

Commercial Strata Insurance

Product Disclosure Statement

1 July 2008



calliden
insurance limited

Application Form

Commercial Strata Insurance

Form Completion

Please answer all questions. Please tick (✓) appropriate boxes and provide details as requested. If there is not enough space provided to answer a question please complete your answer on a separate sheet of paper and attach it to the Application Form.

Your Duty of Disclosure

Prior to entering into a contract of general insurance You have a duty to disclose certain information. You have the same duty to disclose prior to renewing, extending, varying or reinstating a general insurance contract.

What You must tell Us

When answering Our questions, You must be honest and You have a duty under law to tell Us anything known to You, and which a reasonable person in the known circumstances would include in answer to the question. We will use the answers in deciding whether to insure You and anyone else to be insured under the Policy, and on what terms.

Who needs to tell Us

It is important that You understand You are answering all Our questions in this way for yourself and anyone else whom You want to be covered by the Policy.

If You do not tell Us

If You do not answer the questions in this way, We may reduce or refuse to pay a claim, or cancel the Policy. If You answer Our questions fraudulently, We may refuse to pay a claim and treat the Policy as never having operated.

Important

This duty of disclosure applies to all the people named on the Application Form. Please read this carefully to ensure:

- You are aware of all the contractual rights and obligations
- the Policy provides the cover You require; and
- You are aware of the limits regarding Policy coverage and what We will pay You under the Policy.

Under Insurance / Average

Section1: Material Loss or Damage has an Under Insurance/Average provision please review it before selecting Your Building Sum Insured.

The Strata Title legislation (or similar legislation) in Your State requires You at all times to keep all buildings and building improvements on the site insured to their full replacement value.

The replacement value of the building improvements is the cost of their complete replacement plus provision for the cost of any necessary demolition work, removal of debris, any necessary surveying and/or architectural and/or engineering work and any other associated or incidental costs.

To ensure the adequacy of Your Sum Insured We suggest You obtain a professional estimation of the rebuilding cost on a regular basis.

Privacy

The information collected on this proposal form will be used to assess your request for insurance and to provide other insurance services in accordance with our privacy policy. In addition Calliden may share your information with other third parties, as defined in the privacy policy, in order to undertake insurance services. If you do not complete the proposal form in full, and in accordance with your duty of disclosure, Calliden may not be able to provide you with insurance or may impose additional conditions on any cover provided.

In accordance with Calliden's privacy policy you may obtain access at any time to information that Calliden or its service providers hold on you. If you would like to contact Calliden about privacy, or would like to obtain a copy of the privacy policy you may do so through one of the following means:

- online at www.calliden.com.au
- by phone 02 9551 1111
- by email to privacy@calliden.com.au
- by letter to Privacy Officer, PO Box 348, Milsons Point NSW 1565

Application Form

Policy No.	Intermediary
<input type="text"/>	<input type="text"/>
Cover Note No.	Replacing Policy No.
<input type="text"/>	<input type="text"/>
Period of Insurance: From	to 4pm on
<input type="text"/>	<input type="text"/>

The Insured

Please answer each question on behalf of all insured parties who will be covered by this contract. If insufficient space, please provide details on a separate sheet of paper and attach to this Application Form.

Insured's name in full	Telephone No.
<input type="text"/>	<input type="text"/>
Name and address for notices	
<input type="text"/>	
Situation of property	
<input type="text"/>	
Other interested parties	
<input type="text"/>	

Construction & Occupation

1. Construction	Walls <input type="text"/>	Roof <input type="text"/>	Floors <input type="text"/>
Premises details	No. of storeys <input type="text"/>	Age of Building <input type="text"/>	No. of car spaces <input type="text"/>
	No. of Buildings <input type="text"/>	Minimum separation <input type="text"/>	No. of lifts/escalators <input type="text"/>
Are the Buildings occupied by (please tick one)			
The Insured <input type="checkbox"/>	Tenants only <input type="checkbox"/>	Combination of both <input type="checkbox"/>	
No. of units <input type="text"/>	No. of vacant units <input type="text"/>	Longest vacancy <input type="text"/>	months <input type="text"/>

2. State the occupancy of each unit, noting ALL vacant units (if there is insufficient space please attach a separate list to this Application Form).

Unit 1	Unit 6
<input type="text"/>	<input type="text"/>
Unit 2	Unit 7
<input type="text"/>	<input type="text"/>
Unit 3	Unit 8
<input type="text"/>	<input type="text"/>
Unit 4	Unit 9
<input type="text"/>	<input type="text"/>
Unit 5	Unit 10
<input type="text"/>	<input type="text"/>

Note: It is the duty of the Insured, their agent or broker to advise Calliden Insurance of any change to the occupations carried out at the Situation.

Is the Building or land subject to redevelopment, or is redevelopment intended in the near future? Yes No

If "Yes" please give details below

<input type="text"/>
<input type="text"/>

Note: Redevelopment Property can only be insured for Indemnity Value.

Security

Type of security (please tick one):

- automatic security company response
 notification to owner's phone
 local alarm
 deadlocks only
 other, please specify

Is there perimeter fencing around the whole property?

Yes No

If yes are the gates locked at night?

Yes No

Fire Protection

Type of fire protection (please tick):

- fire extinguishers
 hose reels
 hydrants
 monitored smoke detectors
 fully sprinklered

Material Loss or Damage

Note: There are some covers provided automatically when You insure Your Building. Particular attention should be paid to the adequacy of the covers automatically provided to You in all loss scenarios.

BUILDING(S)

Sum Insured
\$

ADDITIONAL BENEFITS – are paid in addition to Your Building Sum Insured. However, You should still review them to ensure the covers are sufficient to adequately indemnify You. Extra cover may be provided on application. These covers must be specified as a Sum Insured below.

Temporary Accommodation or Loss of Rent

\$

(if no separate Sum Insured is selected the amount payable will be limited to 15% of the Building Sum Insured)

To Increase other Additional Benefits please specify the benefit type and Sum Insured below.

\$

(if no separate Sum Insured is selected the amount payable will be limited to the limits provided for in the wording)

Additional Benefits

\$

If insufficient space please provide on separate piece of paper and attach to this Application Form.

SPECIAL BENEFITS - will not apply in a total loss scenario where the Building Sum Insured is exhausted and may be severely limited in a large loss scenario. Where a specific Sum Insured is provided for a Special Benefit, cover for that Special Benefit will not be reduced in a large loss scenario and will not be limited to a percentage of the Building Sum Insured. If You require additional cover for any Special Benefit please enter the Sum Insured below.

Special Benefits

Maximum cover provided the Building Sum Insured is not exhausted

Specified Sum Insured

Common Contents	(1% of the Building Sum Insured)	\$ <input type="text"/>
Removal of Debris	(5% of the Building Sum Insured)	\$ <input type="text"/>
Architects and Professional Fees	(5% of the Building Sum Insured)	\$ <input type="text"/>
Extra Costs of Reinstatement	(10% of the Building Sum Insured)	\$ <input type="text"/>
Other (please specify)	<input type="text"/>	\$ <input type="text"/>

Property Owners Legal Liability

Do You require Property Owners Legal Liability cover

Yes No

Note: minimum Limits of Liability levels are required under some states' legislation. Please be aware of your requirements prior to selecting the limit.

Limit of Liability Required

\$10,000,000

\$20,000,000

Other (please specify) prior approval required

Note: amounts above \$20,000,000 or below \$5,000,000 cannot be selected.

Fidelity Guarantee

Do You require Fidelity Guarantee cover?

Yes No

Limit \$40,000.

Voluntary Workers' Personal Accident

Do You require Voluntary Workers Personal Accident cover?

Yes No

Basic cover provided:	Basic Sum Insured
Weekly Benefit	\$ 500
Capital Benefit	\$ 50,000

Do you wish to increase the basic amount?

Yes No

If "Yes," how much do you wish to increase the benefits to?

Weekly Benefit \$ per week

Capital Benefit \$ per week

Note: covers up to five Voluntary Workers any one event.

Office Bearer's Liability

Do You require Office Bearer's Liability cover?

Yes No

Note: This policy is a "Claims Made" wording which means that it covers You only against those Wrongful Acts committed or alleged to have been committed and reported to the Insured during the Period of Insurance. There is NO cover under the Policy after expiry, regardless of the date of occurrence.

Number of Committee Members

Limit of Liability
\$

Have You been previously insured for this type of cover

Yes No

If "yes," please give details below:

Name of Insurer	Expiry Date	Limit of Indemnity
<input type="text"/>	<input type="text"/>	<input type="text"/>
<input type="text"/>	<input type="text"/>	<input type="text"/>
<input type="text"/>	<input type="text"/>	<input type="text"/>

Are there any claims which have been made, or which are pending against the Insured proposed for this insurance which would be covered under this Policy?

Yes No

If "yes," please give insurance details:

Three empty text input boxes for providing insurance details.

Is any Insured proposed for this insurance aware of any Wrongful Act which might be valid grounds for a claim under this Policy?

Yes No

If "yes," please give insurance details:

Three empty text input boxes for providing insurance details.

Declaration of Office Bearer's Liability

- I/We, the Member(s) of the Committee, declare that to the best of my/our knowledge and belief the statements set forth herein are true.
- I/We declare that I/We have read and understood the duty of disclosure notice appearing at the beginning of this Application Form.

Signature of Chairman or Individual Office Bearer

Empty text input box for signature of Chairman or Individual Office Bearer.

Signature of Secretary or Treasurer

Empty text input box for signature of Secretary or Treasurer.

Date:

Empty text input box for date.

Contact No.

Empty text input box for contact number.

Machinery Breakdown

Do You require Machinery Breakdown cover?

Yes No

OPTION A

Standard cover Maximum limit any one loss arising out of any one event or series of events arising directly or indirectly from one source or original cause:

\$10,000 Other \$

Specify unit numbers in the boxes provided for All motors to be covered under 5h.p. or 4kw

- Refrigerators/freezers/cool rooms
- Air-conditioning units
- Air circulation units
- Swimming pool motors
- Others – please specify each machine below

Four pairs of empty text input boxes for specifying unit numbers for various machinery types.

OPTION B

Specify ALL motors to be covered exceeding 5hp or 4kw

Unit Name/Type of Use	Serial Number	Hp or KW	Age (yrs)	Sum Insured

Are there any apparent known defects in any of the specified machinery? Yes No

If "yes," please specify

Do any of the items insured require a certificate of inspection? Yes No

If yes please specify (Note: prior approval required)

Note: this section specifically excludes cover for lifts, submersible pumps, escalators or other people moving devices unless specifically declared.

Insurance Details

In the last five (5) years has any insurance company ever:

- a) refused to renew a policy? Yes No
- b) refused a claim under a Policy? Yes No
- c) cancelled or terminated a Policy? Yes No
- d) required an increased premium for a Policy? Yes No
- e) imposed special conditions under a Policy? Yes No

If "yes," to any of the above, please give details:

Please give details of Insurance claims or uninsured losses in the past five (5) years:

Do any of the covers proposed replace existing insurance? Yes No

If "yes," please give details:

Type of Cover	Company Name	Policy Number	Expiry Date

Declaration

"I/we have read the duty of disclosure included in this Application Form. I/we confirm that the answers and statements in this application are correct and that no information has been withheld which may affect the decision to accept this application or the terms and conditions.

I/we acknowledge that the personal information Calliden Insurance collects from me/us is collected for the purpose of processing this application, fulfilling Calliden Insurance's obligations in providing services to me/us, for the development of products and services, and to allow Calliden Group to market products and services. If I/we do not provide relevant information, I/we acknowledge that Calliden Insurance may be unable to process my/our application. I/we acknowledge that information may be disclosed to:

- intermediaries through which I/we deal with Calliden Insurance (for instance an agent, broker or financial advisor)
- claims assessment participants (for instance an assessor, investigator and/or loss adjuster)
- other reputable service providers (for instance mail houses); and
- underwriters, who are responsible for part/all of the risk under a contract of insurance (for instance a reinsurer).

