



Commercial Strata Insurance Policy



# **PRODUCT DISCLOSURE STATEMENT**

This Product Disclosure Statement (PDS) contains important information required under the Financial Services Reform Act 2001. The PDS sets out the significant features, benefits and risks of this policy. You still need to read the policy wording for a full description of the terms, conditions and limitations.

## **WHO IS THE INSURER**

The Insurers of the Policy are Certain Underwriters at Lloyd's, Lancashire Underwriting Australia Pty Ltd ('Lancashire') and HDI Global Specialty SE – Australia ('HDI').

You can contact Insurers through their appointed Coverholder Axis Underwriting Services Pty Ltd by:

- telephone on 03 8660 7000
- by e-mail at [info@axisunderwriting.com.au](mailto:info@axisunderwriting.com.au)
- by writing to Axis at Level 5, 90 Collins Street, Melbourne VIC 3000
- or by contacting Lloyd's Australia on the contact numbers shown in the Certificate of Insurance on Page 7.

# Commercial Strata Insurance

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# Commercial Strata Insurance

## INTRODUCTION

The Commercial Strata Insurance Policy consists of this Policy and a Schedule. The Schedule will show You the:

1. Sections of cover that are in force.
2. Amounts of cover You have.
3. Optional Extras You have chosen.
4. Excesses We may have imposed.
5. Special terms We may have imposed.

It is important that the Policy and the Schedule are read together. Please make sure that they give You the protection that You want. Please note that We have relied on the truth of what You have told Us in the Application Form in giving this cover.

### COOLING OFF PERIOD

We will refund the entire premium paid for cover under this insurance policy if you cancel the policy within 21 days of its commencement. To do this, you must advise us in writing. You will not receive a refund if you have made a claim under the insurance policy.

### SIGNIFICANT FEATURES AND BENEFITS

You can elect to insure a range of covers and options:

- Buildings and common property are insured against accidental damage and provide new for old replacement
- No penalty for under-insurance
- Up to 30% of the Building Sum insured for loss of rent and temporary accommodation costs
- Up to \$250,000 for any capital alterations
- Public Liability up to \$50,000,000
- Machinery Breakdown and Electronic Equipment Breakdown
- Theft of Funds
- Voluntary Workers Personal Accident
- Office Holders Liability

### EXCLUSIONS

Under some circumstances the policy will not cover you. These are listed under What's Not Covered in each section of the policy.

### SIGNIFICANT RISKS

- Adequate Sums Insured. In the event of a major loss your sums insured should be sufficient to allow for replacement of your property
- Limits apply to some items, you should read the policy wording so you are aware of the limits which may apply to you
- Disclosure. You have certain disclosure obligations which you must comply with. If you fail to comply with these obligations there may be consequences for your insurance cover or if you make a claim.
- Excesses. If you make a claim under the policy you may be required to pay an excess. The amount of the excess will be shown on the Schedule.

### COSTS

The premium payable for this insurance will be shown on the Schedule.

We take into consideration a number of factors when setting our premiums. These can include factors relating to sums insured, materials used in construction, the activities carried on at the property, where it is located and the previous claims history.

Premiums are subject to government taxes and/or charges, including Goods and Services Tax, stamp duty and fire services levy. The amount of these taxes and/or charges will be shown on your Schedule.

### DISCLOSURE

You have certain disclosure obligations under the Insurance Contracts Act 1984 that you need to comply with. Failure to comply with these obligations may have consequences for you insurance cover or in the event that you make a claim. Your disclosure obligations and the consequences of not complying with these obligations are stated in the policy wording Page 8.

# LLOYD'S CERTIFICATE OF INSURANCE

effected through **AXIS UNDERWRITING SERVICES Pty Ltd (the Coverholder)**

**This Certificate of Insurance** confirms that in return for payment of the Premium shown in the Schedule, Certain Underwriters at Lloyd's, Lancashire Underwriting Australia Pty Ltd ('Lancashire') (ABN 46 649 820 011) and HDI Global Specialty SE – Australia ('HDI') (ABN: 55 490 279 016) ('the Insurers') have agreed to insure You, in accordance with the wording attached to the Certificate.

You or Your representative can obtain further details of the syndicate numbers and the proportions of this insurance for which each of the underwriters at Lloyd's, Lancashire or HDI is liable by requesting them from the Coverholder shown above. In the event of loss, each Underwriter (and their Executors and Administrators) is only liable for their own share of the loss.

In accepting this insurance, the Insurers Underwriters have relied on the information and statements that You have provided on the Proposal Form (or Declaration). You should read this Certificate, Schedule and Policy Wording carefully and if it is not correct contact Your Broker or Axis Underwriting Services Pty Ltd. It is an important document and You should keep it in a safe place with all other papers relating to this insurance.

## Several Liability Notice

The liability of an insurer under this contract is several and not joint with other insurers party to this contract. An insurer is liable only for the proportion of liability it has underwritten. An insurer is not jointly liable for the proportion of liability underwritten by any other insurer. Nor is an insurer otherwise responsible for any liability of any other insurer that may underwrite this contract.

The proportion of liability under this contract underwritten by an insurer (or, in the case of a Lloyd's syndicate, the total of the proportions underwritten by all the members of the syndicate taken together) is shown in this contract.

In the case of a Lloyd's syndicate, each member of the syndicate (rather than the syndicate itself) is an insurer. Each member has underwritten a proportion of the total shown for the syndicate (that total itself being the total of the proportions underwritten by all the members of the syndicate taken together). The liability of each member of the syndicate is several and not joint with other members. A member is liable only for that member's proportion. A member is not jointly liable for any other member's proportion. Nor is any member otherwise responsible for any liability of any other insurer that may underwrite this contract.

You or Your representative can obtain further details of the syndicate numbers and the proportions of this them from Axis.

Although reference is made at various points in this clause circumstances so require this should be read as a reference to contracts in the plural.

## General Insurance Code of Practice

The Insurance Council of Australia Limited has developed the General Insurance Code of Practice ("the Code"), which is a voluntary self-regulatory code. The Code aims to raise the standards of practice and service in the insurance industry.

The Insurer(s) have adopted the Code on terms agreed with the Insurance Council of Australia. For further information on the Code please visit [www.codeofpractice.com.au](http://www.codeofpractice.com.au).

The Code Governance Committee (CGC) is an independent body that monitors and enforces insurers' compliance with the Code. For more information on the Code Governance Committee (CGC) go to [www.insurancecode.org.au](http://www.insurancecode.org.au).

## Complaints and disputes

If you have any concerns or wish to make a complaint in relation to this policy, our services or your insurance claim, please let us know and we will attempt to resolve your concerns in accordance with our Internal Dispute Resolution procedure.

Please contact Axis Underwriting in the first instance;

# Commercial Strata Insurance

## Complaints Officer

Axis Underwriting Services Pty Ltd Email: [info@axisunderwriting.com.au](mailto:info@axisunderwriting.com.au), Telephone: (03) 8660 7000

We will acknowledge receipt of your complaint and do our utmost to resolve the complaint to your satisfaction within 10 business days.

