

# Residential landlords

**QBE Insurance (Australia) Limited**

Product disclosure statement and  
Home and contents insurance policy



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## Introduction

We understand how important it is to be comfortable with your cover so we are glad you chose QBE to take care of your insurance. As the largest Australian owned general insurer and reinsurer, we have been taking care of the insurance needs of Australians since 1886. Safe, strong and secure, you can be confident you've made a great choice.

Inside, you will find the information you need to know about the Policy. We explain what the Policy covers, information about excesses and importantly, how to make a claim.

Remember, whether you call us for a quote, or to report a claim, or to change your details, you can rely on our friendly team to help you.

Thank you for making QBE your first choice.

## About this booklet

This booklet is a Product Disclosure Statement (PDS) and is also the Policy Wording. Other documents may comprise the PDS and we will tell you if this is the case in the relevant document.

This booklet has two (2) parts: Important Information to help you understand the insurance, and the Policy Wording, which sets out terms and condition of the cover provided. It is up to you to choose the cover you need. Any advice in this booklet is general in nature only and has not considered your objectives, financial situation or needs. You should carefully consider the information provided having regard to your personal circumstances to decide if it is right for you.

### Updating our PDS

We may update the information contained in this PDS when necessary. A paper copy of any updated information is available to you at no cost by calling us. We will issue you with a new PDS or a supplementary PDS, where the update is to rectify a misleading or deceptive statement or omission, which is materially adverse from the point of view of a reasonable person deciding whether to obtain or renew this insurance.

## For more information

Please take the time to read through this booklet and if you have any questions or need more information, please contact:

- your financial services provider.
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## About QBE Australia

QBE Insurance (Australia) Limited ABN 78 003 191 035 AFSL 239545 is a member of the QBE Insurance Group Limited ABN 28 008 485 014 (ASX: QBE). QBE Insurance Group is Australia's largest international general insurance and reinsurance group, and one of the top 25 insurers and reinsurers worldwide. The company has been operating in Australia since 1886 and continues to provide insurance solutions that are focused on the needs of policyholders.

QBE is a respected name in Australian insurance, backed by sizeable assets, and well known as a strong and financially secure organisation.

## About Council of Queensland Insurance Brokers Inc. (CQIB)

CQIB was established in 1980 with an original charter to "Enhance the image of Queensland owned Brokers at a local level". Successive refinement of the charter and a changing World has seen the scope of the Council activities expand. Today, nearly three decades on, CQIB has evolved into a highly professional association whose input is sought by other industry bodies, underwriters and ASIC.

All members are individual organisations owned by, employing and serving the needs of Queenslanders. The professional support received from the CQIB enhances member's knowledge by providing access to education, training and information

Council of Queensland Insurance Brokers Inc. ABN 23 731682 292 has entered into an arrangement with QBE Insurance (Australia) Limited, to develop financial products that are distributed by CQIB members. This PDS is available exclusively to CQIB Members.

CQIB do not advise on insurance needs, supply, sell, issue, and guarantee or underwrite this Policy.

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## Important Information

The information provided in this section includes high level information about this Policy including your duty of disclosure, privacy, how to make a claim, our dispute resolution process and other relevant information. This section may also set out other information such as options in cover you can choose from, factors that affect the cost and any cooling off rights.

The Policy Wording section sets out the detailed terms, conditions and exclusions relating to the insurance.

If we issue you with a Policy, you will be given a Policy Schedule. The Policy Schedule sets out the specific terms applicable to your cover and should be read together with the Policy Wording.

The Policy Wording and Policy Schedule form your legal contract with us so please keep them in a safe place for future reference. You should check the Policy Schedule, or renewal schedule if you are issued one, when you receive it to ensure it accurately states what you have insured.

## Duty of disclosure

### New business

#### What you must tell us

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

#### Who needs to tell us

It is important that you understand you are answering our questions in this way for yourself and anyone else who is an insured under this insurance.

#### If you do not tell us

If you do not answer our questions in this way, we may reduce or refuse to pay a claim, or cancel your insurance. If you answer our questions fraudulently, we may refuse to pay a claim and treat the insurance as never having worked.

### Renewals, variations, extensions and reinstatements

Once your insurance is entered into and is no longer new business then your duty to us changes. You are required before you renew, vary, extend or reinstate your insurance, to tell us everything you know and that a reasonable person in the circumstances could be expected to

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know, is a matter that is relevant to our decision whether to insure you, and anyone else to be insured under this insurance, and if so, on what terms.

You do not have to tell us about any matter:

- that diminishes the risk to be undertaken by us;
- that is of common knowledge;
- that we know or should know or, in the ordinary course of our business, we ought to know;
- as to which compliance with your duty is waived by us.

## **Non-disclosure**

If you fail to comply with your duty of disclosure, we may be entitled to reduce our liability under the insurance in respect of a claim or may cancel the insurance.

If your non-disclosure is fraudulent, we may also have the option of avoiding the insurance from its beginning.

## **You must disclose to us all previous claims**

You are asked at the time you take out this insurance to give us full and correct details concerning any:

- renewal or insurance policy declined, cancelled or refused, or where any excess was imposed;
- claim refused by an insurer;
- claim made;
- criminal conviction or finding of guilt for an offence,

in relation to you and your family because any of these may affect the premium and extent of insurance.

For example, we may be entitled to:

- charge you an additional premium;
- impose (back-dated) restrictions including declining your insurance back to when this information should have been provided;
- decline to insure your building, contents or valuables;
- refuse a claim.

When renewing your Policy with us you must also advise us of any changes to your:

- claims;
- insurance; or
- criminal history.

We will notify you in writing of the effect a change may have on your renewal.

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## Privacy

All companies in the QBE Group are committed to safeguarding your privacy and the confidentiality of your personal information. QBE collects only that personal information from or about you for the purpose of assessing your application for insurance and administering your insurance policy, including any claim made by you. QBE will only use and disclose your personal information for a purpose you would reasonably expect. We will request your consent for any other purpose.

Without this personal information we may not be able to issue insurance cover, administer your insurance or process your claim. Our aim is to always have accurate and up-to-date information. When you receive a Policy Schedule, Certificate of Insurance, Renewal or other document from us, you should contact us if the information is not correct.

QBE uses the services of a related company located in the Philippines to provide Call Centre sales and claims handling, accounting and administration services to QBE in Australia.

QBE or our authorised agent may collect or disclose your personal information from or to:

- any person authorised by you;
  - a mail house, records management company or technology services provider (for printing and/or delivery of mail and email, including secure storage and management of our records). These companies may be located or the records stored using 'Cloud' technology overseas, including in India, Ireland, USA or the Netherlands;
  - a financier whose name appears on your Policy Schedule (for the purpose of confirming the currency of your Policy or when you have a claim and the insured property is a total loss, to confirm if the financier has a current interest);
  - an organisation that provides you with banking facilities (for the purpose of arranging direct debit or other payment transactions or confirming payments made by you to us);
  - a financial services provider or our agent who is arranging your insurance (for the purpose of confirming your personal and insurance details);
  - another person named as a co-insured on your Policy (for the purpose of confirming if full disclosure has been made to us);
  - another insurer (to obtain confirmation of your no claim bonus or to assess insurance risks or to assist with an investigation);
  - our reinsurer that may be located overseas (for the purpose of seeking recovery from them);
  - a dispute resolution organisation such as the Financial Ombudsman Service (for the purpose of resolving disputes between QBE and you or between QBE and a third party);
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- a company to conduct surveys on our behalf for the purpose of improved customer services; and
- an insurance reference bureau (to record any claims you may make upon us).

In addition to the above, in the event of a claim, QBE or our authorised agent may disclose your personal information:

- to a repairer or supplier (for the purpose of repairing or replacing your insured items);
- to an investigator, assessor (for the purpose of investigating or assessing your claim);
- to a lawyer or recovery agent (for the purpose of defending an action by a third party against you or recovering our costs including your excess or seeking a legal opinion regarding the acceptance of a claim);
- to a witness to a claim (for the purpose of obtaining a witness statement);
- to another party to a claim (for the purpose of obtaining a statement from them or seeking recovery from them or to defend an action by a third party).

Personal information (about you) may also be obtained from the above people or organisations.

In addition we will:

- give you the opportunity to find out what personal information we hold about you and when necessary, correct any errors in this information. Generally we will do this without restriction or charge; and
- provide our dispute resolution procedures to you, should you wish to complain about how we handle your personal information.

To obtain further information about our Privacy Policy or to request access to or correct your personal information, please email:

[compliance.manager@qbe.com](mailto:compliance.manager@qbe.com). To make a complaint please email: [complaints@qbe.com](mailto:complaints@qbe.com).

## Significant risks

### Your sum insured may not be adequate

The Policy provides replacement or reinstatement conditions for home and contents which means that claims are settled without contribution for age, depreciation or wear and tear. It is important that the sums insured you select cover the cost of replacing your home and contents on a new for old basis. The sums insured that you select must make allowance for structural improvements (such as sheds, pergolas, and fencing), GST and any additional benefits that are included in the sum insured such as removal of debris. It is recommended that you use the free, sum insured calculator, available on our website to determine your building sum insured.

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It is important that you read the sub-limits in the Terms and Conditions for items such as works of art. If you have any of these items that will cost more than the sub-limit to replace, then you will need to nominate them to ensure that they are covered for more than the sub-limit.

