onshore winds of a severe cyclone.

STRATA MANAGER

means a person or entity (appointed in writing by the Unit Owners) with delegated functions including the authority to act as an Office Bearer in terms of any act or regulation governing strata title, community title or similar type property applying where Your Insured Property is situated.

SUM INSURED

means the amount shown on Your Schedule against any particular item or section of Your Policy.

TEMPORARY ACCOMMODATION

means, as regards to any lot/Unit occupied by the 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 or lessee) that would have applied immediately prior to the Damage, calculated with reference to a rental appraisal from a licensed real estate agent or comparable rentable value from units in the Building or if there is no data, units of a similar size and value in the same area.

UNIT

means an area marked as a unit and/or a lot on the plan of Your Insured Property.

UNIT OWNER

means any person or entity registered as an owner of a lot/Unit in Your Building for the purposes of the application of the Strata Title legislation applying where Your Insured Property is located.

UNIT OWNER CONTENTS

means a Unit Owner's personal effects, furniture, furnishing, computer equipment, electrical or electronic equipment at the Location immediately prior to the Damage to Insured Property, and includes (but not so as to limit the generality thereof):

- > built-in or freestanding appliances such as dishwashers, washing machines and dryers;
- > computers, electronic and electrical equipment, garden equipment; and
- > Unit Owners' business and personal effects, furniture, furnishings, carpets, and floor rugs.

UNIT OWNER'S FAMILY

means family who normally lives with a Unit Owner, occupant or tenant (as the case may be) at the Unit, including a legal or de facto spouse and any member of their family who normally lives or lived with them at the Unit.

VEHICLE

means any type of machine on wheels, skis, or on self laid tracks, designed to be moved other than by manual or animal power and includes any trailer or attachment intended to be drawn by such machine. It does not include wheelchairs, garden appliances, maintenance equipment or golf buggies which are not required to be registered.

WATERCRAFT

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

WE, US, OUR

means the Insurer(s) stated in the Schedule.

WRITTEN CONSENT

means a written authority You must obtain from Us and hold before You act or incur any expense or enter into any contract or contractual agreement.

YOU, YOUR AND YOURS

means the body corporate, corporation, owners corporation, plan or company named on the Schedule as the Insured including in respect of cover provided to Unit Owners, such Unit Owners.

2. EXCLUSIONS WHICH APPLY TO ALL SECTIONS OF YOUR POLICY

The Exclusions set out below apply to all sections of the Policy unless stated to the contrary

There may also be other Exclusions used in particular sections of Your Policy and where they appear, they apply only to the section in which they are used.

We will not be liable for any loss, Damage, benefit, compensation, or any other loss, costs or expenses of any kind arising directly or indirectly.

- 2.1. from anything nuclear or radioactive including, but not limited to radioactivity or the use, existence or escape of any nuclear fuel, nuclear material, or nuclear waste or action of nuclear fission or fusion.
- 2.2. from war, invasion, acts of foreign enemies, hostilities (whether war be declared or not), civil war, rebellion, revolution, insurrection, military or usurped power or confiscation or nationalisation or requisition or destruction of or damage to property by or under the order of any government or public or local authority.
- 2.3. from any Act of Terrorism, regardless of any other cause or event contributing concurrently or in any other sequence to the death, injury, illness, loss or Damage, or any action in controlling, preventing, suppressing, retaliating against or responding to any Act of Terrorism.
- 2.4. from any Cyber Loss, except that Subject to all the terms, conditions, limitations and exclusions of this Policy or any endorsement thereto, this Policy covers physical loss or physical damage to Insured Property under this Policy caused by any ensuing fire or explosion which directly results from a Cyber Incident,

unless that Cyber Incident is caused by, contributed to by, resulting from, arising out of or in connection with a Cyber Act including, but not limited to, any action taken in controlling, preventing, suppressing or remediating any Cyber Act.

- 2.5. caused by, contributed to by, resulting from, arising out of or in connection with any loss of use, reduction in functionality, repair, replacement, restoration or reproduction of any Data, including any amount pertaining to the value of such Data, unless subject to all the terms, conditions, limitations and exclusions of this Policy or any endorsement thereto, should Data Processing Media owned or operated by the Insured suffer Damage insured by this Policy, then this Policy will cover the cost to repair or replace the Data Processing Media itself plus the costs of copying the Data from back-up or from originals of a previous generation. These costs will not include research and engineering nor any costs of recreating, gathering or assembling the Data. If such media is not repaired, replaced or restored the basis of valuation shall be the cost of the blank Data Processing Media. However, this Policy excludes any amount pertaining to the value of such Data, to the Insured or any other party, even if such Data cannot be recreated, gathered or assembled.
- 2.6. from any deliberate or intentional act or omission by You or by any person acting with Your express or implied consent unless for the purposes for preventing or eliminating danger to Insured Property or persons subject to max. liability of Insurer not exceeding \$100,000 any one occurrence and in annual aggregate;
- 2.7. out of construction, erection, alteration or addition where the value of such work exceeds \$500,000, unless Our written consent to continue cover has been obtained prior to the commencement of such work;
- 2.8. from a Communicable Disease or the fear or threat (whether actual or perceived) of a Communicable Disease, or any cost to clean-up, detoxify, remove, monitor or test:
 - 2.8.1. for a Communicable Disease, or
 - 2.8.2. any property insured hereunder that is affected by such Communicable Disease;
- 2.9. by removal or weakening of or interference with the support of land or Buildings or any other property, vibration, erosion, subsidence, landslide, collapse or any other earth movement unless it happens immediately following and is a result of:

- 2.9.1. earthquake, seismological disturbance or tsunami,
- 2.9.2. explosion;
- 2.10. by wear and tear, fading, scratching, marring, gradual deterioration, developing flaws, normal up-keeping or making good, rust, gradual corrosion, oxidization, concrete or brick cancer, wet or dry rot. However this exclusion does not apply to subsequent Damage to Insured Property not otherwise excluded by the Policy;
- 2.11. from the action of the sea, tidal wave, high water or high tide, (other than that directly attributable to Damage caused by tsunami);
- 2.12. by Flood, unless You have taken optional cover for Flood under Clause 4.2 of section 1 and Flood is shown in Your Schedule as Included
- 2.13. from heating or any process involving the direct application of heat. This Exclusion shall be limited to the item or items immediately affected and shall not extend to Damage to other Insured Property which may result from such heating or any process involving the direct application of heat;
- 2.14. from mechanical breakdown or derangement, electrical and/or electronic breakdown or derangement or failure caused by electric current. However, We will pay if the Damage is due to:
 - 2.14.1. power surge when the Insured has provided evidence that the power surge event is confirmed by the supply authority; or
 - 2.14.2. resulting fire; or
 - 2.14.3. Damage or other subsequent damage not otherwise excluded by this section;
- 2.15. from mould and/or fungi, mildew, pollution or contamination, change in colour, dampness, variations in temperature, evaporation, inherent vice or latent defect, loss of weight, change in texture or finish;
- 2.16. out of normal settling, seepage, shrinkage, expansion, creeping, heaving in Buildings, foundations/footings, walls, bridges, roadways, kerbing, driveways, paths, garden borders, retaining walls and other structural improvements;
- 2.17. by rats, mice, insects, termites, possums, birds, bats, vermin or other animals that peck, bite, chew or scratch. However this Exclusion does not apply to subsequent Damage to Insured Property not otherwise excluded by the Policy;
- 2.18. by the invasion from trees, plants, shrubs, grass and/or their roots or for the cost of clearing pipes or drains blocked by such invasion. However, if insured under section 3 - Damage by water or other liquids, We will pay up to the Sum Insured shown in Your schedule under section 3 for the resultant Damage to Insured Property caused by the escape of water or liquids from blocked pipes or drains;
- 2.19. from consequential loss of any kind, including but without limiting the generality of this Exclusion, loss due to delay, lack of performance, loss of contract or depreciation in the value of any undamaged Insured Property, except as specifically provided for under this Policy;
- 2.20. by artificial heating of Glass, during the installation of Glass;
- 2.21. from the incorrect siting of buildings consequent upon
 - 2.21.1. error in architectural design or specification;
 - 2.21.2. faulty workmanship;
 - 2.21.3. non-compliance by the Insured (or anyone acting on behalf of the Insured with the necessary permits issued by Government, Public or Local Authorities);
- 2.22. from demolitions ordered by government or public or local authorities due to failure on the part of the Insured or its agents to obtain the necessary permits required;
- 2.23. by or resulting from, any defect or deficiency (including unrepaired maintenance issues, structural defects, faulty design, faulty workmanship, warranty issues and errors and omissions) in any Building or other item of Insured Property;

