

# Brooklyn Strata 01.01.2018

Catlin Australia Pty Limited, trading as Brooklyn,  
an XL Group Platform  
ABN: 64 108 319 786  
AFSL: 301617  
Angel Place, Level 28,  
123 Pitt Street, Sydney NSW 2000

**BROOKLYN**   
An XL Group Platform

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# IMPORTANT INFORMATION:

## Product Disclosure Statement

This document is a Product Disclosure Statement (PDS) for the Strata Solution Insurance Policy offered by Catlin Australia Pty Limited, trading as Brooklyn, an XL Group Platform. This PDS has been prepared to assist You in understanding Strata insurance and making an informed choice about Your insurance requirements.

This PDS includes a number of different Policy sections as set out below and includes information about its features, benefits, risks and costs. Please read the document carefully.

This PDS was prepared on 1 January 2018

## About Brooklyn

Catlin Australia Pty Ltd, trading as Brooklyn, an XL Group Platform, ABN 64 108 319 786 (for the purpose of this PDS, **Brooklyn**) is a leading Lloyd's syndicate service company. Brooklyn arranges this insurance for and on behalf of Certain Underwriters at Lloyd's under a Binding Authority Agreement which permits Brooklyn to administer and issue policies, alterations and renewals on their behalf. In all respects, Brooklyn acts as an agent of the Insurer and not for You.

Contact details for Brooklyn are:-

Angel Place, Level 28,  
123 Pitt Street, Sydney NSW 2000  
t: (02) 8270 1790  
w: [www.brooklynunderwriting.com.au](http://www.brooklynunderwriting.com.au)

## About the Insurer

This insurance is underwritten by Brooklyn for and on behalf of Certain Underwriters at Lloyd's (the Insurer) in accordance with the Binding Authority Agreement between the two parties.

Special provisions in the Insurance Act 1973 allow Lloyd's Underwriters to underwrite insurance business in Australia as an authorised Australian insurer, regulated by the Australia Prudential Regulation Authority (APRA). Lloyd's is the world's leading insurance market providing specialist insurance services to businesses in over 200 countries and territories. Lloyd's holds a financial strength rating of A+ (Standard and Poor's).

## Summary of the Features of This Policy

This Policy document contains nine (9) different types of cover, set out in Sections, from which You can choose one or more sections which You believe will best suit Your needs.

Subject to the payment of Your premium, We will provide the cover You have selected subject to the exclusions, conditions and limitations stated in the Policy. The following is a summary only of the types of cover available and does not form part of the terms of your insurance.

Section	Name	Cover Provided	Limit & Sub Limits (AUD)
1	Limits1Building & Common contents		Sum insured
insurersAdditional benefits (within sum insured):		Government Authority Fees	Costs and expenses reasonably incurred
		Claims Preparation costs	Up to \$25,000
		Fire Extinguishment Costs	Costs and expenses reasonably incurred
		Minimisation of imminent damage	Up to \$25,000
		Mortgage Discharge	Up to \$10,000
		Professional Fees	Costs and expenses reasonably incurred
		Removal of Debris	Costs and expenses reasonably incurred
		Temporary Protection	Up to \$ 5,000 limit
Additional benefits (above to sum insured):		Failure of Public Utility to Supply	Up to 30 days
		Catastrophe Cover	Up to 15% of Sum Insured
		Loss of Rent	12 months maximum per Lot
		Prevention of Access	Costs and expenses reasonably incurred
		Storage Unit Holders Contents	Up to \$10,000
		Temporary Accommodation Costs	Up to 15% of Sum Insured
		Arson Reward	Up to \$5,000
		CPI Adjustment	In the event of a valid claim under Section 1 the sum insured will increase by the amount the CPI has increased since the policy was last renewed

	Domestic Electric Motors (Fusion)	Costs and expenses reasonably incurred
	Domestic Pets	Up to \$2,000
	Landscaping	Up to \$25,000
	Detecting Leaks	Costs and expenses reasonably incurred
	Maintenance Fees	Up to \$2,500
	Money	Up to \$5,000
	Personal Property in Care	Up to \$5,000
	Removal of Fallen Trees	Up to \$5,000
	Replacement of Keys & Locks	Up to \$5,000
	Rewriting Records	Up to \$5,000
	Storage of Common Area Contents	Up to \$10,000
	Unit Owners' Improvements	Up to \$250,000

Section	Name	Cover Provided	Limit & Sub Limits (AUD)
<b>2</b>	<b>Property Owners Legal Liability</b>	Cover for compensation the insured becomes legally liable to pay for Personal Injury and Property Damage	<b>Up to \$20,000,000</b>
<i>Additional benefits (in addition to sum insured):</i>		Legal Cost	As agreed by insurersAdditional
<b>3</b>	<b>Voluntary Workers Personal Accident</b>	Cover for compensation the insured becomes legally liable to pay for Personal Injury and Property Damage	<b>Up to \$200,000 Capital + \$2,000 weekly</b>
<i>Additional benefits (within sum insured):</i>		Death or total and permanent loss of both hands, or the use of both feet, or the use of one hand & one foot	100% of the capital benefit selected
		Total loss of sight in both eyes	100% of the capital benefit selected
		Total and permanent loss of the use of one hand or the use of one foot or sight in one eye	50% of the capital benefit selected
		Total disablement	100% of the weekly benefit selected
		Partial disablement	50% of the weekly benefit
<b>4</b>	<b>Fidelity Guarantee</b>	Cover for fraudulent embezzlement or fraudulent misappropriation of funds set aside for the purpose of management of the body corporate/ company affairs	<b>Up to \$100,000</b>
<b>5</b>	<b>Office Bearers Liability</b>	Covers legal liability of office bearers for any wrongful act they commit	<b>Up to \$10,000,000</b>
<i>Additional benefits (in addition to sum insured)</i>		Claims investigation, defence and settlement costs	Included
		Continuous cover benefit	Included
		Extended reporting period benefit	30 Days
<b>6</b>	<b>Machinery Breakdown</b>		<b>Up to \$10,000 per machine</b>
<i>Additional benefits:</i>		Breakdown cover for unspecified machinery	Available for machinery driven by motors not exceeding 5hp (4kw) , limit on any one incident as specified in the schedule
		Breakdown cover for specified machinery	Available on request
		Cover for additional unspecified machinery	90 days cover

Section	Name	Cover Provided	Limit & Sub Limits (AUD)
7	<b>Additional Catastrophe Cover</b>	Section 1 Sum Insured increased as a result of a Government Declared Catastrophe / Emergency	<b>Up to 15% Sum Insured (Section 1)</b>
8	<b>Legal Expenses</b>	Covers legal expenses in defence of WHS and other specific disputes	<b>Up to \$100,000</b>
9	<b>Government Audit Expenses</b>	Covers fees of a professional advisor in relation to an audit of the Insured by the Australian Taxation Office or any other Government agency	<b>up to \$50,000</b>

## Your Duty of Disclosure

Before You enter into a contract of insurance with Us, You have a duty under the Insurance Contracts Act 1984 (Cth) to disclose to Us anything that You could reasonably be expected to know is relevant to Our decision whether to accept the risk of insurance and if so, on what terms. You have this duty until we agree to insure you.

You have the same duty to disclose those matters to Us before You renew, extend, vary or reinstate a contract of general insurance.

Your duty however does not require disclosure of a matter:

- That diminishes the risk to be undertaken by Us;
- That is of common knowledge;
- That We know or, in the ordinary course of business, ought to know; or
- As to which compliance with Your duty is waived by Us.

The duty of disclosure applies to You and everyone insured under the contract of insurance. If You, or they, fail to comply with the duty of disclosure, We may reduce Our liability under the contract in respect of a claim.

If the non-disclosure is fraudulent, We may treat the Policy as if it never existed and pay nothing.

It is important that all information provided in support of Your application for insurance is understood by You and is correct, as You will be bound by Your answers and by the information provided by You. If You do not understand any part of this notice, You should obtain independent advice.

Your duty of disclosure continues after Your application for insurance has been completed up until the contract of insurance is entered into.

## Non-Disclosure

If You:

- Failed to disclose any matter which You were under a duty to disclose to the Us, or
- Made a misrepresentation to Us before this Policy was entered into and if We would not have entered into this Policy for the same premium and on the same terms and Conditions expressed in this Policy but for the failure to disclose or the misrepresentation then -
  - Our liability in respect of any claim will be reduced to

b) an amount to place Us in the same position in which We would have been placed if such non-disclosure had not occurred or such misrepresentation had not been made; or

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

## Cooling-Off Period

If this Policy does not meet Your requirements, You may return the Policy to Us within twenty-one (21) days from the date the Policy commenced with a written notice that the Policy is not required. You will receive a full refund of the Premium providing nothing has occurred for which a claim is payable under the Policy.

## Adequate Sums Insured

In the event of a major loss, the Sums Insured Limits applying to each Section of the Policy should be sufficient to cover such loss. It is Your responsibility to ensure the adequacy of the Sums Insured and You should review these both during the currency of the Policy and prior to renewal each year.

## Our Agreement with You

Our agreement with You is set out in the Policy which combined consists of Your Proposal, this document, the Policy Certificate, Policy Schedule and any Endorsements affixed thereto. All of these should be read as if they were one document.

Subject to Your payment of or agreement to pay Us, the Premium set out in the Policy Certificate of Insurance and Policy Schedule, We agree to provide the insurance cover set out in each of the Policy.

Sections selected by You and which are so specified in the Policy Schedule subject to the terms, Exclusions and Conditions of the Policy .

The insurance cover is in force during the Period of Insurance specified in the Certificate of Insurance and Policy Schedule.

We will cover You for covered loss or damage under those Policy Sections selected by You for insurance which occurs during the Period of Insurance.

We will not pay more than the Sums Insured or Limits of Liability or Sub-Limits of Liability shown in the Policy Schedule or Policy Section unless We have stated otherwise that such is an additional benefit applying to a particular Policy Section. We will not pay the applicable Excess shown in the Policy Schedule.

## Calculating your Premium

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

There are a number of significant factors which impact generally when calculating Your Premium. These can include:

- The Sums Insured under each chosen Section;
- The location of the subject Property;
- The Property's size (lots), age and construction type;
- Fire detection and protection;
- Security details;
- Management; or
- Additional property features (e.g. pools or gymnasiums)

## Excesses

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

The amount of each applicable Excess including any Special Excess to each Policy Section is shown on Your Schedule.

## General Insurance Code of Practice

Brooklyn is a signatory to the General Insurance Code of Practice. The purpose of the Code is to raise standards of practice and service in the general insurance industry. The Code promotes better communication between insurers and customers which will lead to better public understanding of insurance to allow customers to make informed choices, and outlines good standards of practice and service to be met by insurers to enhance their regulation for responding efficiently to their customers' needs.

You can access the Code at [www.codeofpractice.com.au](http://www.codeofpractice.com.au)

## How to make a Claim

The Insured or any person entitled to claim under this Policy must give Us written notice of any event which is likely to give rise to a claim, within thirty (30) days, or as soon as is reasonably practicable. Please send the notice to:

Catlin Australia Pty Limited, trading as Brooklyn,  
an XL Group Platform  
(ABN: 64 108 319 786) (AFSL: 301617)  
[info@brooklynunderwriting.com.au](mailto:info@brooklynunderwriting.com.au)  
Angel Place, Level 28,  
123 Pitt Street, Sydney NSW 2000

## Tax Implications

If You:

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

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

## Financial Claims Scheme

In the unlikely event that the Insurer were to become insolvent and unable to meet its obligations under this Policy, You and any other related claimants may be entitled to receive payment for any valid claims under the Federal Governments Financial Claims Scheme (FCS) which is administered by the Australian Prudential Regulation Authority (APRA).

For further information on the scheme, please refer to the APRA website at [www.apra.gov.au](http://www.apra.gov.au) or telephone 1800 558 849.

## Dispute Resolution

<b>Step 1</b>	<p>Any enquiry or complaint relating to this Policy or a claim should be addressed to Brooklyn as Lloyd's insurance intermediary (the coverholder) in the first instance – in most cases this will resolve Your grievance.</p> <p>Brooklyn will acknowledge Your enquiry or complaint immediately by telephone or email. Brooklyn aims to resolve Your complaint where possible within 5 business days.</p>
<b>Step 2</b>	<p>If Step 1 does not resolve the matter or You are not satisfied with the way a complaint has been dealt with, You should contact:</p> <p>Lloyd's Australia Limited Level 9, 1 O'Connell Street  Sydney NSW 2000 Australia  Telephone: (02) 8298 0700  Facsimile: (02) 8298 0788  E Mail: idraustralia@lloyds.com</p> <p>When You lodge Your dispute with Lloyd's, Lloyd's will usually require the following information:</p> <ul style="list-style-type: none"> <li>• Name, address and telephone number of the policyholder</li> <li>• The type of insurance policy involved (household, motor, etc.)</li> <li>• Details of the policy concerned (policy and/or claim reference numbers, etc.)</li> <li>• Name and address of the agent through whom the policy was obtained</li> <li>• Details of the reasons for lodging the complaint</li> <li>• Copies of any supporting documentation You believe may assist Lloyd's in addressing Your complaint appropriately.</li> </ul> <p>Your dispute will be acknowledged in writing within 5 working days of receipt and will be reviewed by a person with appropriate authority to deal with the dispute.</p> <p>The length of time required to resolve a particular dispute will depend on the individual issues raised, however in most cases You will receive a full written response to Your dispute within 15 working days of receipt.</p> <p>If Your dispute cannot be finalised within that time, Lloyd's will continue to work on it and Lloyd's will regularly advise You of its progress.</p> <ul style="list-style-type: none"> <li>• Lloyd's investigation will include discussions with the various parties involved and a review of all papers and documentation relating to the dispute where appropriate.</li> </ul>
<b>Step 3</b>	<p>If Your dispute is not resolved in a manner satisfactory to You, Lloyd's will then provide You with details about the Financial Ombudsman Service Limited (FOS), which is an independent body that operates nationally in Australia and aims to resolve disputes between policyholders and their insurers. This service is free of charge to You.</p> <p>Disputes relating to domestic and some small business general insurance policies can be reviewed under FOS if they remain unresolved following the procedures outlined above. You should contact Financial Ombudsman Service Limited, GPO Box 3, Melbourne VIC 3001 Tel: 1300 780 808.</p> <p>Retail clients not eligible for referral to the FOS, and wholesale clients, may be eligible for referral to the Financial Ombudsman Service (UK). Such referral must occur within 6 months of the final decision by the Policyholder &amp; Market Assistance Department at Lloyd's. Further details will be provided by the Policyholder &amp; Market Assistance Department with their final decision to You.</p> <p>Your dispute must be referred to the FOS within 24 months of the date of Lloyd's written decision.</p>

## Privacy Statement

Brooklyn collects personal information in order to provide its various services which include insurance broking, claims management, risk management consultancy, underwriting management, and reinsurance.