For example, there is a sub-limit on works of art, pictures, tapestries and rugs of \$20,000 per item, and in total, 25% of the unspecified contents sum insured. If it would cost more than this to replace these items as new, you must specify them to ensure that you are covered for their full value.

## **This Policy is designed for Landlords**

This policy is not suitable for insuring owner occupiers. It is only suitable for holiday homes if they are casually let and you have selected and paid for the 'Casually Let Holiday Home Option' in Section 7. There are limitations to the coverage provided by this Policy if you do not tell us that you are an owner occupier or you use the home as a holiday home without selecting the casually let holiday home option.

## **The cost of this Policy**

The total premium is the amount we charge you for this Policy. It includes the amount we have calculated for the risk and the taxes and government charges applicable. The premium will be shown on the Policy Schedule.

When calculating the premium we take a number of factors into account. These factors and the degree to which they affect the premium will depend on the information you give us, and the level and type of cover you choose. The main factors that impact your premium include:

- where the home or contents are located,
- the sum insured, and
- your previous insurance and claims history.

Some rating factors do not affect all components of the premium calculation. For example, no claim bonus and loyalty discounts do not apply to the parts of the premium paid for liability or flood cover.

## **How to make a claim**

Full details of what you must do for us to consider your claim are provided in the 'Claims' section at the end of this booklet. To make a claim under this Policy please contact:

- your financial services.

We will only accept responsibility for repairs or payments to third parties under a claim where you have told us about them beforehand and we have accepted your claim. In an emergency outside normal business hours you may ring our emergency service on 1800 023387 for assistance.

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## Cooling-off information

If you want to return your Policy after your decision to buy it, you may cancel it and receive a full refund. This cooling off right does not apply if you have made or are entitled to make a claim. Even after the cooling off period ends, you still have cancellation rights. However, we may deduct certain amounts from any refund (refer to the Policy Wording under the section 'General conditions - Cancelling your Policy').

To cancel your Policy within the cooling off period you must submit your request to us within twenty one (21) days of the commencement of your Policy. You can send your request to:

- your financial services provider.

## The General Insurance Code of Practice

QBE Insurance (Australia) Limited is a signatory to the General Insurance Code of Practice.

The Code aims to:

- promote more informed relations between insurers and their customers;
- improve consumer confidence in the general insurance industry;
- provide better mechanisms for the resolution of complaints and disputes between insurers and their customers; and
- commit insurers and the professionals they rely upon to higher standards of customer service.

## Dispute resolution

We will do everything possible to provide a quality service to you. However, we recognise that occasionally there may be some aspect of our service or a decision we have made that you wish to query or draw to our attention. We have a complaints and dispute resolution procedure which undertakes to provide an answer to your complaint within fifteen (15) working days.

If you would like to make a complaint or access our internal dispute resolution service please contact your nearest QBE office and ask to speak to a dispute resolution specialist. If you are not happy with our answer, or we have taken more than fifteen (15) working days to respond, you may take your complaint to the Financial Ombudsman Service (FOS), an ASIC approved external dispute resolution body.

FOS resolves certain insurance disputes between consumers and insurers and will provide an independent review at no cost to you. QBE is bound by the determination of FOS but the determination is not binding on you.

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## Financial claims scheme

This Policy is a protected policy under the Financial Claims Scheme (FCS), which protects certain insureds and claimants in the event of an insurer becoming insolvent. In the unlikely event of QBE becoming insolvent you may be entitled to access the FCS, provided you meet the eligibility criteria.

More information may be obtained from APRA - [www.apra.gov.au](http://www.apra.gov.au) or 1300 55 88 49.

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## Policy Wording

This Policy is underwritten by QBE Insurance (Australia) Limited ABN 78 003 191 035, AFS Licence No. 239545 of 82 Pitt Street, Sydney NSW 2000.

## Our agreement with you

This Policy is a legal contract between you and us. You pay us the premium and we provide you with the cover you have chosen as set out in the Policy, occurring during the period of insurance shown on your Policy Schedule or any renewal period.

The limits of cover applying to the cover selected by you and the amount of any excess that applies to your Policy, is shown on your Policy Schedule.

## Your Policy

Your Policy consists of the Policy Wording in this booklet and the Policy Schedule we give you. Please keep them in a safe place for future reference.

Please check the Policy Schedule details to ensure it accurately states what you have insured. Be sure to check that the limits and sums insured are adequate.

The 'general exclusions' and 'general conditions' apply to all sections of this Policy.

## Paying your premium

### Annual premium

Paying your premium on time is important because it affects your insurance. If you are paying your premium annually in one payment, and you have not paid by the due date or your payment is dishonoured, this Policy will not operate and there will be no cover.

### Instalment payments

If you are paying your premium by instalments, we will specify on your Policy Schedule when we will deduct the first instalment. Thereafter, instalment payments will be debited on the date or frequency you have nominated. If you are paying your premium in instalments by direct debit from your credit card or financial institution account, you must tell us if these details change no later than seven (7) days before your next instalment is due. We will not pay a claim under this Policy if, at the time the claim occurred, any premium instalment has remained unpaid for one (1) month or more.

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If any instalment of premium has remained unpaid for one (1) month, we may cancel this Policy. However, we will send you a notice confirming the action we intend to take and when any cancellation will become effective.

### **At renewal**

If you have been paying your premium by instalment, we will continue to deduct instalments for your Renewal Policy on the same day of the month at the new premium level unless you tell us otherwise.

If any instalment of premium has remained unpaid for one (1) month, we will cancel this Policy. We will send you a reminder setting out our intention to take two (2) instalments on the next payment date. If payment is not received after this reminder, we will send you a notice telling you of the date the Policy will cease unless payment is received. We send a notice to confirm the Policy has been cancelled.

### **Adjustment of premium on renewal**

If a claim occurs in the previous period of insurance and you do not notify us until after the premium for the current period of insurance was calculated, then you must pay any additional premium that would have been calculated had you told us about the claim on the day that the claim occurred. This condition does not affect any other rights that we have, including the rights that we have under 'Your duty of disclosure'.

### **If your payment details change**

If the direct debit arrangements you use to pay by instalment changes, such as you are issued a new credit card or change your bank arrangements, you must tell us. You should do this at least seven (7) days in advance of your next payment date.

## **Words with special meaning**

Some key words and terms used in this Policy have a special meaning. If words and terms are only used in one (1) section of the Policy, we will describe their special meaning in that section.

Wherever the following words or terms are used in the Policy, they mean what is set out below:

Word or expression	Meaning
Bond money	any money paid by or on behalf of the tenant held as security against any damage to the home and/or contents, rent owed, re-letting costs or any other expenses. This Policy will operate and all claims will be paid on the basis that four (4) weeks' rent has been paid as bond money.

Word or expression	Meaning
Claim	each separate and distinct instance of loss or damage which is insured by this Policy.
Excess	the first amount of any claim, which is your responsibility to contribute. We deduct the excess shown in the Policy Schedule or PDS from the amount of your claim. When a sublimit is applicable, the excess will be applied to the claim prior to applying the sublimit.
Flood	<p>the covering of normally dry land by water that has escaped or been released from the normal confines of any of the following:</p> <ul style="list-style-type: none"><li>(a) a lake (whether or not it has been altered or modified);</li><li>(b) a river (whether or not it has been altered or modified);</li><li>(c) a creek (whether or not it has been altered or modified);</li><li>(d) another natural watercourse (whether or not it has been altered or modified);</li><li>(e) a reservoir;</li><li>(f) a canal;</li><li>(g) a dam.</li></ul>
Lease agreement	the written and enforceable agreement between you and your tenant to rent your home and which is subject to and compliant with the <i>Residential Tenancies Act</i> or similar in your State or Territory, whether the agreement is for a fixed term, periodical or a tenancy at will immediately following a lease agreement.
Malicious damage by tenants, tenant's visitors or family	<p>a wrongful act by a tenant, tenant's visitors or family motivated by malice, vindictiveness or spite with the intention of damaging the property.</p> <p>This does not include;</p> <ul style="list-style-type: none"><li>• damage occurring during or as a result of any maintenance, repairs or attempted repairs carried out by the tenant or anyone acting on their behalf,</li><li>• damage caused by the failure of your tenant to control their children,</li><li>• damage caused by pets belonging to your tenant,</li></ul>

Word or expression	Meaning
	<ul style="list-style-type: none"> <li>• accidental damage or accidental loss or any scratching, denting, chipping, rubbing or chaffing,</li> <li>• any neglect, carelessness, poor housekeeping or unhygienic living habits.</li> </ul>
Occupied	<p>the home is furnished such that it is comfortably habitable and you, your family or someone with your consent has resided in the home overnight.</p> <p>To be occupied the home must:</p> <ul style="list-style-type: none"> <li>• contain at least one (1) usable bed/mattress,</li> <li>• contain at least one (1) dining table or bench, a chair and some other furniture,</li> <li>• contain a functioning refrigerator,</li> <li>• be connected to the electricity, and</li> <li>• be connected to hot and cold running water.</li> </ul>
Period of insurance	the period shown in the current Policy Schedule.
Policy Schedule	the document we give you which sets out the details of your cover which are personal to you. It forms parts of the Policy. It shows the cover and any options that you have selected. When your Policy is changed or renewed, we will give you a new Policy Schedule. The information on your Policy Schedule can modify the terms set out in this Policy.
Purposeful damage by tenants, tenant's visitors or family	<p>an act done by tenants, tenant's visitors or family without the owner's permission and with the full knowledge that the action will alter the current state of the property, but done without any malice, vindictiveness or spite.</p> <p>This does not include;</p> <ul style="list-style-type: none"> <li>• tenant neglect, carelessness, poor housekeeping, or unhygienic living habits,</li> <li>• damage occurring during or as a result of any maintenance, repairs or attempted repairs carried out by the tenant or anyone acting on their behalf,</li> <li>• damage caused by failure of tenants or their visitors to control their children,</li> </ul>