This provision also excludes any defects, deficiencies or faults identified or itemised in the Schedule under the heading "Existing Defects";
- 2.24. to Damage to Your Insured Property if it is vacant and undergoing demolition unless Our written consent (which will not be unreasonably withheld) to continue cover has been obtained before the commencement of demolition;

2.25. to Your Insured Property caused by Storm. However, We will pay if subsequent Damage to Insured Property is due to:

- 2.25.1. fire;
- 2.25.2. explosion; or
- 2.25.3. sprinkler systems activating, as a direct result of Storm,

If You have taken the optional cover for Damage by Storm under section 4 and Damage by Storm is shown in Your Schedule as “Included”, this Exclusion will not apply to the cover provided under that section;

2.26. Water or other liquid, but if You have taken the optional cover for Damage by Water and Other Liquids under section 3 and Damage by Water and Other Liquids is shown in Your Schedule as “Included”, this Exclusion will not apply to the cover provided under that section.

However, We will cover under this section 1, Damage to Your Insured Property by water when caused by a sprinkler system activating as intended in response to smoke or fire.

This Policy does not cover physical loss, destruction of or Damage to the following Insured Property or loss of Rent or Temporary Accommodation resulting from physical loss, destruction of or Damage to the following property:

- 2.27. property (except money) in transit;
- 2.28. money;
- 2.29. jewellery, furs, bullion, precious metals or precious stones other than as stock and/or merchandise of the Insured;
- 2.30. any locomotive or rolling stock or watercraft other than as stock or merchandise of the Insured; provided always that no cover shall apply hereunder whilst any watercraft is on water;
- 2.31. any aircraft (including its accessories and/or spare parts) other than as stock or merchandise of the Insured; provided always that no cover shall apply hereunder during taxiing, take-off, flight or landing;
- 2.32. Vehicles or trailers registered or licensed to travel on a public road, provided that this Exclusion shall not apply to mobile plant and equipment (excluding cars, sedans,

panel vans and trucks) not otherwise insured whilst on any premises occupied or used by the Insured;

- 2.33. livestock, animals, birds or fish;
- 2.34. standing timber, growing crops and pastures;
- 2.35. land, provided that this Exclusion shall not apply to structural improvements on or in the land if such structural improvements are not otherwise excluded in this Policy;
- 2.36. bridges, canals, roadways and tunnels, railway tracks (other than on the premises occupied or used by the Insured), dams and reservoirs (other than tanks) and their contents;
- 2.37. docks, wharves and piers not forming part of any building;
- 2.38. mining property located beneath the surface of the ground unless otherwise expressly stated in this Policy;
- 2.39. property during the course of, and as a result of, its processing;
- 2.40. gates, fences, retaining walls, textile awnings and blinds if the physical loss, destruction of or Damage is caused by wind, rainwater or hail;
- 2.41. property in the open air (unless such property comprises or forms part of a permanent structure designed to function without the protection of the walls or roof) if the physical loss, destruction of or Damage is caused by wind, rainwater or hail;
- 2.42. empty premises undergoing demolition unless agreed by Us;
- 2.43. buildings that are or become majority empty or disused for a continuous period in excess of sixty (60) days unless inspected at least once in every (7) days, unless agreed by Us;
- 2.44. oil and gas drilling and/or production rigs whilst offshore;
- 2.45. Machinery (as defined in this Exclusion), electronic data processing equipment or electronic control equipment occasioned by or happening through any mechanical, electrical, electro-mechanical, electronic or hydraulic malfunction, failure, derangement, breakdown or non-operation of whatsoever kind.

Provided that Exclusion shall not apply to any subsequent loss, destruction of or damage to such Machinery, electronic data processing equipment or electronic control equipment occasioned by or happening through any cause or event not otherwise excluded herein which results from any of the events referred to in this Exclusion.

For the purpose of this exclusion, Machinery means any apparatus whether or not functioning independently or as any component part of a collection of apparatus which generates, contains, controls, transmits, receives, transforms or utilises any form or source of energy or power;

- 2.46. any boiler (other than a boiler used for domestic purposes) economiser or other pressure vessel, including popes, valves and other apparatus thereof in respect of which a certificate is required to be issued under the terms of any statute or regulation occasioned by or arising from explosion, rupture, collapse, bursting, cracking or overheating thereof provided that this Exclusion shall be limited to the aforementioned items immediately affected and shall not extend to other property as a result of such loss or destruction or Damage. This Exclusion shall not apply to loss of Rent or Temporary Accommodation as specifically stated therein; and
- 2.47. property of individual Unit Owner's and tenants, including:
 - 2.47.1. Unit Owner's Floating Floors unless We otherwise agree in writing; and
 - 2.47.2. Mobile or fixed air-conditioning units serving a single apartment in Queensland.

This Exclusion shall not apply in respect to any Unit Owner's fixtures and fittings which form part of the Building and are required to be insured by this Policy under the relevant legislation.

3. CONDITIONS WHICH APPLY TO ALL SECTIONS OF YOUR POLICY

Our liability to pay a claim under this Policy is subject to compliance with the following conditions. The course of action We take when You fail to comply will be considered in each circumstance based on what impact or effect Your failure caused or contributed to the claim or Our decision to issue Your policy.

These Conditions are in two parts. The first part contains Policy Conditions which relate to how the Policy operates. The second part contains Claims Conditions which set out the procedures for handling claims.

3.1. Policy conditions

3.1.1. Cancelling your policy

You can cancel Your Policy at any time by asking Us to do so in writing. The Policy will end on the date We receive Your request.

We can cancel this Policy if You do any of the following:

- 3.1.1.1. fail to comply with the duty of utmost good faith;
- 3.1.1.2. fail to comply with the conditions of this Policy;
- 3.1.1.3. fail to pay the premium for this insurance;
- 3.1.1.4. fail to tell Us anything You should tell Us when You apply for this Policy, renew this Policy, or when You vary or reinstate this Policy;
- 3.1.1.5. make a claim during the period of this Policy that is fraudulent; or
- 3.1.1.6. make a misleading statement to Us when You apply for Your insurance

We may also cancel this Policy if You fail to notify us as soon as reasonably possible of a change in the risk as set out in the clause "Notification of Changes in the Risk" during the Period of Insurance if the change materially increases the risk under Your Policy.

If We cancel this Policy, We will advise You in writing. To do this, a notice will be delivered to You or posted to You. In the Northern Territory the cancellation notice will be provided to the mortgagee of each Unit and in Victoria to any mortgagee whose interests are noted on the Policy.