If the personal information Brooklyn requests from You is not provided, Brooklyn or any involved third party may not be able to provide the appropriate services.

Brooklyn discloses personal information to third parties who are involved in the provision of Our services. For example, in arranging and managing Your insurance needs Brooklyn may provide information (including sensitive information such as health information) to insurers, reinsurers, other insurance intermediaries, its advisors such as loss adjusters, lawyers and accountants, and other parties involved in the claims handling process.

We may also disclose this information outside of Australia, for example to other companies within the XL Group who assist us to provide the appropriate services to you.

By submitting Your Proposal and continuing to deal with Us, You confirm on Your behalf and/or on behalf of those You represent consent to Brooklyn and these parties collecting, using and disclosing personal and sensitive information about You.

Brooklyn has a duty to maintain the confidentiality of its client's affairs which includes their personal information. Our duty of confidentiality applies except where disclosure of Your personal information is with Your consent or required by law.

Brooklyn may make use of Your personal information to provide You with information about its products and services.

Simply contact the Brooklyn's Privacy Officer on the details below if You would like to:

- Access the personal information Brooklyn holds about You;
- Update or correct the information Brooklyn holds about You;
- Discuss Your privacy concerns; or
- Be removed from the mailing list to receive information about Brooklyn products and services

The Privacy Officer  
Catlin Australia Pty Ltd, trading as Brooklyn,  
an XL Group Platform  
GPO Box 4668  
Sydney NSW 2001  
Telephone: -02 8270 1790  
Fax: 02 9252 2538  
e-mail: [privacyaustralia.xlcatlin.com](mailto:privacyaustralia.xlcatlin.com)

## Data Protection

Brooklyn is part of a global group of companies and You should understand that any information You have provided may be processed by companies in compliance with the provisions of the United Kingdom Data Protection Act 1998, for the purpose of providing insurance and handling claims or complaints, if any, which may necessitate providing such information to other parties.



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# GENERAL DEFINITIONS

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In this Policy there are words that have a special meaning. These words begin with a capital letter.

For those words that apply to only one Section of the Policy, their special meaning is described in that Section of the Policy.

Those words that have a special meaning that apply to all Sections of the Policy are set out and defined below:

## **Act of Terrorism means**

any act, including but not limited to the use of force or violence and/or threat thereof, of any person or group of persons, whether acting alone or on behalf of or in connection with any organisation or government, which from its nature or context is done for, or in connection with any political, religious, ideological or similar purpose or reason, including the intention to influence any government and/or to put the public, or any section of the public, in fear.

## **Aircraft means**

any vessel, craft or thing made or intended to fly or move in or through the atmosphere or space.

## **Body Corporate means**

the owners' corporation, body corporate, strata corporation, strata company, or company named in the Schedule.

## **Body Corporate Manager means**

anyone with whom the Body Corporate has engaged to provide strata or company title management services in relation to the Situation.

## **Building(s) means**

the building(s) contained in the registered strata scheme or company title specified in the Schedule, including at the Situation:

- Outbuildings;
- Elevators, escalators and inclinator;
- Walls, gates and fences;
- Ducted air conditioners, intercom systems, stoves, ovens, hotplates, and hot water systems;
- Built-in cupboards and bathroom fittings;
- Awnings and blinds that are external of the Building
- Satellite dishes and antennas used for receiving radio and/or television signals;
- Swimming pools; Marinas, wharves, pontoons or similar structures which are used for non-commercial purposes and at which fuel is neither stored nor distributed; or
- Services such as electricity and water, owned by the Body Corporate or for which the Body Corporate is responsible.

## **Building(s) do not include:**

- Carpets or carpet underlay however fixed;
- Vinyl and cork or other flooring material which is not fixed with an adhesive;
- Temporary wall, ceiling or floor coverings;
- Internal window coverings including curtains and blinds;
- Light fittings which are not built or wired into the electrical wiring;
- Air conditioners that are not permanently mounted, clothes dryers, washing machines, microwave ovens and any other appliances or devices that are not wired into the electrical wiring or permanently mounted;
- Fixtures removable by a lessee at the expiration of a tenancy; or
- Anything described in any Act or Regulation governing strata title or company title property where the Building is situated, as not forming part of a Building.

Where this definition of Building is contrary to any Act or Regulation governing strata title or company title property or similar scheme pertaining to the Situation, then the requirements of that Act or Regulation will apply.

## **Common Area Contents means**

the domestic appliances, equipment, carpet, furnishings and furniture in any common area of the Situation surrounded by walls, gates or fences that are owned by You or for which You are legally responsible.

## **Common Area Contents does not include:**

- Vehicles, caravans, trailers, Watercraft, Aircraft, or any accessories in or on any of them;
- Any appliance, equipment, furnishings, or furniture which is in open air and is designed to be neither used nor kept in open air;
- Livestock; or
- The personal property of any Unit Owners.

Where this definition of Common Area Contents is contrary to any Act or Regulation governing strata title or company title property or similar scheme pertaining to the Situation, then the requirements of that Act or Regulation will apply.

## **Computer Equipment means**

computer hardware, operating system, computer network and other equipment containing or comprising any computer technology.

## **Damage or Damaged means**

any accidental physical loss, destruction or damage to Insured Property that has the result of lessening its value.

### **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.

### **Excess / Excesses means**

the amount that You are required to contribute towards each and every event that causes loss or damage insured by this Policy. The Excesses that are applicable to each Section of the Policy are specified in the Schedule. The applicable Excess means either or both of the Standard Excess and any Special Excess set out in the Schedule or in the Policy wording.

- The Standard Excess is the amount shown in the Schedule or Policy wording payable by You on each and every claim arising out of one event or occurrence that causes loss or Damage insured by this Policy, and
- The Special Excess is the amount shown in the Schedule and attaching endorsements specific to each and every claim not otherwise excluded.

### **Flood means**

the inundation of normally dry land by water, which escapes or is released from the normal confines of any lake, or any river, creek or other natural watercourse, whether or not altered or modified, or any reservoir, canal, or dam.

### **Insurer means**

Certain Underwriters at Lloyd's of London. All Lloyd's underwriters are authorised in the United Kingdom by the Prudential Regulation Authority and regulated by the Financial Conduct Authority and the Prudential Regulation Authority

### **In Transit means**

Common Area Contents in Your personal custody or in the personal custody of any person authorised by You while in carriage to or from the Situation.

In Transit does not mean

Common Area Contents being carried by any professional carrier or common carrier that holds valid insurance against the risk of loss or damage to such property while in their custody.

### **Insured Property means**

the Building and/or Common Area Contents at the Situation insured under Sections 1 and 7.

### **Landscaping means**

trees, shrubs, plants, lawns or rockwork.

### **Land Value means**

the value of the land at the Situation ascertained by reference to the sum certified by the Valuer General as the value of that land and after due allowance has been made for any circumstances that affects the certified value of that land had the damage to the Insured Property not occurred.

### **Limit of Liability means**

the limit of the Insurers total liability for any one loss or series of losses arising out of one event that is applicable to a Section of the Policy as specified in the Schedule.

### **Loss of Rent means**

as regards a Tenanted Unit, an amount of money calculated on the basis of annual rent received by the Unit Owner (including outgoings paid by the tenant) that applied immediately before the happening of Damage to the Building.

### **Unit Owners' Fixtures and Improvements means**

Any item or structure for the exclusive use of an Owner Occupied Unit and which is permanently attached to or fixed to the Building so as to become legally part of it including any improvement made to an existing part of the Building by a Unit Owner for their exclusive use.

### **Money means**

current and valid coins, bank notes, cheques, other negotiable instruments, currency notes, postal orders, money orders and unused postage and revenue stamps.

### **Officer means**

a member or former member of the Body Corporate whilst engaged in or serving on the committee or governing body of the Body Corporate.

Officer does not include a Body Corporate Manager or a director or representative of such a manager.

### **Owner Occupied Unit means**

as regards a claim for Temporary Accommodation Costs, a Unit occupied by a Unit Owner for residential purposes at the time of Damage to Insured Property.

### **Policy means**

The contract of insurance between You and The Insurer which comprises this Policy, the Proposal, this wording, the Schedule and any document issued by The Insurer varying the Policy coverage.

### **Policy Period means**

The period stated in the Schedule during which the insurance cover provided by this Policy is in place.

### **Policy Territory means**

Australia.

### **Pollutants means**

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

### **Premium means**

The premium specified in the Schedule or in any endorsement to the Policy.

### **Pressure Equipment means**

Boilers, pressure vessels and pressure piping defined in any applicable Australian Standard.

### **Proposal means**

The written application completed by You or on Your behalf (together with all accompanying information) relied upon by The Insurer to enter into this Policy.

### **Schedule means**

The Schedule issued with this Policy wording.

### **Sea means**

Any ocean, sea, bays, harbour or tidal water.

### **Situation means**

The location stated in the Schedule where the Insured Property is situated.

### **Sub Limit of Liability means**

The limit of The Insurer's total liability applicable to a particular benefit, item, loss or claim within a Section of the Policy, as specified in that Section of the Policy or in the Schedule.

### **Temporary Accommodation Costs means**

As regards an Owner Occupied Unit, an amount of money calculated by reference to the annual rentable value of the Unit (including any outgoings payable by a tenant) that would have applied to such Unit immediately before the happening of Damage to Insured Property.

### **Tenanted Unit means**

As regards a claim for Loss of Rent, a Unit that is occupied for residential purposes by a rent-paying tenant at the time of Damage to Insured Property.

### **Unit means**

An area shown on a plan of the Situation as a lot or unit in terms of any applicable Act or Regulation governing strata title property or an area to which a shareholder is entitled to exclusive possession in terms of any applicable Act or Regulation governing company title property.

### **Unit Owner means**

An owner, member, or proprietor registered as owner of an estate in a Unit in terms of any applicable Act or Regulation governing strata title property or a shareholder entitling that person to exclusive possession of a Unit in terms of any applicable Act or Regulation governing company title property.

### **Unit Owners Contents means**

A Unit Owner's personal effects, furniture, furnishings, Computer Equipment, electrical and electronic equipment at the Situation immediately before the happening of Damage to Insured Property.

Unit Owners Contents does not include livestock, vehicles, caravans, trailers, Watercraft, Aircraft or accessories in or on any of them.

### **Vehicle means**

Any type of machine on wheels or on caterpillar tracks made or intended to be self-propelled by mechanical power.

### **Voluntary Worker means**

Any person between the age of 15 and 65 that is undertaking work at the Situation under Your direct control, without fee or reward or any expectation of fee or reward.

Voluntary Worker does not include:

- An Officer;
- An employee; or
- A Body Corporate Manager or a director or representative of such a manager.

### **Watercraft means**

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

### **We, Our, Us means**

Catlin Australia Pty Ltd, trading as Brooklyn, an XL Group Platform, ABN 64 108 319 786 and/ or the Insurer.

### **You, Your and Yours means**

In respect of Sections 1, 4, 6 and 7:

- The Body Corporate;
- In respect of Section 2: the Body Corporate;
- Any past, present or future Officer or employee of the Body Corporate but only whilst acting within the scope of their duties in such capacity.

In respect of Section 3:

- Any Voluntary Worker but only whilst engaged solely in work or duties on behalf of the Body Corporate.

In respect of Section 5:

- Any past, present or future Officer of the Body Corporate.

## Interpretation

In this Policy, unless the context otherwise requires:

1. The singular includes the plural and the plural includes the singular;
2. If a word or expression is given a definite meaning, any part of speech or other grammatical form of that word or phrase has a corresponding meaning;
3. References to an amount of money are references to that amount in Australian dollars; and
4. Headings are included for reference purposes only and do not form part of the Policy for interpretation.

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# GENERAL EXCLUSIONS

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The Policy does not cover any claim loss, damage, destruction, compensation, liability, cost or expense of any nature arising out of or in any way connected with the following, regardless of any other cause or event contributing concurrently or in any sequence to such, claim, loss, damage, destruction, compensation, liability, cost or expense:

## Act of Terrorism

Any Act of Terrorism or any action taken in controlling, preventing, suppressing or in any way relating to any Act of Terrorism. This general exclusion operates to the extent permitted by the Terrorism Insurance Act 2003 (Cth).

## Asbestos

Asbestos or asbestos products or any materials containing asbestos in whatever form or quantity.

## Computer Equipment

Any Computer Equipment that fails to perform or function in the manner for which it was designed.

## Dishonest or Intentional Conduct

Any actual or alleged:-

- Dishonest, fraudulent, criminal or malicious act;
- Wilful or reckless breach of any statute, contract or duty; or
- Conduct intended to cause loss, damage, destruction, liability, cost or expense or such conduct engaged in with reckless disregard for the consequences committed by You or any person acting with Your knowledge, consent or participation.