I/we understand that Calliden Insurance may give to or obtain from other insurers and/or Insurance Reference Services information from this application and claims information obtained through the course of the contract.

By signing this Application Form, I/we consent to Calliden Insurance collecting and using this information for these purposes. This is subject to my/our right to opt out of receiving various direct marketing material at any time.

I/we acknowledge that I/we have rights to access our personal information held by Calliden Insurance in accordance with the National Privacy Principles.

I/we understand that this insurance does not operate until acceptance of this application in writing by Calliden Insurance (except for any cover provided under an interim contract of insurance)."

Signature

Date

Signature

Date

This declaration MUST be signed by or on behalf of all parties who are making this application for insurance.

Office Use Only

Building Sum Insured

\$

Temporary Accommodation/Loss of Rent

\$

Other Additional/Special/Endorsed Benefits

\$

Maximum Property Event Limit

Melbourne

Level 9, 11-33 Exhibition Street
Melbourne, VIC 3000
Ph 1800 805 899, Fax 1300 662 215

Brisbane

Level 23, 307 Queen Street
Brisbane, QLD 4000
GPO Box 2217 Brisbane QLD 4001
Ph (07) 3214 7880, Fax (07) 3214 7890

Adelaide

Ground Floor/26 Greenhill Road
Wayville SA 5034
Ph (08) 8274 5800, Fax (08) 8357 5899

Sydney

Level 7, 100 Arthur Street
North Sydney, NSW 2060
PO Box 348 Milsons Point 1656
Ph (02) 9551 1111, Fax (02) 9551 1155

Perth

Level 10, 105 St Georges Terrace,
Perth WA 6001
PO Box 2502 Perth WA 6001
Ph (08) 9324 3699, Fax (08) 9324 3599



Table of Contents

Commercial Strata Insurance Product Disclosure Statement

Important Information	2
Terms We Use	7
General Conditions	9
General Exclusions	12
Section 1: Material Loss or Damage	14
Section 2: Property Owners Legal Liability	22
Section 3: Fidelity Guarantee	25
Section 4: Voluntary Workers Personal Accident	26
Section 5: Office Bearer's Liability	28
Section 6: Machinery Breakdown	30

Important Information

About the Product Disclosure Statement

This product is issued by Calliden Insurance Limited ABN 47 004 125 268 and AFS Licence No. 234438, Level 9, 11-33 Exhibition Street, Melbourne, VIC 3000. The information in this booklet is current at the date this version was published which is on the front cover. If the information changes We will issue a supplementary or replacement Product Disclosure Statement (PDS). This product is distributed through selected Calliden Insurance authorised representatives and insurance intermediaries.

The information in this PDS will assist You to make an informed decision about Your insurance. It contains information about the policy, its features, benefits, risks and costs. Please read it carefully.

Your Records

This PDS, the Policy Schedule and any Endorsements are a record of Your cover. They are important documents containing the terms and conditions which apply to Our agreement. You may need to refer to them periodically and particularly when the Policy is due for renewal or at the time of a claim. Please keep them in a safe place.

Our Agreement

The agreement between us consists of:

- Your application
- this PDS
- Your Policy Schedule; and
- any Endorsement.

A Policy Schedule is issued when We agree to cover You and You have paid (or agreed to pay) the premium including any relevant government charges by the inception/due date.

Our liability is limited to:

- the Period of Insurance shown on Your Policy Schedule
- the Policy sections set out on Your Policy Schedule; and
- the Sums(s) Insured set out in Your Policy Schedule unless We have agreed to pay more as an additional benefit.

Your Cooling-off Period

Please read this PDS and Your Policy Schedule carefully to make sure You understand the cover provided and that it is adequate. You have fourteen (14) days after You receive the Schedule to alter Your cover should you need to. If, for any reason, You are not completely satisfied with Your Policy We may agree in writing to alter it to meet Your needs. Alternatively, You may cancel Your Policy within the 14-day period by returning it to Us with Your written instruction.

If You cancel within the 14 day period the premium You have paid will be refunded, provided no event has occurred for which a claim is payable under the Policy.

General Insurance Code of Practice

Calliden is a signatory to the General Insurance Code of Practice (Code). The Code aims to raise standards of service between insurers and their customers. Calliden's service standards are in accordance with the Code.

For any information about the Code, including a copy of the Code, contact us or the Financial Ombudsman Service on 1300 78 08 08 or look at www.codeofpractice.com.au

Privacy

Calliden respects Your privacy and operates at all times in accordance with its privacy policy. This privacy notification provides a summary of how Calliden treats Your privacy, and it is recommended that You read the policy in conjunction with this notice.

Calliden collects personal information to assess Your request for insurance, to administer Your policy, provide other insurance services as requested by You, and also to notify You about other Calliden services or promotions from time to time. At the time of collecting Your information We will inform You of the purpose for the collection and the consequences if You choose not to provide the information.

In order to provide its insurance services Calliden may need to share Your information with third parties including Your agent or broker and Calliden's reinsurers and claims providers (for a full list see Calliden's privacy policy).

In accordance with Calliden's privacy policy You may obtain access at any time to information that Calliden or its service providers hold on You. If You would like to contact Calliden about privacy, or would like to obtain a copy of the privacy policy You may do so through one of the following means:

- online at www.calliden.com.au.
- by phone 02 9551 1111.
- by email to privacy@calliden.com.au.
- by letter to Privacy Officer, PO Box 348, MILSONS POINT NSW 1565.

Dispute Resolution Process

How You Can Resolve A Complaint You Have With Us

If You would like to make a complaint, We will do everything We can to try to resolve it as quickly and fairly as possible. The following paragraphs provide details on how You can lodge Your complaint and how Calliden will try to resolve it.

You may contact us at any time if You are dissatisfied with any matter relating to Your insurance with Calliden, including:

- Our decision on Your claim
- Our handling of Your claim
- the service of Our representatives, assessors, loss adjusters or investigators; and
- Your insurance policy.

Contact Us

- If You have a complaint regarding Your claim, please contact Your claims consultant
- If You have a complaint regarding Your insurance policy, please contact us on 02 9551 1111 and We will try to resolve Your complaint straight away
- You can write to us at:
 - Fax: 02 9551 1155
 - Address: PO Box 348, Milsons Point NSW 1565

How We resolve complaints

- We will address all complaints, except where specific circumstances apply, in accordance with Calliden's Complaints Handling Process. This process is compliant with the Insurance Council of Australia's Code of Practice. Both the Code of Practice and Our Complaints Brochure, which contains a guide to Our process, are available upon request
- We will handle all complaints without cost to You

- A complaints consultant will be assigned to the management of Your complaint and will acknowledge Your complaint within 2 business days of receipt. If further information is required to consider the complaint, it will be requested at this time
- The complaints consultant will aim to resolve Your complaint within a further 13 business days. In certain circumstances a longer period may be required, and We will request a later response date
- The outcome of the complaint will be advised to you in writing, stating Our reasons and any corrective action that will be undertaken.

If Your complaint is still unresolved

If We cannot resolve Your complaint within 15 business days or You are not happy with Our response to Your complaint, You can seek an external review via Our external dispute resolution scheme, administered by the Financial Ombudsman Service (FOS).

This national scheme is for consumers, free of charge and is aimed at resolving disputes between insureds and their insurance companies.

For more information call 1300 78 08 08 or visit www.fos.org.au

If the FOS is unable to address Your complaint then Calliden may be able to provide You with details of an alternative external dispute resolution service.

Your Duty of Disclosure

Whether You are entering into a policy for the first time or are proposing to renew, vary, extend or reinstate a policy You have a duty of disclosure:

Your Duty of Disclosure for New Policies

When answering Our questions You must be honest and You have a duty under law to tell us anything known to You, and which a reasonable person in the circumstances, would include in the answer to the question. We will use the answers in deciding whether to insure You and anyone else to be insured under the policy, and on what terms.

Your Duty of Disclosure for Renewals

If You have already entered into a policy and You are proposing to renew, vary, extend or reinstate the policy Your duty of disclosure changes. You have a duty to tell us of everything that You know, or could reasonably be expected to know, that is relevant to Our decision to insure You and to the terms of that insurance. If You are not sure whether something is relevant You should inform us anyway.

Who Needs to Tell Us?

It is important that You understand You are answering Our questions in this way for Yourself and anyone else that You want to be covered by the policy.

What You Are Not Required to Disclose:

Your duty does not require disclosure of matters that:

- reduce the risk
- are common knowledge
- we know or, in the ordinary course of Our business, ought to know, and
- we have indicated We do not want to know.

If You do not tell us

If You do not answer Our questions in this way or disclosure everything You know, We may reduce or refuse to pay a claim, or cancel the policy. If You answer Our questions fraudulently, We may refuse to pay a claim and treat this policy as never having been in force.

Important

This duty of disclosure applies to all the people named on the Application Form. Please read this PDS carefully to ensure:

- You are aware of all the contractual rights and obligations
- the Policy provides the cover You require
- You are aware of the limits regarding Policy coverage and what We will pay You under the Policy.

Key Features Summary – Voluntary Workers Personal Accident – Section 4

In accordance with the product disclosure provisions of the Corporations Act We provide You with a key features summary of the Retail section of Your Policy.

If selected Section 4 of Your Policy provides up to five (5) Voluntary Workers with an accidental death and disablement cover whilst engaged in voluntary work organised by and at the direction of Your Committee or a duly appointed delegate in or about the Situation.

	Page Ref
Definition of Voluntary Worker	8
Events/Compensation	26
Death and Capital Benefits	26
Weekly Benefits	26
Travel Expenses	26
Domestic Assistance	26

Please note that in some States it is compulsory to take out voluntary workers insurance.

Excess

The Excess for the Voluntary Workers Personal Accident section is the waiting period applicable before benefits for Total or Partial Disablement will become payable. The Excess applicable will be shown in Your Policy Schedule and will apply to each claim You make. The standard Excess is 7 days. If You have chosen to increase Your Excess, this will be shown in Your Policy Schedule.

Cost of Your Policy

The amount that We charge You for this insurance when You first acquire Your policy and when You renew Your policy is called the premium. It includes the premium applicable to Section 4 if You have selected this cover.

The premium is the total that We calculate when considering all of the factors which make up the risk, such as:

- the value of what You insure (the Sum Insured);
- the location of the insured property; and
- Your previous insurance and claims history

The total cost of Your Policy is shown on Your Policy Schedule and is made up of Your premium plus Government Taxes such as, GST and Stamp Duty.

Paying Your Premium

Various options are available for paying your premium including:

- annual payment by cheque, credit card or cash
- monthly, quarterly or annual instalments by direct debit from your credit card or bank, building society or credit union account.

We do not charge an additional premium if You choose to pay in instalments by direct debit.

What happens if you do not pay the cost of your policy by the due date?

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

Paying By Instalments

- Where You pay Your premium by instalments:
 - We will not pay any claim if at the time the incident giving rise to the claim occurred, at least one instalment of premium remained unpaid for 14 days or more
 - If any instalment of premium has remained unpaid for 30 days, the policy will come to an end without notice to You
- In the event of a claim, any balance of the annual premium will become due before settlement of the claim. Alternatively, it may be deducted from the settlement of Your claim
- If the financial institution holding Your account returns or dishonours a direct debit payment due to lack of funds in Your account, We will charge You for any direct or indirect costs which We incur arising from the payment being returned or dishonoured.