If we cannot resolve your complaint to your satisfaction, we will escalate your matter to Lloyd's Australia who will determine whether it will be reviewed by their office or the Lloyd's UK Complaints team. Lloyd's contact details are:

## **Lloyd's Australia Limited**

Email: [ldraustralia@lloyds.com](mailto:ldraustralia@lloyds.com)

Post: Suite 1603, Level 16, 1 Macquarie Place, Sydney, NSW 2000

Telephone: (02) 8298 0783

A final decision will be provided to you within 30 calendar days of the date on which you first made the complaint unless certain exceptions apply.

You may refer your complaint to the Australian Financial Complaints Authority (AFCA), if your complaint is not resolved to your satisfaction within 30 calendar days of the date on which you first made the complaint or at any time.

AFCA can be contacted as follows: Telephone: 1800 931 678

Email: [info@afca.org.au](mailto:info@afca.org.au)

Post: GPO Box 3 Melbourne VIC 3001 Website: [www.afca.org.au](http://www.afca.org.au)

Your complaint must be referred to AFCA within 2 years of the final decision, unless AFCA considers special circumstances apply. If your complaint is not eligible for consideration by AFCA, you may be referred to the Financial Ombudsman Service (UK) or you can seek independent legal advice. You can also access any other external dispute resolution or other options that may be available to you.

The Underwriters accepting this Insurance agree that:

- i. if a dispute arises under this insurance it will be subject to Australian law and practice and the Underwriters will submit to the jurisdiction of any competent court in the Commonwealth of Australia;
- ii. any summons notice or process to be served upon the Underwriters may be served upon:

### **Lloyd's Underwriters General Representative in Australia**

Suite 1603, Level 16, 1 Macquarie Place, Sydney, NSW 2000

who has authority to accept service and to appear on the Underwriters' behalf;

- iii. if a suit is instituted against any of the Underwriters, all Underwriters participating in this insurance will abide by the final decision of such Court or any competent Appellate Court.

In the event of a claim arising under this insurance, as soon as reasonably possible, notice should be given to:

Axis Underwriting Services Pty Ltd.

The Certificate is issued by the Coverholder in accordance with the authority granted to them by certain Underwriters at Lloyd's under the Agreement referred to in the Schedule.

## **DUTY OF DISCLOSURE**

Before You enter into an insurance contract, You have a duty to tell Us anything that You know, or could reasonably be expected to know, may affect Our decision to insure You and on what terms.

You have this duty until We agree to insure You.

You have the same duty before You renew, extend, vary or reinstate an insurance contract. You do not need to tell Us anything that:

- reduces the risk We insure You for; or
- is of common knowledge; or
- We know or should know as an insurer; or
- We have indicated We do not want to know.

### **If You do not tell Us something**

If You do not tell Us anything You are required to, We may cancel Your contract or reduce the amount We will pay You if You make a claim, or both.

If Your failure to tell Us is fraudulent, We may refuse to pay a claim and treat the contract as if it never existed.

## **PRIVACY**

We are committed to complying with privacy laws and protecting Your personal information. By purchasing this product, You agree to:

- the collection, use and disclosure of Your personal information to evaluate, effect, manage and administer Your insurance Cover, financial service or product provided to You by Us, any related company, or in conjunction with Us. This applies to personal information provided previously, currently and in the future;
- the collection, use and disclosure of Your personal information to inform You of other products and services offered by Us, Our related entities or Your representative;
- the use and disclosure of Your personal information to test and improve upon the systems used to manage Your Policy;
- the collection from, and/or disclosure of, Your personal information to a third party which may include Our service providers (including but not limited to other insurers, medical practitioners, lawyers, claims consultants, loss assessors and investigators), where this is relevant for the administration of Your policy or a claim under this Policy;
- the disclosure of Your personal information to overseas recipients, where relevant, such as some of Our reinsurers;
- and
- the disclosure of Your personal information to a person, regulatory bodies or other entities if We are required or permitted to do so by law. If You do not provide the requested personal information We may not be able to evaluate, effect, manage or administer Your Policy and You may also be in breach of Your duty of disclosure.

We will ensure that Your personal information is accurate, up to-date and complete. You may access personal information We hold about You by contacting Us.

## IMPORTANT NOTICES

### IF THINGS CHANGE:

After We have agreed to cover You and while You are covered You must tell Us of all changes that may materially affect the facts or circumstances existing at the commencement of this insurance or any subsequent renewal date. In particular You must tell Us, if:

1. There is a material change in the:
  - a) Use of Your Buildings
  - b) Condition of Your Buildings
2. You alter or extend Your Buildings. If things do materially change We may agree to accept the materially altered risk. If We agree in writing to insure the altered risk, you must pay any reasonable additional Premium requested by Us. If You do not pay the additional Premium, We will reduce the amount that we pay by the amount of the additional Premium. If we do not agree to insure the altered risk we will cancel the policy.

### IF YOU REDUCE OUR RIGHTS

We will not pay that part of a claim where You have knowingly agreed to limit or exclude Your rights to recover Your loss from another party.

### SECTION 8 OFFICE HOLDERS LIABILITY

1. We will not cover You or a Member for Claims that arise from:
  - a) A Wrongful Act that occurred before the Retroactive Date.
  - b) Facts or circumstances that could give rise to a claim under Section 8 that You or any Member were aware of before this policy began.

Where you give notice in writing to us of any facts that might give rise to a claim against you as soon as you become aware of those facts but before the expiry of the Period of Insurance, you may have rights under section 40(3) of the Insurance Contracts Act 1984 to be indemnified in respect of any claim subsequently made against you arising from those facts notwithstanding that the claim is made after the expiry of the Period of Insurance. Any such rights arise under the legislation only.

### EXCESS

Claims under this policy may be subject to an Excess. Any Excess(es) are shown in the Schedule.

### PROVING YOUR LOSS

When You make a claim We will ask You to justify the amount claimed. We suggest that You keep all bills and receipts to make this task easy.

### GOODS AND SERVICE TAX (GST)

This policy is subject to Goods and Services Tax:

- by You in relation to premium
- by Us in relation to claims depending on the type of claim.

### WORKERS COMPENSATION

This policy does not provide cover required by Workers' or Accident Compensation laws.

### AUSTRALIA TERRORISM AND CYCLONE INSURANCE ACT 2003 NOTICE

The Underwriters have treated this insurance (or part of it) as an Insurance to which the Australia Terrorism and Cyclone Insurance Act 2003 (ATACIA) applies.

ATACIA and the supporting regulations made under the Act deem cover into certain policies and provide that the Terrorism exclusion to which this Insurance is subject shall not apply to any "eligible terrorism loss" as defined in ATACIA.

Any coverage established by ATACIA is only in respect of any "eligible terrorism loss" resulting from a "terrorist act" which is a "declared terrorist incident" as defined in ATACIA. The Terrorism exclusion to which this Insurance is subject applies in full force and effect to any other loss and any act or event that is not a "declared terrorist incident".