## Electronic Data

Loss or unplanned alteration of Electronic Data.

## Known Faults and Defects

Faults and defects in Insured Property which are known to You, or which ought reasonably to have been known to You, and not disclosed to The Insurer at the time this Policy was entered to.

## Lawful Seizure

Lawful seizure, detention, confiscation, nationalisation or requisition of any Insured Property.

## Outside Territory

Occurring outside the Policy Territory.

## Pollution

The discharge, disposal, release, seepage, migration or escape of Pollutants or the cost of preventing the escape of Pollutants.

## Radioactivity

Ionising radiation or contamination by radioactivity from any nuclear fuel, weapon, waste or other material whether occurring naturally or otherwise; the radioactive, toxic, explosive or other hazardous properties of any explosive nuclear assembly or nuclear component thereof; or the storage, transport, assembly, disassembly, maintenance or operation of any nuclear weapon or nuclear component thereof.

## Sanction Limitation and Exclusion

No (re)insurer shall be deemed to provide cover and no (re)insurer shall be liable to pay any claim or provide any benefit hereunder to the extent that the provision of such cover, payment of such claim or provision of such benefit would expose that (re)insurer to any sanction, prohibition or restriction under United Nations resolutions or the trade or economic sanctions, laws or regulations of the European Union, Australia, United Kingdom or United States of America.

## Unoccupied Insured Property

Any Insured Property left unoccupied for a period of 60 consecutive days in circumstances where You have not informed The Insurer of this fact and obtained The Insurer's written agreement for the cover of this Policy to continue beyond that period.

## War

War, invasion, act of foreign enemy, hostilities or warlike operations (whether war be declared or not), civil war, mutiny, civil commotion assuming the proportions of or amounting to a popular rising, military rising, insurrection, rebellion, revolution, military or usurped power, or any act of any person or persons acting on behalf of or in connection with any organisation the objects of which are to include the overthrowing or influencing of any de jure or de facto government by terrorism or by any violent means.

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# GENERAL CONDITIONS

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## Alteration to Risk

Any alteration to the risk after commencement of the Policy must be notified by You to The Insurer in writing immediately after such change in risk comes to the notice of You or Your officer responsible for insurance. Alterations that You must notify The Insurer of include:

- Removal of any Common Area Contents or alteration of any Building;
- Any Building or Common Area of the Situation being left unoccupied for a period of more than 60 consecutive days;
- Your interest in any Insured Property ceasing;
- Any instance where the nature of the occupation of or other circumstances affecting the Insured Property are changed in such a way to increase any risk insured under this Policy; or
- You being placed into bankruptcy, receivership, administration or liquidation.

If The Insurer accepts the altered risk, You must pay The Insurer any additional premium it requires.

## Applicable Law

Should any dispute arise concerning this Policy, the dispute will be determined in accordance with the law of Australia and its States and Territories. In relation to any such dispute the parties agree to submit to the jurisdiction of any competent court in a State or Territory of Australia.

## Assignment

You must not assign this Policy or any of Your rights under this Policy, without the prior written consent of The Insurer.

## Cancellation

- You may cancel this Policy by giving notice in writing to Us. If such notice is given, the cancellation will take effect on the day the notice is received by Us.
- We may cancel this Policy in any of the circumstances set out in the Insurance Contracts Act 1984 (Cth). Such cancellation is to take effect 30 days from the time notification is received by You.
- After cancellation by You a refund of Premium will be returned to You pro rata for the unexpired period of insurance.
- When the Premium is subject to adjustment, cancellation will not affect Your obligation to supply to Us such information as is necessary to permit the Premium adjustment to be calculated and to pay the amount of the adjustment applicable up to the date of cancellation.
- In the event of a claim or claims having been notified to Us prior to the effective date of cancellation there will be no refund of premium of the unexpired part of the Period of Insurance.

## Changes in Policy

No changes in this Policy will be valid unless agreed to in writing by The Insurer. The requirements of any Section of the Policy may not be deemed to be waived unless The Insurer agrees to waive them in writing.

## Excess

You must pay the amount of any applicable Excess shown in the Schedule or in this wording in respect of each claim You make under the Policy.

The Excess is payable by You at such time required by the Insurer. We will either ask You to pay the Excess to Us directly or another person or We may deduct the Excess from the amount that we pay You.

Except for any imposed Special Excess, if more than one Standard Excess is payable under this Policy for any claim of series of claims arising from one event or occurrence, the Excesses will not be aggregated and the highest single Standard Excess will apply.

A Special Excess may apply under this Policy to a defined or nominated event or occurrence as outlined in the attaching endorsements to the Schedule. Each Special Excess applies in the aggregate to all Unit Owners unless otherwise agreed.

## Inspection and Audit

The Insurer may inspect any Insured Property with reasonable notice. Neither The Insurer's right to make inspections nor the making of any inspection nor any report thereon will constitute an undertaking by The Insurer on behalf of or for Your benefit or warrant that such Insured Property or operations are safe or healthful, or are in compliance with any applicable law, rule or regulation. The Insurer may examine and audit Your books and records at any time during the Policy Period and extensions thereof and within three (3) years after the final termination of this Policy, as far as they relate to the subject matter of this Policy.

## Insurance Contracts Act

Nothing contained in this Policy is to be construed to reduce or waive either Your or The Insurer's privileges, rights or remedies available under the Insurance Contracts Act 1984 (Cth).

## Interests of Other Parties

The insurable interest of only those lessors, financiers, trustees, mortgagees and owners specifically noted on the Schedule are covered by the Policy.



Where the insurance covers the interest of more than one party, any act or neglect of an individual party (other than those described in general exclusion 4 – dishonest or intentional conduct) will not prejudice the rights of any remaining party; provided that the remaining party shall, immediately on becoming aware of any act or neglect whereby the risk of damage has increased, give notice in writing to The Insurer and on demand pay such reasonable additional premium as The Insurer may require.

### Other Insurances

You shall give written notice as soon as possible to The Insurer of any other insurance or insurances effected covering any of the risks that are the subject of this Policy.

### Possession of Damaged Property

On the happening of any loss, destruction or damage in respect of which a claim is or may be made under this Policy, The Insurer and every person authorised by The Insurer may, without incurring any liability, and without diminishing the right of The Insurer to rely upon any terms or conditions of the Policy, enter, take or keep possession of any building or premises where the loss, damage or destruction has happened and may take possession of or require to be delivered to The Insurer any of the Insured Property and may keep possession of and deal with such Insured Property for all reasonable purposes and in any reasonable manner.

This condition shall be evidence of Your permission and licence to do any of the above mentioned acts. If You or any one acting on Your behalf does not comply with the requirements of The Insurer or hinders or obstructs The Insurer in doing any of the above-mentioned acts, then all benefits under the Policy shall be forfeited. You shall not in any case be entitled to abandon any Insured Property to The Insurer whether taken possession of by The Insurer or not.

### Reasonable Care

You must:

- Take all reasonable measures to maintain all Insured Property in sound condition;
- Take all reasonable precautions to prevent or minimise loss, damage, destruction, liability, compensation, cost or expense covered by this Policy;
- Comply with all obligations and regulations imposed by any authority; and
- Take all reasonable measures to ensure that only competent employees and contractors are employed to undertake work on Your behalf.

### Storage of Hazardous Materials

Hazardous goods or materials stored at the Situation must be stored in the quantities and manner required by any relevant law or standard.

### Subrogation

If The Insurer makes a payment under this Policy, The Insurer is subrogated to all Your rights of contribution, indemnity or recovery. You must not surrender any right to or settle any claim for contribution, indemnity or recovery without The Insurer's prior written consent. You must do all things and execute all documents to enable The Insurer to sue in Your name for such contribution, indemnity or recovery.

### Your Authorised Representative

You agree that the person representing You when completing the Proposal is authorised to give and receive information on Your behalf.

# SECTION 1: BUILDING & COMMON CONTENTS

## COVER

Subject to the terms, conditions, exclusions and limitations applying to Section 1 (including those applying to all Sections of the Policy), The Insurer agrees to indemnify You, up to the Limit of Liability applicable to Section 1, against Damage to:

- Any Building; and
- Common Area Contents whilst they are at the Situation or whilst temporarily removed and In Transit in the Policy Territory, occurring during the Policy Period in accordance with the Basis of Settlement applicable to Section 1.

## BASIS OF SETTLEMENT

### Claims for Damage to a Building

1. In respect of a claim for Damage to a Building, The Insurer will at its option:
  - a) Repair, replace or rebuild the Damaged portion of the Building to a condition which is substantially the same as when new, but not better or more extensive than when new; or
  - b) Pay the reasonable cost of repairing, replacing or rebuilding the Damaged portion of the Building to a condition which is substantially the same as when new, but not better or more extensive than when new; or
  - c) Pay up to the Limit of Liability applicable to Section 1
2. Where a Building is destroyed, or in such a condition to make it uneconomical to repair, replace or rebuild the Building, The Insurer may at its option allow You to purchase an alternative existing building to replace that destroyed. In such an event, The Insurer shall not be liable to make payment beyond the lesser of
  - a) The reasonable cost of repairing, replacing or rebuilding the Building to a condition which is substantially the same as when new, but not better or more extensive than when new; or
  - b) The Limit of Liability applicable to Section 1.

### Extra Cost of Reinstatement of Buildings

Where a Building is destroyed or Damaged, Section 1 extends to cover the additional costs necessarily and reasonably incurred by You in complying with the requirements of any lawful authority that are imposed after the Damage (including demolition or dismantling) subject to the terms, conditions and Limit of Liability applicable to Section 1 and provided that:

- The work of reinstatement must be commenced and
- completed within a reasonable period, failing which The Insurer will not be liable to make any payment in respect of the extra cost of reinstatement;

- The work of reinstatement may be carried out wholly or partially at another site, if the requirements of any lawful authority makes that necessary, subject to The Insurer's liability not being increased;
- The Insurer will not pay for any extra costs of reinstatement that would have been incurred when complying with any Act, Regulation, By-Law or Statutory Requirement that applied to the Building prior to the Damage;
- Where the Building is not destroyed, The Insurer will only pay for the extra costs incurred in reinstating the Damaged portion of the Building;
- The Insurer will not pay for the cost of reinstating illegal installations; and

### Floor Space Ratio

1. Where a Building is destroyed or Damaged and the relevant statutory authority permits reinstatement only to a reduced floor space ratio index, The Insurer will pay You the difference between:
  - a) The actual cost of reinstatement to comply with the reduced floor space ratio index; and
  - b) The cost of reinstatement had the reduced floor space ratio index not applied.
2. The Insurer will only pay for the floor space ratio benefit described above when the Limit of Liability applicable to Section 1 is not otherwise exhausted.

### Loss of Land Value

1. Subject to the Limit of Liability applicable to Section 1 not being otherwise exhausted, The Insurer will pay for loss of Land Value caused by a statutory authority:
  - a) refusing permission to reinstate the Building at the Situation. In this instance, The Insurer will pay the difference between the Land Value before and after the Damage; or
  - b) allowing only a partial reinstatement of the Building at the Situation. In this instance, The Insurer will pay the difference between the Land Value before the Damage and the Land Value after such reinstatement, provided that The Insurer's payment for loss of Land Value:
    - a) will be reduced by any amount paid as compensation by such statutory authority; and
    - b) will be made to You after the ruling of the statutory authority, which results in the loss of Land Value. If the statutory authority changes



its ruling or if such ruling is overturned by a court or tribunal resulting in a change in Land Value after The Insurer has made payment to You, then You must refund to The Insurer any amount it has paid to You which exceeds the revised loss of Land Value.

2. All differences relating to Land Value arising out of Section 1 may, by agreement, be referred to the National President of the Australian Property Institute who will appoint a registered and qualified valuer whose decision will, if all parties so agree, be final and binding and who will at the same time decide as to payment of any costs of such referral.

### Undamaged Foundations

1. If a Building is destroyed but its foundations are not and reinstatement of the Building has to be carried out at another site because of the requirements of any lawful authority preventing reinstatement at the Situation, then the abandoned foundations will be deemed to be destroyed.
2. If the presence of the abandoned foundations at the Situation increases the Land Value of that site, then The Insurer will be entitled to deduct from the settlement of a destroyed Building claim an amount equal to the difference between:
  - a) The unimproved value of the land at the Situation; and
  - b) The value of that land with the foundations.
3. All differences relating to the value of that amount may, by agreement, be referred to the National President of the Australian Property Institute who will appoint a registered and qualified valuer whose decision will, if all parties so agree, be final and binding and who will at the same time decide as to payment of any costs of such referral.

### Claims For Damaged Common Area Contents

1. In respect of a claim for Damaged Common Area Contents, The Insurer will at its option;
  - a) Repair or replace the item of Common Area Contents to a condition which is substantially the same as when new, but not better or more extensive than when new; or
  - b) Pay the reasonable cost of repairing or replacing the item of Common Area Contents to a condition, which is substantially the same as when new, but not better or more extensive than when new.
2. The maximum that The Insurer will pay in respect of any one loss or series of losses arising out of one event relating to:
  - a) Common Area Contents that are not in open air is 1% of the Limit of Liability applicable to Section 1
3. Common Area Contents that are in open air or In Transit is \$5,000.

3. When Damage occurs to an item of Common Areas Contents which:

- a) Is part of a set, The Insurer will only pay for the reasonable cost of repairing or replacing the item itself as a proportion of the reasonable cost of repairing; or
- b) Replacing the whole set, notwithstanding that the set is less valuable by reason of it being incomplete; or
- c) Is a wall, floor or ceiling covering (including carpets, blinds and curtains), The Insurer will only pay for the cost of repairing or replacing such item in the room, hall or passage in which the Damage occurred.

### Reinstatement of Cover

Following payment of a claim by The Insurer under Section 1 and provided that all Buildings or Common Area Contents are not totally destroyed, the Limits and Sub Limits of Liability applicable to Section 1 will automatically reinstate until expiration of the Policy Period at no extra premium.