In the Northern Territory, We cannot cancel the Policy on the sole basis of a breach of the Policy conditions by someone other than the body corporate. In Victoria We cannot avoid the whole of the Policy for a breach of a condition of the Policy by someone other than the owners corporation or all Unit Owners. In the Northern Territory and Victoria We have a right of indemnity against a Unit Owner who breaches a condition of the Policy.

3.1.2. Refund of premium if your policy is cancelled

If Your Policy is cancelled (other than by exercising Your cooling-off rights) before the expiry date, We will refund the unearned premium on a pro rata basis.

3.1.3. Reinstatement of sum insured

Unless otherwise specified, We will automatically reinstate the Sum Insured and/or Additional Benefits under any Policy section to the amount shown in the relevant section or in Your Schedule following a claim. This Condition does not apply:

- 3.1.3.1. if Your claim is for a total loss; or
- 3.1.3.2. We have paid the total Sum Insured as your cover will end then.

3.1.4. Severability

Any act, breach or non-compliance with the terms and conditions of this Policy committed by any party named in the Schedule as an Insured, will not prejudice the rights of the remaining party named in the Schedule, provided that the remaining party shall, within a reasonable time after becoming aware of any act, breach or non-compliance whereby the risk of Damage or loss has increased, give notice in writing to Us of the act, breach or non-compliance.

3.1.5. Notification Of Changes In The Risk

You must advise ARX through your insurance broker in writing as soon as reasonably possible of:

- 3.1.5.1. all material changes in occupation or circumstances relating to Your Insured Property and other property insured under this Policy which a reasonable person would expect to impact Our assessment of the risk to the Insured Property;
- 3.1.5.2. any change in information or details You have given Us in relation to Your Insured Property and other property insured under this Policy or You; and
- 3.1.5.3. any change that increases the risk of Damage to Your Insured Property or other property insured under this Policy.

If You do not provide such notification before the event giving rise to a claim under this Policy then, subject to

the Insurance Contracts Act, 1984, We may refuse to pay a claim, either in whole or in part.

3.1.6. Reasonable Precautions

You must take all reasonable care to maintain Your Insured Property and other property insured under this Policy in a good state of repair to prevent anything which could result in a claim under this Policy.

3.1.7. Inspections

We have the right to inspect and examine, any Property insured under this Policy at any reasonable time and place. We will give you reasonable prior notice of such inspection.

Any such inspection shall not amount to a representation as to ownership, fitness for purpose, safety or compliance with any law or regulation.

3.1.8. Sprinkler Installations

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

- 3.1.8.1. ensure that the property is protected as required by law by an approved installation of automatic sprinklers, automatic external alarm signal and automatic alarm signal connected with a fire brigade station or other legally approved monitoring organisation;
- 3.1.8.2. exercise due diligence to ensure that any system and alarm signal are at all times maintained in good working order;
- 3.1.8.3. ensure that such system will be regularly maintained in accordance with Australian Standard AS1851 (Part 3); and
- 3.1.8.4. notify ARX through your insurance broker, in writing and as soon as reasonably practicable, of any alterations or additions to the automatic sprinkler installation.

We may reduce the amount We pay for a claim to the extent that Your failure to comply with these conditions caused or contributed to the loss

3.1.9. Applicable Law

Any disputes arising from this Policy will be determined by the courts, and in accordance with the laws, of the state or territory of Australia where this Policy is issued.

3.1.10. Sanction Limitation And Exclusion

We shall not be deemed to provide cover or to be liable to pay any claim or provide any benefit hereunder to the extent that the provision of such cover, payment of such claim or provision of such benefit would expose that (re)insurer to any sanction, prohibition or restriction under United Nations resolutions or the trade or economic sanctions, laws or regulations of the European Union, United Kingdom, United States of America, Australia or any applicable trade or economic sanctions, laws or regulations of any country.

3.1.11. Misrepresentation And Non- Disclosure

If the named Insured:

- 3.1.11.1. failed to disclose any matter which the named Insured was under a duty to disclose to Us; or;
- 3.1.11.2. made a representation to Us before this Policy was entered into and if We would have not entered into this Policy for the same premium and on the same terms and Conditions expressed in this Policy but for the failure to disclose or the misrepresentation; then

Our liability in respect of any claim will be reduced to an amount to put Us in the same position in which We would have been placed if such non-disclosure had not occurred or such misrepresentation had not been made.

If the non-disclosure or misrepresentation was fraudulent, We may avoid this Policy.

3.1.12. Fraud

If any claim be in any respect fraudulent or if any fraudulent means or devices be used by the Insured or anyone acting on the Insured's behalf to obtain any benefit under this Policy, or if any destruction or damage be occasioned y the wilful act or with the connivance of the insured, We, without prejudice to any other right(s) We might have under this Policy, shall be entitled to refuse to pay such claims.

3.1.13. Hours Clause

Any loss of or Damage to the Insured Property arising during any one period of 72 consecutive hours, caused by Storm, Flood, tsunami or earthquake shall be deemed as a single event and therefore to constitute one occurrence with regard to the deductibles and limits provided for herein. For the purpose of the foregoing the commencement of any such 72 hour period shall be decided at the discretion of the Insured it being understood and agreed, however, that there shall be no overlapping in any two or more such 72 hour periods in the event of Damage occurring over a more extended period of time

3.2. Claims Conditions and Procedures

Our liability to pay a claim under this Policy is subject to compliance with the following procedures.

3.2.1. When You Suffer Loss or Damage

When you suffer loss or Damage you must:

- 3.2.1.1. complete any claim forms as requested by Us;
- 3.2.1.2. make Your claim as soon as reasonably possible after the Damage. If You do not make it within 60 days of the date of loss, We may reduce what We pay You by an amount which represents any disadvantage We reasonably suffer by the delay;
- 3.2.1.3. take all reasonable steps to minimise any further loss or Damage;
- 3.2.1.4. advise the nearest police station if Your property is lost, stolen, vandalised or maliciously Damaged. We may ask You to give Us a copy of the police report;
- 3.2.1.5. keep the property that has been Damaged so We can inspect it at any reasonable time and place;
- 3.2.1.6. not reinstate any Damaged property without Our written consent (which will not be unreasonably withheld) except for emergency repairs We have agreed to pay under section 1, Additional Benefit "Emergency Costs to Minimise Losses" on page 24;
- 3.2.1.7. cease the continued use of Damaged property, until such property is repaired;

- 3.2.1.8. allow Us to access Your property for inspections conducted by Us, Our assessors or repairers at any reasonable time and place;
- 3.2.1.9. allow Us to obtain information from any person or organisation engaged by You, and/or any repairer to assist Us in managing Your claim;
- 3.2.1.10. at Your own expense, provide Us with all information, and documents, as We may reasonably require for the purpose of investigating or verifying Your claim. We will only request information which relates to Your claim and will explain why it is required;
- 3.2.1.11. not authorise repairs to, or arrange replacement of, any of the Insured Property relevant to the claim, or incur any cost or expense for a claim without Our written consent (which will not be unreasonably withheld) unless by failing to do so, the safety of people is put at risk.

3.2.2. Delays

If You, the Unit Owner or anyone acting on Your or the Unit Owner's behalf cause delays preventing Us from commencing and completing reinstatement of Your Insured Property or other property insured under this Policy, We will not pay for any extra costs that result from that delay.