All other terms, conditions, insured coverage and exclusions of this Insurance including applicable limits and deductibles remain unchanged.

If any or all of the Underwriters have reinsured this Insurance with the Australian Reinsurance Pool Corporation, then any such Underwriters will not be liable for any amounts for which they are not responsible under the terms of ATACIA due to the application of a "reduction percentage" as defined in ATACIA which results in a cap on the Underwriter's liability for payment for "eligible terrorism losses".

## AGREEMENT TO COVER YOU

### OUR AGREEMENT TO COVER YOU

We agree to give You the cover that is shown in this policy and in Your Schedule for:

#### Sections 1 to 7

1. each Section or Part of a Section that is shown chosen by You.
2. the period of cover that is shown in the Schedule.
3. each Optional Extra You have chosen.

#### Section 8 Office Holders Liability

Subject to the terms of this Policy, we will indemnify You or any Member for a Claim arising from a Wrongful Act against You or any Member.

## DEFINITIONS

In this Policy and in the Schedule some words and phrases have been given a special meaning.

**Buildings means** - All the Strata buildings at the Location including:

1. Covered ways
2. Exterior blinds awnings signs and tanks
3. Jetties and Pontoons used for private purposes
4. Light fittings
5. Overhead transmission lines and their supports that are within 100 metres of an insured building.
6. Paths and roads
7. Saunas, spas and swimming pools
8. Underground pipes and cables
9. Walls, gates, fences but not hedges.
10. Your common area fixtures and fittings, furnishings and carpets; gymnasium equipment, maintenance and cleaning equipment and materials.

**Schedule means** - The Strata Insurance Schedule that We have issued.

This Schedule is part of this Policy. It will show the cover that You have chosen plus any Excess(es) or special term that We have imposed.

**Employee means** - A person who is employed by You who is:

1. Defined as or deemed to be a worker;
2. An employee of Your contractor or subcontractor where:
  - a) You are declared or deemed to be the employer; or
  - b) You would be held liable to pay any compensation to that employee; by any Workers' or Accident Compensation Legislation.

**Excess means** - The amount that We will deduct from a claim's settlement. This amount is shown in the Schedule.

**Flood means** - The covering of normally dry land by water that has escaped or been released from the normal confines of any of the following:

1. a lake, river, creek or another natural watercourse, whether or not it has been altered or modified;
2. a reservoir;
3. a canal; or
4. a dam.

**Governing Body means:**

1. The governing committee of the owners' organisation as defined by the relevant State or Territory Law; or
2. The board of directors of Your company.

**Indemnity Period means** - The period that starts when the loss or damage occurs and it continues for the period that is shown in the Schedule.

**Limit of Indemnity means (this applies to claims made against You)** - The amount that is shown in the Schedule. This amount is the most that We will pay;

Under Section 3 Liability

1. for any Occurrence or a series of Occurrences that arise from one cause or from continuous or repeated exposure to substantially the same general conditions; or Under Section 8 Office Holders Liability
2. for any Wrongful Act and in all in any one period of insurance.

**Location means** - The place where the items that are covered by this Policy are. This place is shown in the Schedule.

**Member (s) means:**

1. Current and former members and officers of the Governing Body.
2. Shareholder or Unit Owner or employee while performing any activity normally carried out by an officer of the Governing Body.

It does not mean a Body Corporate or Strata management company, person or legal entity contracted to provide professional services on a fee for service basis.

**Occurrence means** - An event that You do not expect nor do You intend.

**Personal Injury means** - This special meaning is for Section 3 Liability only.

1. Death, bodily injury, disability, disease, sickness, shock and mental injury.
2. The effects of:
  - a) Assault or battery that is not committed by You or at Your direction

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- b) Assault or battery that is due to You using, or someone that You tell to use, reasonable force to prevent harm to a person or property.
- c) Defamation.
- d) Eviction.
- e) False arrest, wrongful restraint, denial of liberty.
- f) Invasion of right of privacy.
- g) Malicious prosecution.
- h) Wrongful entry.

**Rent means** - The money that owners of units or shareholders having sole rights over premises in Your Buildings receive for:

1. Rents including outgoings.
2. Services that they have supplied as a landlord.

**Sum Insured means** - The amount that is shown in the Schedule. This amount is the most We will pay in any one period of cover for:

1. Any one claim; and
2. All claims unless the amount has been reinstated.

**Tsunami means** - A high tide or tidal wave caused by an earthquake, earth tremor or seismological disturbance under the sea.

**Volunteer means** - A person who does voluntary unpaid work organised by and at the direction of Your committee or Your duly appointed delegate.

**Waiting Period means** - The time in days when We will not pay the daily or weekly Sum Insured. This time is shown in the Schedule. It starts on the day that the Volunteer seeks medical treatment after an accident or collapse.

**We, Us, Our means** - The Underwriters shown in the Schedule.

**You, Your, Yours means** - Each legal entity that is shown in the Schedule as the insured.

Under Section 3 Liability only, You, Your, Yours is extended to include a:

1. Member or Employee. They are covered when they are acting for You in that position.
2. Shareholder of Your Company or Unit owner in Your property. They are covered for their liability:
  - a) as an owner of a unit in Your property;
  - b) as a shareholder having sole rights over premises in Your property; and
  - c) when they are acting for You.
3. Volunteer. They are covered when they are acting for You.

## MAKING A CLAIM

### HOW TO CLAIM

If You become aware of an event that may lead to a claim, You must:

1. Tell Us about it as soon as You can.
2. Within the next 30 days give Us in writing full details of the event. This must include all proofs for which We may ask.
3. Tell the police as soon as You can if You think the claim was due to a crime.
4. Take all reasonable steps to stop further:
  - a) Loss or damage
  - b) Loss of use of property
  - c) Injury
5. Send Us as soon as You can any demand or legal notice that You may get.
6. Tell Us as soon as You can after You know that a claim or legal action may be made or taken against You.
7. Tell Us as soon as You can after You know that an inquest or enquiry will or may be held about an event that may result in a claim under this policy.
8. Give Us all the help that We need to:
  - a) Assess, investigate or settle a claim
  - b) Defend a claim made against You
  - c) Make a recovery

### WHO CONTROLS CLAIMS

We control all claims. We will have regard to Your interests and act reasonably;

1. Unless We agree in writing You must not:

- a) Admit, deny, negotiate, settle or in any way compromise a claim.
  - b) Incur any costs in making good any damage.
  - c) Incur legal costs for a claim.
2. We will be entitled to:
- a) Enter the premises where the loss or damage has taken place.
  - b) Take and keep the property for which You have made a claim.
  - c) Deal with the salvage.
  - d) Take legal action at Our expense in Your name. Conduct, control or compromise any such action. Subject to any express agreement entered into between You and Us after the claim has occurred, any amount recovered by Us will be distributed as set out in Section 67(2) and (3) Insurance Contracts Act 1984 (Cwlth).
  - e) Represent You or any other person who may be entitled to claim under this policy at any inquest or official enquiry.