Other costs, fees and charges

Other costs, fees and charges which may be applicable to the purchase of Your insurance Policy include:

Costs or fees	Details
Refund of Premium	<p>You may cancel Your Policy at any time. If You choose to cancel Your Policy We will retain a portion of premium which relates to the period for which You have been insured. We will refund the residue for the unexpired period, less any non-refundable government taxes or charges, provided that:</p> <ul style="list-style-type: none"> • no event has occurred where liability arises under the Policy; and • the residue amount is over \$20.
Monthly Instalment Fee	<p>We do not charge any additional fees or charges if you choose to pay your premium in monthly instalments.</p>
Commissions	<p>Your broker or insurance intermediary may receive a commission payment from Us when Your Policy is issued and renewed. If You cancel Your Policy, this commission payment may be non-refundable. For details of the relevant commission paid, please refer to Your FSG, SOA or contact Your broker or insurance intermediary directly.</p>

Significant Risks

- **Duty of Disclosure**
You are obliged to provide reliable information and to comply with 'Your Duty of Disclosure' on page 3 which outlines Your disclosure obligations and the consequences of not complying with these obligations
- **Under Insurance**
It is important for You to select a Sum Insured that fully reflects the current value of the risks You wish to cover. Section 5.4 sets out the terms on underinsurance
- **Conditions, Exclusions and Policy Limits**
Read this PDS carefully so that You are fully aware of the cover provided by the policy and the conditions, exclusions and policy limits that apply to Your insurance
- **Failure to Pay Your Insurance Premium**
For Your insurance to remain operational You must pay the insurance premium by the due date. Refer to page 8 Cancellation.

Terms We Use

Applicable to All Policy Sections

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

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

Aircraft and Aerial Devices means any craft or device designed to travel in, on or through the atmosphere or space, but excluding model aircraft used for pleasure purposes.

Application Form means the form that You have completed and signed as being the application for this insurance contract.

Building(s) means building(s) as defined by the relevant Strata Titles Act, Company Titles Act, Subdivision Act, Community Titles Act or similar legislation that applies where Your building is situated including walls, gates, fences, outbuildings and other improvements of a structural nature, awnings, fixed plant and machinery, swimming pools, underground services, radio and television antennas, satellite dishes, masts, towers and underground services owned by You or for which You are responsible.

Common Contents means furniture, carpets, lighting, fixtures and fittings, electronic equipment, garden equipment, plant and telephones, located at the situation that is owned and/or the responsibility of the Body Corporate, Corporation, Owners Corporation, Plan or Company named in the Schedule. This shall not include watercraft, aircraft, caravans, trailers, vehicles and or their accessories, plants shrubs and trees growing in the open air, livestock or other live animals, personal property of proprietors, members, owners, shareholders or any other person or party.

Earthquake means earthquake, subterranean fire, volcanic eruption or fire occasioned by or happening through or in consequence of earthquake, subterranean fire or volcanic eruption.

Endorsement(s) means any amendment to a policy wording or to policy limits as specified in a document attached to the Policy or stated in the Schedule.

Excess(es) means the sum of money, which You may have to contribute towards any claim payment under this Policy.

Flood means the inundation of normally dry land by water that has escaped from the normal confines of any natural or artificial watercourse, lake, lagoon, reservoir, canal or dam. It also includes water discharged from sewerage or waste water systems due to pressure induced by Flood water.

Limit(s) Of Liability means the applicable Limit of Liability specified in Your Schedule or as determined by Your Policy Wording where such limits are detailed.

Malicious Damage means damage to insured property caused by:

- a) strikers, locked out workers or other labour disturbances
- b) persons attempting to gain unlawful entry to the premises
- c) any other person acting with malicious intent; and
- d) any lawful authority in connection with a, b or c above.

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

Period of Insurance is the period stated in the Schedule during which the insurance cover provided by this Policy is in force.

Personal Injury means:

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

Policy/Your Policy means this PDS/policy wording, the Application, the Schedule and any special conditions or Endorsements issued to You in either electronic or written form.

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

Product(s) means any goods, products and property after they have ceased to be in the possession or under Your control, manufactured, grown, extracted, produced, processed, constructed, erected, installed, repaired, serviced, treated, sold, supplied or distributed by You (including any container thereof other than a vehicle.)

Property Damage means physical damage to or destruction of tangible property including its loss of use following such physical damage or destruction and/or loss of use of tangible property, which has not been physically damaged or destroyed provided that the loss of use has been caused by an Occurrence.

Rainwater means rain falling naturally from the sky including Rainwater runoff over the surface of the land.

Redevelopment Property means property subject to redevelopment or for which redevelopment is intended.

Rent means payment for the use of land, Building, unit, lot or share.

Schedule means the current attachment to the Policy that specifies the Situation, those Sections and benefits that are in force and the details of the Sums Insured or Limits of Liability.

Situation means the situation(s) shown in Your Schedule.

Storm and/or Tempest means violent wind (including cyclones and tornadoes), thunderstorms and hail, which may be accompanied by rain or snow.

Sum(s) Insured means the relevant amount shown in Your Schedule.

The Sea means oceans, seas or tidal waters or the actions of any short period rise or fall of the sea level produced by a meteorological event, earthquake, volcano or atmospheric disturbance such as a cyclone, hurricane, typhoon or tornado or produced by other means.

Vehicle(s) means any type of machine on wheels or on self-laid tracks made or intended to be propelled by other than manual or animal power and includes any trailer or caravan made or intended to be drawn by any such machine but does not mean wheelchairs, garden appliances or golf buggies not requiring registration.

Voluntary Worker(s) means a person engaged solely in work or duties on Your behalf without promise or reward of remuneration, other than an honorarium for duties associated with the position of an office holder. This definition specifically excludes Your employees,

contractors or any person who receives, reward or remuneration for their services, other than provided herein.

Watercraft means any vessel, craft or thing made or intended to float on or through water and which is powered or designed to be powered by motors, or is a sailing craft exceeding three (3) metres in length.

We/Our/Us/Calliden Insurance means Calliden Insurance Limited ABN 47 004 125 268 and AFS Licence No. 234438.

You/Your/Insured means:

- i) in respect of Section 1, 3, and 6:
the Body Corporate, Corporation, Owners' Corporation, Plan or Company named in the Schedule including, but limited to, the interest therein of Proprietors, Members, Owners or Shareholders which includes the Committee however named.
- ii) in respect of Section 2:
the Body Corporate, Corporation, Owners' Corporation, Plan or Company named in the Schedule including the Committee however named, but limited to:
 - the interest therein of Proprietors, Members, Owners or Shareholders;
 - a Voluntary Worker whilst engaged solely in work or duties on behalf of the Body Corporate, Corporation, Owners Corporation, Plan or Company named in the Schedule.
- iii) in respect of Section 4:
a Voluntary Worker whilst engaged solely in work or duties on behalf of the Body Corporate, Corporation, Owners' Corporation, Plan or Company named in the Schedule.
- iv) in respect of Section 5:-
the past, present or future Office Bearer(s) and/or Committee Members of the Body Corporate, Corporation, Owners' Corporation, Plan or Directors of the Company, however named, including those persons:-
 - estate, heirs, legal representative or assigns
 - legal representative or assigns if he/she is incompetent, insolvent or bankrupt; but does not include any professionally contracted person(s), firm or company.

Some other words have special meanings and these are explained where they occur in the Policy.

General Conditions

These General Conditions apply to all sections of the Policy

1. Reasonable Care

You must take all reasonable care:

- for the safety of Your Property Insured
- to ensure that only competent employees are employed
- to maintain the structure, fittings, fixtures, furnishings, appliances, machinery, implements and plant in sound condition at the Risk Address
- to prevent bodily injury or loss of or damage to property
- to comply with any law, by-law, safety requirement, Australian Standard or regulation of any Government or Local Government body. Including but not limited to those covering the disposal of waste products and the handling, storage or use of flammable liquids or substances, gasses or toxic chemicals
- to prevent Personal Injury or Property Damage due to manufacture, sale or supply of defective Products. Including at Your own expense take all reasonable action to trace, recall or modify any of Your Products containing defects
- If Your occupation includes digging below ground at sites away from Your Situation You must obtain the location of underground services from the owner of the services before commencement of digging

We shall not be liable for loss, destruction, damage, liability, accidental injury or illness caused or contributed to by Your failure to comply with this condition.

2. Alteration of Risk

You must notify Us in writing as soon as possible after the commencement of Your Policy of any changes in Your Business carried on, or other circumstances affecting the premises at the Situation, or the Property Insured, which may increase the risk of loss, destruction, damage or liability.

Until You obtain Our written consent to cover the alteration of risk and agree to pay any additional premium We may require, We shall not be liable for loss, destruction, damage or liability caused or contributed to by any such alteration, except where We expressly allow alterations in the relevant Sections of Your Policy.

3. Unoccupancy

Cover shall be entirely suspended where the premises at the Situation are unoccupied for any period of more than 60 consecutive days, unless Our prior written consent has been issued.

This suspension of cover only applies to Section 1 – Material Loss or Damage and Section 6 – Machinery Breakdown.

4. Renewal Obligations

Renewal of this Policy beyond the period stated in Your Policy Schedule is subject to there having been no changes in the risk insured. You are obliged to notify Us in writing of any changes or any relevant matters that may have occurred during the prior period of insurance which may affect Our willingness to accept Your renewal.

5. Joint Insureds

This Policy only covers the interests of the Insured(s) named in the Schedule and any other interests notified to Us in writing which are accepted by Us and noted in Your Schedule. No interest in this Policy may be transferred without Our written consent.

Where there is more than one person or organisation insured under this Policy:

- any notice given by Us under Your Policy to any one of You will be deemed to be notice given to all of You
- the duty of disclosure will apply to every person or organisation. Failure by any insured person or organisation to comply with the duty of disclosure will be deemed a failure by all of You
- any misrepresentation or fraudulent actions or statements made by any person or organisation will be deemed to be made by all of You; and/or
- any claim made by any person or organisation will be deemed to be a claim made by all of You.

6. Cancellation

You may cancel this Policy at any time by notifying Us in writing in which case We will retain the pro-rata rate for the time the Policy has been in force.

We may cancel this Policy by giving You written notice to the effect where You have:

- failed to comply with the duty of utmost good faith
- failed to comply with the duty of disclosure at the time when the Policy was entered into

- made a misrepresentation to Us during the negotiations for the Policy before We entered into the Policy
- failed to comply with a provision of the Policy
- failed to pay the premium or failed to pay any instalments for longer than one month
- made a fraudulent claim under this Policy or any other policy of insurance (whether with Us or some other insurer) that provided insurance cover during any part of the period during which this Policy of insurance provides insurance cover; or
- failed to notify Us of any specific act or omission where such notification is required under the terms of this Policy. We may cancel this Policy pursuant to any right at law but subject to the provisions of the Insurance Contracts Act 1984.

When We cancel the Policy it will have effect from whichever of the following times is the earliest:

- the time when another policy of insurance replacing this Policy is entered into; or
- 4pm of the third business day after the day on which notice was given to You. Unless this Policy was in force by Virtue of Section 58 of the Insurance Contracts Act whereby the cancellation will take effect from the fourteenth business day after the day on which notice was given to You.

7. Other Insurance

If You effect (or if there exists to Your knowledge) any other insurance covering loss, damage or liability insured by Your Policy, You must notify Us immediately and provide Us with details of such other insurance.

8. Subrogation

We have the right on Your behalf (and in Your name) to conduct any negotiation, settlement or legal proceeding, whether prosecuting or defending. Your full co-operation is required in these matters.

Where You have entered into an undertaking with any other party which prevents or limits Your/Our right to recover from that party all benefit under this agreement is forfeited unless You have Our prior written consent.

9. Fraud

All benefit may be forfeited, Our liability reduced and/or Your Policy(ies) cancelled if You or any person acting with Your knowledge or consent or on Your behalf:

- engages in any dishonest or fraudulent activity as a means to obtain benefit from this Policy; or
- wilfully causes any loss, damage, or liability.