Word or expression	Meaning
	<ul style="list-style-type: none"> <li>• damage caused by pets belonging to tenants, their visitors or children of the tenants or their visitors,</li> <li>• theft, or damage caused by theft,</li> <li>• accidental damage or accidental loss or any scratching, denting, chipping, rubbing or chaffing.</li> </ul>
Rent	the amount of money payable under the lease agreement to rent your home at the time of any claim.
Site	the address shown on your Policy Schedule where your home is located or your contents are kept.
Tenant	the person or persons renting the home named in the current lease agreement and any partner, children, pets or other persons permanently living at the site.
We, our, us	QBE Insurance (Australia) Limited, ABN 78 003 191 035 AFSL 239545.
You, your	the person(s), companies or firms named on the current Policy Schedule as the 'Insured'.
Your family	any member of your family who lives permanently with you, including your partner.

## Section 1: What 'Home' and 'Contents' mean

### Home

Your Policy Schedule indicates whether your home is insured and the sum insured.

### What 'Home' means

Your 'Home' is the dwelling used entirely or primarily as a place of residence at the site shown on the Policy Schedule.

'Home' includes the following:

- (a) outbuildings, fixtures and structural improvements including in-ground swimming pools, tennis courts, in-ground spas, saunas,

- a fixed solar photovoltaic or hot water system, jetties and pontoons all of which are used for domestic purposes,
- (b) fixed light fittings, fixed wall coverings, fixed ceiling coverings and fixed floor coverings,
- (c) services (whether underground or not) that are your property or which you are liable to repair or replace or pay the cost of their repair or replacement,
- (d) landscaping, paved pathways and paved driveways, retaining walls, fences and gates entirely or partly on the site.

## What 'Home' does not mean

'Home' does not include:

- (a) carpets (whether fixed or not), curtains or internal blinds unless you regularly lease out the home on an unfurnished basis,
- (b) earth or gravel pathways or driveways or other unpaved surfaces,
- (c)
  - a hotel, motel, nursing home or boarding house
  - buildings of flats or caravan (whether fixed to the site or not), unless this is expressly endorsed on your Policy Schedule
  - strata title, company title or community units with respect to insuring the building, however we will insure contents contained within these units
- (d) any building used for any business or trade, except a dwelling used principally as a place of residence that also contains an office or surgery,
- (e) a building in the course of construction,
- (f) a building in the course of being demolished or that is vacant pending demolition,
- (g) a temporary building or structure,
- (h) trees, shrubs and any other plant life including grass or lawns, or soil, sand, gravel, bark or mulch.

## Contents

Your Policy Schedule indicates whether your contents are insured and the sums insured.

The total contents sum insured consists of:

- a sum insured for unspecified contents, and
- a sum insured for specified contents.

Specified contents are items of particular value that you have individually listed as specified items and that are listed on the Policy Schedule under 'Contents - Specified Items'.

## What 'Contents' means

'Contents' means, items (a) to (d) below, while they are at the site, and which belong to you or your family or for whose loss or damage you or your family are legally liable.

Contents are:

- (a) household goods (including carpets whether fixed or not),
- (b) articles of special value which you have listed on the Policy Schedule under 'Contents - Specified Items',
- (c) if you own a unit in a strata title building, the internal paintwork, wallpaper and any fixture or structural improvement within or attached to that residence which you own that the Body Corporate is not required by law to insure,
- (d) garden equipment if it does not require registration.

## What 'Contents' does not mean

'Contents' does not include:

- (a) fish, birds or animals of any description,
- (b) trees, shrubs and any other plant life including grass or lawns, or soil, bark or mulch (other than pot plants),
- (c) any caravan or trailer,
- (d) cash, any negotiable instruments,
- (e) clothing, personal effects, jewellery, furs, watches, any gold or silver objects, computers of any type or any equipment, software or consumables associated with a computer, photographic or video equipment or associated consumables of any kind, musical instruments, sporting goods or equipment, stamps, coins, medals or documents of any kind, any portable electrical appliance or electrical equipment including but not limited to MP3 or MP4 players or portable electronic games devices or any similar devices,
- (f) bicycles, motor vehicles of any kind other than garden equipment only as in point (d) of 'What 'Contents' means' (including but not limited to any motor cycles, motor scooters, caravans or trailers), watercraft or aircraft or the accessories or spare parts of any of bicycles, motor craft, watercraft or aircraft,
- (g) any property belonging to a tenant, tenant's family or tenant's guest or any property owned by you but not intended for the use of any tenant,
- (h) any property:
  - illegally in your possession,
  - stored in a dangerous and illegal way, or
  - any equipment connected with growing or creating any illegal substance,
- (i) any tools of trade or any commercial or retail trade stock,
- (j) your home or any part of your home.

## Section 2: Cover for your Home & Contents - Accidental Damage

### What you are insured against, and what you are not

You are insured against malicious damage, accidental loss or damage (including the 'Specified events' listed below and including accidental, purposeful or malicious damage or theft caused by tenants, tenant's family or tenant's visitors) to your home, contents or both at the site during the period of insurance.

#### Specified events

'Specified events' means loss or damage directly caused by the following events (a) to (r):

- (a) fire,
  - (b) lightning,
  - (c) thunderbolt,
  - (d) explosion,
  - (e) implosion,
  - (f) earthquake or tsunami  
tsunami means a sea wave caused by a disturbance of the ocean floor or by seismic movement,
  - (g) subterranean fire,
  - (h) volcanic eruption,
  - (i) impact ('impact' means a collision of two or more objects),
  - (j) aircraft and/or other aerial devices and/or articles dropped from them,
  - (k) sonic boom,
  - (l) theft (including attempted theft),
  - (m) accidental breakage of fixed glass, shower bases, basins, sinks, baths or toilets,
  - (n) the acts of persons taking part in riots or civil commotion or of strikes or of locked-out workers or of persons taking part in labour disturbances which do not assume the proportions of or amount to an uprising,
  - (o) falling objects,
  - (p) water and/or other liquids and/or substances discharged and/or overflowing and/or leaking from any apparatus and/or appliance and/or pipes,
  - (q) storm, tempest, rainwater, flood, wind, hail, tornado, cyclone or hurricane, freeze or weight of snow,
  - (r) power surge.
-

You are not covered for any accidental loss or damage caused by:

- tenants,
- tenant’s visitors, or
- tenant’s family or pets,

scratching, denting, chipping rubbing or scuffing any surface.

You are not covered for:

- tenant neglect, carelessness, poor housekeeping, or unhygienic living habits,
- damage occurring during or as a result of any maintenance, repairs or attempted repairs carried out by the tenant or anyone acting on their behalf,
- damage caused by failure of tenants or their visitors to control their children,
- damage caused by pets belonging to tenants, their visitors or children.

Whether you have selected cover for your home, contents or both is shown on your Policy Schedule.

There are some limits and exclusions described under ‘How much we will pay’ and ‘When you are not covered’, which you must read.

In addition, you are insured for loss or damage to your home, contents or both at the site, caused directly by the event set out in the left column of the following table (except to the extent indicated in the right column of the table).

You are insured against	But not
(a) Fusion of an electric motor: Fusion is the process of fusing or melting together of the windings of an electric motor following damage to their insulating material as a result of overheating caused by an electric current. We will pay the cost of rewinding the motor, or at our option, replacing it. For refrigerators and air conditioning units, we pay for the replacement of refrigerant gas and	Motors more than fifteen (15) years from the date of purchase when new or more than fifteen (15) years from the date or rewinding.  The cost of repair or replacement of additional parts or service items, including worn or broken bearings or switches.  Leakage of refrigerant gas and maintenance of refrigerant driers.  Lighting elements (for example, light bulbs or fluorescent tubes) or heating elements, solenoids, fuses or protective devices (for example a fuse or circuit breaker).

You are insured against	But not
<p>refrigerant driers, only if replacement of the refrigerant gas or drier is made necessary because of the fusion.</p>	<p>Electrical contact points where sparking or arcing occurs during ordinary use.</p> <p>The cost of retrieving, removing or replacing the pump section of pool or pressure pumps or the cost of retrieving submersible pumps or their driving motors.</p> <p>Electronic controllers or other electronics.</p>
<p>(b) Erosion, subsidence, land slide or earth movement but only if it is directly as a result of one (1) of the following specified events;</p> <ul style="list-style-type: none"> <li>• (d) explosion,</li> <li>• ( f ) earthquake or tsunami,</li> <li>• (p)water and/or other liquid discharged,</li> <li>• (q) storm, tempest, rainwater, flood,</li> </ul> <p>and it occurs no more than seventy two (72) hours after the insured event.</p>	<p>Any other erosion subsidence, landslide or earth movement</p>

## How we will pay

### Home

- (a) At our option we:
- repair the home, or
  - replace the home to a condition substantially the same as, but not better than when new, or
  - pay the reasonable cost of its repair or replacement to a condition substantially the same as when new, or
  - pay up to the sum insured shown on your Policy Schedule.