3.2.3. Acts Or Omissions Of Your Body Corporate Manager

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

3.2.4. Recovery Action

If You and/or the Unit Owner, have the right of recovery against someone else for a claim that We have accepted under this Policy, You and/or the Unit Owner give Us Your and/or the Unit Owner's rights to pursue that recovery. You and/or the Unit Owner also give Us Your and/or the Unit Owner's rights to conduct, defend or settle any legal action and to act in Your and/or the Unit Owner's name. You and/or the Unit Owner must not do anything that prevents Us from doing this, prejudice our rights or settle any claim without Our

written consent (which will not be unreasonably withheld) and You and/ or the Unit Owner must give Us the information and cooperation that We reasonably require.

3.2.5. Other Insurances

If loss, Damage or an event occurs that results in a claim being lodged under this Policy, You must notify Us of any other insurance that covers the same loss, Damage or event. We have the right to seek contribution from the other insurer.

3.2.6. Retailers And/Or Suppliers

We will agree with You the supplier or repairer to be used. If We cannot agree and if You choose Your own repairer or supplier, the most We will pay is the costs of repair or supply as determined by Our supplier or repairer for comparable supply or repair.

You must allow Us to:

- 3.2.6.1. inspect any Damaged item or Insured Property at any reasonable time and place; and
- 3.2.6.2. take possession of any Damaged item or Insured Property.

3.2.7. Salvage Value

If We have paid a claim for Damage, or replaced items which have been recovered, We are entitled to any salvage value, being the value of such recovered or replaced items.

3.2.8. Payment Of Excess/Deductible

Depending on the type of loss or Damage, You may be asked to pay the Deductible to Us or to a third-party engaged by Us for the purpose of handling Your claim or We may deduct the Deductible from any amount We pay You under the Policy.

3.2.9. Goods And Services Tax (GST)

Where We make a payment under this Policy for the acquisition of goods, services or other supply and You are registered for GST, We will reduce the amount of the payment by the amount of any input tax credit that You are, or will be, or would have been entitled to under A New Tax System (Goods and Services Tax) Act 1999 in relation to that acquisition, whether or not that acquisition is actually made.

Where We have arranged services directly with the builder, repairer, supplier or other service provider, We will pay up to the Sum Insured shown on Your Schedule or other Policy limit including GST.

Where We make a payment under this Policy as compensation instead of payment for the acquisition of goods, services or other supply, We will reduce the amount of the payment by the amount of any input tax credit that You would have been entitled to under A New Tax System (Goods and Services Tax) Act 1999 had the payment been applied to acquire such goods, services or other supply.

COVERAGE SECTIONS

SECTION 1 BUILDINGS AND COMMON CONTENTS

The definitions which apply to all sections of Your Policy are set out on Page 10 to 14. Please refer to them. There are no additional definitions which apply only to this section.

1. WHAT YOU ARE COVERED FOR UNDER SECTION 1

We will cover Your Insured Property for any Damage occurring during the Period of Insurance at an insured Location and which is not excluded by this Policy.

If We have agreed to pay a claim and the Sum Insured for Your Buildings and Common Contents shown in the Schedule for section 1 is not totally used for that claim, We will also pay for:

- 1.1. reasonable and necessary costs of removal, storage, disposal of debris being the residue of Your Insured Property;
- 1.2. reasonable and necessary costs of demolition, dismantling, shoring up, propping, underpinning or other temporary repairs to Your Insured Property necessarily incurred;
- 1.3. reasonable and necessary costs of architect's, surveyor's or consulting engineer's and other professional fees incurred with Our written consent (which will not be unreasonably withheld);
- 1.4. reasonable and necessary costs incurred with Our written consent (which will not be unreasonably withheld) in making submissions and/or applications, attending meetings or hearings of any government or building licensing authority;
- 1.5. reasonable and necessary fees, contributions and taxes (but not penalties or fines) to be paid to any public or statutory authority to obtain authority to Reinstat e Your Insured Property;
- 1.6. reasonable and necessary costs of clearing, cleaning and repairing drains, gutters, sewers and the like at the Location which are Damaged; and
- 1.7. reasonable and necessary removal and storage of Common Contents which are undamaged, but which are required to be removed in order to properly

Reinstat e Damaged Insured Property, or if the undamaged property itself is at risk of being Damaged; and

- 1.8. reasonable and necessary costs to repaint or re-wallpaper internal walls or ceilings.

2. SUM INSURED AND DEDUCTIBLE APPLICABLE TO SECTION 1

The most We will pay for any one loss or any series of losses which arise from any one original source or cause, is the Sum Insured shown in the Schedule for section 1. However, if a sub-limit applies in respect of any loss, we will only pay the sub-limit stated in the Schedule for that loss.

We will pay the Sum Insured over and above any Deductible that you are required to pay.

For each covered claim under section 1, We will reduce the amount We pay You for Your claim by the amount of Your Deductible.

The amount of Your Deductible is shown on Your Schedule. Your Deductible will be increased by \$5,000 for any claim for Damage arising from an earthquake, or seismological disturbance which occurs during any one period of 72 hours.

3. ADDITIONAL BENEFITS APPLICABLE TO SECTION 1

We will also automatically cover You for the following additional benefits during the Period of Insurance up to the amount stated, or the percentage of the Sum Insured shown in the Schedule for each of these additional benefits.

We will pay these benefits in addition to the Sum Insured for section 1, provided that the Maximum Loss Limit has not been exhausted.

3.1. Alterations & Additions

We will pay You for Damage arising to alterations, and improvements to Your Buildings and Common Contents whilst they are being carried out during the Period of Insurance, provided the Damage is covered by this section.

We will not pay for:

- 3.1.1. any works that exceed \$100,000 unless we have given Our written consent (which will not be unreasonably withheld) before such works have commenced; or
- 3.1.2. any works where a builder and/or contractor is required or has taken out insurance cover that insures material damage and liability risks for the alterations, additions and improvements.

3.2. Arson Reward

We will pay a reward for information which leads to an arson conviction in connection with Damage covered by this section. The reward will be paid to the person or persons providing the information and may be apportioned at Our discretion. We will consult with You and consider Your views with respect to apportionment.

The most We will pay is the amount stated in the Schedule against this item for any one event irrespective of the number of people providing information.

3.3. Capital Additions

We will increase Your Sum Insured under this section by the total value of additions, alterations and improvements to Your Insured Property during the Period of Insurance.

We will do this when:

- 3.3.1. a certificate of completion has been issued,
- 3.3.2. You inform Us as soon as reasonably possible of completion of the capital additions, and
- 3.3.3. You pay an additional premium at Our request.

The most We will increase Your Sum Insured by is \$250,000.

3.4. Common Contents Temporarily Removed

We will pay for Damage covered by this section to Your Common Contents temporarily removed from the Location, including transit during such temporary removal.

3.5. Communication Costs

We will pay the reasonable costs incurred by You for the purposes of communicating with occupants relating to the Reinstatement of Your Buildings following Damage to such buildings.

We will only pay these costs where:

- 3.5.1. the cost of Reinstatement of Your Buildings is more than \$500,000;
- 3.5.2. Damage occurs to more than one (1) Unit or Common Area;
- 3.5.3. the communication is intended for the exclusive benefit of Unit Owners and tenants of Your Buildings; and,
- 3.5.4. We have provided Our written consent (which will not be unreasonably withheld) to these costs before they are incurred.

The most We will pay for any one event and in total for all events during the Period of Insurance is the amount stated in your Schedule against this item.

3.6. Claims Preparation Costs

We will pay the reasonable and necessary costs You incur with Our written consent (which will not be unreasonably withheld) for the preparation of a claim under this Policy.

The most We will pay for any one event and in total for all events during the Period of Insurance is the amount stated in your Schedule against this item.