10. Goods and Services Tax

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

11. Claim Matters

As soon as possible after an event occurs which may result in a claim under this Policy You must at Your own expense:

- take all reasonable precautions to prevent or minimise further loss, damage or liability
- notify the police immediately if any of Your property is lost, stolen, maliciously or intentionally damaged, or such loss is attempted or suspected
- take all reasonable steps to recover lost or stolen property, and assist in apprehending any guilty party
- contact Us and provide Us with details of what has happened by –
 - telephoning 1300 880 037
 - writing to Our Claims Department
Level 13, 50 Queen Street,
Melbourne VIC 3000; or
 - notifying Your representative;

- complete and submit a claim form for Our consideration with full particulars of Your loss including details of any party who may be responsible
- give Us the opportunity to inspect any loss or damage before You carry out any repairs
- keep any damaged or recovered stolen property and allow Us to inspect it if necessary
- obtain Our consent before You authorise or commence repairs or otherwise incur any cost, unless the repair or cost is necessary to protect the insured property from further loss; and
- not admit, deny, or negotiate any claim with any person.

12. Excess

Where an Excess is shown in Your Schedule or within Your Policy wording You or any other person insured must first bear the amount of the Excess for each and every claim arising out of the one event or Occurrence before becoming entitled to cover under Your Policy. Where two or more different Excesses apply to an event or Occurrence giving rise to a claim under one or more Sections of Your Policy, only the greatest of those Excesses shall be applied to the whole claim.

13. Interests of Other Parties

We will not be required to recognise the interests of any third party under this Policy unless required by law and/or We have been given written notice of such interest and it has been accepted by Us.

14. Hazardous Goods

The storage of hazardous goods usual to the proprietor(s)/occupier(s) trade and/or business carried on at the Situation is only allowed where the quantities and the manner are permitted by any relevant Law, By-Law or Municipal Regulation (including the Operational Health and Safety and workcover organisations) pertaining to such goods.

15. Workers Compensation

The insurances provided by this Policy do not include Workers Compensation.

It is compulsory for all employees to be insured for Workers Compensation and a separate policy must be arranged where required by law.

16. Jurisdiction

All disputes arising out of or under this Policy will be subject to determination by any court of competent jurisdiction within Australia according to the law applicable to that jurisdiction.

17. Inspection of Property

We will be permitted but not obligated to inspect Your property and operations at any time.

Neither Our right to inspect nor Our failure to inspect, nor the making of any inspection nor any report of an inspection may be used by You or others in any action or proceedings involving Us.

Any inspection by Us will be restricted to matters, which in Our opinion, are relevant to the Policy.

General Exclusions

These General Exclusions apply to all sections of the Policy. In addition to these General Exclusions, each section of this Policy will be subject to specific exclusions.

Your Policy does not cover loss, damage, consequential loss, cost or expense, disablement or liability; directly or indirectly caused by, contributed to by, resulting from, or arising out of or in connection with:

1. Nuclear

Any consequence of the use, existence or escape of nuclear weapons or material, ionising radiation or contamination by radioactivity from any nuclear fuel or nuclear waste or from the combustion of nuclear fuel.

2. Warlike Activities

- war (whether war be formally declared or not), any hostilities, invasion, acts of foreign enemies, war-like operations or civil war
- mutiny, civil commotion assuming the proportions of or amounting to a popular rising, military rising, insurrection, rebellion, military or usurped power, confiscation, nationalisation, requisition, legal seizure or destruction of or damage to property by or under order of any government, public or local authority or looting, sacking or pillage following any of the above.

3. Consequential Loss

Any consequential loss of any description except as specifically stated in Your Policy.

4. Electronic Data

Any consequence of:

- total or partial destruction, distortion, erasure, corruption, alteration, misinterpretation or misappropriation of Electronic Data
- error in creating, amending, entering, deleting or using Electronic Data, or
- total or partial inability or failure to receive, send, access or use Electronic Data, for any time or at all from any cause whatsoever, regardless of any other contributing cause or event whenever it may occur. Unless directly caused by an event covered under Section 1 Material Loss or Damage including as a result of Theft of the computer hardware, firmware, medium, microchip, integrated circuit or similar device containing such Electronic Data, but only where the property is insured and the appropriate covers have been selected and paid for and are included

on Your Schedule. For the purposes of the Basis of Settlement provisions in this Policy, computer systems records includes Electronic Data as defined below.

Electronic Data means facts, concepts and information converted to a form useable for communications, display, distribution, interpretation or processing by electronic and electromechanical data processing or electronically controlled equipment and includes programs, software and other coded instructions for such equipment including dates.

Any terrorism exclusion in this Policy or any endorsement thereto prevails over this exclusion.

5. Internet Operations and Cyber Risks

- Any losses arising, directly or indirectly, out of, or in any way involving the Insured's "internet operations".

"Internet Operations" means the following:

- Use of electronic mail systems by the Insured's employees, including part-time and temporary staff, and others within the Insured's organisation
- Access through the Insured's network to the world wide web or a public internet site by the Insured's employees, including part-time and temporary staff, and others within the Insured's organisation
- Access to the Insured's intranet (meaning internal company information and computing resources) which is made available through the world wide web for the Insured's customers or others outside the Insured's organisation; and
- The operation and maintenance of the Insured's web site.

Provided that this exclusion does not apply to bodily injury or property damage arising out of any material which is already in print by a manufacturer in support of its product, including but not limited to product use and safety instructions or warnings, and which is also reproduced on its site. Coverage does not include bodily injury or property damage arising out of any other advice or information located on the site that is used for the purpose of attracting customers.

- Property damage to computer data or programs and their storage media arising directly or indirectly out of or caused by, through or in connection with
- the use of any computer hardware or software

- the provision of computer or telecommunications services by or on behalf of the Insured
- the use of computer hardware or software by any third party, whether authorised or unauthorised, including any damage caused by any computer virus.

Nothing in the Internet Operations and Cyber Risks exclusion shall be construed to extend coverage under this Policy to any liability which would not have been covered in the absence of this exclusion.

6. Pollution

- Personal Injury or Property Damage or financial loss or loss of, damage to, or loss of use of property, directly or indirectly arising out of the actual, alleged or threatened discharge, dispersal, release, seepage, migration, emission or escape of Pollutants; or
- the cost of testing, monitoring, containing, removing, nullifying or cleaning up Pollutants; except liability otherwise excluded under the above paragraphs that:
 - arises from a sudden identifiable, unintended and unexpected happening, which takes place in its entirety at a specific time and place, and
 - is indemnified in not more than one annual Period of Insurance.

7. Terrorism

Any Act of Terrorism, regardless of any other cause or event contributing concurrently or in any other sequence to the loss. This also excludes loss, damage, cost or expense directly or indirectly caused by, contributed to by, resulting from, or arising out of or in connection with any action in controlling, preventing, suppressing, retaliating against, or responding to any Act of Terrorism.

8. Asbestos

Any actual or alleged liability whatsoever for any claim or claims in respect of loss or losses directly or indirectly arising out of, resulting from or in consequence of, asbestos, in whatever form or quantity. Including but not limited to:

- any mining, handling, processing, manufacture, sale, transportation, distribution, or storage of asbestos, asbestos products, or asbestos contained in any product or building
- any process of decontamination, disposal, removal, treatment or control of asbestos or asbestos products or products.

9. Your Wilful Act, Omission or Recklessness

Any wilful act, omission or recklessness or those of Your agents or representatives, provided that this exclusion will only apply to physical loss, destruction or liability caused by those proprietor(s) or member(s) committing the wilful act or omission or recklessness or that of their agents or representatives.

Section 1 – Material Loss or Damage

1. The Property Insured

The Building – up to the limit of the Sum Insured specified in the Schedule. Please refer to clause 5.4 Under Insurance/Average of this section when calculating Your Building Sum Insured.

Unless specified otherwise the Building Sum Insured should include an allowance for the expected cost of the Removal of Debris and Professional Fees.

Additional Benefits – these benefits will be paid in addition to the Building Sum Insured, up to the Sum Insured provided in the wording or on the Schedule whichever is the greater unless the cover is withdrawn by Us and duly noted in Your Schedule.

Special Benefits – these benefits will only be paid where the Building Sum Insured is not exhausted. Additional cover is available on request and should be taken out where the automatic covers will not provide adequate protection.

2. We Will Pay

In the event of accidental loss, destruction or damage not otherwise excluded occurring during the Period of Insurance stated in Your Schedule or any renewal thereof at the Situation of the Property Insured We will, subject to the provisions of this Policy including the limitation of Our liability, indemnify You in accordance with the applicable Basis of Settlement.

3. Additional Benefits

Following loss or damage by any cause not excluded the following additional benefits will be paid in addition to the Sum Insured. These amounts are limited to all losses for any one Period of Insurance.

3.1 Temporary Accommodation or Loss of Rent Receivable

Where a unit/lot/share is unable to be tenanted as a result of Damage, We will also pay:

- if the unit/ lot/share is rented, an amount equal to the Rent that the owner of the unit or lot was receiving averaged out using total Rent received in the last 6 months prior to the date of loss divided by 6 then applied per month. Where a unit/lot/share was vacant for the previous 3 months no benefit will be paid for that unit. Payments will be made up to the date the unit/lot/share is declared tenanted

- if the unit/lot/share is occupied by the owner, an amount equal to the amount that the unit/lot/share could have been rented for. We will pay this amount until the unit/ lot/share becomes fit to be tenanted; and
- where a Unit/lot/share is occupied as a residence, the reasonable costs and expenses necessary to remove, store and return a unit owners contents.

The maximum period We will allow for this Additional Benefit will not exceed 24 months from the date of damage, and Our maximum liability will not exceed fifteen percent (15%) of the Sum Insured of the damaged Building.

3.2 Rewriting of Records

The cost of preparing and/or rewriting of Your records pertaining to the Property Insured, lost or damaged by any cause not excluded by this Policy whilst such records are in the premises at the Situation or in a bank for safe keeping to an amount not exceeding \$2,000 for any one loss.

3.3 Leaking Water, Leaking Oil

We will pay up to \$7,000 for exploratory costs reasonably incurred in locating the source of loss or damage following

- Bursting, leaking, discharging or overflowing of water tanks, water apparatus or water pipes
- Leakage of oil from any fixed oil installation, including tanks, apparatus and pipes, and also the cost (up to \$1,000) of the repair or replacement of the defective part or parts of tanks or pipes, which gave rise to the loss or damage.

3.4 Title Deeds

The cost of preparing new title deeds to Your land, Building or any unit/lot/share contained therein if the title deeds are lost or damaged or destroyed whilst anywhere in Australia to a limit of \$1,000.

3.5 Trees, Shrubs, Plants Lawns and Rockwork

The cost to a limit of \$1,500 necessarily incurred by You in replacing or repairing any Trees, shrubs, plants, lawns and rockwork at Your Situation, including the professional costs incurred for the removal and disposal of Your fallen trees and/or branches (but not tree stumps or roots) for such trees that have caused damage to the Building or Common Contents.

3.6 Money

Loss of money, to a limit of \$2,000, whilst in the personal custody of a Committee member or an office bearer that was destined to be used in connection with the insured Building, but excluding fraudulent misappropriation, larceny or theft or any attempt there-at by:

- any person in Your employment; or
- any person or member of their family, who has a commercial interest in the Building.

3.7 Open Air

The cost of loss or damage to Common Contents up to a limit of \$2,000 whilst they are on the property at the Situation but not located within a fully enclosed structure.

3.8 Removal and Storage Costs

Following an insured loss We will pay up to \$5,000 in total for all costs necessarily incurred in the removal of, storage of and return of Common Contents, from the time of loss up until when the Building(s) is deemed habitable.