# Commercial Strata Insurance

## GENERAL CONDITIONS

### CANCELLING YOUR POLICY

You may cancel this policy at any time. Your request must be in writing. If You do not specify the date of cancellation, We will cancel Your Policy from the day that We receive Your request. We will refund to You the premium in proportion to the unexpired period of cover less Our cancellation charge. We may only cancel this policy according to The Insurance Contracts Act 1984. If We do cancel Your policy We will refund the premium for the unexpired period of cover.

Please note:

Once We have paid a total loss claim for an item, cover stops for that item. In such case there will be no refund of premium for that item. This is because We will have met Our obligation under the contract by paying Your claim. This applies even if We can make a recovery from another party.

### IF YOU ARE COVERED BY ANOTHER POLICY

When there is a claim You must tell Us if there is any other insurance policy that may give full or partial cover for the event claimed.

### IF YOU ARE UNDERINSURED

Some policies require You to contribute to a loss if Your Sum Insured is less than 80% of the value of the property. This policy does not. But, please make sure that Your Sums Insured will be adequate to cover reinstatement of the building in the event of a total loss. The law states that the Governing Body must make sure that the Sums Insured is enough to rebuild Your Buildings at today's prices.

### LIMITS ON MULTIPLE LIABILITY COVER

When a liability claim can be paid under:

1. More than one section of this Policy; or
2. Another Policy that We have issued to You;

We will not pay more than the greatest Limit of Indemnity or such other limit of indemnity.

Please note: The Limits Of Indemnity or such other limit of indemnity may not be combined.

### OUR RIGHTS

Unless We give Our consent to a change in writing:

1. The terms in this Policy will bind all parties
2. We will not give up any of Our rights.

### TAKING CARE

You must take all reasonable care to::

1. Prevent loss, damage or injury.
2. Comply with all laws and regulations, by laws and ordinances.
3. Make sure that any fire sprinkler or protection system is fully maintained and always active.

### THE SUMS INSURED AFTER A CLAIM

1. Section 1 Buildings; Section 2 Rent and Extra Costs:  
We will reinstate the Sum Insured when the lost or damaged property is repaired or replaced provided that:
  - a) You pay any extra premium that We may need for the reinstatement.
  - b) The section or that Part of a Section of the Policy under which the claim was paid is still current.
2. Section 6 Theft of Funds: Reinstatement of the Sum Insured will be at Our discretion.

## WHAT'S NOT COVERED

These apply to all sections of this policy. This policy does not cover;

### Canada and USA

A claim that is instituted in Canada, the United States of America or their territories or that comes within their jurisdiction or to which their laws apply.

### Consequential Loss

Indirect, or consequential, financial loss or expense of any kind relating to any occurrence, incident or circumstance resulting in a claim under this policy including without limitation loss of income, loss due to delay, interruption to or interference with your or any third party business or personal property, lack of performance, loss of contract or goodwill, or depreciation in the value of land or stock.

This exclusion does not apply to any claim under Section 2 (Rent and Extra Costs), Section 3 (Liability) and Section 8 (Office Holders Liability)

### Crimes and Wilful Acts By You

A claim that arises out of criminal or wilful acts by You or with Your connivance.

### Damages

Punitive exemplary or aggravated damages except as provided under Section 8 Office Holders Liability.

### Fines

Fines or penalties.

### Government Actions

Subject to any express terms of the policy to the contrary, a claim that arises out of the deliberate act of any government, public or local authority.

### Liability By Agreement

Liability that You have agreed to accept. We will cover You, if You would have been liable without Your agreement.

### Motor Injuries and Workers Compensation Liability that:

1. Can be covered under insurance required by Compulsory Third Party Motor Injury laws.
2. Can be covered under insurance required by Workers' or Accident Compensation laws;
3. Is imposed by Workers' or Accident Compensation laws; industrial award, agreement or determination.

### Radioactive and Nuclear (Lloyd's Endorsement NMA 1622)

- (a) Loss or destruction of or damage to any property whatsoever or any loss or expense whatsoever resulting or arising therefrom or any consequential loss
- (b) any legal liability of whatsoever nature directly or indirectly caused by or arising from;
  - (i) ionising radiations or contamination by radioactivity from any nuclear fuel or from any nuclear waste from the combustion of nuclear fuel
  - (ii) the radioactive, toxic, explosive or other hazardous properties of any explosive nuclear assembly or nuclear component thereof.

### Restriction on Recovery

That part of a claim where You have agreed to limit or exclude Your rights to recover Your loss from another party.

### Sanctions and Limitations and Exclusion Clause

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

### Biological or Chemical Materials Exclusion (Lloyd's Endorsement NMA 2962)

Loss, damage, cost or expense of whatsoever nature directly or indirectly caused by, resulting from or in connection with the actual or threatened malicious use of pathogenic or poisonous biological or chemical materials regardless of any other cause or event contributing concurrently or in any other sequence thereto.

### Micro-Organism Exclusion (Lloyd's Endorsement MAP Mould)

Any loss, damage, claim, cost, expense or other sum directly or indirectly arising out of or relating to mould, mildew, fungus, spores or other micro-organism of any type, nature, or description, including but not limited to any substance whose presence

# Commercial Strata Insurance

poses an actual or potential threat to human health.

This exclusion applies regardless whether there is (i) any physical loss or damage to insured property; (ii) any insured peril or cause, whether or not contributing concurrently or in any sequence; (iii) any loss of use, occupancy, or functionality; or (iv) any action required, including but not limited to repair, replacement, removal, cleanup, abatement, disposal, relocation, or steps taken to address medical or legal concerns.

This exclusion replaces and supersedes any provision in the policy that provides insurance, in whole or in part, for these matters.

## **War and Terrorism Exclusion** (Lloyd's Endorsement NMA 2918)

Notwithstanding any provision to the contrary within this insurance or any endorsement thereto it is agreed that this insurance excludes loss, damage, cost or expense of whatsoever nature directly or indirectly caused by, resulting from 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 warlike 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 of terrorism.

For the purpose of this endorsement an act of terrorism means an act, including but not limited to the use of force or violence and/or the threat thereof, of any person or group(s) of persons, whether acting alone or

on behalf of or in connection with any organisation(s) or government(s), committed for political, religious, ideological or similar purposes including the intention to influence any government and/or to put the public, or any section of the public, in fear.

This endorsement also excludes loss, damage, cost or expense of whatsoever nature directly or indirectly caused by, resulting from or in connection with any action taken in controlling, preventing, suppressing or in any way relating to 1 and/or 2 above.

If the Underwriters allege that by reason of this exclusion, any loss, damage, cost or expense is not covered by this insurance the burden of proving the contrary shall be upon the Assured.

In the event any portion of this endorsement is found to be invalid or unenforceable, the remainder shall remain in full force and effect.