### Excess

The amount that The Insurer pays in relation to Your claim will be reduced by the amount of any applicable Excess.

You must pay the amount stated in the Schedule as the Excess payable in respect of Building & Common Area Contents Cover for each loss or series of losses arising from one event when a claim is accepted by The Insurer under Section 1.

### ADDITIONAL BENEFITS WITHIN LIMIT OF LIABILITY

The following costs or losses will be paid when they result from Damage to Insured Property. The Insurer will pay the Additional Benefit(s) when the Limit of Liability applicable to Section 1 is not otherwise exhausted. The costs or losses covered by these Additional Benefits will be paid when they result from Damage to Insured Property occurring during the Policy Period caused by an event not excluded under Section 1.

#### Additional Benefit 1 – Government Authority Fees

Fees, contributions or imposts payable by You to any government or local authority to obtain a building or construction consent to repair, replace or rebuild any Damaged Insured Property, provided that The Insurer will not be liable for any fines or penalties imposed by any such authority.

#### Additional Benefit 2 – Claim Preparation Costs

Costs necessarily and reasonably incurred by You, with The Insurer's written prior consent, in preparation of a claim under Section 1 of this Policy.

The maximum that The Insurer will pay in respect of this Additional Benefit 2 during any one Policy Period is \$25,000.

### **Additional Benefit 3 - Fire Extinguishment**

Costs necessarily and reasonably incurred by You in order to extinguish any fire that threatens Insured Property at the Situation, including the cost of replenishing fire fighting equipment and charges for shutting off the supply of water or any other substance following accidental discharge or escape of such substances from fire fighting equipment.

### **Additional Benefit 4 - Minimisation of Imminent Damage**

Emergency costs necessarily and reasonably incurred by You in order to prevent or minimise imminent Damage to Insured Property occurring during the Policy Period, provided that if You have reasonable grounds for believing that such costs will exceed \$1000, You must obtain our prior written consent to incurring such emergency costs. If You fail to obtain that consent, The Insurer shall have no liability in relation to this additional benefit.

The maximum that The Insurer will pay in respect of this Additional Benefit 4 during any one Policy period is \$25,000.

### **Additional Benefit 5 – Mortgage Discharge Fees**

Legal fees necessarily and reasonably incurred by You to discharge Your mortgage in the event that the Building is totally destroyed, or in such a condition to make it uneconomic to repair, replace or rebuild.

The maximum that The Insurer will pay in respect of this Additional Benefit 4 during any one Policy period is \$10,000.

### **Additional Benefit 6 - Professional Fees**

Fees of architects, surveyors, consulting engineers, lawyers and other professionals, including all incidental costs and fees for:

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

necessarily and reasonably incurred by You, with The Insurer's prior written consent, in the process of repairing, replacing or rebuilding any Damaged Insured Property.

### **Additional Benefit 7 - Removal of Debris**

Costs necessarily and reasonably incurred by You of:

- Removal, storage and disposal of debris, being the remains of any Damaged Insured Property;
- Demolition, dismantling, shoring up, propping, underpinning or other temporary repairs to any Damaged Insured Property;

- Demolition and removal of any Insured Property that can no longer be used for its intended purpose, as long as such demolition and removal is necessary to repair, replace or rebuild any Damaged Insured Property provided that Your liability to pay such costs does not arise directly or indirectly as a consequence of:

- The discharge, dispersal, release or escape of Pollutants; or
- Any contract, except where the liability would have existed in the absence of such contract.

### **Additional Benefit 8 - Temporary Protection**

Costs necessarily and reasonably incurred by You in order to provide temporary protection and safety of Insured Property pending the repair, replacement or rebuilding of Damaged Insured Property.

The maximum that The Insurer will pay in respect of additional benefit 8 is \$5,000 in respect of any one loss or series of losses arising out of one event.

### **Additional Benefit 9 – Unit Owners' Fixtures and Improvements**

Costs necessarily and reasonably incurred by You to Reinstall, repair or replace a Unit Owner's Fixtures and Improvements in an Owner Occupied Unit that is occupied for residential purposes, that are lost or damaged during the Policy Period caused by an event not excluded under Section 1.

The maximum that The Insurer will pay in respect of this Additional Benefit 9 during any one Policy Period is \$250,000 per Lot.

The Insurer will not pay for loss or damage caused to a Unit Owners Fixtures and Improvements in a Lot that is occupied solely or partly for Commercial purposes.

## **ADDITIONAL BENEFITS ABOVE THE LIMIT OF LIABILITY**

### **Additional Benefit 10 - Failure of Supply of Services By Public Utility**

Loss of Rent for a Tenanted Unit and/or Temporary Accommodation Costs for an Owner Occupied Unit incurred by reason of the Unit becoming uninhabitable:

- As a result of the failure of supply to the Unit of electricity, gas, water or sewerage services by a public utility; and
- Where the failure of supply resulted from damage to property belonging to or under the control of the public utility occurring during the Policy Period by an event not excluded under Section 1.

The Insurer will pay Loss of Rent and/or Temporary Accommodation Costs in the circumstances described above only for the period that:

- Commences 24 hours after the failure of supply occurs; and
- Ceases after 30 days or at the time the services are reinstated, whichever first occurs.

The amount that The Insurer will pay in respect of such costs shall be for a maximum period of 30 days.

#### **Additional Benefit 11 - Loss of Rent**

Loss of Rent for a Tenanted Unit as a result of Damage to Insured Property occurring during the Policy Period caused by an event not excluded under Section 1 that renders the Unit:

- Unfit for habitation; and/or
- Inaccessible.

The Insurer will pay for Loss of Rent where the Unit is unfit for habitation until the earlier of:

- The date the Unit becomes fit for habitation; or
- The date on which it would have been reasonable for
- You or the Body Corporate to have repaired the Damage to Insured Property and have the Unit fit for habitation.

The Insurer will pay for Loss of Rent where the Unit is inaccessible until the earlier of:

- The date on which access to the Unit is re-established; or
- The date on which it would have been reasonable for You or the Body Corporate to have had access to the Unit re-established.

The amount that The Insurer will pay in respect of such costs shall be for a maximum period of 12 months.

#### **Additional Benefit 12 – Prevention of Access**

Loss of Rent for a Tenanted Unit and/or Temporary Accommodation Costs for an Owner Occupied Unit incurred as a result of the Unit not being able to be inhabited by reason of an order of a government authority made during the Policy Period because of an infectious disease, murder or suicide occurring at the Situation.

The Insurer will pay Loss of Rent and/or Temporary Accommodation Costs in the circumstances described above only for the period that:

- Commences at the time such government order becomes effective; and
- Ceases after 30 days or at the time the order is revoked, whichever first occurs.

#### **Additional Benefit 13 - Storage of Unit Owners Contents**

Costs of removing, storing and returning undamaged Unit Owners Contents necessarily and reasonably incurred as a result of Damage to Insured Property occurring during the Policy Period caused by an event not excluded under Section 1 that renders a Unit uninhabitable.

The Insurer will pay this additional benefit 13 while the subject Unit is incapable of housing the undamaged Unit Owners Contents.

The amount that The Insurer will pay in respect of such costs is reduced by any amount payable under any insurance policy benefiting a Unit Owner in respect of those costs.

The maximum that The Insurer will pay in respect of this Additional Benefit 13 during any one Policy period is \$10,000.

#### **Additional Benefit 14 - Temporary Accommodation Costs**

Temporary Accommodation Costs for an Owner Occupied Unit incurred as a result of Damage to Insured Property occurring during the Policy Period caused by an event not excluded under Section 1 that renders the Unit:

- Unfit for habitation; and/or
- Inaccessible.

The Insurer will pay for Temporary Accommodation Costs where the Unit is unfit for habitation until the earlier of:

- The date the Unit becomes fit for habitation; or
- The date on which it would have been reasonable for
- You or the Body Corporate to have repaired the Damage to Insured Property and have the Unit fit for habitation.

The Insurer will pay for Temporary Accommodation Costs where the Unit is inaccessible until the earlier of:

- The date on which access to the Unit is re-established; or
- The date on which it would have been reasonable for You or the Body Corporate to have had access to the Unit re-established.

#### **Additional Benefit 15 – Arson Reward**

A reward for information that leads to a conviction for arson in connection with Damage covered under Section 1. The maximum that The Insurer will pay in respect of this additional benefit 15 is \$5,000 for any one event irrespective of the number of informants.

#### **Additional Benefit 16 – CPI Adjustment**

If You suffer damage to Insured Property that is covered under Section 1, the Limit of Liability applicable to Section 1 shall be increased by the amount the Consumer Price Index (all Groups) has increased since commencement of the Policy Period.

#### **Additional Benefit 17 - Damage to Domestic Electric Motors**

Costs necessarily and reasonably incurred by You in repairing or replacing an electric motor within an electrical machine used for domestic purposes comprising part of Insured Property which has burnt out during the Policy Period by electric current.

The Insurer will not pay for:

- Motors covered by any form of warranty;
- Motors with an output greater than four (4) kilowatts (5hp);
- Motors more than twenty (20) years old;
- Other parts of any electrical machine;
- Non-electrical components such as bearings, seals and solenoids;
- Lighting filaments or heating elements;
- Fuses or protective devices;
- Electrical contacts or switches at which sparking or arcing occurs by ordinary working;
- Costs of flushing or recharging with refrigerant; or
- Any additional costs arising from loss of use of the machine.

#### **Additional Benefit 18 - Domestic Pets**

Costs of temporary boarding of a Unit Owner's domestic pet normally kept at the Situation necessarily and reasonably incurred as a result of Damage to Insured Property occurring during the Policy Period caused by an event not excluded under Section 1 that renders the affected Unit uninhabitable. The maximum amount that The Insurer will pay for additional benefit 18 is \$500 for each affected Unit.

#### **Additional Benefit 19 - Landscaping**

Costs necessarily and reasonably incurred by You in replacing Damaged Landscaping occurring during the Policy Period caused by an event not excluded under Section 1.

The maximum amount that The Insurer will pay for additional benefit 19 is \$25,000 in any one Policy Period.

#### **Additional Benefit 20 – Detecting leaks**

Costs necessarily and reasonably incurred by You in:

- Locating the source of leaking, bursting, discharging, or overflowing of tanks, apparatus or pipes
- used to carry water or oil (including damage to other property necessary to effect the repair or replacement); and
- Repairing or replacing the defective part or parts of such tanks, apparatus or pipes up to a limit of \$1000 per event for such defective part or parts.

provided that the leaking, bursting, discharging or overflow occurs during the Policy Period and is caused by an event not excluded under Section 1.

#### **Additional Benefit 21 – Maintenance Fees**

Outstanding maintenance fees required to be paid to You by a Unit Owner whose Unit has become uninhabitable as a result of Damage occurring during the Policy Period and covered under Section 1, provided that You have taken all practicable measures to collect those outstanding maintenance fees.

The maximum that The Insurer will pay for additional benefit 21 is \$2,500 per Unit.

The Insurer reserves its right of subrogation to recover the

outstanding maintenance fees from the relevant Unit Owner or Owners.

#### **Additional Benefit 22 - Money**

Loss of Your Money while in the custody, care or control of:

- An Officer; or
- Duly appointed Body Corporate Manager,
- Acting on Your behalf and provided that The Insurer will not pay for any Loss of Money arising from any dishonest, fraudulent, criminal or malicious act or omission by:
- Any person employed by You;
- Any Unit Owner or any family member normally residing with that Unit Owner; or
- Any person acting as a proxy of an Unit Owner;
- The maximum that The Insurer will pay for additional benefit 22 during any one Policy Period is \$5,000.

#### **Additional Benefit 23 - Personal Property Under Control of Body Corporate**

The personal property of others that is lost, destroyed or damaged from any cause not excluded by Section 1 while in Your care, custody or control.

For the purposes of this additional benefit, "others" means any person not insured under this Policy, including persons employed by You.

The maximum that The Insurer will pay for additional benefit 23 is \$5,000 for any one loss or series of losses arising out of one event.

#### **Additional Benefit 24 - Removal of Fallen Trees**

Costs necessarily and reasonably incurred by You in removing and disposing of fallen trees and branches (excluding stumps and roots) that have caused Damage to Insured Property during the Policy Period.

The maximum amount that The Insurer will pay for additional benefit 24 is \$5,000 for any one loss or series of losses arising out of one event.

#### **Additional Benefit 25 – Replacement of Keys and Locks**

Where a key to an external door or window of a Building (excluding any individual Unit) is stolen or where there are reasonable grounds to believe keys have been duplicated as a consequence of forcible entry into that Building during the Policy Period, The Insurer will pay, at its own option, the reasonable costs of either:

- Re-keying or re-coding those locks together with replacement keys; or
- Replacing those locks with locks of a similar type or quality
- The Insurer will not pay additional benefit 25 where keys or codes have been stolen or duplicated by tenants of Unit

Owners or where there are reasonable grounds to believe that such keys or codes have been stolen or duplicated by tenants of Unit Owners.

The maximum amount that The Insurer will pay for additional benefit 26 is \$5,000 for any one loss or series of losses arising out of one event.

#### **Additional Benefit 26 - Rewriting of Records**

Costs necessarily and reasonably incurred by You in preparing and/or rewriting the records of the Body Corporate which have been damaged during the Policy Period from an event not excluded under Section 1:

- At the Situation;
- While in the safe keeping of a duly appointed Body Corporate Manager; or
- At a bank for safekeeping.

The maximum that The Insurer will pay for additional benefit 26 is \$50,000 in any one Policy Period.

#### **Additional Benefit 27 - Storage of Common Area Contents**

Costs of removing, storing and returning undamaged Common Area Contents necessarily and reasonably incurred as a result of Damage to Insured Property occurring during the Policy Period caused by an event not excluded under Section 1 that renders the subject Common Area incapable of housing the undamaged Common Area Contents.