3.9 Replacement Locks and Keys

In the event of keys used for common entrance points only, being stolen as a consequence of forcible entry into any unit/lot/share of the insured Building we will pay up to \$1,000 for the cost of re-keying or re-coding locks or replacing with locks of a similar type and quality if they cannot be re-keyed or re-coded.

4. Special Benefits

Special benefits do not apply in a total loss scenario where the Building Sum Insured is exhausted and maybe severely limited in a large loss scenario. Some of the special benefits are limited to a maximum percentage of the Building Sum Insured. Specific covers which will not be reduced in a loss scenario and are not limited to a percentage of the Building Sum Insured are available on request.

Following damage by an event covered under Section 1 Material Loss or Damage of this Policy and subject to Our Liability not being increased beyond the Limit(s) of Liability stated herein and Your Building Sum Insured not being exhausted, We will also indemnify You for;

4.1 Common Contents

Common Contents will automatically be included up to a limit of 1% of the Building Sum Insured or as per the amount specified in the Schedule whilst contained in, on or under Your Building.

4.2 Removal of Debris

Costs and expenses necessarily and reasonably incurred in respect of:

- the removal, storage and/or disposal or the demolition, dismantling, shoring up, propping, underpinning or other temporary repairs consequent upon damage to Property Insured by this Policy and occasioned by a peril hereby insured against
- your legal liability in respect of removal, storage and/or disposal of debris, notwithstanding Exclusions - Perils 7.1, in relation to premises, roadway services, railways or waterways of others, consequent upon damage to the property insured by a peril hereby Insured against, for such costs together with the cost of cleaning provided that such liability was not assumed under any agreement entered into by You unless that liability would have attached in the absence of such agreement
- provided that the insurance under this Section does not extend to any liability that You may incur as a consequence of pollution of any kind
- the demolition and removal of any Property belonging to You which is no longer useful for the purpose it was intended, provided such demolition and removal is necessary for the purpose of the reinstatement or replacement of property insured under this Section and is consequent upon an insured loss under Section 1 Material Loss or Damage.

The most We will pay under this special benefit is 5% of the Building Sum Insured listed in Your Schedule.

4.3 Government Fees, Contributions or Imposts

Any fee, contribution or other impost payable to any Government, Local Government or other Statutory Authority, where payment of such fee, contribution or impost is a condition precedent to the obtaining of consent to reinstate any Building(s) Insured hereunder. Provided that We shall not be liable for payment of any fines and/or penalties imposed upon You by any such Authorities.

4.4 Fire Extinguishment Costs

Costs and expenses necessarily and reasonably incurred for the purpose of extinguishing fire at or in the vicinity of Property hereby Insured or threatening to involve such Property or for the purpose of preventing or diminishing imminent damage to Property hereby Insured, by loss or damage Insured against by this Policy, including damage to gain access and the cost of replenishment of fire fighting appliances and charges incurred for the purpose of shutting off the supply of water or other substance following accidental discharge from any Fire Protective Equipment or otherwise escaping from intended confines.

4.5 Legal Fees

Legal fees necessarily incurred with Our written consent in making applications and/or submissions to any State or Federal government, Local government authorities and Land and Environment courts as a result of loss or damage as a direct result of any insured loss under Section 1 Material Loss or Damage.

4.6 Extra Costs of Re-instatement

Applicable to Buildings insured by this Policy destroyed or damaged as a result of any insured loss under Section 1 Material Loss or Damage. The most We will pay under this Special Benefit is 10% of the Building Sum Insured for the damaged building listed in the Schedule.

The Policy extends to include the extra cost of reinstatement including demolition or dismantling necessarily incurred to comply with the requirements of any Act of Parliament or Regulation made thereunder or any By-Law or Regulation of any Municipal or other Statutory Authority, subject to the following provisions and subject also to the terms, conditions, limit(s) or sub limit(s) and exclusions of the Policy.

- The work of reinstatement (which may be carried out wholly or partially upon another site if the aforesaid Act, By-Law or Regulation of any Municipal or other

Statutory Authority so requires subject to Our liability not being thereby increased) must be commenced and carried out with reasonable despatch, failing which We shall not be liable to make any payment beyond the amount which would have been payable under the Policy if this provision has not been incorporated herein

- The amount recoverable shall not include the additional cost incurred in complying with any such Act, Regulation, By-Law or requirement with which You were required to comply with prior to the damage happening
- All other insurances covering the Property effected by or on Your behalf shall be on a similar basis
- If the cost of reinstatement of the damage claimable under this Policy is less than fifty per cent (50%) of what would have been the cost of reinstatement of the property Insured had such property been totally destroyed, the amount recoverable shall be limited to the extra cost necessarily incurred in reinstating only that portion damaged excluding extra costs in relation to any portion of Your Building not damaged. In any event the loss shall not exceed the amount We would have been called upon to pay if Your Building had been wholly destroyed
- No cost will be payable to replace any illegal installations
- The indemnity provided in respect of the extra cost of reinstatement shall apply to the extent to which the Sum(s) Insured on the Building is not otherwise exhausted or unless otherwise stated in Your Schedule.

4.7 Floor Space Ratio Index (Plot Ratio)

Subject to the terms, conditions and Limit(s) or Sub Limit(s) of Liability of this Policy, in the event of any Building(s) being damaged so as to constitute total loss or constructive total loss and, as a result of the exercise of statutory powers and/or authority by any Government Departments, Local Government or any other Statutory Authorities, reinstatement of such Building(s) as before is prohibited and reinstatement is only permissible subject to a reduced floor space ratio index:

We agree to pay in addition to any amount payable in the reinstatement of such Building(s) the difference between:

- a) The actual cost of reinstatement incurred in accordance with the reduced floor space ratio index; and
- b) The cost of reinstatement which would have been incurred had a reduced floor space ratio index not been applicable.

In arriving at the amount payable under a) and b) above, any payments made by Us shall include the extra cost of reinstatement, including demolition or dismantling of the Insured property, necessarily incurred to comply with the requirements of any Act of Parliament or Regulation of any Municipal or other Statutory Authority.

Any payments made for the differences between a) and b) above shall be made as soon as the said difference is ascertained upon completion of the rebuilding works and certified by the architect acting on Your behalf in the reinstatement of the Building(s).

4.8 Loss of Land Value

- In the event of the absolute refusal by the competent Local or Government Authority to allow the reconstruction of the premises following loss or damage, We shall pay by way of indemnity the differences between the land value before and after the destruction or damage, or
- In the event of the competent Local or Government Authority allowing partial reconstruction only of the premises after loss or damage, We shall pay by way of indemnity the difference between the land value after such reconstruction and the land value before the loss or damage.

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

The total amount recoverable under this additional benefit in respect of any one loss or series of losses arising out of one Occurrence shall only apply to the extent to which the Sum(s) Insured on the Building is not otherwise exhausted or \$200,000 whichever is the lesser.

Definition applicable to point 4.8 Loss of Land Value:

Land Value means: The Sum certified by the Valuer General as being the value of the land so described in this Policy after due allowance has been made for variations in or other special circumstances affecting such value either before or after the damage or which would have affected the value had the damage not occurred so that the figures thus adjusted shall represent as near as may be reasonably practicable the true land value pertaining both before and after the damage.

Settlement shall be made following the ruling of the competent Local or Government Authority resulting in the loss of land value. Should settlement have been made however, and subsequently the ruling of the competent Local or Government Authority be changed prior to completion of the reconstruction resulting in an increase in the land value, that part of the claim in excess of the revised land value shall be refunded to Us.

All differences relating to the land value arising out of this Policy shall forthwith be referred to the decision of two Registered Valuers, one to be appointed by each of the parties and in the case where the two Registered Valuers do not agree, a third Registered Valuer appointed by the President of the Australian Property Institute as an expert whose decision shall be binding and who shall at the same time decide as to payment of any costs of this referral.

4.9 Architect and Professionals Fees

The necessary cost of Architects', Surveyors', Consulting Engineers' fees, including all incidental costs, legal and other fees and Clerk of Works' salaries for estimates, plan, specifications, quantities, tenders and supervision necessarily incurred in reinstatement consequent upon damage to property hereby Insured but not such costs, fees and salaries for preparing any claims hereunder. The most We will pay under this special benefit is 5% of the Building Sum Insured for the damaged Building listed in Your Schedule.

5. Basis of Settlement

5.1 Reinstatement or Replacement

The basis upon which the amount payable to You is to be calculated shall be the cost of reinstatement of the property damaged at the time of its reinstatement, subject to the following provisions and subject also to the terms, conditions and Limit(s) or Sub-Limit(s) of liability of this Policy.

For the purposes of the insurance under this Clause, "Reinstatement" shall mean.

5.1.1 Where property is lost or destroyed, in the case of a Building, the rebuilding thereof, or in the case of property other than a Building, the replacement thereof, by similar property, in either case in a condition equal to but not better or more extensive than its condition when new.

5.1.2 Where property is damaged, the repair of the damage and the restoration of the damaged portion of the property to a condition substantially the same as but not better or more extensive than its condition when new.

5.2 Provisions

The work of rebuilding, or replacing, or repairing, or restoring or reinstating, as the case may be (which may be carried out upon another site and in any manner suitable to Your requirements, but subject to Our liability not being thereby increased), must be commenced and carried out with reasonable dispatch, failing which We shall not be liable to make any payment beyond the amount which would have been payable under the Policy if this Clause had not been incorporated therein.

5.2.1 When any property Insured to which this clause applies is damaged in part only, Our liability shall not exceed the sum representing the cost which We could have been called upon to pay for reinstatement if such property had been wholly damaged.

5.2.2 No payment beyond the amount which would have been payable under the Policy if this clause had not been incorporated therein shall be made until a sum equal to the cost of reinstatement shall have been actually incurred.

5.2.3 All other insurances covering the property effected by or on Your behalf shall be on a similar reinstatement basis.

5.2.4 For the purpose of these provisions the amount which would have been payable under the Policy had this clause not been incorporated therein shall be, notwithstanding anything contained in this clause or in Basis of Settlement 5.1.1 to the contrary, the value of the property insured at the time of the damage happening.

5.2.5 With Our prior consent You shall not be bound to actually rebuild any Building destroyed but may purchase an alternative existing building to replace that destroyed. Such replacement shall be deemed to constitute "reinstatement" for the purpose of this insurance but We shall not under any circumstances be liable to make any payment beyond the actual cost of rebuilding the Building destroyed.

5.3 On Redevelopment Property

On Redevelopment Property the cost of repair or reinstatement or replacement is subject to due allowance for wear and tear, depreciation and betterment subject to Exclusion 6.9. If the property is not repaired or reinstated, settlement shall be restricted to the cost of demolition and/or removal of debris.

5.4 Under Insurance/Average

This means that if You do not insure for full value, You maybe required to bear a portion of the loss. If at the date of loss the Sum Insured on Building(s) is less than 70% of the full value of the property the claim will be reduced in the proportion to the difference between 70% of the full value of the property and the Building(s) Sum Insured.

For the purposes of determining the amount of Under Insurance/Average:

- Every insured Situation is reviewed as if they are insured separately; and
- Full value means the amount necessary to fully indemnify You within the terms of Your Policy. The full value is applied as it was required on the date of loss
- The Building Sum Insured must also include the expected cost of the Removal of Debris and Professional fees. Unless additional cover is requested We will consider the appropriate cost of removing the Debris and the expected Professional Fees in a total loss scenario when We consider the adequacy of the Building Sum Insured in the calculation used to determine the effect of Under insurance/Average.