3.7. Additional Utility Charges

We will pay for any additional electricity, gas, water, sewerage and other utility charges You incur following Damage to Your Insured Property covered by this section.

The most We will pay for any one event and in total for all events during the Period of Insurance is the amount stated in Your Schedule against this item.

3.8. Unauthorised Utility Costs

We will pay for any additional electricity, gas, water, sewerage and similar charges You are legally required to pay following the unauthorised occupation of Your Buildings.

The most We will pay for any one event and in total for all events during the Period of Insurance is the amount stated in Your Schedule against this item.

We will not pay unless all reasonable measures (including notifying the police) are taken to terminate the unauthorised use as soon as reasonably practicable after You become aware of the unauthorised use.

3.9. Emergency Accommodation/Meal Costs

We will pay the reasonable costs of alternative emergency accommodation and meals that a residential Unit Owner incurs when such Unit cannot be occupied for its intended purpose following:

- 3.9.1. Damage to the Unit covered by this section; or
- 3.9.2. Prevention of access to or occupancy of the Unit as a result of Damage that would be covered under this section happening to other property in the immediate vicinity of the Insured Property; or
- 3.9.3. Access to or occupancy of the Unit being prevented by the police authority or other emergency service due to a danger or disturbance in the immediate vicinity of the Insured Property.

The most We will pay for meals per day, and the total combined amount payable under this additional benefit is the amount stated in Your Schedule for this item, per Unit for any one event.

3.10. Emergency Costs to Minimise Losses

We will pay the reasonable costs of necessary emergency repairs You incur to minimise Damage covered under this section and avoid further Damage to the Insured Property following a loss covered under this section.

The most We will pay for any one event and in total for all events during the Period of Insurance is the amount stated in Your Schedule against this item.

3.11. Environmental Upgrade

If You elect to repair or replace part or all of Your Damaged Insured Property We will pay the additional costs for environmental improvements not previously installed that improve the energy and water efficiency of Your Insured Property.

The most We will pay for any one event and in total for all events during the Period of Insurance is the amount shown in your Schedule against this item, less any governments subsidies to which You are entitled at the date of loss whether You claim these subsidies or not.

We will only pay these costs where the cost to repair or replace the Damaged portion of your Insured Property is

more than twenty-five per cent (25%) of what the cost would have been had Your Insured Property been totally destroyed.

3.12. Expediting Costs

The costs and expenses agreed by the underwriter reasonably incurred for overtime, express freight or temporary hiring of plant, to expedite Reinstatement of Damaged Insured Property.

The most We will pay for any one event and in total for all events during the Period of Insurance is the amount stated in Your Schedule against this item.

3.13. Failure of Services

If Your Buildings or sections of Your Buildings are unable to be occupied for their intended purpose due to the failure of electricity, water, gas or sewerage services resulting from Damage (that would be covered by this section) to property belonging to the service provider, We will pay:

- 3.13.1. where a Common Area within Your Insured Property is leased out, or You can provide evidence by means of a signed agreement that it would have been leased out, We will pay an amount equal to the actual Loss of Income;
- 3.13.2. where a Unit is leased out, or You can provide evidence by means of a signed agreement that it would have been leased out, We will pay an amount equal to the actual Rent lost; and
- 3.13.3. where a Unit is owner-occupied, We will pay the Temporary Accommodation .

Provided the failure of services extends for more than 24 hours, We will pay from the time of the failure until the time such services are reinstated.

The most We will pay for is up to 30 days of actual Loss of Income or actual loss of Rent.

Under this additional benefit, We will also provide cover to a Unit Owner as an insured persons and in which case 'You' and 'Your' will include the Unit Owner.

3.14. Fallen Trees

Where a tree or branch falls causing Damage to Your Insured Property We will pay the reasonable professional costs for:

- 3.14.1. removal and disposal of the fallen trees and/or branches; and
- 3.14.2. treating the stump or root to prevent re-growth of the tree.

We will not pay for the removal or disposal of tree stumps or roots. The most We will pay for any one event and in total for all events during the Period of Insurance is the amount stated in your Schedule against this item.

3.15. Fire Extinguishment

We will pay the costs and expenses necessarily and reasonably incurred for the purpose of:

- 3.15.1. extinguishing a fire at the Location, or in the vicinity of Your Location that is threatening to cause Damage to Your Insured Property;
- 3.15.2. replenishment of firefighting appliances, replacing sprinkler heads, and resetting fire, smoke and security alarm systems following their use in extinguishing a fire at the Location; and
- 3.15.3. shutting off the supply of water or other substances at the Location which are accidentally discharged from any fire protective equipment.

The most We will pay for any one event and in total for all events during the Period of Insurance is the amount stated in Your Schedule against this item.

3.16. Funeral Expenses

Where a Unit is owner-occupied, We will pay up to \$10,000 a Unit for the funeral costs of the Unit Owner, or member of the Unit Owner's Family permanently residing in the Unit, where death occurs as a direct result of Damage to Your Insured Property covered under this section.

3.17. Landscaping

We will pay for the reasonable costs to repair and/ or replace trees, plants, lawns or garden borders owned by You that suffer Damage covered by this section.

The most We will pay for any one event and in total for all events during the Period of Insurance is the amount stated in Your Schedule against this item.

3.18. Meeting Room Hire

Where a designated meeting room within Your Insured Property is unable to be occupied for its intended purpose as a result of Damage covered by this section, We will pay the cost to hire temporary meeting room facilities for the purposes of holding annual general meetings or committee meetings. We will only pay for meetings held during the period of time that is reasonably necessary for repairs to be carried out and access to be re-established.

The most We will pay is the amount stated in the Schedule for this item in any one Period of Insurance.

3.19. Modifications

Where a Unit is owner-occupied, We will pay the reasonable cost of modifications to the Unit if the Unit Owner, or member of the Unit Owner's Family permanently residing in the Unit, is physically injured and a certificate is issued by a medical practitioner certifying the Unit Owner, or member of the Unit Owner's Family, to be a paraplegic or quadriplegic as a direct consequence of Damage to Your Insured Property covered by this section.

The most We will pay is the amount stated in the Schedule for this item in any one Period of Insurance.

3.20. Money

We will pay for loss of Your money while in the personal custody of an Office Bearer of Yours, or of Your Strata Manager while acting on Your behalf.

We will not pay for the unlawful taking of Your money by:

- 3.20.1. any person in Your employment;
- 3.20.2. Unit Owner; or
- 3.20.3. A member of the Unit Family permanently residing with them.

The most We will pay for any one event is the amount stated in the Schedule against this item.

3.21. Mortgage Costs

We will pay the reasonable legal costs to discharge any mortgage over Your Insured Property if You suffer Damage to Your Insured Property and Your claim is for a total loss.

3.22. Pets & Security Dogs

We will pay Unit Owners for the cost to board pets or security dogs where their Unit is unable to be occupied as a result of Damage covered under this section. We will only pay when:

- 3.22.1. temporary accommodation does not allow pets;
- 3.22.2. the pet is owned by the Unit Owner;
- 3.22.3. the pet is usually kept at the Location; and
- 3.22.4. the Unit is used as a primary place of residency.

The most We will pay for this benefit is the amount stated in the Schedule for this item, for any one event, for any one Unit.

3.23. Property of Others

We will pay the Indemnity Value of personal property of others in Your physical or legal control following Damage covered by this section. We will not pay if the property is already insured under another policy entered into by a third party or by a policy required by law.

The most We will pay is the amount shown in your Schedule against this item for any one event.