## **Property Cyber and Data Exclusion** (Lloyd's Endorsement LMA 5401)

1. Notwithstanding any provision to the contrary within this Policy or any endorsement thereto this Policy excludes any:
  - 1.1 Cyber Loss;
  - 1.2 loss, damage, liability, claim, cost, expense of whatsoever nature directly or indirectly caused by, contributed to by, resulting from, arising out of or in connection with any loss of use, reduction in functionality, repair, replacement, restoration or reproduction of any Data, including any amount pertaining to the value of such Data;regardless of any other cause or event contributing concurrently or in any other sequence thereto.
2. In the event any portion of this endorsement is found to be invalid or unenforceable, the remainder shall remain in full force and effect.
3. This endorsement supersedes and, if in conflict with any other wording in the Policy or any endorsement thereto having a bearing on Cyber Loss or Data, replaces that wording.

### **Definitions**

4. Cyber Loss means any loss, damage, liability, claim, cost or expense of whatsoever nature directly or indirectly caused by, contributed to by, resulting from, arising out of or in connection with any Cyber Act or Cyber Incident including, but not limited to, any action taken in controlling, preventing, suppressing or remediating any Cyber Act or Cyber Incident.
5. Cyber Act means an unauthorised, malicious or criminal act or series of related unauthorised, malicious or criminal acts, regardless of time and place, or the threat or hoax thereof involving access to, processing of, use of or operation of any Computer System.
6. Cyber Incident means:
  - 6.1 any error or omission or series of related errors or omissions involving access to, processing of, use of or operation of any

- 6.2 Computer System; or any partial or total unavailability or failure or series of related partial or total unavailability or failures to access, process, use or operate any Computer System.
- 7. Computer System means:
  - 7.1 any computer, hardware, software, communications system, electronic device (including, but not limited to, smart phone, laptop, tablet, wearable device), server, cloud or microcontroller including any similar system or any configuration of the aforementioned and including any associated input, output, data storage device, networking equipment or back up facility, owned or operated by the Insured or any other party.
- 8. Data means information, facts, concepts, code or any other information of anykind that is recorded or transmitted in a form to be used, accessed, processed, transmitted or stored by a Computer System.

**Communicable Disease Exclusion** (Lloyd's Endorsement LMA 5393 - Amended 25 March 2020)

- 1. Notwithstanding any other provision of this policy to the contrary, this policy does not insure any loss, damage, claim, cost, expense or other sum, directly or indirectly arising out of, attributable to, or occurring concurrently or in any sequence with a Communicable Disease or the fear or threat (whether actual or perceived) of a Communicable Disease.
- 2. For the purposes of this exclusion, loss, damage, claim, cost, expense or other sum, includes, but is not limited to, any cost to clean-up, detoxify, remove, monitor or test:
  - 2.1. for a Communicable Disease, or
  - 2.2. any property insured hereunder that is affected by such Communicable Disease.
- 3. As used herein, a Communicable Disease means any disease which can be transmitted by means of any substance or agent from any organism to another organism where:
  - 3.1. the substance or agent includes, but is not limited to, a virus, bacterium, parasite or other organism or any variation thereof, whether deemed living or not, and
  - 3.2. the method of transmission, whether direct or indirect, includes but is not limited to, airborne transmission, bodily fluid transmission, transmission from or to any surface or object, solid, liquid or gas or between organisms, and
  - 3.3. the disease, substance or agent can cause or threaten damage to human health or human welfare or can cause or threaten damage to, deterioration of, loss of value of, marketability of or loss of use of property insured hereunder.
- 4. This exclusion applies to all coverage extensions, additional coverages, exceptions to any exclusion and other coverage grant(s).  
All other terms, conditions and exclusions of the policy remain the same.

**Territorial Exclusion: Russia, Ukraine and Belarus** (Lloyd's Endorsement LMA 5583B 08 March 2020)

Notwithstanding anything to the contrary in this Policy, this Policy excludes any loss, damage, liability, cost or expense of whatsoever nature, directly or indirectly arising from or in respect of any:

- i. entity domiciled, resident, located, incorporated, registered or established in an **Excluded Territory**;
- ii. property or asset located in an **Excluded Territory**;
- iii. individual that is physically in an **Excluded Territory**;
- iv. claim, action, suit or enforcement proceeding brought or maintained in an **Excluded Territory**;
- v. payment in an **Excluded Territory**.

This exclusion will not apply to any coverage or benefit required to be provided by the insurer by law or regulation applicable to that insurer, however, the terms of any sanctions clause will prevail.

For purposes of this exclusion, “**Excluded Territory**” means:

# Commercial Strata Insurance

- Belarus (Republic of Belarus); and
- Russian Federation; and
- Ukraine (including any disputed regions of Ukraine and including the Crimean Peninsula)

All other terms, conditions and exclusions remain unchanged.

## **Transmission & Distribution Lines Exclusion**

Notwithstanding any provision to the contrary in the Policy or any endorsement thereto, it is understood and agreed that this Policy does not cover losses in respect of all overhead transmission and distribution lines including wire, cables, poles, pylons, standards, towers, or other supporting structures which may be attendant to the transmission or distribution of electrical power, telecommunications, or any other communications signals.

This exclusion applies to the aforementioned equipment which is located beyond a radius of 300 metres (or 1000 feet) of an insured situation.

## SECTION 1 - BUILDINGS

### WHAT'S COVERED

Your Buildings that are at the Location. They are covered against accidental loss or damage.

### WHAT'S NOT COVERED

This Section does not cover loss or damage caused by or resulting from:

1. Chips or scratches
2. Electrical or mechanical fault or breakdown
3. Fault, error or omission in design
4. Gradual deterioration<sup>5</sup>.
  - a) Altering; cleaning; mending or restoring.
  - b) Erosion.
  - c) Flood; the action of sea other than a Tsunami.
  - d) Insects; mildew; rot or vermin.
  - e) Normal settling, seepage, shrinkage, or land movement unless it is caused by an earthquake.
  - f) Latent, structural or inherent defect.
  - g) Light.
  - h) Pollution.
  - i) Theft that is committed by a person who:
    - (i) Owns a unit in Your Buildings; or
    - (ii) Is a shareholder with sole rights over premises in Your Buildings.
  - j) Tree roots.
  - k) Water that seeps into Your Buildings.
6. Wear, tear, fading, corrosion, rust, oxidation, concrete or brick "cancer", wet or dry rot.
7. Storm or rainwater damage to retaining walls.
8. The movement of swimming pools or spas or accidental damage to tiles forming part of the pool spa or their surrounds.
9. **Asbestos Condition** (Lloyd's Endorsement LMA5019)

(a) This policy only insures asbestos physically incorporated in an insured building or structure and then only that part of the asbestos which has been physically damaged during the policy period by one of these Listed Perils: Fire; smoke; explosion; lightning; windstorm; hail; direct impact of vehicle aircraft or vessel; riot or civil commotion; vandalism or malicious mischief; or accidental discharge of fire protective equipment.