Claims will be reduced by the balance of any bond money that you can legally use to reduce or pay for any loss or damage after you have deducted any other expenses that you are legally entitled to deduct from the bond money such as clean up costs, rent owing or re-letting expenses.

If your home is damaged beyond economic repair, we will pay no more than the reasonable cost of replacement when new even if you have insured for an amount greater than the reasonable cost of replacement when new. When we pay your claim for your home being damaged beyond economic repair, the Policy is exhausted and comes to an end.

### **Special benefit – Home sum insured safeguard**

If we agree that the cost to repair or replace your home is greater than your home sum insured, then we will pay up to 30% more than your home sum insured to, at our option:

- repair the home, or
- replace the home to a condition substantially the same as, but not better than when new, or
- pay the reasonable cost of its repair or replacement to a condition substantially the same as when new.

This special benefit applies only if:

- (A) this Policy insures your home, and
- (B) your home is so damaged by an event that is insured by this Policy that it is considered by us to be a total loss, and
- (C) the cost to repair or replace your home is greater than your home sum insured because either,
  - (i) the increased cost of repairing damage to your home was caused directly by a 'Catastrophic event', or
  - (ii) you correctly used the QBE Home Building Sum Insured Calculator (QBE Calculator) on the QBE website located at [www.qbe.com.au/isc](http://www.qbe.com.au/isc) to calculate your home sum insured and the QBE Calculator estimated an inadequate sum insured for your home, provided;
    - that you can demonstrate that you correctly used the QBE Calculator to determine your home sum insured, and
    - your home is substantially the same as when you used the QBE Calculator (for example, you have not added to nor extended your home), and
    - you have not reduced any sum insured that we have offered on any renewal invitation since you used the QBE Calculator.

'Catastrophic event' means a suddenly occurring, major, natural disaster that is insured by this Policy, where the resultant damage to property in the vicinity of your home and generally

is so extensive and widespread that the resultant surge in demand for the materials and labour required to repair buildings causes a surge in the prices of building repairs.

This special benefit only relates to the home. It does not apply to any other insured property, Policy section 'Additional benefit' or other Policy feature.

- (b) You may choose to have the home replaced at another site, but we do not pay more than the sum insured.
- (c) If your home is damaged beyond economic repair and you do not commence rebuilding within 6 months of the damage occurring, (or any other period which we agree with you in writing) you may have to pay any increase in cost caused by your delay.
- (d) If part of your home is damaged and we agree to pay your claim, we pay only for the part or parts of the home that actually sustained damage. We do not pay to replace any undamaged materials.

However, if:

- it is impossible to acquire new material to replace the damaged material that reasonably matches the undamaged portion to a similar extent as immediately prior to the damage occurring, and
- the amount of damaged material that cannot be matched to the undamaged material is more than 40% of the total material that would have to be replaced if all the matching damaged and undamaged material was replaced,

then we will replace both the damaged and undamaged material.

### **Example 1**

There are 300 matching white, wall tiles in the bathroom. As a result of a burst pipe, eight (8) bathroom wall tiles are damaged. We would pay only the reasonable cost to repair or replace the eight (8) damaged tiles to a condition substantially the same as when new.

(In addition, we would pay for damage sustained in locating the leak (Additional benefit 12).

### **Example 2**

There are 300 superseded, matching, wall tiles in the bathroom. As a result of a burst pipe, 140 wall tiles are damaged. It is impossible to locate tiles that reasonably match the remaining 160 tiles. Over 40% of the matching wall tiles have been damaged. Therefore, we would pay the reasonable cost to repair or replace all 300 tiles (140 damaged and 160 undamaged) to a condition substantially the same as when new. We would be entitled to keep the 160 undamaged wall tiles by way of salvage. We would not pay to replace any tiles located in a room other than where the loss or damage occurred.



- (e) Where materials that are required to settle a claim that we agree to pay are not commercially available in Australia, at our option, we:
- replace the materials with the nearest equivalent or similar new materials available in Australia or overseas, or
  - pay the cost to replace the materials with the nearest equivalent or similar new materials available in Australia or overseas.

## Contents

- (a) At our option we:
- repair the damaged items, or
  - replace the items with items substantially the same as, but not better than, when new, or
  - pay the reasonable cost of repair or reinstatement to a condition substantially the same as, but not better than, when new, or
  - pay up to the sum insured shown on your Policy Schedule.

Claims will be reduced by the balance of any bond money that you can legally use to reduce or pay for any loss or damage after you have deducted any other expenses that you are legally entitled to deduct from the bond money such as clean up costs, rent owing or re-letting expenses.

If your contents are damaged beyond economic repair, we will pay no more than the reasonable cost of replacement when new even if you have insured for an amount greater than the reasonable cost of replacement when new. When we pay your claim for all your contents being damaged beyond economic repair, the Policy is exhausted and comes to an end. We will not pay more than the total contents sum insured for all contents lost or damaged.

- (b) If we agree to pay a claim where software is lost, damaged or destroyed, we pay the cost to replace it with the nearest equivalent new software. We do not pay for any software that was acquired by you at no cost.
- (c) Where an item required to settle a claim that we agree to pay is not commercially available in Australia, at our option, we:
- replace the item with the nearest equivalent or similar new item available in Australia or overseas, or
  - pay the cost to replace the item with the nearest equivalent or similar new item available in Australia or overseas.
- (d) The maximum we pay on the following contents items is shown in the table below. You may obtain higher limit for (a), by having these items specified on your Policy Schedule. We will pay up to the amount specified for each item.

Contents where a maximum limit applies	Maximum Limit
(a) Works of art, pictures, tapestries, rugs	\$20,000 per item and in total 25% of the sum insured for unspecified contents

**Note:**

If we choose to pay to replace a specified item, we will pay no more than the amount that it would cost us to replace the item with an item substantially the same as, but not better than when new, even if you have specified the item for a higher amount, whether or not you have supplied a valuation. We have negotiated special arrangements with various suppliers to purchase items for less than retail cost. Premiums are therefore based upon us replacing items at less than retail cost.

**Antiques**

Where we pay a claim for an antique item, and the market value of the item exceeds the cost of its replacement with a new item because of its antiquity and rarity, we will treat the market value as though it is the cost to replace the lost or damaged antique with a new item.

**For example:**

An antique created in 1880 is stolen and we agree to pay the claim. The antique has current valuation for \$11,000. To replace the item with the closest, similar new item would cost \$2,100. At the time of the loss, our inquiries indicate that to replace that antique item at market value would be approximately \$11,000 but there is no equivalent item currently for sale in Australia or overseas. The market value of the item is higher than the new replacement cost due to the item's antiquity and rarity. In this instance, we would pay you \$11,000 for the item rather than \$2,100. The sum we pay you would be subject to any applicable excess.

- (e) Floor and wall coverings, blinds and curtains  
For wall coverings, and carpets and other floor coverings, curtains and internal blinds, we pay only for items in the room, hall or passage, where the damage occurred.
- (f) Pairs and Sets  
A 'pair or set' means two (2) or more articles the collective value of which exceeds the sum of their individual values.  
If any item lost or damaged is part of a pair or set, we pay no more than the actual value of the item. We do not give any allowance for any special value it may have as forming part of a pair or set, or for any reduction in value of the remaining part or parts.

## Section 3: Cover for your legal liability

### What you are covered against

#### If this Policy covers your home

If this Policy covers your home or, if the home is a strata titled residence and your contents are insured under this Policy, we insure you and any member of your family against any claim for compensation or expenses which you or the member of your family become legally liable to pay for:

- (a) the death of, or bodily injury to, any person,
- (b) the loss of, or damage to, property,

resulting from an occurrence during the period of insurance, arising out of the ownership of the home or occupancy of the home.

In this section we include land, trees, shrubs and other plant life on the site as part of your home.

#### If this Policy covers your contents

If this Policy covers your contents and, the home is your primary residence, we insure you and any member of your family against any claim for compensation or expenses which you or the member of your family become legally liable to pay for:

- (a) the death of, or bodily injury to, any person,
- (b) the loss of, or damage to, property,

resulting from an occurrence during the period of insurance, anywhere in the World that is not related to the ownership of your home.

An 'occurrence' includes continuous or repeated exposure to substantially the same general conditions. We regard all death, bodily injury or loss or damage to property arising from one (1) original source or cause as one (1) occurrence.

#### Liability cover for the site continues following a home total loss

If your home is a total loss as the result of an insured event and your Policy comes to an end, we will continue to provide you with this liability cover in relation to the site that your home formerly occupied until the earliest of;

- any construction commencing at the site,
  - the sale of the site or any part of it,
  - another policy that includes liability cover being taken out in relation to the site,
-

- the commencement of construction of a home to replace the insured home at another site, or
- six (6) months from the date of the damage that caused the total loss.

## What you are not covered against - Legal liability

### When we do not insure you or your family

#### We do not insure you or your family:

- against any liability caused by or arising directly or indirectly, out of or in connection with the actual or alleged use or presence of asbestos,
- against fines, penalties, or punitive, aggravated, multiple or exemplary damages.