3.24. Purchaser's Interest

We will cover a purchaser's interest in Your Insured Property when they have signed a legal agreement to purchase a Unit within the Insured Property.

3.25. Strata Levies and/or Maintenance Fees

We will pay the Maintenance Fees and/or strata levies required to be paid by a Unit Owner to You, where You have exhausted all practical measures (including legal proceedings) to collect the Maintenance Fees and/or strata levies during the period the Unit is unfit for occupation following Damage covered by this section.

3.26. Temporary Protection

We will pay the necessary and reasonable cost of providing temporary protection and employment of security guards to

safeguard Your Insured Property and residents following Damage to Your Insured Property covered by this section.

The most We will pay for any one claim is the amount stated in Your Schedule unless You first obtain Our written consent (which will not be unreasonably withheld) prior to You incurring costs in excess of this amount.

3.27. Title Deeds

We will pay for the cost of preparing new title deeds to Your land, Buildings or any Unit contained within Your Buildings if the title deeds suffer Damage covered by this section.

The most We will pay for this benefit is the amount stated in your Schedule against this item for any one event

3.28. Travel Costs

Where a Unit is rented, We will pay up to \$500 per Unit for the necessary and reasonable travel costs incurred by the Unit Owner in attending the Unit to consult with claim assessors, builders or other repairers following Damage to Your Insured Property covered by this section that results in the Unit being unable to be occupied for its intended purpose. We will only pay when We have agreed to these costs and expenses in writing before they are incurred.

4. OPTIONAL ADDITIONAL BENEFITS APPLICABLE TO SECTION 1

The following coverage provisions are optional and may be subject to an additional premium. They are also subject to the exclusions and conditions that apply to all sections of this Policy.

You may apply to be covered for any of these additional benefits when You apply for this Policy. We will consider Your application having regard for our underwriting guidelines at the time of Your application, and if We agree to provide this cover, it will be shown as "Included" in Your Schedule.

4.1. Loss of Rent / Temporary Accommodation

We will pay the following costs where Your Unit or Common Area suffers Damage covered by this section and areas are uninhabitable or when reasonable access to or occupancy of Your Unit or Common Area is prevented by Damage that would be covered by this section happening to other property within the immediate vicinity of Your Unit or Common Area.

4.1.1. Loss of Rent

Where a Unit or Common Area is leased out, or You can provide evidence by means of a signed agreement that it would have been leased out, We will pay an amount equal to the actual Rent lost less any recoveries available from the bond authority. We will pay up until the time Your Unit or Common Area is re-leased following completion of Reinstatement and/or repair of Your Insured Property, provided You can demonstrate that You have taken all necessary steps to re-let Your Unit or Common Area including the active marketing of Your Unit or Common Area at current market Rent. If You are unable to demonstrate that You have taken such necessary steps, We will pay until access to Your Unit or Common Property is re-established.

4.1.2. Re-letting Costs:

Where a lease agreement is terminated as a result of Damage covered by this section to Your Unit or Common Area, We will pay the reasonable re-letting costs of that Unit or Common Area.

The most We will pay for this benefit is the amount stated in the Schedule for this item, for any one event.

4.1.3. Removal and Storage Costs

Where a Unit is occupied for residential purposes, We will pay the reasonable costs which a Unit Owner incurs in:

- 4.1.3.1. removing and storing their undamaged contents at the nearest place of safe keeping;
- 4.1.3.2. returning their undamaged contents to their Unit at the Location when occupancy of their Unit is permitted; and
- 4.1.3.3. insuring their undamaged contents during such removal, storage and return.

We will also pay the above reasonable removal and storage costs for undamaged Common Contents owned by You if required as a result of Damage.

4.1.4. Temporary Accommodation Costs

Where a Unit is owner-occupied, We will pay the reasonable costs to the Unit Owner for temporary accommodation You necessarily incur calculated on the basis of similar accommodation located in the vicinity of the Insured Property location. We will pay for

the period that is reasonably necessary for repairs and rebuilding to be completed and access to Your Unit is re-established.

Under this additional benefit:

The combined total amount We will pay is the lesser of 15% of the Sum Insured for section 1 or other amount shown in Your Schedule for this item.

If You or anyone acting on Your behalf cause unreasonable delays in commencing or completing Reinstatement of Your Insured Property We will reduce Our payment by the amounts which result from the delays.

If You or anyone acting on Your behalf fail to take reasonable steps to minimise and/or stop any further Damage to Your Insured Property, We will reduce Our payment by the amounts which result from that further Damage. We will also provide cover to the Unit Owner in which case 'You' and 'Your' will include the Unit Owner.

The most We will pay for any one event and in total for all events during the Period of Insurance is the amount stated in Your Schedule against this item.

4.2. Catastrophe Cover

Where Your Buildings and/or Common Contents suffer Damage covered by this section which is caused by a Catastrophe and for which We have accepted a claim, We will increase the Sum Insured for Your Buildings and Common Contents by the percentage amount stated in the Schedule for this item, to compensate for the increase in prices brought about as a direct result of the Catastrophe event.

Provided that if the additional amount for Catastrophe cover is not totally exhausted by a claim for Damage to your Buildings and/or Common Contents, We will also increase the total amount We will pay under additional benefit Loss of Rent, Temporary Accommodation and Removal Costs by the percentage amount stated in the Schedule for this item, if we accept a claim for "Loss Of Rent / Temporary Accommodation" under Clause 4.1.

No amount will be paid under this additional benefit until such time as the Sum Insured on Your Buildings and Common Contents has been totally exhausted.

If You elect not to Reinstat Your Buildings and Common Contents, no amount will be paid under this additional benefit.

4.3. Floating Floors

Subject to all of the terms, conditions and exclusions of this Policy We will cover You for Damage to Your Insured Property:

- 4.3.1. if We have agreed to pay a claim for Damage under section 1; and
- 4.3.2. provided Your Sum Insured on Building and Common Contents is not totally used for the claim; and
- 4.3.3. provided that Floating Floors is shown in Your Schedule as “Included”.

We will pay for Damage to Unit Owners Floating Floors.

We will pay to Reinstat e Floating Floors as if they were part of Your Buildings on the basis described in sub-clause 5.1.1 of How We Pay Claims Under section 1, which is set out below.

4.4. Flood

Subject to all of the terms, conditions and exclusions of this Policy, We will cover You for Damage to Your Insured Property:

- 4.4.1. which is caused by Flood;
- 4.4.2. during the Period of Insurance; and
- 4.4.3. provided that Flood is shown in Your Schedule as “Included”.

We will settle Your claim for Insured Property Damaged by Flood on the basis described in sub-clause 5.1 of How We Pay Claims Under section 1, which is set out below.

The most We will pay for any one event during the Period of Insurance is the amount shown in your Schedule.

5. HOW WE PAY CLAIMS UNDER SECTION 1

5.1. Reinstatement and Replacement

Subject to the Exclusions Applicable to all sections of this Policy.

5.1.1. Buildings

We will either Reinstat e Your Damaged Buildings or pay You the cost to Reinstat e. We will decide which one We will do, but Our choice will have regard to the circumstances of Your claim and consider Your preferences. If We pay You the cost to Reinstat e, You can rebuild on another site, but We will not pay more than what it would have cost to Reinstat e at the original Location.

Where Your Buildings have architectural features and/or structural materials possessing an ornamental, historical or heritage character, for which the original materials are not readily available, We will Reinstat e, or pay You the cost to Reinstat e Your Buildings to an equivalent appearance and capacity, using current design and nearest equivalent current materials.