Conditions applicable to Underinsurance/Average clause 5.4

- Our Liability will be limited to the Sum Insured at the Situation

- The Underinsurance/Average clause will not apply if the amount of damage does not exceed ten percent (10%) of the Sum Insured at the Situation

Calculating the effect of Underinsurance/Average

Example:

Full Value	\$120,000
70% of value	\$84,000
Sum Insured	\$50,000

Therefore if a \$40,000 loss occurs, we would pay: $(\$50,000/\$84,000) \times \$40,000 = \$23,810$.

We would pay \$23,810 (less any Excess).

5.5 Under Insurance/ Average in the Event of a Natural Disaster

If Your loss or damage arises out of a natural catastrophe for which The Federal Minister for Emergency Services activates the Commonwealth/State Natural Disaster Relief Arrangements (NDRA), and the Situation falls within the area formally defined by the Minister of Emergency Services the following under insurance/average clause will apply.

If at the date of loss the Sum Insured on Buildings is less than 50% of the full value of the property the claim will be reduced in the proportion to the difference between 50% of the full value of the property and the Building(s) Sum Insured.

For the purposes of determining the amount of Under Insurance/Average:

- Every insured Situation is reviewed as if they are insured separately; and
- Full value means the amount necessary to fully indemnify You within the terms of Your Policy. The full value is applied as it was required on the date of loss
- The Building Sum Insured must also include the expected cost of the Removal of Debris and Professional Fees. Unless additional cover is requested We will consider the appropriate cost of removing the Debris and the expected Professional Fees in a total loss scenario when We consider the adequacy of the Building Sum Insured in the calculation used to determine the effect of Under insurance/Average.

Conditions applicable to Underinsurance/ Average clause 5.5

- Our Liability will be limited to the Sum Insured at the Situation
- The Underinsurance/Average clause will not apply if the amount of damage does not exceed ten percent (10%) of the Sum Insured at the Situation.

Calculating the effect of Underinsurance/Average

Example:

Full Value	\$120,000
50% of value	\$60,000
Sum Insured	\$50,000

Therefore if a \$40,000 loss occurs, we would pay: $(\$50,000/\$60,000) \times \$40,000 = \$33,334$.

We would pay \$33,334 (less any Excess).

5.6 Replacement by Similar

In those cases where the architectural features and structural materials of the Building(s) described in this Policy possess a particularly ornamental, antiquarian or historical character, or the materials are not readily available, it is hereby agreed that in calculating the cost which would have been incurred in reinstatement if the whole of the property had been destroyed as referred to in the Basis of Settlement Clause, the basis to be adopted is the cost of a similar type of building of current design and materials and of reasonably equivalent utility and capacity, and it is further noted that the Sum Insured under this Policy has been based accordingly.

5.7 Reinstatement of Cover

In the event of Loss or Damage from events insured under this section, the amount by which the Sum Insured or Limits of Liability is reduced as a consequence of the loss or damage will be automatically re-instated as from the date of loss provided that:

- There is no written request from You or Written notice by Us to the contrary,
- This section is an operative Section of the Policy
- The claim has been notified to Us
- The under insurance provision is not enacted

- You pay the premium We require for the reinstatement; and/or
- The loss or damage is not a total loss, whether actual or constructive.

6. Exclusions – Property – Applicable to Section 1 Material Loss or Damage

We shall not be liable for any physical loss or damage caused directly or indirectly to:

- 6.1 “Money” (which shall mean currency coins, bank notes, cheques, postal orders, money orders, unused postage and revenue stamps), jewellery, furs, bullion, precious metals or stones. Other than the specific cover provided under Additional Benefits 3.6.
- 6.2 Livestock, animals, birds or fish.
- 6.3 Gates, fences and retaining walls resulting from Storm and/or Tempest.
- 6.4 Property undergoing construction, erection, demolition, alteration or addition other than alterations or additions when the value of such work does not exceed \$100,000.
- 6.5 Empty premises undergoing demolition.
- 6.6 Carpets resulting from staining, fading or fraying.
- 6.7 The popping and/or movement of swimming pools and/or the accidental breakage, chipping or lifting of tiles of swimming pools and/or their surrounds.
- 6.8 All Machinery (as defined in this exclusion 6.8), 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 Property Exclusion 6.8 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 in this Exclusion.

For the purpose of Property Exclusion 6.8

“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.

- 6.9 We shall not be liable for any physical loss or damage under the Reinstatement or Replacement, Extra Cost of Reinstatement, Plot Ratio or Loss of Land Value clauses for Redevelopment Property.

- 6.10 The exterior paintwork of the Building(s) by Rainwater or Storm water etc., or Storm water seeping or percolating through walls, roofs or floors or entering as a result of structural defects, faulty design or faulty workmanship in the Building(s).

7. Exclusions - Perils - Applicable to Section 1 Material Loss or Damage

We shall not be liable in respect of any physical loss, destruction or damage directly or indirectly caused by or arising out of or in consequence of or contributed to by:

- 7.1 Any legal liability of whatsoever nature.
- 7.2 Consequential financial loss of any kind associated with any commercial or private activity carried out on or reliant on the premises specified in Your Schedule, other than Loss of Rent as detailed under Additional Benefits 3.1
- 7.3 Incorrect siting of Buildings.
- 7.4 Demolition ordered by Government or Public or Local Authorities due to failure by You or Your agents to obtain the necessary permits required.
- 7.5 Water from or action by The Sea, tidal wave, and high water. Provided that this exclusion shall not apply if loss, destruction or damage is directly or indirectly caused by or arising out of an Earthquake. The Earthquake Excess stated in Exclusion – Perils – Applicable to Section 1 Material Loss or Damage 7.6 also applies.
- 7.6 Erosion, subsidence, earth movement or collapse unless resulting from Earthquake. In the case of Earthquake, there is an Excess for each claim or series of claims during a period of 72 hours of \$20,000 or one percent (1%) of the Sum Insured (excluding any separate amount shown for Additional Benefit Temporary Accommodation or Loss of Rent Receivable) appearing under Section 1 Material Loss or Damage in Your Schedule, whichever is the lesser amount.

- 7.7 Normal settling, seepage, shrinkage or expansion in Buildings or foundations, walls, pavements, roads and other structural improvements, creeping, heaving and vibration.
- 7.8 Birds, moths, termites or other insects, vermin, rust, or oxidation, mildew, mould, contamination or pollution, wet or dry rot, corrosion, change of color, dampness of atmosphere or other variations in temperature, evaporation, disease, inherent vice or latent defect, loss of weight, change in flavor, texture or finish, smut or smoke from industrial operations.
- 7.9 Wear, tear, fading, gradual corrosion or gradual deterioration, concrete or brick 'cancer', wet or dry rot, rust, oxidation, chipping, scratching or marring, normal upkeep, making good or any developing flaws.
- 7.10 Error or omission in design, plan or specification or failure of design.
- 7.11 Faulty materials or faulty workmanship.
- 7.12 Mechanical, hydraulic, electrical or electronic breakdown, failure malfunction or derangement of any machine or electrical and/or electronic device.
- 7.13 Kidnapping, bomb threat, threat of contamination, hoax, extortion or any attempt thereat.
- 7.14 Any boiler (other than a boiler used for domestic purposes) economiser or other pressure vessel, including pipes, valves and other apparatus thereof in respect of which a certificate is required to be issued under the term 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, destruction or damage.
- 7.15 Smut or smoke stains (other than when damage that occurs is sudden and unforeseen).
- 7.16 Demolition ordered by any federal, state or local government or their authorities, or statutory authority as a result of Your failure, or the failure of anyone acting on Your behalf, to comply with any lawful requirement.
- 7.17 Loss or damage to property undergoing any process involving the application of heat whereby loss or damage is caused to such property by the application of heat.
- 7.18 Flood.
- 7.19 Vibration from the removal or weakening of or interference with the support of land or Buildings or any other property, erosion, subsidence, landslide, mudslide, shrinkage or any other earth movement or collapse resulting there from, but this exclusion will not apply if the loss or damage is caused by or arises out of Earthquake or seismological disturbance, explosion or physical impact by aircraft.
- 7.20 The invasion of tree or plant roots, but if such invasion blocks Your drainage system this exclusion will not apply to any subsequent damage to Your Building or Common Area Contents caused by the escape of water or liquids there from.

Special Conditions Applicable to Section 1 Material Loss or Damage

Sprinkler Systems

Where any property, being property Insured by this Policy has an automatic sprinkler system installed which You own or where You are responsible for the operation or maintenance of the automatic sprinkler system, You shall:

- 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
- Exercise due diligence to ensure that any system and alarm signal are at all times maintained in good working order
- Maintain the system regularly in accordance with Australian Standard AS1851 (Part 3)
- Notify Us, in writing as soon as reasonably practicable, of any changes to the automatic sprinkler installation.

Section 2 – Property Owners Legal Liability

1. The Indemnity

We will pay to You or on Your behalf all amounts which You shall become legally liable to pay for compensation:

- In respect of Personal Injury or Property Damage
- Happening during the Period of Insurance; and
- In connection with Your ownership of the Building and Common Contents at the Situation.

Provided that Our liability under this Policy for all compensation payable as a result of any Occurrence shall not exceed the Limit of Liability.

Meetings Liability

Liability will extend to include any official meeting held anywhere in Australia conducted solely for the purpose of discussing pertinent issues regarding the strata plan, whereby the meeting was organised by the Office Bearers and satisfied the strata's rules regarding official meetings.

Provided that the liability for meetings will specifically exclude:

- any social activities or events organised at the meetings
- performance of, or any participation in physical activities.

Legal costs

We will also pay in connection with the claims in respect of which You are entitled to indemnity under the Policy or in respect of which if sustained You would be so entitled all legal costs and all charges and expenses incurred in the settlement or defence of claims or litigation arising there from where such costs, charges and expenses are incurred by Us or by You with Our written consent and all legal costs, charges and expenses recoverable from You by any claimant provided that all legal costs are inclusive in the limit of indemnity.

It is further provided that:

- We shall not be obligated to pay any claim or judgement or to defend any suit after Our Limit of Liability has been exhausted by payment of judgements or settlements
- if a payment exceeding Our Limit of Liability has to be made to dispose of a claim, Our liability to make any additional payments for legal costs, charges and expenses in connection therewith

shall be limited to such proportion of the said additional payments as the Limit of Liability bears to the amount paid to dispose of the claim.

2. Exclusions – Applicable to Section 2 Legal Liability

We shall not be liable for claims for:

2.1 Occupation

Personal Injury or Property Damage arising out of Liability in connection with any business, profession, trade or manufacturing operations conducted by You or any other person(s) insured or otherwise, other than as owner of the Buildings and/or Common Contents at the Situation shown in Your Schedule.

2.2 Liability of Tenant(s)

Personal Injury or Property Damage arising out of the occupation of tenant(s) of the premises including the maintenance upkeep or housekeeping of the tenant(s) at the Situation.

2.3 Watercraft, Aircraft and Vehicles

Personal Injury or Property Damage arising out of the use of Watercraft, Aircraft, Aerial Devices or Vehicles.

2.4 Contractual Liability

Personal Injury or Property Damage arising out of liability arising under any agreement unless such liability would have attached in the absence of such agreement.

2.5 Erection of and Alterations to Buildings

Personal Injury or Property Damage arising out of the construction, erection, or demolition of Building(s) or alteration and/or addition to Building(s) Insured by this Policy, by You or on Your behalf other than alterations and/or additions when the value of such work does not exceed \$100,000 or 10% of the Sum Insured for Building/s stated in Section 1 - Material Loss or Damage, whichever is the lesser.

2.6 Removal and Weakening of Support

Personal Injury or Property Damage arising out of damage to any land, fixed property arising directly or indirectly from vibration, subsidence or from the removal or weakness of or interference with support to land, buildings or any other property.