#### We do not insure you or your family against liabilities arising from:

- any agreement, unless liability would have attached to you or your family if that agreement did not exist,
  - death of or bodily injury to you or to any person who normally lives with you.  
In this exclusion we consider that a person normally lives with you, if that person:
    - has lived with you in your home as their primary residence for sixty (60) days or more out of any ninety (90) consecutive day period (irrespective of the commencement date of the Policy) during which there is an occurrence, or
    - has lived with you in your home and intends or intended to use your home as their primary residence for sixty (60) days or more out of any ninety (90) consecutive day period (irrespective of the commencement date of the Policy) during which there is an occurrence.
  - death of or bodily injury to anyone employed by you or by someone who lives with you if the death or injury arises out of their employment,
  - damage to property belonging to you or any person who normally lives with you or to your or their employees,
  - any workers' compensation legislation, industrial award or agreement, or statutory accident compensation scheme,
  - the ownership, custody, or use of any lift (other than a lift that exclusively services your home, provided that your home is freestanding and solely occupied by you and your family), aerial device or aircraft (except model aircraft or toy kites), aircraft landing area, boat exceeding four (4) metres in length (except canoes, surfboards, surf skis or sailboards) or motorised watercraft in excess of ten (10) horsepower,
  - the conduct of any activity carried on by you or your family for reward except for letting the home for domestic purposes or babysitting on a casual basis.
-

Babysitting cannot be considered to be on a casual basis where:

- the babysitting is not of a casual nature,
  - any licence or other permission is required by any government body or public authority in order to legally conduct the babysitting,
  - the income derived from babysitting is the primary or only source of the household's income,
  - there is a registered business associated with the babysitting,
- (h) vibration or the weakening of, removal of or interference with support to land, buildings or other property,
- (i) building work, construction or demolition of a building, including the home if the value of the work exceeds \$100,000,
- (j) death or bodily injury to any person arising out of pregnancy or the transmission of any communicable disease by you or your family,
- (k) the ownership of land, buildings or structures other than the home insured by this Policy,
- (l) loss, damage or injury intentionally caused by you or a member of your family or a person acting with your consent or the consent of any member of your family,
- (m) the lawful seizure, confiscation, nationalisation or requisition of the property insured,
- (n) destruction of or damage to property by any government or public or local authority,
- (o) the ownership or use of any motor vehicle, other than garden equipment that does not require registration, at the site,
- (p) any act or omission that is knowingly illegal, dishonest, fraudulent, wilful, malicious or done with reckless disregard for their consequences by you, your family or a person acting with the consent of you or your family.

## What we will pay

- (a) We pay up to \$30,000,000 for any one (1) occurrence.
- (b) We do not pay more than this amount in total under all Policies we have issued to you which cover the same liability.
- (c) In addition to this amount, we pay legal costs for which we have provided prior written approval.

## Section 4: Additional benefits

We give you the following additional benefits. For any additional benefits to be payable, you must suffer or incur the relevant loss, liability or damage during the period of insurance.

**We pay additional benefits 1 to 7 as part of the sums insured for home or contents, depending on the type of cover you have chosen:**

### 1. Fees

If this Policy insures your home, and

- it is damaged as a result of an event insured under this Policy, and
- we agree to pay a claim,

we pay any reasonable fees which we have approved and which are incurred directly in relation to repair or replacement of your home.

### 2. Removal of debris

If this Policy insures your home, and:

- it is damaged as a result of an event insured under this Policy, and
- we agree to pay a claim,

we pay the reasonable costs of demolition and removal of debris from the site to the nearest authorised facility.

If the damage for which we agree to pay a claim is caused by a fallen tree, which as a result becomes debris, we will remove the tree from the site. We will remove a standing tree or branch that formed part of the tree that caused the insured damage only if:

- we agree that the remaining tree or branch is unsafe,
- the remaining tree or branch only became unsafe as a direct result of the event covered under this Policy causing damage to the tree, and
- all necessary approvals have been obtained and removal of the tree or branch would not result in a breach of any laws, by-laws, regulations or contractual obligations.

We will remove a stump that formed part of the tree that caused the insured damage only if:

- all necessary approvals have been obtained and removal of the stump would not result in a breach of any laws, by-laws, regulations or contractual obligations, and
  - not removing the stump would interfere with repairing or replacing the damaged part of the home required to settle your claim.
-

If this Policy insures your contents, and:

- they are damaged as a result of an event insured under this Policy, and
- we agree to pay a claim,

we pay the reasonable costs of removal of contents debris from the site to the nearest authorised facility.

### **Extra costs of reinstatement**

If this Policy insures your home, and it is damaged as a result of an event insured under this Policy, and we agree to pay a claim, we pay the extra costs necessary to meet the requirements of any statutory authority in connection with rebuilding or repairing your home at the site.

If only part of your home is damaged, we pay only the extra costs you incur in repairing that part.

We do not pay any extra costs which resulted from any notice which a statutory authority served on you before your home suffered loss or damage.

## **4. Replacement of locks and keys**

We pay up to \$3,000 to replace or alter locks and/or keys, if locks to your home are damaged or keys to your home are burgled by someone other than the tenant or their family breaking into the home.

## **5. Change of site**

If this Policy insures your contents and you are moving into a new home within Australia, we insure your contents at both sites for a maximum of thirty (30) days. The maximum we pay at each site will be the proportion of the sum insured that the value of the contents at that site bears to the total value of the contents at both sites.

You must tell us of your new address within thirty (30) days of first moving to it. If you wish to insure your contents at your new address after that thirty (30) days we must agree to insure them at that address.

You must pay us any additional premium we ask for and comply with any conditions we impose.

## **6. Trees, shrubs and plants**

We pay up to \$750 for loss or damage to any one (1) tree, shrub or plant up to \$3,000 in total in any one (1) period of insurance caused directly by a specified event other than (q) storm or flood, or any other events connected to the weather or any event that is not sudden and unforeseen. We do not insure grass or lawn. We only repair or replace

trees, plants or shrubs that as a direct result of the insured event, are so damaged that they die, are permanently disfigured or not recovered after being stolen.

## 7. Building materials

If this Policy insures your home we will pay up to \$5,000 in any one (1) period of insurance if your unfixed building materials are lost or damaged at the site due to an event covered by this Policy. Cover only applies to building materials intended to be used for repairs, alterations or additions to your home at the site. (We do not insure soil, sand, gravel, bark or mulch or any similar materials.) We do not cover any gas or electrical appliances unless they are in a locked and fully enclosed building where those items are not visible from the outside of the building.

**We pay Additional benefits 8 to 13 over and above your sum insured for home or contents, depending on the type of cover you have chosen.**

## 8. Loss of rent

If the home is so damaged by an event for which we agree to pay a claim that it cannot be let to tenants, we pay up to:

- \$25,000, or
- 20% of the sum insured for your home,
- 20% of the sum insured for your contents,

whichever is the highest, for loss of rent or rentable value if the home is tenanted or is between tenants at the time the loss or damage accrued.

### Forced evacuation by government authority

If this Policy insures the home that you let to tenants, and if your home cannot be lived in because a government authority prohibits you from using it, we pay any resultant rent lost. We pay up to a maximum of 20% of the sum insured for your home for loss of rent or rentable value if the home is tenanted or is between tenants at the time the loss or damage occurred.

The prohibition must be as a direct result of damage to neighbouring premises that would be classed as insured damage under this Policy. We do not cover loss due to cancellation of a lease or agreement including if a tenant decides to leave without giving proper notice.

Under this Additional benefit 8, we do not pay for:

- loss of rent if the home has been untenanted for 100 consecutive days immediately before the loss,



- any rent lost outside the period of untenability, except for up to an additional two (2) weeks to re-let the home from the time the home is able to be lived in again
- any rent lost later than twenty four (24) months after the damage occurs.

## 9. Automatic reinstatement of sum insured

This benefit applies to the sums insured for home and unspecified contents as shown on your Policy Schedule.

Following payment of a claim other than a claim for total loss the sums insured will be reinstated, unless:

- you request otherwise, or
- we tell you otherwise.

## 10. Inflation adjustment

This benefit only applies to your home and contents sums insured as shown on the Policy Schedule.

During each period of insurance we increase the home and contents sums insured by 0.5 of 1% of the relevant sum insured shown on your current Policy Schedule per month until the next renewal date.

## 11. Legal costs

If this Policy insures your home, we pay the reasonable legal costs incurred in discharging your mortgage following settlement of a claim for total loss.

## 12. Location costs - escaping liquid

If this Policy insures your home and we pay for damage caused by liquid escaping from any fixed basin, shower base, or other fixed apparatus, fixed tanks, or fixed pipes used to hold or carry liquid, we will also pay the reasonable costs of locating the cause of the damage, and of reinstating the property damaged or disturbed in the course of work.

We do not pay for repair or replacement of the apparatus, tank or pipe itself.

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## 13. Environmental upgrade benefit

### Applicable only when this policy insures your home

If we agree that your home is a total loss as the result of an insured event, and we have agreed to rebuild your home, we will pay up to a maximum of \$5,000 of the cost to you, after the deduction of any rebate to which you are entitled under any government or council scheme to install any of the following:

- rain water tank,
- solar power system (solar hot water heating system or photo-voltaic electricity system),
- hot water heat exchange system,
- grey water recycling system.

A rain water tank includes the tank and necessary pump, wiring, foundations, stand, pipes and installation costs.