5.1.2. Common Contents

When Damage occurs to Your Common Contents, We will do one of the following:

- 5.1.2.1. replace the item with similar property;
- 5.1.2.2. Reinstat e the item; or
- 5.1.2.3. pay You the Reinstat e Value.

We will decide which one We will do, but Our choice will have regard to the circumstances of Your claim and consider Your preferences.

5.2. Cash Settlement

If You submit a claim for cash settlement for repairs or replacing Your Insured Property that have already been carried out, We will at Our option:

- 5.2.1. assess the claim You have submitted for Us to pay;
- 5.2.2. obtain quotations for the repairs or replacement that You have carried out; and

- 5.2.3. reduce the amount We pay You by an amount which represents any disadvantage We suffer as a result of You not having submitted Your claim in accordance with Claims Condition 3.2.1.

5.3. Extra Cost of Reinstatement

If We pay a claim under section 1, We will also pay You the extra cost incurred by You to ensure that Your Buildings comply with any government or local statutory or regulatory authority requirements which were imposed after the Damage occurred.

If the cost of Reinstatement of the Damaged Buildings is less than 50% of that which would have been the costs of Reinstating Your Buildings had they been totally destroyed, We will only pay for the extra costs which apply to the Damaged parts of Your Buildings.

The most We will pay for any one event during the Period of Insurance is the amount stated in Your Schedule against this item.

5.4. Floor Space Ratio

If any Building is Damaged such that it becomes a total loss or a constructive total loss, and if as a result of the exercise of the powers of any government or local statutory or regulatory authority reinstatement of Your Damaged building(s) as before is prohibited and Reinstatement is only permissible subject to a reduced floor space ratio index, We will:

- 5.4.1. pay the cost of reinstating the Damaged portions of Your Buildings for the reduced size; and
- 5.4.2. pay You the difference between:
 - 5.4.2.1. the actual cost of rebuilding or repairing the Damaged portions for the reduced size of Your Buildings, and
 - 5.4.2.2. the estimated cost of rebuilding or repairing the Damaged portions, had the size of the Buildings not been reduced.

Any payments made by Us pursuant to Clause 5.4.2 shall include the extra cost of Reinstatement, including demolition or dismantling of the Insured Property, necessarily incurred to comply with the requirements of any government or local statutory or regulatory authority.

We will not pay more than the Sum Insured for this section 1. We will reduce the amount We pay You by any amount You may receive as compensation for the reduction in size of Your Buildings.

5.5. Loss of Land Value

In the event that any government or local statutory or regulatory authority refuses to allow the reconstruction of a Building Damaged in circumstances which are covered under this Policy, and provided that Your Sum Insured for this section is not totally used for a claim, We will pay by way of indemnity the difference between the Land Value before the Damage and the Land Value after the Damage as determined by the Australian Property Institute Professional Practice Standards.

We will reduce the amount We pay You for the loss of Land Value by any amount that You receive from a statutory authority as compensation for this loss. The most We will pay is the unused portion of Your Sum Insured for this section.

5.6. Undamaged Property

We will not pay any costs for replacing, repairing, altering or modifying any undamaged Insured Property or undamaged sections of Your Insured Property including such costs which are incurred for the purpose of colour matching of or creating a uniform appearance between undamaged Insured Property and Reinstated Insured Property claimed under this Policy.

In the event of repairs, We will make a fair and reasonable attempt to match the repairs to undamaged areas, using the closest match available. If You are not satisfied with the closest match:

- 5.6.1. You may pay the extra cost of repairing undamaged areas to achieve a matching appearance; or
- 5.6.2. We will pay You the reasonable cost to repair the Damaged area, provided that You could have the repair undertaken for the same cost available to Us.

5.7. Pairs, Sets, Systems and Collections

When a Damaged or lost item that is not excluded by this section is part of a pair, set, system or collection, We will only pay for the value of the item itself. We will only pay the cost of replacing the item even though the pair, set, system or collection to which it belongs is less valuable because it is incomplete.

6. EXCLUSIONS APPLICABLE TO SECTION 1

The exclusions and conditions which apply to all sections of Your Policy are set out on Page 15, and they apply to the cover provided under this section 1, unless stated to the contrary. Please refer to them.

There are no additional exclusions which apply only to this section.

SECTION 2 LOT OWNER S IMPROVEMENTS

The definitions which apply to all sections of Your Policy are set out on Page 10 to 14. Please refer to them. There are no additional definitions which apply only to this section.

7. WHAT YOU ARE COVERED FOR UNDER SECTION 2.

We will cover You for Damage to Lot Owner's Improvements resulting from:

- 7.1. a cause or event not excluded under Your Policy; and
- 7.2. occurring during the Period of Insurance; and
- 7.3. at an insured Location, as if such improvements were part of Your Building and/or Common Contents

8. SUM INSURED AND DEDUCTIBLE APPLICABLE TO SECTION 2

The most We will pay for any one event and in total for all events during the Period of Insurance is the Sum Insured shown in Your Schedule for section 2.

We will pay the Sum Insured over and above any Deductible that you are required to pay.

For each covered claim under section 2, We will reduce the amount We pay You for Your claim by the amount of Your Deductible. The amount of Your Deductible is shown on Your Schedule.

9. HOW WE PAY CLAIMS UNDER SECTION 2

We will only pay a claim under section 2, Lot Owners Improvements, where We have already agreed to pay (or have paid) a claim under section 1, Building and Common Contents, of Your Policy, which has resulted in Your Sum Insured for section 1 being totally used up.

This section 2 is also subject to and will be settled in accordance with, the provisions of Clause 5.1 of How We Pay Claims under section 1 on page 29. However, any reference to a Sum Insured in section 1 shall be deemed to be a reference to the Sum Insured shown in Your Schedule for this section 2.

10. EXCLUSIONS AND CONDITIONS APPLICABLE TO SECTION 2

The Exclusions and Conditions which apply to all sections of Your Policy, and which are set out on pages 15 to 18, apply to the cover provided under this section 2, unless stated to the contrary. Please refer to them. There are no additional exclusions or conditions which apply only to this section.

OPTIONAL COVERAGE SECTIONS

The following coverage sections 3 and 4 are optional and are subject to You paying an additional premium. Cover is only provided where it is shown in the Schedule as “Included”, and where Damage results from a cause or event which is not excluded under this Policy.

SECTION 3 DAMAGE BY WATER OR OTHER LIQUIDS

The definitions which apply to all sections of Your Policy are set out on Page 10 to 14. Please refer to them. There are no additional definitions which apply only to this section.

1. WHAT YOU ARE COVERED FOR UNDER SECTION 3.

1.1. If Damage by Water or Other Liquids is shown in your Schedule as “Included” We will cover You for loss or Damage to Your Insured Property occurring during the Period of Insurance where such Damage is caused by water or other liquids but not if such damage arises from Storm or Flood.

1.2. If We have agreed to pay a claim under this section 3 and the Sum Insured shown on Your Schedule under section 3 has not been totally used up for that claim, We will also pay for:

- 1.2.1. the reasonable and necessary costs of removal, storage, disposal of debris, demolition, dismantling, shoring up, propping, underpinning or other temporary repairs to Your Insured Property necessarily incurred and as a result of water or liquid damage that We have agreed to pay for;
- 1.2.2. the reasonable and necessary costs of architect’s, surveyor’s, consulting engineers and other professional fees incurred with Our written consent (which will not be unreasonably withheld) as a result of water or liquid damage that We have agreed to pay for;

- 1.2.3. the reasonable and necessary costs incurred with Our written consent (which will not be unreasonably withheld) in making submissions and/or applications, attending meetings or hearings to any government or building licensing authority as a result of water or liquid damage that We have agreed to pay for; and
- 1.2.4. the reasonable and necessary fees, contributions and taxes to be paid to any public or statutory authority to obtain authority to Reinstate, repair Damage as a result of water or liquid that We have agreed to pay for. We will not pay for any penalties or fines.