The Insurer will pay this additional benefit 27 while the subject Common Area is incapable of housing the undamaged Common Area Contents, provided that the maximum amount The Insurer will pay for this additional benefit is \$10,000 for any one loss or series of losses arising out of one event.

#### **Additional Benefit 28 – Catastrophe Cover**

Where Your Building(s) and Common Area Contents suffer an insured loss which is caused by an event leading to a declaration by the relevant authority of a state of emergency or disaster at the Situation, We will pay up to an additional 15% of Your Building(s) and Common Area Contents Sum Insured, for any escalation in rebuilding costs where a claim has been admitted under this Section 1.

No amount will be paid under this Additional Benefit 28 until such time as the Sum Insured on Your Building(s) and Common Area Contents has been totally exhausted.

If you do not reinstate Your Building(s) and Common Area Contents, no amount will be paid under this Additional Benefit 28.

### **SPECIFIC EXCLUSIONS APPLICABLE TO SECTION 1**

In addition to the general exclusions applying to all Sections of the Policy, The Insurer will not pay for:

1. consequential loss of any kind other than as specifically covered in Section 1;
2. any legal liability of any kind except Your legal

liability described in additional benefit 7 (Removal of Debris) and additional benefit 24 (Personal Property Under Control of Body Corporate);

3. Damage to any:
  - a) Animals;
  - b) Awnings made of textile or fabric more than ten (10) years old caused by wind, rainwater or hail;
  - c) Building or other Insured Property which are vacated and undergoing demolition;
  - d) Building or other Insured Property which is in the course of construction, erection, alteration or addition where the total contract value of such work exceeds \$250,000;
  - e) Docks, wharves and piers not forming part of any Building;
  - f) Pathways, driveways and tennis court surfaces caused by wind, rainwater or hail;
  - g) Personal property in open air unless it is part of the Common Area Contents designed to function without the protection of walls or a roof;
  - h) Pool and spa covers caused by wind, rainwater or hail;
  - i) Pressure Equipment arising out of a failure to comply with any Australian Standard relating to such equipment;
  - j) Retaining walls caused by wind, rainwater or hail; or
  - k) Swimming pools, spas or surrounds caused by movement of their foundations or structure unless the Damage arises out of an earthquake or seismological disturbance.
4. Damage arising directly or indirectly out of or in any way connected with:
  - a) Change in texture or finish;
  - b) Creeping, heaving or vibration;
  - c) Demolition ordered by any lawful authority due to You or Your agents' failure to obtain necessary building, construction or development consents or permits;
  - d) Erosion, subsidence, landslide, mudslide, or any other earth movement or collapse unless the Damage arises out of an earthquake or seismological disturbance, explosion or physical impact by Aircraft;
  - e) Error or omission in design, plan or specification or failure of design;
  - f) Faulty materials or faulty workmanship;
  - g) Flood;
  - h) Hydrostatic pressure, changes in the water table, accidental breakage, chipping or lifting of swimming pools, spas and their surrounds including tiles and pavers;
  - i) incorrect siting of any Building
  - j) Inherent vice or latent defect;
  - k) Kidnapping, bomb threat, threat of contamination, hoax, extortion or any attempt thereof;
  - l) Lack of maintenance or any other failure to keep any Insured Property in good repair;



- m) Mechanical, hydraulic, electrical or electronic breakdown except to the extent covered by additional benefit 17 (Damage to Domestic Electric Motors);
- n) Mildew, mould, contamination, disease, wet or dry rot, change of colour, oxidation, evaporation, dampness of atmosphere or variations in temperature;
- o) Normal settling seepage, shrinkage or expansion in Buildings or foundations, walls, pavements, roads and other structural improvements;
- p) Removal or weakening of supports or foundations for the purpose of alterations, additions, renovations or repair;
- q) Roots of trees or other plants;
- r) Spontaneous combustion, fermentation or heating or any process involving the direct application of heat except that this exclusion will be limited to the item or items immediately affected and will not extend to other Damaged Insured Property as a result of such combustion, fermentation or heating process;
- s) The Sea, tidal wave, storm surge, high-water, erosion, subsidence or landslide, unless caused by or arising from an earthquake, tsunami, or seismological disturbance, volcanic eruption or liquid of any kind escaping from a fixed pipe or something attached to a pipe, fixed gutter, fixed tank, or drain; but We will pay loss or Damage resulting from subsidence or landslide if it occurs within 72 hours after the happening of a storm or other meteorological event;
- t) Smoke or smut from industrial operations;
- u) The actions of birds, vermin, moths, termites or other pests;
- v) Wear and tear, corrosion, rust or oxidation, fading, chipping, scratching or marring, gradual deterioration or developing flaws, concrete or brick 'cancer', normal upkeep or making good.

where You are responsible for the operation or maintenance of the automatic system, You must:

- 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 station;
- Exercise due diligence to ensure that any system and alarm signal are at all times maintained in good working order; and
- Maintain the system in accordance with Australian Standard AS1851 (Part 3).

## **SPECIFIC CONDITIONS APPLICABLE TO SECTION 1**

In addition to the general conditions applying to all Sections of the Policy, the following condition applies to Section 1:

### **Replacement by Similar Styles and Materials**

Where a Building has architectural features and structural materials of a particular ornamental, antique or historical character, or the materials are not readily available, The Insurer shall be permitted to calculate the cost of repairing, replacing or rebuilding the Building by reference to cost of repairing, replacing or rebuilding a similar type of building of current design and materials and of a reasonably equivalent utility and capacity.

### **Sprinkler Systems**

Where any Building being insured under this Policy has an automatic sprinkler system installed which You own or

## SECTION 2: PROPERTY OWNERS' LEGAL LIABILITY

### COVER

Subject to the terms, conditions, exclusions and limitations applying to Section 2 (including those applying to all Sections of the Policy), The Insurer agrees to indemnify You, up to the Limit of Liability applicable to Section 2, against all sums, which You become legally liable to pay as Compensation in respect of:

- Personal Injury; or
- Property Damage

occurring within the Policy Territory during the Policy Period as a result of an Occurrence happening in connection with ownership of Insured Property.

### SPECIFIC DEFINITIONS APPLICABLE TO SECTION 2

#### Compensation means

any amount paid or payable by You for Personal Injury or Property Damage pursuant to any:

- Court judgment; or
- Settlement with the consent of The Insurer together with any Defence Costs.
- Compensation does not include:
- Aggravated, punitive or exemplary damages;
- Fines or penalties imposed by law (including civil penalties); or
- Any matters which are deemed uninsurable under the law.

#### Defence Costs means

legal costs and disbursements and related expenses incurred by:

- You with the written consent of The Insurer; or
- The Insurer after it has assumed conduct of any proceedings in:
- Defending any proceedings;
- Conducting any claim for contribution or recovery; or
- Investigating, avoiding or reducing or settling any claim for Compensation.

#### Defence Costs does not include:

any of Your internal or overhead expenses or the cost of Your time.

#### Employment Practices means

any wrongful or unfair dismissal, denial of natural justice, defamation, misleading representation or advertising, sexual harassment or discrimination in respect of employment or prospective employment by You.

#### 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 from Your standpoint. All events of a series consequent on or attributable to one source or original cause are deemed one Occurrence.

#### Personal Injury means

bodily injury, death, illness, disability, shock, fright, mental anguish or mental injury.

Property Damage means:

- Physical damage to, destruction of or loss of tangible property including the loss of use thereof at any time resulting therefrom; or
- Loss of use of tangible property which has not been physically injured or destroyed, provided such loss of use is caused by physical damage of other tangible property.

### LIMIT OF LIABILITY AND EXCESS APPLICABLE TO SECTION 2

#### Limit of Liability

The Insurer's liability to You in respect of Compensation arising from any one Occurrence shall not exceed the Limit of Liability applicable to Section 2.

#### Excess

You must pay the amount stated in the Schedule as the Excess payable in respect of Legal Liability Cover. The Excess applies to each Occurrence and The Insurer's liability to indemnify You under Section 2 is over and above the Excess.

#### Defence Costs

Defence Costs are payable in addition to the Limit of Liability applicable to Section 2 subject to the following:

- The Insurer is not obliged to pay any Defence Costs or to defend any suit after The Insurer's liability under Section 2 to indemnify You has been exhausted; and
- If a payment exceeding The Insurer's liability under Section 2 to indemnify You has to be made to dispose of a claim, the liability of The Insurer for Defence Costs is limited to the proportion that The Insurer's liability to indemnify You under this Policy bears to that payment.

## **SPECIFIC EXCLUSIONS APPLICABLE TO SECTION 2**

In addition to the Exclusions applying to all Sections of the Policy, The Insurer will not cover any legal liability directly or indirectly arising out of or in any way connected with the following:

### **1. Assault or Wrongful Arrest**

Assault and/or battery (including sexual assault) or wrongful arrest and/or detention.

### **2. Building Alterations**

The construction, erection, alteration, addition, renovation or demolition of any Building by You or on Your Behalf where the contract value of the work exceeds \$200,000.

### **3. Business or Profession**

The conduct of any business or profession or the provision of any services by You other than as owner of Insured Property.

### **4. Claims Outside Australia**

Any actions or claims brought in a court or tribunal outside Australia.

### **5. Contractual Liability**

Assumed under a contract except where that liability would otherwise exist at law in the absence of the contract.

### **6. Employers Liability**

Any liability:

- In respect of which You are or would be entitled to indemnity under any fund, scheme, policy of insurance or selfinsurance pursuant to or required;
- by any legislation relating to workers' compensation whether or not such insurance has been effected;
- Imposed by the provisions of any industrial award or agreement or determination where such liability would not have been imposed in the absence of such industrial award or agreement or determination; or
- Relating to Employment Practices.

### **7. Facilities**

Ownership, possession, maintenance, repair, operation or use by You or on Your behalf of any facilities at the Situation whilst being used for commercial purposes, including:

- Child care;
- Conference or meeting rooms;
- Golf or putting course;
- Gymnasium or other exercise facility;
- Laundry or dry cleaner;
- Man-made lake or natural water course;
- Medical or chemist;
- Marina;

- Playground;
- Shops;
- Swimming or other aquatic complex; or
- Tennis or squash court.

Unless such facility is specifically noted on the Schedule as not subject to this exclusion 7 (Facilities).

### **8. Fines and Penalties**

Fines, penalties, punitive, exemplary, liquidated or aggravated damages.

### **9. Goods**

Any good designed, manufactured, installed, treated, assembled, altered, processed, sold or supplied by You or by anyone on Your behalf whether for reward or not.

### **10. Libel & Slander**

Any libel or slander.

### **11. Participation in Organised Activities**

Participation in any sport, exercise or other activity, which You organise, supervise or otherwise control.

### **12. Professional Liability**

The rendering of or failure to render professional advice or service by You or by anyone on Your behalf.

### **13. Property Owned by You or Under Your Control**

Property Damage to property owned, leased, hired by, under hire purchase, on loan or rented to You or otherwise in Your care, custody or control other than visitors' clothing and personal effects.

### **14. Removal of Support and Vibration**

Vibration, removal or the weakening or interference with support to land, Buildings or other property.

### **15. Tobacco and Smoke**

Tobacco, tobacco smoke, or any ingredient or additive present in or used with tobacco.

### **16. Vehicles**

The use of a Vehicle owned by, or in Your physical or legal control:

- Which is required by law to be registered; or
- In respect of which insurance is required by virtue of any legislation.

This exclusion 17 (Vehicles) does not apply to:

- A Vehicle (other than a Vehicle owned or used by You or on Your behalf) whilst in a car park owned or operated by You other than for income or reward as a car park operator; or



- Personal Injury or Property Damage occurring during the loading or unloading of a Vehicle caused by or arising from the collection or delivery of any goods from or to the Vehicle where such Personal Injury or Property Damage occurs beyond the limits of any carriageway or thoroughfare, and where applicable legislation does not require insurance against such liability.

#### **17. Watercraft and Aircraft any:**

- Aircraft or hovercraft;
- Airstrip or helipad; or
- Watercraft.

And all operations necessary and incidental to such craft.

### **SPECIFIC CONDITIONS APPLICABLE TO SECTION 2**

In addition to the General Conditions applying to all Sections of the Policy, the following condition applies to Section 2:

#### **Cross Liability**

Under Section 2, where You are comprised of more than one entity, the term "You" will be considered a separate legal entity and applies to each party as if a separate policy had been issued to each of the said parties but nothing contained in this clause will operate to increase The Insurer's liability under Section 2.

### **ADDITIONAL BENEFITS APPLICABLE TO SECTION 2**

#### **Additional Benefit - Legal Expenses Cover for Body Corporate**

Subject to the exclusions and conditions below, The Insurer will pay legal costs and disbursements that the Body Corporate is liable to pay in connection with proceedings that are first commenced against the Body Corporate during the Policy Period and reported to The Insurer during the Policy Period:

- In respect of owning, occupying or managing any Building;
- Under any consumer protection legislation; or
- Arising out of a dispute with an employee, former employee or prospective employee of the Body Corporate concerning Employment Practices.

The maximum that The Insurer will pay for this additional benefit to Section 2 is \$250,000 in any one Policy Period. For each and every claim made under this additional benefit to Section 2, the Body Corporate must pay an Excess of \$250.

### **Specific Conditions Applicable to Additional Benefit to Section 2**

The Body Corporate must not incur any legal costs and disbursements that may be covered by this additional benefit to Section 2 without first obtaining The Insurer's prior written consent. If The Insurer's prior written consent is not obtained, the Body Corporate's entitlement to cover under this additional benefit to Section 2 may be affected.

The Insurer shall not be obliged to pay any legal costs and disbursements under this additional benefit to Section 2 unless it is satisfied that the Body Corporate has good prospects of successfully defending the proceedings and that the legal costs and disbursements are both reasonable and necessary.