A solar power system includes any photo-voltaic or solar panels and necessary water tank, pump, wiring, supporting framework, inverter, electricity meter, ducting, pipes and installation costs.

A hot water heat exchange system includes the heat exchange system and necessary wiring, stand, pipes and installation costs.

A grey water recycling system includes the recycling system, wiring, pipes and installation costs.

### Applicable only when this Policy insures your contents

If we agree to pay a claim for one (1) of the following items:

- refrigerator,
- freezer,
- washing machines (but not clothes dryers),
- dishwashers,

and it is beyond economic repair, and it had an energy star rating of less than three (3) stars, then we will replace the item with an equivalent item that has an energy rating of at least three (3) stars.

If we agree to pay a claim for a clothes dryer and it is beyond economic repair, and it had an energy star rating of less than two (2) stars, then we will replace the item with an equivalent item that has an energy rating of at least two (2) stars.

## Section 5: Rent default by tenant option

### Rent default by tenant option for additional premium

The rent default option may be obtained on application, and for an additional premium.

If you have selected and paid for this rent default option it will be shown on your Policy Schedule.

#### What you are insured against

##### (A) Rent default

Rent default means your tenant fails to pay rent in accordance with the lease agreement.

We will pay your rent lost by reason of rent default if your tenant:

- absconds from your home before the end of the tenancy period stated in the lease agreement and does not give you or your agent notice, or
- ceases to pay rent owed to you or your agent, or
- is legally evicted from your home.

##### (B) Death, murder or suicide at the site

We will pay your rent lost because your home could not be lived in as a result of:

- death of the tenant, or
- suicide, murder or attempted murder,

at the site.

##### (C) Failure of a tenant to give vacant possession

We will pay your rent lost where your tenant refuses to pay rent and also refuses to vacate the home after an order for eviction or possession has been served on them by a legal authority such as a bailiff, court or tribunal.

##### (D) Release from lease obligation due to hardship

We will pay your rent lost because a court or tribunal has released your tenant from their obligation to pay rent due to hardship.

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## What we will pay

For all events A. to D., we will pay the actual weekly amount for which your home is rented in accordance with the lease agreement. The maximum amount that we will pay for event A. or B. is \$1,200 per week up to a maximum of the lesser of:

- a total of \$15,000, or
- fifteen (15) weeks' rent.

For example, if the rent lost is \$1,500 per week over 16 weeks, we will pay no more than \$15,000 (15 weeks x \$1,200 = \$18,000 so the \$15,000 limit applies). If the rent lost is \$250 per week, we will pay no more than 15 weeks rent (total lost rent of \$3,750).

For event A., where there is a periodic tenancy, or a tenancy at will we will only pay the actual rent lost in accordance with the lease agreement. We do not pay any amount for any period where there was no liability to pay rent under the lease agreement by the tenant or ex-tenant.

We will not pay for any rent lost;

- once your home is re-tenanted, or
- for more than two (2) weeks after the tenant vacates the home following a Notice to Leave being served on the tenant, if the home is in a fit state to be lived in by a tenant.

For event C., the maximum amount that we will pay is \$1,200 per week up to a maximum of the lesser of:

- a total of \$28,000, or
- twenty eight (28) weeks rent.

For event D., the maximum amount that we will pay is \$1,200 per week up to a maximum of the lesser of:

- a total of \$6,000, or
- six (6) weeks rent.

We do not pay for any bond money that the court or tribunal awards to the tenant on the grounds of hardship.

If more than one (1) event A. to D. occurs, we will pay for only one (1) event. We will pay the event that pays the highest amount.

## Legal costs we pay when you make a claim for rent default

We will also pay legal costs you incur:

- to legally evict tenants, or
  - to recover amounts owed to you by your tenants, or
  - to otherwise mitigate a loss under this Rent default option.
-

We will not pay legal costs to recover any amount owed to you solely for the payment or recovery of any excess applicable to any claim under this Policy.

The most we will pay for your legal costs is \$6,000. We will only pay your legal costs if they are incurred with our prior written consent.

### **Other conditions applicable to rent default**

We will only pay when you and your tenant have a valid lease agreement. We will only pay for rent default if the tenant breaches the lease agreement.

We will not pay you for any Rent default events A. to D., if the rent is in arrears on or before the commencement of the period of insurance or when you select this Rent Default option. Cover for this rent default option will not commence until any rent arrears have been paid in full, and the tenant has paid rent in accordance with the lease agreement for a period of not less than four (4) consecutive weeks.

Any claim for a rent default event A. to D. and/or associated legal costs will be reduced by the balance of any bond money that you can legally use to reduce or pay for any loss or damage after you have deducted any other expenses that you are legally entitled to deduct from the bond money such as clean up costs, rent owing or re-letting expenses.

If a Tribunal orders the refund of the bond money to the tenant, on the grounds of hardship, an excess equal to four (4) weeks rent will apply to your claim.

We will only pay a claim when you have taken all reasonable steps legally available to you under the *Residential Tenancies Act* or similar legislation or any other legal avenue available to you to mitigate any loss and evict the tenant.

We will not pay any lost rent if you have failed to rectify a Notice of Remedy breach, issued by the tenant to you or your agent.

### **Special benefit - Extended rent protection**

We pay 50% of the weekly rent lost commencing from forty five (45) days after the time that you obtain vacant possession immediately following one (1) of the following events;

- an accepted claim under Additional benefit 8 - Loss of rent,
- an accepted claim under the Rent default by tenants option, or
- unauthorised occupation of the home by a person or persons unknown to you.

Any period where the home is not:

- managed for rental by a licensed real estate agent, and
  - is not advertised to be let at no more than the rent recommended by that licensed real estate agent,
-

is added to the above forty five (45) day waiting period.

It is a condition precedent to payment under this benefit that you;

- take all reasonable steps to undertake any repairs, maintenance and upkeep to ensure that the home is suitable to be re-let as soon as possible,
- make all reasonable endeavours to find a tenant and obtain a signed lease agreement,
- accept any reasonable offer of tenancy,
- set the rent at no more than the current market rental value appropriate for the property and in any case no more than the rent recommended by your licensed real estate agent.

The rent set must take into account any reduction in marketability due to any reduction of service, wear and tear or deterioration of market conditions compared with the previous rental value. The advertised rent must be reviewed monthly to assess whether the market rental has reduced and rental income would be maximised if the advertised rent was reduced.

Under this extended rent protection section, we do not pay;

- any rent lost in the first forty five (45) days after vacant possession is obtained (or any time added to the waiting period),
- any rent lost once the home is rented out on a new lease agreement,
- any rent lost during any period when the home is not managed by a licensed real estate agent,
- for any period in excess of twenty five (25) weeks,
- for any period when the property:
  - is not made available for and advertised for re-letting, once vacant possession is obtained,
  - is advertised for sale,
- any interest on rent or consequential losses such as mortgage interest payments,
- any rent lost on any property that has never been subject to a lease agreement,
- more than the lowest of:
  - \$500 per week,
  - \$7,500 any period of insurance,
  - 50% of the weekly rent lost immediately prior to the event per week.

Example 1. The rent was \$550 per week. The home is unsuccessfully advertised for lease for thirty (30) weeks (210 days) before it is re-let. No rent is paid by us for the initial forty five (45) day waiting period.

We pay up to the lowest of;

- 165 days (23.57 weeks) of lost rent @ 50% of \$550 per week (\$275) = \$6,472.14,
-

- \$7,500, or
- \$500 per week X 23.57 weeks = \$11,785 (not applicable as 50% of rent is less than \$500).

Therefore, we would pay \$6,482.14 for this claim.

Example 2. The rent was \$850 per week. The home is unsuccessfully advertised for lease for 40 weeks (280 days) before it is re-let. No rent is paid by us for the initial forty five (45) day waiting period.

We pay up to the lowest of;

- 50% of 235 days (33.57 weeks, capped at 25 weeks) of lost rent @ \$425 per = \$10,625,
- \$7,500, or
- \$500 per week X 25 weeks = \$12,500 (not applicable as 50% of rent is less than \$500).

Therefore, we would pay \$7,500 for this claim.

The above examples assume that all conditions are fully complied with. This Special benefit - Extended rent protection, does not apply to casually let Holiday Homes.

## Excess

An additional excess is payable for any claims under this option. Please see, 'What you must pay if you make a claim - Excess'.

## Section 6: Additional loss of rent options

Under Section 4, 'Additional benefit 8 - Loss of rent', you are insured for the rent lost up to a maximum of the greater of \$25,000 or 20% of your buildings or contents sum insured, if your home is so damaged by event insured by the Policy that it cannot be lived in.

Under this section 6., you can nominate a higher maximum annual dollar amount for 'Loss of rent if the limit in 'Additional benefit 8' is inadequate. You can nominate higher amounts in multiples of \$25,000. For example, \$50,000, \$75,000 or \$100,000.

If you select and pay for an optional increased 'Loss of rent' under this section, it will be shown on your Policy Schedule.

If you select and pay for an optional increased 'Loss of rent' under this section that is \$75,000 or higher, we will not apply the dollar limits under the 'Rent default' option, if you have selected that option. We will only apply the limits that apply to the numbers of weeks' rent lost. However, for the 'Special benefit - Extended rent protection', we will not pay more than 50% of the weekly rent lost.