2. SUM INSURED AND DEDUCTIBLE APPLICABLE TO SECTION 3.

The most We will pay for any one event during the Period of Insurance is the lesser of:

- 2.1. the Sum Insured shown in Your Schedule for section 3; or
- 2.2. the Maximum Loss Limit.

We will pay the Sum Insured over and above any Deductible that you are required to pay.

For each covered claim under section 3, We will reduce the amount We pay You for Your claim by the amount of Your Deductible. The amount of Your Deductible is shown on Your Schedule.

3. ADDITIONAL BENEFITS APPLICABLE TO SECTION 3

3.1. The cover under this section is extended to include the same additional benefits as are provided under Clause 3 of section 1 as if Damage by Water or Other Liquids which is covered under this section 3, was covered under section 1 for events which occur during the Period of Insurance.

Where an additional benefit shows an amount or percentage that We will pay under section 3, We will pay the lesser of:

- 3.1.1. such amount or percentage; or
- 3.1.2. the Maximum Loss Limit.

The following additional benefit shall also apply, but only for this section 3.

3.2. Exploratory Costs

In the event of bursting, leaking, discharging or overflowing of any tanks, apparatus or pipes, We will pay the reasonable and necessary costs incurred in identifying and locating the source of damage to such tanks, apparatus or pipes, used to hold or carry liquid of any kind that has caused Damage to Your Insured Property provided that such Damage, or the property Damaged, is not excluded under this Policy.

If the cause of the bursting, leaking, discharging or overflowing is not excluded by this Policy, We will also pay the reasonable costs to:

- 3.2.1. rectify contamination Damage or pollution Damage to Your land caused by the escape of liquid up to an amount of \$10,000;
- 3.2.2. Reinstate the area of Your Insured Property necessarily Damaged by exploratory work; and
- 3.2.3. Reinstate the part from where the liquid escaped up to an amount of \$10,000 if not otherwise excluded.

4. HOW WE PAY CLAIMS UNDER SECTION 3

We will pay claims under this section 3 in the same manner, and in accordance with the provisions of Clause 5 of How We Pay Claims under section 1 on page 29. However, any reference to a Sum Insured in section 1 shall be deemed to be a reference to the Sum Insured shown in Your Schedule for this section 3.

5. EXCLUSIONS AND CONDITIONS APPLICABLE TO SECTION 3

The exclusions and conditions which apply to all sections of Your Policy, and which are set out on pages 15 to 18, apply to the cover provided under this section 3, unless stated to the contrary. Please refer to them.

However, for the purposes of section 3, the following additional exclusion applies:

We will not pay for the cost of clearing blocked pipes or drains unless the blockage causes or is the result of physical Damage to the pipe or drain section 4 Damage by storm The definitions which apply to all sections of Your Policy are set out on Page 11 to 14. Please refer to them. There are no additional definitions which apply only to this section.

6. WHAT YOU ARE COVERED FOR UNDER SECTION 4.

- 6.1. We will cover You for loss or Damage to Your Insured Property occurring during the Period of Insurance where such Damage is caused by Storm.

We will only cover You if Damage by Storm is shown as “Included” in your Schedule.

- 6.2. If We have agreed to pay a claim under this section 4 and the Sum Insured shown on Your Schedule under section 4 has not been totally used up for that claim We will also pay for:

- 6.2.1.1. the reasonable and necessary costs of removal, storage, disposal of debris, demolition, dismantling, shoring up, propping, underpinning or other temporary repairs to Your Insured Property necessarily incurred and as a result of Damage by Storm that We have agreed to pay for;

- 6.2.1.2. the reasonable and necessary costs of architect’s, surveyor’s, consulting engineers and other professional fees incurred with Our written consent (which will not be unreasonably withheld) as a result of Damage by Storm that We have agreed to pay for;

- 6.2.1.3. the reasonable and necessary costs incurred with Our written consent (which will not be unreasonably withheld) in making submissions and/or applications, attending meetings or hearings to any government or building licensing authority as a result of Damage by Storm that We have agreed to pay for; and

- 6.2.1.4. the reasonable and necessary fees, contributions and taxes to be paid to any public or statutory authority to obtain authority to Reinstate, repair Damage by Storm that We have agreed to pay for. We will not pay for any penalties or fines.

7. SUM INSURED AND DEDUCTIBLE APPLICABLE TO SECTION 4.

The most We will pay for any one event during the Period of Insurance is the lesser of:

- 7.1. the Sum Insured shown in Your Schedule for section 4; or
- 7.2. the Maximum Loss Limit.

We will pay the Sum Insured over and above any Deductible that you are required to pay.

For each covered claim under section 4, We will reduce the amount We pay You for Your claim by the amount of Your Deductible. The amount of Your Deductible is shown on Your Schedule.

8. ADDITIONAL BENEFITS APPLICABLE TO SECTION 4.

- 8.1. The cover under this section is extended to include the same additional benefits as are provided under Clause 3 of section 1 as if Damage by Storm which is covered under this section 4, was covered under section 1 for events which occur during the Period of Insurance.

Where an additional benefit shows an amount or percentage that We will pay under section 4, We will pay the lesser of:

- 3.1.1. such amount or percentage; or
- 3.1.2. the Maximum Loss Limit.

The following additional benefit shall also apply, but only for this section 4.

8.2. Water Removal

We will pay the reasonable costs You incur for the removal of water from the basement area of Your Buildings caused directly by Storm or rain and not otherwise excluded under this Policy.

The most We will pay is \$50,000 for any one event.

9. HOW WE PAY CLAIMS UNDER SECTION 4.

We will pay claims under this section 4 in the same manner, and in accordance with the provisions of Clause 5 of How We Pay Claims under section 1 on page 29. However, any

reference to a Sum Insured in section 1 shall be deemed to be a reference to the Sum Insured shown in Your Schedule for this section 4.

10. EXCLUSIONS AND CONDITIONS APPLICABLE TO SECTION 4

The exclusions and conditions which apply to all sections of Your Policy, and which are set out on pages 15 to 18, apply to the cover provided under this section 4, unless stated to the contrary. Please refer to them. The following additional exclusions also apply to this section 4.

We will not pay any claims for Damage to Insured Property arising directly or indirectly from any of the following:

- 10.1. the removal or weakening of or interference with the support of land or Buildings or any other property, vibration, erosion, subsidence, landslide, collapse or any other earth movement unless it happens immediately following and is a result of Storm, rainwater or wind;
- 10.2. wear and tear, fading, marring, gradual deterioration, developing flaws, normal upkeep or making good, rust, gradual corrosion, oxidization, concrete or brick cancer, wet or dry rot. However, this Exclusion does not apply to subsequent loss or Damage as a result of Storm to Insured Property not otherwise excluded by the Policy;
- 10.3. the cost of clearing blocked pipes or drains unless the blockage causes or is the result of physical Damage to the pipe or drain caused by Storm;
- 10.4. mould and/or fungi, mildew, pollution or contamination, change in colour, dampness, variations in temperature, evaporation, inherent vice or latent defect, loss of weight, change in texture or finish; and
- 10.5. normal settling, seepage, shrinkage, expansion, creeping, heaving in Buildings, foundations/footings, walls, bridges, roadways, kerbing, driveways, paths, garden borders, retaining walls and other structural improvements.

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