This cover is subject to all limitations in the policy to which this exclusion is attached and, in addition, to each of the following specific limitations:

1. The said building or structure must be insured under this Policy for Damage by that Listed Peril.
2. The Listed Peril must be the immediate, sole cause of the Damage to the asbestos.
3. The Insured must report to Insurers the existence and cost of Damage as soon as practicable after the Listed Perils first damaged the asbestos. However, this Policy does not insure any such Damage first reported to Insurers more than 12 (twelve) months after the expiration, or termination, of the policy period.
4. Insurance under this Policy in respect of asbestos shall not include any sum relating to:
  - i. Any faults in the design, manufacture or installation of asbestos;
  - ii. Asbestos not physically damaged by the Listed Perils including any governmental or regulatory authority direction or request of whatsoever nature relating to the undamaged asbestos.

(b) Except as set forth in the foregoing Section (a), this Policy does not insure asbestos or any sum relating thereto.

# Commercial Strata Insurance

## HOW WE PAY CLAIMS

1. How your claim is settled –  
We will at Our option (acting reasonably) either:
  - (a) Repair or replace Your Buildings; or
  - (b) Make a cash payment.
2. How your claim is valued - The cost to build Your Buildings today. We will also pay the cost of:
  - (a) Fees; demolition; removing debris and propping up that are needed to rebuild or repair Your Buildings.
  - (b) Complying with the current building and planning rules. We will not pay for work that You have been officially ordered to do before the loss or damage took place.
3. Using Other Materials, Style or Site - If it costs no more You may:
  - (a) Use different materials.
  - (b) Rebuild at a different place or in a different style if Your Buildings are destroyed.
4. If less than half of Your Buildings are damaged - We will not pay for replacing undamaged property required by building and planning rules unless the repairs to the damaged part will cost more than 50% of the cost for rebuilding the whole Building. This will not apply to Buildings which are occupied for more than 70% of the total area as residential units.
5. Failure to rebuild or repair or Your delay - We will only pay what it would cost now to repair or rebuild Your Buildings less an allowance for age, use and wear if You do not:
  - (a) Want them repaired or rebuilt; or
  - (b) Repair or rebuild them within a reasonable time.
6. Reduced floor space ratio rebuilding rule - If Your Location is subject to this rule We will pay you the difference between:
  - (a) The cost of rebuilding; and
  - (b) What the cost would have been had Your Location not been subject to this rule. This payment will be made when We receive in writing from a Registered Architect.
    - (i) Details of such cost; and
    - (ii) Confirmation that Your Buildings have been rebuilt.
7. Loss of land value - If the value of Your land reduces because of the reduced floor space ratio rebuilding rule We will also pay You the difference between:
  - (a) The value of Your land before the loss or damage; and
  - (b) Its current value.This payment will be reduced by the amount of any compensation paid or due to You from another party. We will use values supplied by the Valuer General to calculate this difference.
8. The most We will pay - We will not pay more than:
  - (a) \$3,000 for:
    - (i) A curio or work of art. We will not apply this limit to those items that are listed in the Schedule.
    - (ii) Theft that takes place in the open but within the walls, gates and fences that surround the Location.
  - (b) The Sum Insured.
9. Current Value - If the Schedule shows Your Buildings are covered for current value:
  - (i) We will not pay more than the cost of repairing or rebuilding Your Buildings less due allowance for depreciation and wear, and
  - (ii) The cost of professional fees, demolition, removing debris, shoring or propping up that are incurred in rebuilding or repairing the damage.

## EXTRA BENEFITS

1. Capital additions –  
We will cover any capital additions that You may make, after the start of the current period of cover to any Buildings insured by this section. We will not pay more than an extra amount of 5% of the Sum Insured on Buildings or \$250,000 whichever is less.
2. Claim preparation costs –  
We will pay You for those reasonable costs that You incur in providing the claim

details that We need.

3. Damaged records –

We will pay You for the cost of restoring Your lost or damaged records. The loss of records must result from damage that is covered by this Section.

4. Deeds –

We will pay the cost of replacing Your lost or damaged deeds. The loss or damage must occur in Australia. We will not pay more than \$5,000 under this benefit.

5. Finding the Cause of Loss or Damage –We will pay:

- (a) The cost of finding the cause of loss or damage that is covered by this Section. The cost must be reasonable; and
- (b) If the cause is a leak We will pay up to \$1,000 to repair the leak.
- (c) The cost of removing water from the basement of the Buildings caused by rain, storm, burst or leaking pipes. We will not pay more than \$2,000 under this benefit.

We will not pay for (a), (b) or (c) if the cause of the loss or damage is excluded under SECTION 1 Buildings, What's Not Covered.

6. Fire extinguishment –

We will pay for the Fire Brigade to:

- (a) Put out a fire at or near the Location
- (b) Turn off the water supply to Your fire sprinkler system after a fire. The cost must be reasonable.

7. Landscaping –

We will pay for plants or earthworks damaged by fire, theft or impact by a vehicle or a malicious act. We will not pay more than \$10,000 under this benefit.

8. Money –

We will cover Your cash; cheques; postal notes and money orders that are in the care of members of the Governing Body. But, We will not pay:

- (a) For losses due to:
  - (1) Accounting or clerical error
  - (2) Error in receiving or paying out money
  - (3) Fraud
  - (4) Theft by an Employee
- (b) A loss:
  - (1) For money that is held for more than 7 days
  - (2) From an unattended vehicle
- (c) More than \$5,000 under this benefit.

9. Temporary Protection –

We will pay for the temporary protection of Your Buildings covered by this Section after a burglary or an attempted burglary. You must need such protection and the costs must be reasonable.

10. Temporary removal of plant –

We will cover Your plant and equipment which form part of Your Buildings that is temporarily not at the location but is still in Australia. The cover is limited to loss or damage caused by:

- (a) Fire, lighting, explosion, earthquake or volcanic eruption.
- (b) Theft:
  - (1) That is accompanied by violence to a person; or
  - (2) Following violent and forceful entry into or exit from a building.
- (c) Accident to the conveyance.

This cover is limited to a period of 90 days. We will not pay more than \$20,000 under this benefit.

11. Unit Owners fixtures and fittings –

We will cover any fixtures and fittings other than carpets installed by Unit owners and permanently attached to the Buildings. We will not pay more than \$100,000 for any one Unit and \$500,000 in total for all Units under this benefit.

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12. Workers Property –

Under What's Covered We will include property that is in Your Building that belongs to a person whom You directly employ. We will not pay more than \$3,000 for each such person under this benefit.

13. Damage to Electric Motors –

We will pay for the cost of repairing or replacing an electric motor forming part of Your Buildings which burns out. We will not pay for electric motors larger than four (4) kilowatts or more than ten (10) years old.

14. Replacement Locks and Keys –

We will pay the cost of replacing locks, keys and / or remote door or gate control devices if as a result of a theft or attempted theft at the insured property, keys or remote door or gate controls are stolen or there are reasonable grounds to believe they have been duplicated. We will not pay more than \$1,000 under this benefit.

## OPTIONAL EXTRA BENEFIT

1. Disaster Protection –

We will pay up to an additional 30% of the Sum Insured on Buildings if Your Buildings are damaged as a result of government declared disaster or state of emergency.