The Insurer has the sole right to choose the legal representative to act on behalf of the Body Corporate in the proceedings.

### **Specific Exclusions Applicable to Additional Benefit to Section 2**

In addition to the general exclusions applying to all Sections of the Policy and the specific exclusions applying to Section 2, The Insurer will not pay any legal costs and disbursements incurred or payable in connection with any proceeding:

- Where the Body Corporate has not sought and obtained The Insurer's prior written consent to the incurring of those legal costs and disbursements;
- Where the Body Corporate was aware of facts, matters or circumstances potentially giving rise to that proceeding prior to the Policy Period;
- In which relief is sought by way of penalty, fine or aggravated, exemplary or punitive damages;
- In which defamation, libel or slander is alleged;
- In which fraud or dishonesty is alleged;
- In which a conflict of interest is alleged;
- In which a failure to obtain insurance or appropriate insurance is alleged;
- Relating to any actual alleged breach of any legislation concerning or relating to income tax, custom duties, excise duty, stamp duty, sales tax or any other revenue charge or impost; or
- Relating to any matter where insurance cover is available under this Policy, notwithstanding that such cover was not taken out.

## SECTION 3: VOLUNTARY WORKERS PERSONAL ACCIDENT

### COVER

Subject to the terms, conditions, exclusions and limitations applying to Section 3 (including those applying to all Sections of the Policy), The Insurer will pay Compensation to a Voluntary Worker, as detailed in Table A - Table of Benefits below and in accordance with the Basis of Settlement applicable to Section 3, where such Voluntary Worker dies or suffers a Bodily Injury as a consequence of an accident occurring during the Policy Period which results in an Event within 1 calendar year of the accident.

### SPECIFIC DEFINITIONS APPLICABLE TO SECTION 3

#### Bodily injury means

An injury to a person resulting solely and directly by an accident which is caused by violent, external and visible means and is independent of any other cause or causes, including pre-existing physical or congenital conditions.

#### Compensation means

The payment shown against the event in Table A.

#### Doctor means

A legally registered medical practitioner who is not an insured person under this policy or their relative.

#### Event means

An event caused by death or bodily injury listed in table a which arises solely and directly from the voluntary work being undertaken by the voluntary worker at the situation listed on the schedule.

### TABLE A – TABLE OF BENEFITS

No	Events	Benefits
1	Death	100% of the capital benefit per Policy Schedule
2	Total and permanent loss of both hands, or the use of both feet, or the use of one hand & one foot	100% of the capital benefit per Policy Schedule
3	Total loss of sight in both eyes	100% of the capital benefit per Policy Schedule
4	Total and permanent loss of the use of one hand of the use of one foot or sight in one eye	50% of the capital benefit per Policy Schedule
5	Total disablement	100% of the weekly benefit per Policy Schedule
6	Partial disablement	50% of the weekly benefit per Policy Schedule

#### Foot means

The entire foot below the ankle.

#### Hand means

The entire hand above the wrist.

#### Loss means in connection with:

- A hand, permanent physical severance or permanent total loss of use of the hand;
- A foot, permanent physical severance or permanent total loss of use of the foot; or
- An eye, total and permanent loss of all sight in an eye.

Which in each case is caused by bodily injury.

#### Permanent means

Having lasted twelve (12) consecutive months and at the expiry of that period, beyond hope of improvement.

#### Partial disablement means

The inability of a voluntary worker to engage in a substantial part of their usual occupation or business duties, while they are under the regular care of and acting in accordance with the instructions or advice of a doctor.

#### Total disablement means

The inability of a voluntary worker to engage in all of their usual occupation or business duties, while they are under the regular care of and acting in accordance with the instructions or advice of a doctor.

## **BASIS OF SETTLEMENT APPLICABLE TO SECTION 3**

The Insurer will pay the corresponding Compensation to a Voluntary Worker for an Event subject to the following:

1. The Insurer will only pay the Voluntary Worker such Compensation if that Voluntary Worker is not entitled to compensation under any workers' compensation insurance, motor accident scheme or other statutory scheme or fund;
2. If the Voluntary Worker dies as a result of a disability, The Insurer will reduce the amount it pays for Event 1 (Death) by any Compensation it has paid for the disability;
3. If a Voluntary Worker becomes entitled to Compensation under more than one of the Events in Table A, the Compensation paid will be cumulative up to 100% of the Compensation payable for Event 1 (Death);
4. After the occurrence of any one of Events 2 to 6, The Insurer shall have no further liability to that Voluntary Worker for those Events under Section 3;
5. For Events 5 and 6, The Insurer will pay for the period of disablement:
  - a) Commencing one week after the Voluntary Worker becomes disabled; and
  - b) Ending when the disablement ceases or 104 weeks from the commencement of the disablement, whichever is earlier;

Provided that The Insurer will not pay for more than one of these Events at the same time.

## **ADDITIONAL BENEFITS APPLICABLE TO SECTION 3**

If The Insurer accepts a claim for Compensation under Section 3, The Insurer will also pay the Voluntary Worker the following expenses:

### **1. Travel expenses**

Travel expenses necessarily and reasonably incurred in obtaining medical treatment in relation to the subject disability up to a maximum of \$1,000 for any one person.

### **2. Domestic assistance**

Domestic assistance expenses necessarily and reasonably incurred in obtaining medical treatment in relation to the subject disability up to a maximum of \$500 for any one person, provided that this additional benefit 2 (domestic assistance) will be reduced by any amounts payable under events 5 or 6 for domestic assistance.

In the case of voluntary workers who were not in receipt of wages, salaries or other remuneration immediately prior to the disablement, the compensation that the insurer pays will be limited to reasonable and necessary costs of domestic assistance up to a maximum amount of \$250 for each week of disablement for a maximum of ten (10) weeks.

## **SPECIFIC EXCLUSIONS APPLICABLE TO SECTION 3**

In addition to the general exclusions applying to all Sections of the Policy, The Insurer shall not be liable for any claim arising directly or indirectly from or having any connection with:

1. Intentional self-injury, or suicide, including injuries suffered as a result of attempted suicide;
2. The voluntary worker being rendered less capable of taking care of himself or herself as a consequence of mental illness, including any psychological, psychiatric or stress disorder;
3. The voluntary worker being rendered less capable of taking care of himself or herself as a consequence of being under the influence of alcohol or any drug, other than a drug prescribed by a doctor;
4. Childbirth or pregnancy;
5. Any pre-existing medical condition;
6. Human Immunodeficiency Virus (HIV) or any variance including Acquired Immune Deficiency Syndrome (AIDS) or AIDS Related Complex (ARC).
7. Any Bodily Injury suffered by a Voluntary Worker that results from the use of power tools, garden maintenance tools and the like where appropriate safety equipment was not worn, carried or adopted by the Voluntary Worker.

## **SPECIFIC CONDITIONS APPLICABLE TO SECTION 3**

In addition to the General Conditions applying to all Sections of the Policy:

- 1) You must advise The Insurer in writing as soon as reasonably possible after the occurrence of Bodily Injury covered by this Section 3.
- 2) You must pay the cost, if any, of any medical certificates, reports or other evidence that The Insurer may require to assess Your claim under this Section.
- 3) The Insurer may request You to have a medical examination by a Doctor nominated by it and The Insurer will be responsible for the payment of such examination.

## SECTION 4: FIDELITY GUARANTEE

### COVER

Subject to the terms, conditions, exclusions and limitations applying to Section 4 (including those applying to all Sections of the Policy), The Insurer agrees to indemnify You, up to the Limit of Liability applicable to Section 4, against loss of Funds as a result of an Event, provided that:

- Such loss of Funds occurs during the Policy Period; and
- The loss of Funds is not discovered more than one (1) month after the expiry of the Policy Period.

### SPECIFIC DEFINITIONS APPLICABLE TO SECTION 4

#### Event means:

Fraudulent misappropriation of funds allocated to or set aside for the management of insured property by any person who is acting without any participation or knowledge on Your part.

#### Funds means:

Money, securities, negotiable instruments or other tangible property received by You to be allocated to or set aside for the management of Insured Property.

Funds do not include personal Money, securities, negotiable instruments or other tangible property of Unit Owners.

### LIMIT OF LIABILITY AND EXCESS

#### Limit of Liability

The Insurer's liability to indemnify You under Section 4 will not exceed the Limit of Liability applicable to Section 4 for each Event.

The Insurer's total liability to You under Section 4 for all Events in the Policy Period shall also not exceed the Limit of Liability applicable to Section 4.

#### Excess

You must pay the amount stated in the Schedule as the Excess payable in respect of Fidelity Guarantee Cover.

The Excess applies to each Event and The Insurer's liability to indemnify You under Section 4 is over and above the Excess.

### SPECIFIC EXCLUSIONS APPLICABLE TO SECTION 4

In addition to the general exclusions applying to all Sections of the Policy, The Insurer will not be liable for any loss:

1. Unless You have previously exhausted Your rights and entitlements under any other fidelity bond or fund, whether of a statutory nature or not;

2. Connected with any further Event committed after the initial discovery of loss;
3. Any losses arising out of an Event committed prior to the Policy Period; or
4. Any consequential loss of any kind or nature.
5. The Insurer will not be liable for any loss arising directly or indirectly arising from or having any connection with:
6. The conduct of any person if You have any prior knowledge of any prior act of fraud or dishonesty by that person;
7. Loss or part of a loss where proof of its existence or amount depends on any comparison of inventory records with a physical count or a profit and loss computation, except that this exclusion will not apply to the extent that You are able to prove the amount of the loss through other evidence unrelated to comparison or computation; or
8. Loss arising from a failure to make payment or of default under a loan or other credit transaction.

### SPECIFIC CONDITIONS APPLICABLE TO SECTION 4

In addition to the General Conditions applying to all Sections of the Policy, the following conditions apply to Section 4:

1. You must perform all checks and take all precautions described by You in the Proposal.
2. You must as soon as reasonably possible give The Insurer written notice of the discovery of any conduct that is fraudulent or dishonest by any person with access to or control of Your Funds or any lack of integrity by such person whether giving rise to a claim or not.
3. On discovering a loss or circumstances likely to give rise to a loss covered by Section 4, You must, at Your own expense:
  - a) As soon as reasonably possible give written notice to The Insurer of such loss;
  - b) As soon as reasonably possible give written notice to the police of the loss or suspected loss;
  - c) Within 28 days, provide to The Insurer a written statement containing details of the cause, description and amount of the loss and any other information that The Insurer may reasonably require;
  - d) Complete any claim form or sworn proof of loss that The Insurer may require;
  - e) Provide full assistance and cooperation to The Insurer in investigating the loss; and
  - f) Take all reasonable steps to obtain recovery of the loss and prevent any further loss.

## SECTION 5: OFFICE BEARERS' LIABILITY

### COVER

Subject to the terms, conditions, exclusions and limitations applying to section 5 (including those applying to all sections of the policy), the insurer will indemnify:

- You against all loss for which you are not indemnified by the body corporate; or
- The body corporate against all loss for which it grants indemnification to you, as permitted or required by law, arising from any claim for loss up to the limit of liability applicable to section 5, provided that:
- The claim is first made against you during the policy period and reported to the insurer during the policy period; and
- The claim arises out of a wrongful act, which wholly occurred after the retroactive date.

### Specific definitions applicable to section 5

#### Claim means any:

- Written demand for compensation; or
- Originating process for recovery of compensation issued against you by a third party alleging a wrongful act.

#### Circumstances means

Any facts, matters or circumstances which give rise to a claim or has the potential to give rise to a claim.

#### Defence costs means

The legal costs and expenses you or the body corporate incur with the insurer's prior written consent in the investigation, defence or settlement of any claim.

#### Defence costs does not include:

- Any internal or overhead expenses incurred by you or the body corporate;
- Any cost of your time or that of any officer, employee or agent of the body corporate in investigating, defending or settling any claim; or
- Any salaries or remuneration of any officer (including yourself) or of any employee or agent of the body corporate.

#### Loss means

- Money payable by a judgment or settlement with the insurer's prior written consent;
- Legal costs awarded against you; and
- Defence costs.

#### Loss does not include

Fines, penalties, punitive, exemplary, liquidated or aggravated damages.

#### Retroactive date means

'Unlimited' unless a date is specified in the schedule as the retroactive date referable to section 5.

#### Senior council means

A practising barrister who is entitled to practice as a queens council or senior council in any state or territory of Australia.

#### Wrongful act means

Any actual or alleged act, error or omission, negligence, breach of duty, misrepresentation or misconduct on your part in your capacity as an officer of the body corporate.

### LIMIT OF LIABILITY AND EXCESS

#### Limit of Liability

The Insurer's total liability to indemnify You under Section 5 in respect of all Loss including Defence Costs arising from all Claims during the Policy Period is the Limit of Liability applicable to Section 5.

#### Excess

You must pay the amount stated in the Schedule as the Excess payable in respect of Office Bearers Liability Cover.

The Excess applies to each and every Loss including Defence Costs arising from any one Claim and The Insurer's liability to indemnify You under Section 5 is over and above the Excess.

For the purposes of determining the Excess applying to Section 5, all Claims arising from one act, error or omission or from a series of related acts, errors or omissions, will be regarded as one Claim.

### SPECIFIC EXCLUSIONS APPLICABLE TO SECTION 5

In addition to the General Exclusions applying to all Sections of the Policy, The Insurer shall not be liable for any Claim arising directly or indirectly from or having any connection with any:

1. Claim first made prior to the Policy Period;
  - a) Claim or Circumstances notified, in whole or part, to The Insurer or any other insurer prior to the Policy Period; or
  - b) Claim or Circumstances of which the Body Corporate or You were aware or ought reasonably to have been aware, prior to the Policy Period.
2. Any profit or advantage gained by You where You were not legally entitled or for which You may be held accountable to the Body Corporate, Unit Owner or any other person or entity.