## Section 7: Casually let holiday home option

If you wish to insure your casually let holiday home under this Policy, then you must select and pay for this option and it will be shown on your Policy Schedule.

### Words with special meanings in section 7

In this Section 7, the words below have the following meanings.

Word or expression	Meaning
Casually let holiday home	your home that is let on a casual or temporary, short term basis for residential, holiday or recreational purposes.
Guest	<p>A person, and their family or visitors, who rents your home without a lease , but where there is either a:</p> <ul style="list-style-type: none"> <li>• rental agreement (that need not be subject to the <i>Residential Tenancies Act</i> or similar), or</li> <li>• record in a booking register,</li> </ul> <p>that includes the following details:</p> <ul style="list-style-type: none"> <li>• the length of time the property will be let,</li> <li>• the amount of rent payable, and</li> <li>• the amount of the security bond, booking fee or deposit.</li> </ul>

If you select this option;

- under your contents, we will also insure computer game consoles that are designed to be played via a television display and the console's games and accessories up to a value of \$800 in total,
- there is no requirement to have a Lease Agreement (that is compliant with the *Residential Tenancies Act* or similar), and
- the unoccupancy condition does not apply to this Policy, and
- 'Additional benefit 8 - Loss of rent' is payable even if the home has been untenanted for a period in excess of 100 days before the loss, and
- the Policy will not operate on the basis that four weeks bond has been collected, but any security bond, booking fee or deposit will be applied first to any claim that is caused by your guest, and



- unless this Policy states otherwise, the guest will be insured as though they were a tenant, and
- if you have selected the 'Rent default' option, four (4) weeks rent does not need to have been paid before that option is activated.

## Conditions applying to this section

You must collect a reasonable security bond, a booking fee or deposit to be applied against any loss of rent or damage to the property by your guest.

Special benefit – Extended rent protection in section 5 does not apply if you have selected this option.

We will not insure you if you were legally required to have had a lease in place (that should have complied with the *Residential Tenancies Act* or similar) but you did not enter into such an agreement.

## Section 8: What you must pay if you make a claim – Excess

We deduct the excess shown in the Policy document or on the current Policy Schedule from the amount of your claim. The excess will be applied to each and every claim whether or not separate instances of loss or damage are submitted at the same time or on the same claim form. However, where multiple separate identifiable incidents are discovered at the same time and the claims are submitted simultaneously the total maximum amount of excesses applicable will be \$1,000.

Your excess will be an additional \$400 for any claim arising from theft, malicious damage or purposeful damage by tenants, tenant's visitors, tenant's family or tenant's or visitor's pets.

If you have selected and paid for the 'Rent default' option, it will be shown on your Policy Schedule. Your excess under the 'Rent default' option for any claim arising from events A. to D. will be increased by \$400.

Where a sublimit is applicable, the excess will be applied to the claim prior to applying the sublimit. For example, if a painting worth \$23,000 was stolen from the home (by someone unknown to you and it has not been specified, the \$20,000 per item work of art/picture sublimit would apply. If a \$500 excess was applicable, this would be applied to the \$23,000 claim, rather than the \$20,000 sublimit. Therefore, \$20,000 would be payable.

If the painting had been specified for \$23,000, we would pay \$22,500 – the \$23,000 claim less the \$500 excess. If the painting was worth only \$1,000, we would pay \$500 – \$1,000 less the \$500 excess.

For earthquake or tsunami claims the excess is \$250, or the amount shown on your Policy Schedule, whichever is greater. All loss, destruction or damage occurring within a period of seventy two (72) hours of the earthquake is regarded as the one event.

## Section 9: When you are not covered

These general exclusions apply to all sections of this Policy.

This Policy excludes loss, damage, destruction, death, injury, illness, liability, cost or expense of any nature directly or indirectly caused by, contributed to by, resulting from, arising out of or in connection with any of the following, regardless of any other cause or event contributing concurrently or in any other sequence to the loss:

1. war, invasion, acts of foreign enemies, hostilities or war-like operations (whether war be declared or not), civil war, rebellion, revolution, insurrection, civil commotion assuming the proportions of or amounting to an uprising, military or usurped power, or
2. any act(s) of Terrorism that is directly or indirectly caused by, contributed to by, or in any way involves or is connected with biological, chemical, radioactive, or nuclear pollution or contamination or explosion. For the purpose of this exclusion, an act of terrorism includes any act, or preparation in respect of action, or threat of action designed to influence the Government of the day or de facto of any nation or any political division thereof, or in pursuit of political, religious, ideological or similar purposes to intimidate the public or a section of the public of any nation by any person or group(s) of persons whether acting alone or on behalf of or in connection with any organisation(s) or Government(s) of the day or de facto, and which:
  - involves violence against one (1) or more persons; or
  - involves damage to property; or
  - endangers life other than that of the person committing the action; or
  - creates a risk to health or safety of the public or a section of the public; or
  - is designed to interfere with or to disrupt an electronic system.
3. radioactivity or the use, existence or escape of any nuclear fuel, nuclear material, or nuclear waste or action of nuclear fission or fusion.

This Policy also excludes any loss, destruction, damage, death, injury, illness, liability, cost or expense of any nature directly or indirectly caused by, contributed to by, resulting from or arising out of or in connection with any action taken in controlling, preventing, suppressing, retaliating against, or responding to or in any way relating to 1, 2 or 3 above.

## Sanction limitation and exclusion clause

You are not insured under any section of this Policy where a claim payment breaches any sanction, prohibition or restriction under United Nations resolutions or the trade or economic sanctions, laws or regulations of Australia, the European Union, United Kingdom or United States of America.

## Additional exclusions applying to this Policy

These additional exclusions apply to cover for your home, contents, additional benefits and any option(s) selected.

This Policy does not cover:

- (a) loss or damage intentionally caused by you or a member of your family or a person acting with your consent or the consent of any member of your family,
- (b) loss or damage resulting from or caused by:
  - the lawful seizure, confiscation, nationalisation or requisition of the property insured,
  - destruction of or damage to property by any government or public or local authority,
  - storm, rainwater, flood or wind, to:
    - retaining walls,
    - free standing walls,
    - fences, or
    - gates,

unless located in Queensland or Western Australia, or

they are constructed of:

  - brick, concrete, masonry, stone or steel, or
  - timber but are twenty (20) years old or less,
  - erosion, subsidence, landslide or earth movement other than as a direct result of:
    - storm or flood,
    - earthquake or tsunami,
    - explosion,
    - escaping liquid,

and occurring no more than seventy two (72) hours after the event,

  - the action of the sea, high water, or tidal wave. This exclusion does not apply to tsunami, 'tsunami' means a sea wave caused by a disturbance of the ocean floor or by seismic movement,
  - water seeping through a wall or floor,

- water entering the home through an opening made for the purpose of alterations, additions, renovations or repair,
- inherent defects, structural defects, faulty workmanship, faulty design or any gradual process,
- wear, tear, rust, corrosion, depreciation or gradual deterioration,
- fungus, mildew, mould, algae, atmospheric or climatic conditions (other than storm),
- settling, shrinkage or expansion in buildings, foundations, walls or pavements,
- the removal or weakening of supports or foundations for the purpose of alterations additions, renovations or repair,
- mechanical, electrical or electronic breakdown with the exception of fusion to electric motors as described under section 2 event (a), 'Fusion of an Electric motor' or if a claim is payable as the result of a lightning strike,
- any consequential loss other than that specifically provided by this Policy,
- any process of cleaning involving the use of chemicals other than household cleaning chemicals,
- rodents, vermin or insects (at any stage of their life cycle),  
For example: If a mouse was to chew through an electrical wire, which led to a fire, the damage caused directly by the fire would be covered by this Policy, however any damage caused by the mouse's chewing would not be covered by this Policy,
- gnawing, biting, chewing, pecking, clawing, scratching or in any way soiling or polluting;
  - your contents in the open air, or
  - any exterior part of your home, or
  - any part of your home that is not fully enclosed and secured prior to and at the time of the damage,
  - any part of the interior of your home if you or someone who lives at the home permitted an animal to enter your home,
  - an animal kept by you or your family or your tenant, tenant's family or tenant's visitors,
- the deliberate application of heat (for example, this would include where an element under or forming part of a ceramic cook-top causes damage to the cook-top),
- tree roots.

However, this exclusion applies only to damage caused directly by tree roots. For example, if tree roots damage and block a pipe, we will pay for the resultant damage to the home caused by water overflowing in the home. We will not pay for the damage to the pipe.

- (c) loss or damage to:
- items for sale on consignment,
  - electronic data unless the loss or damage is caused by a Specified event (a) through to (r) listed under 'What you are insured against, and what you are not'.

For the purposes of this exclusion, electronic data means any facts, concepts or information converted to a form usable for communication, display, distribution, processing by electronic, or electromechanical data processing, or electronically controlled equipment which includes but is not limited to programs, software or other coded instructions for such equipment.

For example: You are not covered for any damage to any information on your computer including any computer program caused by a virus, Trojan horse, worm, back door, trap door, logic bomb, bacteria, rabbit programmes, or computer hacking.

## Section 10: General conditions

These general conditions apply to all sections of this Policy. There may be additional conditions set out under the claims section of this booklet.

### A claim may be refused

We may refuse to pay or reduce the amount we pay under a claim if you do not comply with the Policy conditions, if you do not comply with your duty of disclosure, or if you make a fraudulent claim.