## SECTION 2 - RENT AND EXTRA COSTS

### WHAT'S COVERED

1. Units that the owners let - Loss of Rent from the unit that they own.
2. Units in which the Owners Live - Extra living costs for a person that lives in a unit that they own.
3. Units that the Owners Use for their Business - Extra accommodation costs for a business that occupies the unit that the business owns.

The loss or extra costs must result from damage to Your Buildings. The damage must be covered by Section 1 of this Policy. We must have agreed to pay a claim for that damage or would have except for the application of an Excess.

### WHAT'S NOT COVERED

Any:

1. Loss of Rent;
2. Extra living costs; or
3. Extra accommodation costs;

if You decide not to rebuild or repair Your Buildings.

### HOW WE PAY CLAIMS

1. Units that the Owners Let –  
We will pay the owners their loss of Rent. The loss will be calculated by comparing the Income that they earn in the Indemnity Period with the Rent that they earned during the corresponding period in the 12 months immediately before the damage occurred.  
Adjustments will be made:  
(a) For business fluctuations.  
(b) For savings resulting from the interruption.  
We will also pay for those extra costs that will minimise any loss of Rent provided they do not exceed the savings made.
2. Units in which the Owners Live –  
We will pay the extra living costs incurred by the owners. We will only pay for the shorter of the following periods:  
(a) The time that is reasonably needed to rebuild or repair the premises; or  
(b) The Indemnity Period.
3. Units that the Owners Use for their Business –  
We will pay the extra accommodation costs incurred by the owners. We will only pay for the shorter of the following periods:  
a) The time that is reasonably needed to rebuild or repair the premises; or  
b) The Indemnity Period

### EXTRA BENEFITS

1. Claim preparation costs –  
We will pay for those reasonable costs that You incur in providing the claim details that We need. We will not pay more than \$25,000 under this benefit.
2. Prevention of access –  
Loss of Rent as covered by this Section that results from obstruction of access to the Location. The obstruction must be caused by:  
(a) damage that would have been covered by Section 1 of this Policy; and  
(b) damage to property within 100 metres of the Location
3. Murder or Suicide –  
Loss of Rent as covered by this Section that results from a murder or suicide. We will only pay when a government or local authority prohibits Your Buildings or sections of Your Buildings from being occupied. Cover will start when the government or local authority order is made until the order is revoked, or for a period of thirty (30) days, whichever occurs first.

## SECTION 3 - LIABILITY

### WHAT'S COVERED

General Liability –

Your legal liability for:

- Loss of or damage to property.
- Personal Injury

The loss, damage, loss of use or Personal Injury must result from an Occurrence that is connected with Your Buildings that are covered by Section 1 of this Policy. It can take place either in Australia or New Zealand.

### WHAT'S NOT COVERED

This Section does not cover:

1. A claim for defamation:
  - (a) Made before this Section began.
  - (b) If You knew that the material was false before it was issued.
  - (c) Related to advertising, broadcasting, telecasting or publication of a document by You or on Your behalf.
2. A claim that arises out of:
  - (a) A fire if it was deliberately lit by You or on Your behalf in breach of a law or regulation, by-law or ordinance.
3. A claim that arises out of:
  - (a) A registered vehicle owned or used by You, or
  - (b) A vehicle owned or used by You that should have been registered; unless it was being used as machinery and not for transport or haulage or coveris not available under any law or compulsory third party insurance and thereason or reasons why that cover was not available do not involve a breach byYou of legislation relating to Vehicles.
4. Loss of or damage to a motor vehicle, caravan or trailer that is in Your care, custody or control unless it is in a car park that You own or operate.
5. A claim that arises out of the erection or demolition of, or the addition, alteration or repair to any structure on Your behalf if the total cost of such work is more than \$250,000.
6. A claim that arises out of tunnelling, underpinning, vibration or interference with the support of any property.
7. A claim for Personal Injury to an Employee that arises out of or in the course of their work.
8. A claim that arises out of any:
  - (a) Defect error or omission in design plan specification or formula.
  - (b) Error in or omission of advice unless it is about the use of Your Buildings.
  - (c) Treatment that is given or prepared or the failure to give treatment.
9. A claim that arises out of the discharge, dispersal, release or escape of any pollutants. This exclusion will not apply if the discharge, dispersal, release or escape is the result of an instantaneous, identifiable, unintended and unexpected event that takes place in its entirety at a specific time and place. We will also not cover a claim where discharge, dispersal, release or escape is expected as part of Your normal operations but the specific event is not expected.
10. A claim that arises out of the ownership control occupation of, or any activity or work that is connected with any:
  - (a) Aircraft; balloon that can carry people; craft that travels on a cushion of air; rocket or anything that falls from these items.
  - (b) Place or structure where aircraft are stored, maintained or used.
  - (c) Watercraft.
11. A claim that arises out of the use, existence of, removal of, or exposure to any asbestos product or products containing asbestos.
12. Liability that You have agreed to accept. We will cover You if You would have been liable without Your agreement.
13. **Liability Cyber and Data Total Exclusion (LMA 5468 4 November 2020)**
  1. Notwithstanding any provision to the contrary within this Policy or any endorsement thereto this Policy does not apply to any loss, damage, liability, claim, fines, penalties, cost or expense of whatsoever nature directly

or indirectly caused by, contributed to by, resulting from, arising out of or in connection with any:

1.1 Cyber Act or Cyber Incident including, but not limited to, any action taken in controlling, preventing, suppressing or remediating any Cyber Act or Cyber Incident; or

1.2 loss of use, reduction in functionality, repair, replacement, restoration, reproduction, loss or theft of any Data, including any amount pertaining to the value of such Data;

regardless of any other cause or event contributing concurrently or in any other sequence thereto.

2. In the event any portion of this endorsement is found to be invalid or unenforceable, the remainder shall remain in full force and effect.

3. This endorsement supersedes any other wording in the Policy or any endorsement thereto having a bearing on a Cyber Act, Cyber Incident or Data, and, if in conflict with such wording, replaces it.

4. If the Underwriters allege that by reason of this endorsement that loss sustained by the Insured is not covered by this Policy, the burden of proving the contrary shall be upon the Insured

#### Definitions

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

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

7. Cyber Incident means:

7.1 any error or omission or series of related errors or omissions involving access to, processing of, use of or operation of any Computer System; or

7.2 any partial or total unavailability or failure or series of related partial or total unavailability or failures to access, process, use or operate any Computer System.

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

#### HOW WE PAY CLAIMS

We will pay those sums that You become legally liable to pay as damages and as plaintiff's litigation costs. We will not pay more than:

1. The Limit of Indemnity; and
2. Legal defence and other costs that We agree to pay in writing.

#### EXTRA BENEFITS

1. More than one insured –

When the insured is made up of more than one party each party will be treated as if they had a separate policy provided Our liability is not increased.

## SECTION 4 – MACHINERY

### WHAT'S COVERED

Part A Machinery Breakdown - Your machinery that is shown in the Schedule. It is covered while it is at the Location against accidental breakdown.