2.7 Pressure Vessels

Personal Injury or Property Damage arising out of claims arising directly or indirectly from explosion of boilers or other vessels under pressure in respect of which a certificate is required to be issued under the terms of any Statute or Regulation there under.

2.8 Aircraft Landing Areas

Personal Injury or Property Damage arising out of a liability imposed upon You by reason of Your ownership, occupation or control of any property or structure used as a landing area for aircraft provided such claims arise out of such use. The term "landing area" shall include any area on which aircraft land, take off, are housed, maintained or operated.

2.9 Fines, Punitive Exemplary, Liquidated and Aggravated Damages

Fines, punitive, exemplary, liquidated or aggravated damages regardless of any other provisions of this insurance.

2.10 Product Liability

Personal Injury or Property Damage arising out of or caused by the nature, condition or quality of Your Products.

2.11 Professional Advice or Service

Personal Injury or Property Damage arising out of a breach of the duty owed in a professional capacity by You and/or persons for whose breaches of such duty You may be legally liable.

Provided that Exclusion 2.11 does not apply to the rendering or failure to render professional medical advice by a legally qualified medical practitioner, legally qualified registered nurse, dentist or first aid attendant You use to provide first aid services on Your premises.

2.12 Territorial Limits

Personal Injury or Property Damage arising out of Claims:

- brought against You in any country (outside the Commonwealth of Australia) in which You are represented by a branch or by any employee domiciled in that country or by a company, firm or individual holding Your power of attorney
- for Personal Injury or Property Damage occurring outside the Commonwealth of Australia

2.13 Employment Liability

- Personal Injury to any Employee arising directly or indirectly out of or in the course of their employment in Your Business, provided this exclusion does not apply in respect of liabilities for injuries which are not compensated under the Worker's Compensation legislation in Queensland and Western Australia where employment is not the major significant factor causing the injury
- Any claim or claims arising out of the provisions of any Worker's Compensation legislation or any industrial award or agreement or determination; or
- Which You are or would have been entitled to seek indemnity for under any Policy of insurance required to be taken out pursuant to any legislation relating to worker's or workmen's compensation including any State or territory (whether insurance is effected or not).

For the purpose of this exclusion, "Employee" shall mean any person engaged under a contract of service or apprenticeship with You but does not include any person employed under such a contract who is excluded from the definition of worker under any Worker's Compensation legislation.

2.14 Libel or Slander

Personal Injury or Property Damage arising out of arising out of the publication or utterance of a libel or slander.

2.15 Intentional Act

Personal Injury or Property Damage arising out of any liability, which arises from any deliberate or intentional act committed by You or by any person acting with Your express or implied consent.

2.16 Litigation Costs

The cost of litigation or proceedings initiated by You without Our prior written consent.

2.17 Wharves, Jetties, Docks and Pontoons

Personal Injury or Property Damage arising out of or in connection with marinas, wharves, jetties, docks, pontoons or similar type facilities (whether fixed or floating) unless noted on the Policy.

2.18 Social Events

Personal Injury or Property Damage arising out of recreational or social activities arranged for and on behalf of Unit Owners and occupiers of Units.

2.19 Hiring out of Common Sporting or Recreational Facilities

Personal Injury or Property Damage arising out of the hiring out of sporting or recreational facilities (such as but not limited to tennis courts or swimming pools) owned by You.

2.20 Additional Services

Personal Injury or Property Damage arising out of the service or services You provide for the benefit, general use and enjoyment of unit owners and occupiers of units in Your scheme. Unless these services are advised to Us in writing, accepted by us and noted in Your Schedule.

2.21 Property in the Physical or legal Control

Property damage to:

1. property owned or leased by You,
2. property in Your physical and legal control,

But this exclusion shall not apply to liability for Property Damage to:

- a) premises (including landlords fixtures and fittings) which are leased or rented to You;
- b) premises (or the contents thereof) not owned, leased or rented by You but temporarily occupied by You for work therein but no cover is granted for damage to that part of the property on which You are working and which arises out of such work;
- c) Vehicles (not belonging to or used by or on Your behalf) in Your physical or legal control where such Property Damage occurs whilst such vehicles are in a car park owned or operated by You. Cover under this paragraph does not apply if You as part of Your business are a car park owner or operator for reward;
- d) Employee's property;
- e) any other property not specified in clauses a) to d) inclusive, which is in Your physical and legal control subject to Our liability not exceeding \$20,000 out of any one Occurrence.

However We will not be liable for:

- a) Property Damage to goods or property whilst being transported or carted;
- b) Property Damage to that part of any property upon which You have been working where such Property Damage arises from such work.

2.22 Faulty Workmanship

The cost of performing, reperforming, completing, correcting or improving any work undertaken by You.

Special Conditions Applicable to Section 2 Legal Liability

1. Notice in writing shall be given as soon as possible to Us of every Occurrence, clause, writ, summons, proceeding, impending prosecution, inquest and all information in relation thereto that shall come to Your knowledge in respect of which there may arise liability under the Policy. Such notice shall be given by You and Your knowledge shall be deemed to include the knowledge of any person whose knowledge would in law be that of You.
2. You shall not without Our written consent make any admission, offer, promise or payment in connection with any Occurrence or claim and We shall be entitled to take over and conduct in Your name the defence or settlement of any claim.
 - You shall use the best endeavour to preserve all property, appliances, plant or things which might provide necessary or useful evidence in connection with any claim and so far as may be reasonably practicable no alteration or repair shall be made to any premises, fencing, machinery, furnishings, fittings, appliances or plant without Our consent until We have had an opportunity of inspection
 - We shall be entitled to prosecute in Your name and at Our expense and for Our benefit any claim for indemnity or damages or otherwise
 - We shall have full discretion in the conduct of any proceedings in connection with any claim and You shall give all information and assistance as We may require in the prosecution, defence or settlement of any claim.
3. You must take and cause to be taken all reasonable precautions to comply with all Statutory Obligations and Regulations imposed by any Authority.

Section 3 – Fidelity Guarantee

1. The Indemnity

We agree to indemnify You in respect to the fraudulent embezzlement or fraudulent misappropriation of funds set aside for the purpose of management of the Body Corporate/Company affairs up to but in any case not exceeding \$40,000 or the Limit in the Schedule.

2. Exclusions - Applicable to Section 3

Fidelity Guarantee

We shall not be liable for:

- 2.1 any payment under this Policy in contribution with any bond effected under Strata Schemes Management Act 1996 of New South Wales or its equivalent in the legislation of other States or any fund providing for infidelity. Nor will We be liable to make any payment until all such bonds or funds have been exhausted.
- 2.2 any fraudulent misappropriation committed after the initial discovery of loss.
- 2.3 any claims arising out of losses discovered more than six months after the cancellation of this Policy or normal expiration of the Policy.
- 2.4 any losses arising out of misappropriations committed prior to the inception of this Policy.
- 2.5 any losses attributable to any member or Committee of the governing body of the Building who is an authorised strata manager, director, partner, representative or employee of a strata managing company with whom You or the owner of any unit/lot/share has entered into any management agreement.

Section 4 – Voluntary Workers Personal Accident

1. The Indemnity

We will pay the Compensation to the Voluntary Worker or in the case of his/her death to the Voluntary Workers' executors or administrators as a result of the happening of any of the Events listed below occurring during the Period of Insurance as stated in Your Schedule or any renewal thereof while such Voluntary Worker is actually engaged in voluntary work on Your behalf in or about the Situation.

2. The Events/Compensation

Bodily injury to a Voluntary Worker caused solely and directly by violent accidental external and visible means and which independently of any other cause results in or occurs within twelve months of sustaining such bodily injury in:

Events Compensation

2.1 Death: 100% of the Capital Benefit appearing in the Schedule

2.2 Total and irrecoverable loss of all sight in both eyes: 90% of the Capital Benefit appearing in the Schedule

2.3 Total and permanent loss of the use of both hands or of the use of both feet or of the use of one hand and one foot: 100% of the Capital Benefit appearing in the Schedule

2.4 Total and permanent loss of use of one hand or of the use of one foot: 50% of the Capital Benefit appearing in the Schedule

2.5 Total and irrecoverable loss of all sight in one eye: 50% of the Capital Benefit appearing in the Schedule

2.6 (a) Total disablement from engaging in or attending to usual profession, business or occupation in respect of each week of disablement: 100% of the Weekly Benefit appearing in the Schedule

(b) Partial disablement from engaging in or attending to usual profession, business or occupation in respect of each week of disablement: 50% of the Weekly Benefit appearing in the Schedule

2.7 Travel expenses in obtaining medical treatment following bodily injury to a Voluntary Worker in the aggregate any one loss: 1% of the Capital Benefit appearing in the Schedule

2.8 Reasonable cost of domestic assistance following bodily injury to a Voluntary Worker limit any one loss: 1% of the Capital Benefit appearing in the Schedule.

3. Provided that

3.1 This Policy will only apply in respect of work organised by and at the direction of the Insured, its Committee or the duly appointed delegate of the Insured or its Committee.

3.2 If the Voluntary Worker becomes entitled to Compensation under more than one of the items 2.1 to 2.6 in respect of the same bodily injury:

- Compensation will not be payable under any item if such item is included in any other item for which greater Compensation is payable
- Compensation payable will not exceed in the aggregate the Compensation for Item 2.1.

3.3 After the Occurrence of any one of the items 2.2 to 2.5 there will be no further liability under this Section in respect to the same Voluntary Worker for injuries sustained thereafter.

3.4 Compensation will not be payable:

- under item 2.6 in excess of an aggregate of one hundred and four (104) weeks in all in respect of any one disablement
- under item 2.6 for the first 7 days of disablement;
- unless the injured Voluntary Worker shall as soon as possible after the Occurrence of any bodily injury procure and follow medical advice from a legally qualified medical practitioner
- for more than one (1) of item 2.6(a) and 2.6(b) in respect of the same period of time
- in respect of children under the age of 12 years
- under item 2.6 in respect of persons who are not in receipt of wages, salaries or other remuneration.

Exclusions - Applicable to Section 4 Voluntary Workers Personal Accident Insurance

We shall not be liable in respect of any injury, death, disablement or sickness directly or indirectly caused by or arising out of or in consequence of, regardless of any other cause or event contributing concurrently or in any other sequence, or contributed to by:

1. Death or Disablement that results from:
 - (a) a deliberately self-inflicted Injury;
 - (b) The Insured person:
 - being under the influence of intoxicating liquor or of a drug, other than a drug taken or administered by or in accordance with the advice of a duly qualified medical practitioner
 - being addicted to intoxicating liquor or to a drug
 - taking part in a riot or civil commotion
 - acting maliciously
 - engaging in any criminal act; or
 - engaging in professional sporting activities.
2. asbestos or any asbestos related diseases.
3. the Insured Person flying, or engaging in aerial activities, other than as a passenger in an aircraft that is authorised to fly under a law that relates to the safety of aircraft.
4. motor Cycling or playing Football unless Our consent has been obtained and the Policy endorsed accordingly.
5. underwater activities which are in any way associated with the use of breathing apparatus or skin diving equipment of any description.
6. racing of any kind other than on foot, boxing, polo, water skiing, ski-jumping or competitive snow or ice sports unless Our consent has been obtained and the Policy endorsed accordingly.
7. any sexually transmitted disease, herpes or acquired immune deficiency syndrome (AIDS).
8. neurosis, psychoneurosis, psychosis; mental, emotional, depression, stress or anxiety condition, disease or disorder or is sustained whilst the insured person is in a state of insanity.
9. childbirth, miscarriage, termination of birth or any complications with pregnancy that arise after the first thirty (30) weeks of pregnancy.
10. any injury giving rise to a right to claim any compensation from his/her employer or any person liable to pay compensation under or by virtue of any Workers' Compensation Act or Ordinance or any other Statutory Enactment providing for payment in the nature of compensation whether such right is exercised or not.