### Adjustment of premium on renewal

If a claim occurs in the previous period of insurance and you do not notify us until after the premium for the current period of insurance was calculated, then you must pay any additional premium that would have been calculated had you told us about the claim on the day that the claim occurred. This condition does not affect any other rights that we have, including the rights that we have under your duty of disclosure.

### Burglary protection

If we have agreed to insure your contents only if burglary protection devices are installed, then this will be shown on your Policy Schedule.

If any of these devices is removed, altered, or left inoperative while you are absent from the site, without our prior consent, we may have the right to:

- decline, or
- reduce,

a claim to which this action contributes.

Please see your Policy Schedule for details.

## Cancelling your Policy

### How you may cancel this Policy

- You may cancel this Policy at any time by telling us in writing that you want to cancel it.
- Where 'you' involves more than one person, we will only cancel the Policy when a written agreement to cancel the Policy is received from all persons named as the insured.

### How we may cancel your Policy

- We may cancel this Policy in any of the circumstances permitted by law (e.g. failure to pay the premium by the due date) by informing you in writing
- We will give you notice in person or send it to your address (including an electronic address) last known to us.

Where you have paid your premium in advance of the date you wish to cancel from, we will refund to you the proportion of the premium for the remaining period of insurance. Unless directed otherwise by all insured, the refund will be made payable to all insured.

## Care and maintenance

If you do not take reasonable care to:

- protect and maintain the property insured
- prevent damage or injury to others or their property
- minimise the cost of any claim under this Policy, or
- comply with all statutory obligations and by-laws or regulations relating to the safety of person or property

we will not pay for loss, damage, liability or injury to which this failure to take reasonable care contributes.

## Changes to your circumstances

You must tell us as soon as possible if circumstances occur, or if changes or alterations are intended or made which increase the risk of loss, damage or injury.

Examples of circumstances where the risk of loss, damage or injury may increase include where:

- you no longer let the home to tenants, because you now are the owner occupier of the home or use the home as a holiday home,
  - you are having renovations undertaken,
  - the home is left vacant or unoccupied for a period exceeding 100 days,
  - the home falls into a state of disrepair,
-

- your home is opened up to the public for an exhibition or similar event (including if it is not for reward), or
- you are participating in a public exhibition (including if it is not for reward).

## Changing your Policy

If you want to make a change to this Policy, the change becomes effective when:

- we agree to it; and
- we give you a new Policy Schedule detailing the change.

## If you ever use the home as a holiday home

This Policy is issued on the basis that you let it to tenants and it is not used as a holiday home unless you have selected the casually let holiday home option and it appears on your Policy Schedule.

If you use the home as a holiday home, you must tell us.

## Notices

Any notice we give you will be in writing, and it will be effective:

- If it is delivered to you personally; or
- It is delivered to you at your address (including an electronic address) last known to us.

It is important for you to tell us of any change of address as soon as possible.

## Other interests

You must not transfer any interests in this Policy without our written consent.

Any person whose interests you have told us about and we have noted on your Policy Schedule is bound by the terms of this Policy.

## Other party's interests

You must tell us of the interest of all parties (e.g. financiers, lessors or owners) who will be covered by this insurance. We will protect their interests only if you have told us about them and we have noted them on your Policy Schedule.

## Preventing our right of recovery

If you have agreed not to seek compensation from another person who is liable to compensate you for any loss, damage or liability which is covered by this Policy, we will not cover you under this Policy for that loss, damage or liability.

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## Providing proof

You must be able to prove to us that you have suffered a loss that is covered by this Policy before we will pay you for it. We may ask you for this proof if you make a claim under this Policy. So that your claim can be assessed quickly you should keep the following:

- receipts or other confirmation of purchase, and
- Valuations,
- photographs of items in the home.

## Salvage

We are entitled to obtain and retain any items or materials that are salvaged or recovered after you make, and we agree, to pay a claim by replacing or paying to replace any items or materials. We may sell the items or materials and keep the proceeds. We may choose to sell the items or materials to you, if you agree to pay the market price for the items or materials.

## Strata title mortgagee's interest

This cover applies only if you have arranged this Policy to insure only the interest of a mortgagee in a strata title unit.

This cover only applies when you own part of a building that has been subdivided into strata, community or similar title units and you have a mortgage on that part of the building.

We will pay the mortgagee the lowest of:

- (a) the sum insured shown on the Policy Schedule,
- (b) the amount to repair the damage to a condition similar to but no better than when new,
- (c) if the body corporate (or similar) partially covers the loss, then the difference between what the body corporate insurance pays and the cost of the damage, or
- (d) the amount sufficient to discharge the mortgage held by you over the unit at the date of damage.

We pay only that part of the claim that applies to the interest of the mortgagee.

We only pay a claim if:

- (a) a claim would be payable under insured events (a) to (j) of this Policy (and not subject to any exclusion or other limitation in the Policy),
  - (b) the Policy of the body corporate or similar does not apply or only partially covers the loss, and
  - (c) the mortgagee requires you to discharge your mortgage.
-



If you have arranged this Policy to insure only the interest of a mortgagee in a strata title unit:

- (a) no additional benefits are payable under this Policy,
- (b) no legal liability cover is provided, and
- (c) no optional covers are provided.

## Unoccupancy

If your home is unoccupied for more than 100 consecutive days, you must tell us and obtain our written agreement for cover to continue.

If you do not do so, the cover for home and contents is limited to lightning, thunderbolt, riot and civil commotion, damage directly caused by impact by a vehicle, waterborne craft, space debris, aircraft, rocket, satellite, a branch, or tsunami and earthquake for the period in excess of 100 consecutive days during which the home has been left unoccupied. However, we do not insure you against any subsequent resultant damage such as rain water entering any opening made by impact or looting subsequent to a riot.

The period of 100 consecutive days is calculated from the date when the home was last occupied regardless of the commencement or renewal date of the Policy.

'Occupied' means that the home is furnished such that it is comfortably habitable and you, your family or someone with your consent has resided in the home overnight.

To be occupied the home must:

- contain at least one (1) usable bed/mattress,
- contain at least one (1) dining table or bench, a chair and some other furniture,
- contain a functioning refrigerator,
- be connected to the electricity, and,
- be connected to hot and cold running water.

This unoccupancy clause does not apply if you have selected the casually let holiday home option and it appears on your Policy Schedule.

## You must have a lease agreement

For any claim to be payable, you must have a lease agreement in force between you and the tenant. This condition does not apply if you have selected and paid for the casualty let holiday home option and this appears on your Policy Schedule.

## You must collect bond money

If loss or damage to your home or contents is caused by your tenant, or you claim for rent default, the bond money will be used to mitigate your loss. If bond money has not been collected or if you have returned

bond money to the tenant that could have been used to mitigate any loss, then we will reduce any amount that we pay by the amount that we are prejudiced.

## Section 11: Claims

### What you must do

If an event happens which may give rise to a claim you must:

- take all reasonable precautions to prevent further loss, damage or liability,
- notify the police immediately if any of your property is lost, stolen, or maliciously or intentionally damaged,
- tell us or your financial services provider as soon as possible. You will be provided with a claim form and advice on the procedure to follow,
- supply us with all information we require to settle or defend the claim,
- notify us of any other insurance covering the same loss, damage or liability,
- co-operate with us fully in any action we take if we have a right to recover any money payable under this Policy from any other person,
- advise us of your correct Australian Business Number and Taxable Percentage, if applicable. Any GST liability arising from your incorrect advice is payable by you. When we pay a claim, your GST status will determine the maximum amount we pay. We will (where relevant) pay you on your claim by reference to the GST exclusive amount of any supply made by any business of yours which is relevant to your claim.

In an emergency outside normal business hours you may ring our emergency service on 1800 023 387 for assistance.

If in doubt at any time, ring us or your financial services provider for advice.

### What you must not do

You must not:

- authorise repairs to or arrange replacement of any of the property insured in connection with any claim without our consent, other than emergency repairs necessary to prevent further loss. If we agree to pay your claim, we will pay for these repairs, but you must retain all receipts,
  - admit liability if an accident occurs which is likely to result in someone claiming against you.
-

## What we do

We may take over and conduct the defence or settlement of any claim or issue legal proceedings for damages. If we do this we will do it in your name. We have full discretion in the conduct of any legal proceedings and in the settlement of any claim. You must co-operate by giving us any statements, documents or assistance we require. This may include giving evidence in any legal proceedings.

## What can affect a claim

We will reduce the amount of a claim by the excess shown in the Policy Wording or on the Policy Schedule.

We may refuse to pay a claim if you are in breach of your duty of disclosure or any of the conditions of this Policy, including any endorsements noted on or attached to the Policy Schedule.

We pay only once for loss or damage from the same event covered by this Policy even if it is covered under more than one (1) section of the Policy.

We may be entitled to refuse to pay or to reduce the amount of a claim if:

- it is in any way fraudulent, or
  - any fraudulent means or devices are used by you or anyone acting on your behalf to obtain any benefits under this Policy.
-

## **QBE Australia**

82 Pitt Street  
Sydney NSW 2000 Australia  
[www.qbe.com.au](http://www.qbe.com.au)

This policy is underwritten by QBE Insurance (Australia) Limited  
ABN 78 003 191 035, AFSL 239545, of Level 27, 8 Chifley Square,  
Sydney.