3. Money or gratuity given to You without authorisation by the Body Corporate where such authorisation is necessary pursuant to the rules, by-laws or articles of the Body Corporate or as required by law.
4. Any warranty or guarantee.
5. Any trading or personal debt of Yours or the Body Corporate.
6. Death, bodily injury, sickness or disease of any person, or damage to, or loss of use of, any tangible property.
7. Breach of any obligation owed to any employee of Yours or the Body Corporate.
8. Libel or slander.
9. Any duty, tax, levy or other impost.
10. Any conflict of duty or interest.
11. Any liability assumed in contract except where that liability would otherwise exist at law in the absence of the contract.
12. The effecting or maintenance of insurance, or any failure to effect or maintain insurance.
13. Any intentional exercise of a power where the exercise of the power is for a purpose other than the purpose for which the power was conferred.
14. Any alleged or actual dishonest, fraudulent, malicious or criminal act or omission but this exclusion will not apply to defence costs incurred in successfully defending such a claim.
15. Any claim brought or maintained by any person who is:
  - a. An insured under this policy; or
  - b. An entity operated or controlled by any insured under this policy.
16. Any claim brought in a court of law or tribunal outside Australia.

### **SPECIFIC CONDITIONS APPLICABLE TO SECTION 5**

In addition to the general conditions applying to all Sections of the Policy:

1. You must give written notice to The Insurer of any

Claim made against You within 21 days of receipt of the Claim.

2. You and the Body Corporate must give all reasonable assistance to and cooperate with The Insurer in the defence of any Claim at Your and the Body Corporate's cost.
3. Neither You nor the Body Corporate should admit liability, settle any Claim nor incur any Defence Costs without The Insurer's prior written consent.
4. The Insurer has the right to negotiate, defend or settle any Claim against You in Your name and will have full discretion in the conduct of any proceedings or in the settlement of any Claim.
5. If The Insurer is liable under Section 5 to indemnify You for only part of a Loss because either:
  - a) A Claim includes both matters covered and not covered by Section 5; or
  - b) A Claim is made against You and other persons (including but not limited to the Body Corporate),
6. Then You and The Insurer must use Your best endeavours to agree a fair allocation of Loss (including in relation to Defence Costs) between Loss covered and loss not covered under Section 5 having regard to:
7. Your relative legal exposure to liability in respect of matters covered and not covered by Section 5; and
8. Your and the other person's relative legal exposure to liability in respect of the Claim.
9. Where You and The Insurer are unable to agree upon a fair allocation of Loss, The Insurer will be entitled to brief Senior Counsel (to be mutually agreed or, in default of agreement, to be selected by the then President of the local Bar Association or Council, or equivalent organisation in the relevant State or Territory) to provide an opinion binding on You and The Insurer as to the fair allocation of Loss. The costs of obtaining this opinion will be paid by The Insurer as part of the Defence Costs.

## SECTION 6: MACHINERY BREAKDOWN

### COVER

Subject to the terms, conditions, exclusions and limitations applying to Section 1 (including those applying to all Sections of the Policy), The Insurer agrees to indemnify You, up to the Limit of Liability applicable to Section 6, for loss or Damage as a result of the following:

- a) Breakdown of a Machine; or
- b) Boiler Explosion or Collapse of the Boiler or Pressure Vessel;

occurring at the Building(s) during the Period of Insurance and on the basis set out below. The Insurer will not pay You in respect of any of the matters set out in the Specific Exclusions or the General Exclusions.

### SPECIFIC DEFINITIONS

The meaning of some of the important words and terms used in Section 6 only, are shown below.

#### Boiler Explosion means

the sudden and violent rending of the Boiler or Pressure Vessel by force of internal steam, gas or fluid pressure (including the pressure of ignited flue gases) causing bodily displacement of its structure together with forcible ejection of its contents.

#### Boiler or Pressure Vessel means

those parts of the permanent structure of a boiler, pressure vessel, economiser or superheater and attaching pipe systems which are subject to internal steam, gas or fluid pressure and declared to the Insurer.

#### Breakdown means

sudden and unforeseen physical Damage to the Machine which requires immediate repairs or any part to be replaced in order to make the Machine operate in the same manner and condition as before the sudden and unforeseen physical Damage.

#### Collapse means

The sudden and dangerous distortion of a boiler or pressure vessel caused by bending or crushing of the permanent structure by force of steam, gas or fluid pressure (other than the pressure of ignited flue gases) including Damage caused by overheating resulting from deficiency of water.

#### Machine means

The electrical or mechanical machinery owned by You and specified in the Schedule.

### BASIS OF SETTLEMENT

If You have a valid claim under Section 6, The Insurer will at Our option pay for or Reinstatement the Machine, Boiler or Pressure Vessel on the basis set out below.

#### 1. Machine

Where the Machine is:

- a) Lost or destroyed, its replacement by a similar machine to a condition equal to but not better or more extensive than its condition at the time of loss or destruction; and
- b) Damaged, the repair and/or restoration of the Machine without deduction for depreciation.
- c) The Insurer is not bound to replace, restore or repair exactly or completely but only as circumstances permit and in a reasonably sufficient manner.

If the Machine or its component can be repaired, then it must be repaired unless the cost of repair exceeds the replacement cost, in which case the Machine or its component will be replaced without deduction for depreciation.

#### 2. Boiler or Pressure Vessel

Where the Boiler or Pressure Vessel is:

- a) Lost or destroyed, its replacement by similar property, to a condition equal to but not better or more extensive than its condition when new; or
- b) Damaged, the repair or restoration of the Boiler or Pressure Vessel to a condition substantially the same as but not better or more extensive than its condition when new.

The Insurer is not bound to replace, restore or repair exactly or completely but only as circumstances permit and in a reasonably sufficient manner.

If the Boiler or Pressure Vessel can be repaired, then it must be repaired unless the cost of repair exceeds the replacement cost, in which case the Boiler or Pressure Vessel will be replaced without deduction for depreciation.

#### 3. Salvage

The agreed value of any salvage will be deducted from any claim and the salvage will remain your Property.

#### 4. Limit of Liability

Our liability is limited to the Sum Insured in respect of each item stated in the Schedule in addition to the Excess shown.

#### 3. Hydraulic or Hydrostatic Test

The Insurer will not pay for the cost of rectifying Damage

## ADDITIONAL BENEFITS

If You have a valid claim under Section 6, The Insurer will also pay You the following Additional Benefits necessarily and reasonably incurred and in addition to the Sum Insured.

### 1. Overtime, Freight, Hire and Temporary Repair

The Insurer will pay up to a total of 20% of the Sum Insured or \$5,000, whichever is the lesser, for:

- a) Extra charges for overtime, night work or work on public holidays;
- b) Express freight within the Commonwealth of Australia other than specifically chartered air freight;
- c) The cost of hiring of temporary machines; and
- d) The cost of effecting temporary repair.

## SPECIFIC EXCLUSIONS

The Insurer will not pay You under Section 6 in the following circumstances. For the purposes of this Section only, references to Machine, Boiler or Pressure Vessel include references to Machine, Boiler or Pressure Vessel falling within Additional Benefit above.

### 1. Maintenance

The Insurer will not pay for maintaining, cleaning, adjusting, overhauling or making improvements to the Machine, Boiler or Pressure Vessel.

### 2. Wear, Tear and Leakage

The Insurer will not pay for the cost of rectifying:

- a) The wear, tear or gradual deterioration;
- b) scratching or other marking of painted or polished surfaces;
- c) The wearing away or wasting of the material of the Machine, Boiler or Pressure Vessel by atmospheric conditions, rust, erosion, oxidation, leakage, corrosion or ordinary use;
- d) Slowly developing deformation or distortion of any part of the Machine, Boiler or Pressure Vessel;
- e) Cracks, fractures, blisters, laminations, flaws or grooving even if accompanied by leakage or Damage to tubes, heaters or others parts of the Boiler or Pressure Vessel caused by overheating or leakage at seams, tubes or other parts of the Boiler or Pressure Vessel; or
- f) Failure of joints.

### 3. Hydraulic or Hydrostatic Test

The Insurer will not pay for the cost of rectifying Damage arising during the application of, or as a result of, any hydraulic or hydrostatic test of the Boiler or Pressure Vessel.

### 4. Perils

The Insurer will not pay for Damage caused by or arising from:

- a) Fire, attempts to prevent the spread of fire, extinguishing of a fire or subsequent demolition;

- b) Smoke or soot;
- c) Lightning;
- a) Explosion, other than Boiler Explosion;
- b) Impact of land borne vehicles or waterborne craft;
- c) Earthquake, subterranean fire or volcanic eruption;
- d) Landslip, subsidence or erosion;
- e) Riot, strike, lockout, civil commotion, persons acting maliciously on behalf of or in connection with any political organisation, or cessation of work whether total or partial;
- f) Aircraft or other aerial devices or articles dropped therefrom;
- g) Storm, tempest, windstorm, hurricane or cyclone;
- h) Rainwater or Flood;
- i) Liquid or substance discharging or leaking from any apparatus, appliance, pipe or other system, unless the apparatus, appliance, pipe or other system forms part of the Machine;
- j) Burglary or attempted Burglary; or
- k) Malicious damage.

### 5. Existing Faults

The Insurer will not pay for faults or defects known to You, or your Employees, and not disclosed to us at the time the Policy was entered into.

### 6. Unsafe or Unlawful Operation

The Insurer will not pay:

- a) if at the time of Damage:
  - The setting of any safety device on or for the boiler or pressure vessel was in excess of the limit imposed by any applicable regulation or the limit recommended by the manufacturer;
  - Any safety device on or for the boiler or pressure vessel was removed or rendered inoperative;
  - The boiler or pressure vessel was not the subject of a current certificate of inspection as required by any regulation; or
- c) Where the Boiler or Pressure Vessel:
  - Does not conform with all applicable Australian standards or codes; or
  - Is operating in an unsafe condition; or
- d) Where an inspection of the Boiler or Pressure Vessel by a competent person has not been carried out at intervals specified in Australian Standard AS/NZS 3788 1996.

### 7. Fitting of Automatic Devices to Unattended Combustion Engines

The Insurer will not pay for Damage to an unattended combustion engine as a result of the combustion engine not being fitted with an effective operational engine monitoring device which would have stopped the combustion engine in the event of a lubricating or cooling fault or failure.



## **8. Fitting of Flow/Pressure Switch to Submersible or Borehole Pump**

The Insurer will not pay for Damage to a submersible or borehole pump as a result of the submersible or borehole pump not being fitted with an effective operational water flow or pressure switch capable of stopping the submersible or borehole pump in the event of water pressure drop or insufficient water flow.

## **9. Modifications, Alterations, Additions, Improvements or Overhauls**

The Insurer will not pay for the cost of any modifications, alterations, additions, improvements, or overhauls of the Machine, Boiler or Pressure Vessel.

## **10. Liability**

The Insurer will not pay for legal liability of any kind.

## **11. Replacement of Machine**

The Insurer will not pay for the cost of replacement of:

- a) Heating or defrosting elements, brushes, batteries, screens, sieves, belts, ropes, wires, chains, felts, fabrics, packings, exchangeable tools, dryers, cutting blades, seals, fuses, filters, glass or ceramic components, electric contacts, filaments, tyres, rails, plates, dies, engraved cylinders, mould, patterns, or other parts which by their use and nature suffer a high rate of or depreciation;
- b) Refrigerant or transformer oils due to defective glands, seals, valves, gauges or loose connections;
- c) Fuels, chemicals, filter substances, heat transfer media, cleaning agents, lubricants, oil, catalysts or other operating material;
- d) Concrete, brickwork or refractories; or
- e) Materials in the course of or undergoing processing.

## **12. Statutory Regulations**

The Insurer will not pay for the cost of replacement or exchange of:

- a) Parts, equipment or apparatus;
- b) Liquids; or
- c) Refrigerant gases,

To meet with any statute or regulation in relation to substitution of refrigerant gas requirements whether carried out in the course of payable repairs or as a separate operation.

## **13. Testing**

The Insurer will not pay for Damage arising from the Machine, Boiler or Pressure Vessel being:

- a) Subjected to tests involving abnormal stresses; or
- b) Intentionally overloaded.

## **14. Damage to Machine, Boiler or Pressure Vessel**

The Insurer will not pay for loss or Damage to:

- a) Computers, telephone and closed circuit television installations, audio visual and amplification equipment and other office electronic equipment;
- b) Gambling, amusement, vending machinery, audio or visual entertaining equipment;
- c) Any vehicle, caravan, trailer or motorcycle;
- d) Reticulating electrical wiring or lighting equipment;
- e) Water and gas piping;
- f) Storage tanks and vats;
- g) Watercraft
- h) Aircraft

## **15. Warranty or Guarantee**

The Insurer will not pay for replacement parts, labour cost or travelling cost recoverable under any supplier, manufacturer or repairer's warranty or guarantee, or which would have been covered but for a breach of Your obligations under the terms of the guarantee or warranty.

## **SPECIFIC CONDITIONS**

If Section 6 forms part of Your Policy, you must follow the specific conditions noted below otherwise, The Insurer may not pay Your claim under Section 6.

### **1. Notice of Alteration and Additions**

You must notify Us within 60 days of changes in work conditions, removal, alteration, or addition to any Machine, Boiler or Pressure Vessel. If The Insurer do not approve of such changes, The Insurer may cancel the insurance in respect of the Machine, Boiler or Pressure Vessel and return to you a proportion of the Premium for the unexpired Period of Insurance.

### **2. Claims Procedures and Requirements**

You must notify Us prior to commencement of any repairs in excess of \$500, to ensure repairs are acceptable to Us. Your repairer must leave on the Premises, for Our inspection, all parts which have been replaced.

### **3. Inspections**

You must at all reasonable times permit Our representative to inspect the Machine, Boiler or Pressure Vessel.