We will not pay for any claim:
11. for more than five Voluntary Workers arising out of any one event/accident.

Section 5 – Office Bearer’s Liability

1. The Indemnity

Officers

We will indemnify any person who is or was or becomes during the Period of Insurance specified in Your Schedule an Officer of the Insured against any Loss in connection with any claim:

- a) made against that person during the Period of Insurance; and
- b) immediately notified to Us in writing during the Period of Insurance; and
- c) arising out of a Wrongful Act which occurred subsequent to the Retroactive Date; and
- d) for which that person has not been indemnified, and is not entitled to be indemnified, by You.

Insured

We will indemnify You against any Loss in connection with any claim:

- a) made against You during the Period of Insurance; and
- b) immediately notified to Us in writing during the Period of Insurance; and
- c) arising out of a Wrongful Act which occurred subsequent to the Retroactive Date; and
- d) for which You have indemnified, and were legally liable to indemnify, any person who is or was or became during the Period of Insurance an Officer.

Provided that any claim which does not accord with all of a), b), c) and d) of either of the operative clauses is not the subject of this insurance or any indemnity.

The amount payable in respect of all claims under this Section shall not in aggregate exceed the Limit of Liability inclusive of claimant’s costs and expenses and the costs and expenses incurred by or with Our written consent in the investigation, defence or settlement of any claim during the Period of Insurance.

2. Definitions Applicable to Section 5

Office Bearer’s Liability

Wrongful Act means any actual or alleged error or misstatement or misleading statement or act or omission or neglect or breach of duty by any Officer while acting in the Officer’s individual capacity, or the collective capacity of the council, Committee or governing body of the Insured, not excluded by the terms and conditions of this Policy, claimed against the Officer solely by reason of being an officer of the Insured.

Loss mean the amount payable in respect of a claim made against any Officer for a Wrongful Act and shall include damages, judgements, settlement and costs, cost of investigation (excluding salaries of Officers and Your employees) and costs of defence of legal actions, claims or proceedings and appeals therefrom but does not include any amount payable in respect of punitive, exemplary or aggravated damages. All losses arising out of the same act or inter-related acts of one or more Officers shall be considered a single Loss only.

Officer means any member of the council or Committee or governing body of the Insured.

Retroactive Date shall mean the date from which officers of the Insured have been continuously Insured under one policy, or successive policies, of claims made insurance which provided the same or similar cover to this Policy.

Company Title shall mean where the Building is subject to a Company title this cover extends to the directors of the Company Title board and all references to any Officer or the Insured in this Policy shall be deemed to refer to any director or to the Company as the case may be.

3. Exclusions – Applicable to Section 5 Office Bearers Liability

We shall not be liable under this Policy to make any payment for any Loss in connection with any claim in respect of or by reason of:

- 3.1 any Officer gaining or having gained any personal profit or advantage to which the Officer was not legally entitled or for which any Officer may be held accountable to You or any individual member thereof.
- 3.2 moneys or gratuity given to any Officer without authorisation by You where such authorisation is necessary or prescribed by law.
- 3.3 any circumstances of which notice has been given under any other policy the term of which has expired prior to the inception of this Policy.
- 3.4 personal Injury or Property Damage except as arising from any negligent failure by any Officer to effect valid Public Liability Insurance on behalf of You as required by law.
- 3.5 fines or penalties imposed by law.
- 3.6 a conflict of duty or interest of any Officer.

- 3.7 any intentional exercise of the powers of an Officer for a purpose other than the purpose for which such powers were conferred by You.

We shall not be liable under this Policy to make payment for any Loss in connection with any claim:

- 3.8 Made or threatened or in any way intimated on or before the inception date of the policy specified in Your Schedule.
- 3.9 Arising from any circumstances of which any Officer had become aware prior to the inception date of the policy specified in Your Schedule and which a reasonable person in the position of that Officer would, at any time prior to the inception date, have considered may give rise to a claim under this Policy.
- 3.10 First notified to Us after the expiry of the Policy.
- 3.11 Brought against any Officer and/or You in a Court of Law outside the Commonwealth of Australia.
- 3.12 For libel or slander.
- 3.13 Brought about or contributed to any dishonest, fraudulent, criminal or malicious act or omission of any Officer, providing that this exclusion shall not apply to the costs of a successful defence.

4. Proviso

It is agreed that any fact pertaining to any Officer shall not be imputed to any other Officer for the purpose of determining the application of Exclusions 3.1 to 3.7.

Special Conditions – Applicable to Section 5 Office Bearer’s Liability

- 5.1 If any Officer of the Insured shall refuse to consent to any settlement recommended by Us and shall elect to contest or continue any legal proceedings in connection therewith, Our liability for the claim shall not exceed the amount for which the claim could have been so settled plus the cost and expenses incurred up to the date of such refusal.
- 5.2 The inclusion in the Policy of more than one (1) Insured Party shall not extend to increase Our Limit of Liability.
- 5.3 It is hereby understood that all premiums and claims (if any) are payable at the place and in the currency of the country where this Policy was issued.

- 5.4 The insurance shall be governed by the law of the territory or state or country where the Policy was issued whose courts shall have jurisdiction in any dispute arising hereunder.

- 5.5 Any sum paid by Us in the discharge or settlement of any threat or intimidation of a claim in relation to any circumstances which might give rise to a claim, shall be deemed to be a payment made in the discharge or settlement of a claim under this Policy and in particular and without limiting the generality of the foregoing shall be deemed to be such a payment for the purpose of calculating the aggregate of all claims under this Policy pursuant to the Indemnity Clause.

- 5.6 It is a condition precedent to liability under this policy that immediate notice in writing be given to Us of:

- any claim made against any Officer or You
- the receipt of notice from any person of an intention to make a claim against any Officer or You; or
- any circumstances of which any Officer becomes aware and which may give rise to a claim against any Officer or You and/or a claim under this Policy, and the Officers and the Insured shall in any case upon request give Us such information and assistance as We may reasonably require. Any claim subsequently arising from any matter or circumstances so notified to Us shall be deemed to have been made during the Period of Insurance.

- 5.7 No Officer nor the Insured shall admit liability for or settle any claim, or incur any costs or expenses in connection therewith without Our consent. We shall be entitled at any time to take over and conduct in the name of any Officer or You any proceeding arising out of or relating to any claim, but We will not exercise any rights of subrogation against any employee of the Insured unless the employee was guilty of dishonest, fraudulent, criminal or malicious conduct or serious willful misconduct.

Section 6 – Machinery Breakdown

1. The Indemnity

We will indemnify You for unforeseen physical loss or damage to the insured items appearing under Option A and/or Option B in Your Schedule occurring at the Situation other than loss or damage caused by an event for which cover is available under Section 1 Material Loss or Damage of Your Policy.

We will also pay up to 10% of the Limit of Liability of the insured item towards the cost of hiring a temporary replacement Machine during the time taken to repair any insured loss or damage.

2. Definition

Machine(s): means mechanical and electrical plant and machinery owned by the Body Corporate and deemed to be common property and listed under Option A and/or Option B in Your Schedule but not:

- boilers and pressure vessels
- central air-conditioning plant unless specifically noted under Option B of Your Schedule
- lifts escalators or elevators unless specifically noted under Option B of Your Schedule
- submersible pumps unless specifically noted under Option B of Your Schedule
- motor vehicles or other mobile plant.

3. Insured Items

Option A

Machine(s) driven by motors not exceeding 5HP or 4KW.

Option B

Machines individually listed and described in Your Schedule.

4. Limit of Liability

Under Option A the most We will pay is the Sum Insured in respect of any one loss arising out of any one event or series of events arising directly or indirectly from one source or original cause.

Under Option B the most We will pay is the Sum Insured specified per individually listed item appearing in Your Schedule.

5. Basis of Settlement

In the event of a claim payable under this section, We will at Our option pay to:

- repair the Machine; or
- reinstate the Machine; or
- replace the Machine to a condition equal to but not better than the Machine's condition immediately prior to the physical loss or damage.

In the event that any required parts are unavailable, and the item is otherwise repairable, We will compensate You for the amount that the part would have cost if available to replace, or the cost of similar parts in similar items that are still available.

Where We choose to repair the Machine, we will also pay for:

- costs of dismantling and reassembly and/or reinstallation
- removal of debris
- any overtime or similar penalty rate costs
- freight charges within Australia up to a limit of 10% of the limit of Sum Insured or Limit of Liability
- statutory charges including sales tax and/or customs duties.

We will also pay for the cost of replacing lubricants, oils and or refrigerant gases lost or contaminated as a result of the insured damage or in the process of repair or reinstatement subsequent to the insured damage.

The total payment in respect of any one loss will not exceed the Limit of Liability or Sum Insured.

6. Automatic Temporary Cover (Applicable to Option A only)

We will automatically extend cover under the terms, conditions and exclusions of this Policy for a period of ninety (90) days, on any additional machine installed or brought into use at the Situation provided that:

- You will notify Us within ninety (90) days and pay to Us on demand the premium for the additional machine from the date of installation or bringing into use
- the additional machine shall be free from known defects and shall comply with any Statutory requirements

- this temporary cover shall not be provided until the additional machine has worked satisfactorily for eight (8) hours and has become Your responsibility
- the temporary cover shall only apply if Option A is selected and the new machine is driven by a motor which does not exceed 5HP or 4KW
- if, following inspection, any item of additional machine is unacceptable to Us for insurance, You will be notified by mail. We will give You not less than three (3) business days written notice advising that the additional machine is no longer covered by this Policy; and
- the Limit of Indemnity and Excess in respect of the additional Plant shall be that currently specified under Option A in Your Schedule.

7. Specific Exclusions applying to Section 6 Machinery Breakdown

This Section does not cover

7.1 any costs associated with:

- 7.1.1 cleaning or maintenance services;
- 7.1.2 alterations, additions, improvements or overhauls, adjustments, or replacement of undamaged components whether carried out in the course of repairs or as a separate operation;
- 7.1.3 replacement or restoration following gradual deterioration (including rust, corrosion, erosion, oxidation or scale formation);
- 7.1.4 repair of or claims for scratches to, or discolouration, of painted or polished surfaces;
- 7.1.5 adjustment, cleaning or recharging of refrigeration or air-conditioning equipment unless necessary as part of the repair of the Machine insured by Your Policy;
- 7.1.6 loss of refrigerant, oil or lubricant due solely to worn or deteriorated seals or valves;

7.2 the cost of repair or replacement of:

- 7.2.1 worn or spent belts, filters, refrigerant dryers, fuses, electric heating elements, electrical contacts, thermostats, thermostatic expansion valves, lamps, gland packing, seals, cutting blades, glass or ceramic components, fuel lamps, collecting brushes, belts, joints or non metallic parts and all operating media;

7.2.2 component parts necessitated by wear and tear caused by or resulting from ordinary use or working or gradual deterioration;

7.3 loss, damage or expense:

attributable to any usage beyond or outside the manufacturers specifications;

7.4 any additional costs due to:

7.4.1 delay or detention;

7.4.2 penalties;

7.5 any damage or losses:

7.5.1 otherwise recoverable by You under any maintenance agreement or service agreement or manufacturer's warranty, or losses that would have been recoverable but for a breach of the conditions of such agreements or warranty by You;

7.5.2 to any machine that has not been declared to Us/ listed in the Schedule unless 6. Additional temporary cover (applicable Option A) applies;

7.6 the Excess

appearing in Your Policy, which is applicable to the item or Option insured;

7.7 consequential loss

of any kind or description whatsoever unless specifically included in this section of Your Policy;

7.8 provisional repairs

for remedial action unless such repair or action constitute part of the final repairs and do not increase the total repair costs.

calliden

insurance limited

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