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## SECTION 7: ADDITIONAL CATASTROPHE COVER

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### COVER

In the event of:

- Your Building(s) being destroyed or if The Insurer declares such Building(s) beyond economic repair; and
- Such Damage is covered under Section 1 and is admitted by The Insurer as a claim under Section 1; and
- Such Damage was caused by an event leading to a declaration by the relevant authority of a state of emergency or disaster at the Situation,

The Insurer will increase the Limit of Liability applicable to Section 1, over and above Additional Benefit 28 by the amount or percentage as stated in the Policy Schedule.

The most we will pay under this Section 7, Additional Catastrophe Cover is the amount shown on the Policy Schedule.

No amount will be paid under Section 7 until such time as the Sum Insured on Your Building(s) and Common Contents and Additional Benefit 28, has been totally exhausted.

In all other respects, the terms, conditions, exclusions and limitations of Section 1 apply.

## SECTION 8: LEGAL EXPENSES

### PART A: Legal Expenses

#### COVER

Subject to the terms, conditions, exclusions and limitations applying to Section 8 – Part A (including those applying to all Sections of the Policy). We will pay up to the Limit of Liability shown on the Schedule for Section 8 – Part A Legal Expenses You are liable to pay following legal proceedings brought against You in Australia. You must advise Us immediately of any legal proceedings brought against You during the period of insurance or within 30 days thereafter provided the claim:

- a) In respect of owning, operating and managing the Building(s) insured under Section 1,
- b) under the Competition and Consumer Act 2010 or under any other consumer protection legislation;
- c) About a dispute in respect of:
  - i. Terms and conditions of employment, or
  - ii. Discrimination legislation with a current, past or prospective employee

We will only Pay - Where You obtain Our Written Consent and are able to satisfy Us that:

- i. There are good prospects of successfully defending the legal proceedings brought against You, and
- ii. The costs and expenses are reasonable and necessary.

We will not unreasonably withhold Our consent.

### PART B: Appeal Expenses – Health & Safety Breaches

#### COVER

Subject to the terms, conditions, exclusions and limitations applying to Section 8 – Part B (including those applying to all Sections of the Policy). We will pay up to the Limit of Liability shown on the Schedule for Section 8 - Part B for Appeal Expenses You necessarily incur with Our consent in appealing against:

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

### SPECIFIC DEFINITIONS APPLICABLE TO SECTION 8

#### Legal Expenses Means

legal fees, costs, expenses and disbursements reasonably and necessarily incurred in connection with a claim.

### LIMIT OF LIABILITY AND EXCESS

#### Limit of Liability

The Insurer's liability to indemnify You under Section 8 will not exceed the Limit of Liability applicable to Section 8 for each Event.

The Insurer's total liability to You under Section 8 for all Events in the Policy Period shall also not exceed the Limit of Liability applicable to Section 8.

#### Excess

You must pay the amount stated in the Schedule as the Excess payable in respect of Government Audit Expenses.

The Excess applies to each Event and The Insurer's liability to indemnify You under Section 8 is over and above the Excess.

### SPECIFIC EXCLUSIONS APPLICABLE TO SECTION 8

We will not pay Claims relating to:

1. A conflict of Your duty or a conflict of Your interest.
2. Any matter arising out of any insurance cover required by legislation.
3. Any matter where insurance cover is separately available to You within this Policy, even if You do not take that cover.
4. Any proceedings brought by Us.
5. Anything which arises from a deliberate act including a deliberate act of fraud or dishonesty that You or anyone acting for You did.
6. Costs and expenses that You have not sought Our consent prior to them being incurred.
7. Defamation, slander or libel.
8. Defending legal proceedings without obtaining Our prior Written Consent or in a different way from that advised to Your Authorised Legal Representative.
9. Penalties, fines, compensation or awards of aggravated, exemplary or punitive damages made against You, other than legal costs and expenses.
10. Proceedings brought by You or on Your behalf.
11. Improvement or prohibition notices or proceedings or any other circumstances which may lead to a proceeding, of which You were aware before You first effected this insurance.
12. Improvement or prohibition notices or proceedings that You have not immediately advised Us of.

## **SPECIFIC CONDITIONS APPLICABLE TO SECTION 8**

### **APPEAL PROCEEDINGS**

If You are not successful in defending legal proceedings brought against You, We will only pay for one appeal. You must advise Us in writing of Your intention to appeal. This advice must be provided to Us at least seven (7) days before the time for making an appeal expires. We will only agree to the appeal if We consider that there are reasonable prospects of the appeal being successful.

## SECTION 9: GOVERNMENT AUDIT EXPENSES

### COVER

Subject to the terms, conditions, exclusions and limitations applying to Section 9 (including those applying to all Sections of the Policy). We will pay up to the Limit of Liability shown on the Schedule for Section 9 for Professional Fees You reasonably incur with Our written consent in connection with an Audit first notified to You verbally or in writing during the Period of Insurance or within 30 days thereafter.

### SPECIFIC DEFINITIONS APPLICABLE TO SECTION 9

#### Audit Means

an investigation of Your financial affairs or an investigation or enquiry of Your compliance with record-keeping requirements by a State, Territory or Commonwealth Department, Statutory Body, Agency or the Australian Taxation Office in relation to Your Business activities.

#### Audit Costs Means

fees, charges and disbursements of an external professional person or consultant engaged by You, and approved by Us, for work undertaken in connection with an Audit or investigation.

#### Auditor Means

a person authorised under State, Territory or Commonwealth Legislation to carry out an investigation or Audit of Your financial affairs. Business Means the ownership of Your Insured Property or any other activity We have agreed to include in writing.

### LIMIT OF LIABILITY AND EXCESS

#### Limit of Liability

The Insurer's liability to indemnify You under Section 9 will not exceed the Limit of Liability applicable to Section 9 for each Event.

The Insurer's total liability to You under Section 9 for all Events in the Policy Period shall also not exceed the Limit of Liability applicable to Section 9.

#### Excess

You must pay the amount stated in the Schedule as the Excess payable in respect of Government Audit Expenses. The Excess applies to each Event and The Insurer's liability to indemnify You under Section 9 is over and above the Excess.

### SPECIFIC EXCLUSIONS APPLICABLE TO SECTION 9

1. In addition to the general exclusions applying to all Sections of the Policy, The Insurer will not pay for Professional Fees:

- a) If prior to the commencement of the Period of Insurance You, or any person acting on Your behalf:
    - If received any notice of a proposed Audit;
    - Had information that an Audit was likely to take place;
    - Had information that would indicate to a reasonable person that an Audit was likely to take place.
  - b) If a return, or a document required to be lodged in relation to an Audit, has not been lodged:
    - At all;
    - Properly;
    - By the due date.
  - c) For any Audit that is conducted specifically for the purposes of determining if a fine, penalty or prosecution should be imposed in connection with:
    - Any act or omission by You; or
    - Any failure, act or omission arising from or in connection with Your statutory obligations.
  - d) Charged by someone other than a Professional Adviser unless We have given Our prior written consent.
  - e) Relating to the Audit of Your taxation and financial affairs unless the return is first lodged: during the Period of Insurance; or not more than twelve (12) months prior to the original inception date of section 9; or relates to a return for a financial year not more than three (3) years prior to the date You receive notification of an Audit.
  - f) Relating to an Audit if You fail to comply with any requirement or obligation imposed upon You by any relevant legislation if a return in relation to the Audit was not prepared or reviewed by Your Professional Adviser prior to dispatch.
  - g) If You breach any conditions in this Policy, including failing to comply with any requirement imposed by any relevant legislation or failing to do what You must do if You intend to make a claim or You make a claim.
2. We will not under any circumstances pay for the cost of:
    - a) Any fines, penalties, interest or adjustment of tax, additional tax, duty, government impost or similar charges.
    - b) Any review pertaining to You maintaining any industry status, licence, membership or compliance with any employee related legislation or regulations.
    - c) The gathering of data or information by any government, statutory body, authority or agency that is not directly part of an Audit.

## **SPECIFIC CONDITIONS APPLICABLE TO SECTION 9**

In addition to the general conditions applying to all Sections of the Policy:

1. All taxation and other returns must be submitted within the time limits prescribed by all relevant statutes and legislation or if an extension is granted within the further period granted
2. All taxes must be paid by the due date or within any extension granted.
3. You must make full and complete disclosure of all assessable income (including capital gains) as required by any relevant legislation.
4. Upon becoming notified of an Audit or impending Audit you must promptly inform Brooklyn Underwriting in writing.
5. Obtain written approval from Brooklyn Underwriting before engaging a professional advisers, other than your accountant, and notify them of all professional fees Your accountant proposes to charge.

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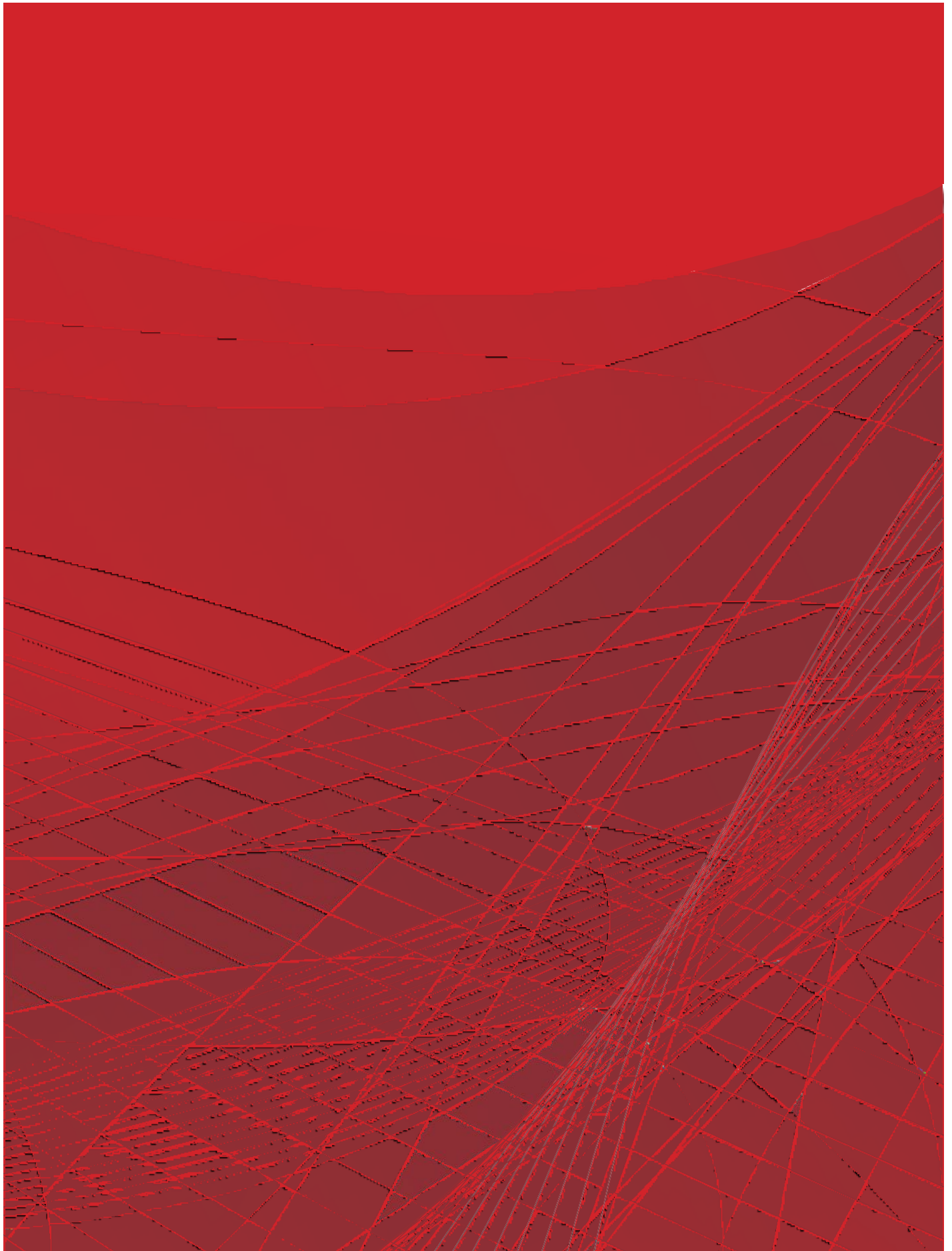
## CLAIMS CONDITIONS (ALL SECTIONS)

On the happening of any Damage or event likely to give rise to a claim under any Section of this Policy, You must, at Your own expense:

- As soon as reasonably possible inform Brooklyn by telephone on +61 2 8270 1790 and in writing to The Claims Manager, Angel Place, Level 28, 123 Pitt Street, Sydney NSW 2000, of any damage, injury or receipt of notice of any claim and/or of the institution of any proceedings against you;
- As soon as reasonably possible inform the police of any malicious damage, burglary, housebreaking, fraudulent misappropriation, theft or any attempted theft of insured property;
- Take all reasonable precautions to recover lost or stolen insured property and minimise the claim;
- Take all reasonable precautions to prevent further damage;
- Not dispose of any damaged insured property without the insurer's written consent;
- Not arrange for the repair or replacement of any insured property in connection with any claim without the insurer's written consent;
- When requested by the insurer to do so, complete and lodge a claim form within twenty one (21) days with all necessary supporting documentation that the insurer may reasonably require for the investigation and verification of the claim;
- Not admit liability for, or offer to agree to settle, any claim brought against you without the insurer's prior written consent; and
- Assist the insurer in the defence of any claim brought against you.

The Insurer reserves the right to negotiate, defend or settle in Your name and on Your behalf any claim brought against You and will have full discretion in the conduct of any proceedings or in the settlement of any claim.





Catlin Australia Pty Limited, trading as Brooklyn,  
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**BROOKLYN**   
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