Part B Boiler - Your boilers and pressure vessels that are shown in the Schedule. They are covered while they are at the Location against:

1. Explosion
2. Sudden collapse.
3. Accidental breakdown.

### WHAT'S NOT COVERED

Part A and B

This Section does not cover:

1. Accidental breakdown, explosion or sudden collapse caused by alteration or addition of your machinery or boiler and pressure vessels
2. Breakdown of:
  - (a) Escalators and their motors;
  - (b) Lifts and their motors;
  - (c) Motors that are rated at more than 30 kilowatts; and
  - (d) Machinery that is driven by such motors; unless they are regularly serviced under a maintenance agreement. The agreement must:
    - (i) Provide regular preventative maintenance
    - (ii) Cover the full cost of remedial repairs.
3. Accidental breakdown, explosion or sudden collapse caused by cavitation or scratching of painted or polished surfaces.
4. Further damage to an item, for which You have made a claim, if it issued without being properly repaired.
5. Loss or damage that can be covered by any other section of this policy.
6. Loss or damage that is covered by a maintenance or service agreement.
7. Loss or damage that is caused by:
  - (a) Flood; the sea or a tidal wave.
  - (b) Land movement.
  - (c) Smoke or soot.
  - (d) The unlawful or unsafe use of Your machinery, boiler or pressure vessel.
  - (e) Water.
8. Preventative maintenance or overhaul.
9. Replacement or repairs that are due to gradual deterioration.
10. The cost of repairing or replacing any:

(a) Belt; chain; rope or wire.	(i) Heating element.
(b) Ceramic, glass or porcelain component.	(j) Jointing or packing.
(c) Cutting blade.	(k) Lubricant.
(d) Electrical contact.	(l) Refractory.
(e) Fabric or felt.	(m) Thermostat.
(f) Filter or sieve.	(n) Thermostatic expansion valve.
(g) Fuel.	(o) Tyre.
(h) Fuse.	
11. The replacement of a worn part that is due to normal use.

### HOW WE PAY CLAIMS

Part A - We will at Our option (acting reasonably) either:

1. Repair or replace Your machinery; or
2. Make a cash payment.

We will use the following method to value Your machinery. The cost of those repairs that are needed to restore a damaged item to the same condition that it was in immediately before the breakdown. We will not make a deduction for use and wear.

Part B - We will at Our option (acting reasonably) either:

1. Repair or replace Your boiler; or
2. Make a cash payment.

We will use the following method to value Your boiler. What it would cost new if You bought it now.

### **EXTRA BENEFITS**

1. Replacement Motor –  
We will pay for the hire of an electric motor while Yours is being repaired.
2. Loss of Refrigerant –  
We will pay for the refrigerant lost as a result of a breakdown.
3. Removal of Debris - We will pay the cost of removing debris that results from loss or damage covered by this Section.

## SECTION 5 – ELECTRONICS

### WHAT'S COVERED

Your electronic equipment that is listed in the Schedule. It is covered while it is at the Location against accidental breakdown.

### WHAT'S NOT COVERED

This Section does not cover:

1. Accidental breakdown to your electronic equipment caused by alteration or addition to the equipment.
2. Further damage to an item, for which You have made a claim, if it is used without being properly repaired.
3. Loss or damage that can be covered by any other Section of this policy.
4. Loss or damage that is covered by a Maintenance Agreement if the Schedule shows that the item, for which You have made a claim, must be protected by such an agreement.

The agreement must:

- (a) Provide regular preventative maintenance.
- (b) Cover the full cost of remedial repairs.

If such an agreement is not in force then We will not pay for loss or damage that:

- (i) Would have been covered by the agreement.
  - (ii) Is due to the lack of maintenance.
5. Loss or damage that is caused by:
    - (a) Atmospheric moisture or temperature unless it results directly from damage to or malfunction of air conditioning equipment.
    - (b) Fault error or omission in design.
    - (c) Power surge if the electronic equipment is not protected by a surge protector.
    - (d) Flood; the sea or a tidal wave.
    - (e) Land movement.
    - (f) Smoke or soot.
    - (g) Water.
  6. Preventative maintenance or overhaul.
  7. Replacement or repairs that are due to gradual deterioration.
  8. The cost of repairing or replacing any:
    - (a) Battery.
    - (b) Belt or chain.
    - (c) Electrical contact.
    - (d) Filter.
    - (e) Fuse.
    - (f) Heating element.
    - (g) Ribbon or tape.
  9. The replacement of a worn part that is due to normal use.

### HOW WE PAY CLAIMS

We will at Our option (acting reasonably) either:

1. Repair or replace Your electronic equipment; or
2. Make a cash payment.

We will use the following methods to value Your electronic equipment.

- (a) For items that are under 5 years old. What it would cost new if You bought it now.
- (b) For all other items.  
What it would cost new if You bought it now less a fair amount for use and wear.

### EXTRA BENEFITS

1. Removal of Debris –

We will pay the cost of removing debris that results from loss or damage covered by this Section.

## SECTION 6 – THEFT OF FUNDS

### WHAT'S COVERED

Funds that belong to the Governing Body. They are covered against:

1. Conversion;
2. Embezzlement
3. Fraud
4. Larceny
5. Misappropriation
6. Theft

by a Member or an Employee.

### WHAT'S NOT COVERED

1. The amount of a loss that can be recovered from a fund created to indemnify You for a loss due to fraud.
2. A loss that:
  - (a) Is not discovered within twelve months of when the fraud occurred.
  - (b) Takes place outside Australia.
3. Further loss that takes place by the same method after the initial discovery of the loss.

### HOW WE PAY CLAIMS

We will reimburse You for the value of the lost funds. The Sum Insured is the most We will pay for:

1. One person; or
2. A group of people acting together.

## SECTION 7 – PERSONAL ACCIDENT

### WHO'S COVERED

A Volunteer.

### WHAT A VOLUNTEER IS COVERED FOR

Death disability or injury due to an accident.

### WHO'S NOT COVERED

1. A Volunteer who fails to follow medical advice from a registered medical doctor about a condition for which a claim is made.
2. A Volunteer who does not have a medical examination for which We have asked. We will pay for the examination.
3. Children under the age of 12 years.

### WHAT'S NOT COVERED

1. Death disability or injury that:
  - (a) Can be claimed for under worker's or accident compensation legislation or compulsory third party cover.
  - (b) Is deliberately self inflicted.
  - (c) Takes place when a Volunteer is flying unless the Volunteer is a passenger on a licensed airline.
  - (d) Takes place when a Volunteer is riding a motorcycle or motor scooter.
2. Death disability or injury that is due to:
  - (a) A medical condition that was known to the Volunteer before this cover was taken out.
  - (b) An infection unless it can be shown that it was acquired as a result of an injury.
  - (c) A Volunteer being under the influence of or addiction to a drug or an intoxicating liquor.

### HOW WE PAY CLAIMS

1. Death - We will pay the Sum Insured to the estate of a Volunteer who dies. The death must take place within 365 days of the accident that caused it.
2. Permanent Disability - We will pay the Volunteer that percentage of the Sum Insured that is shown next to the disability in the table below. The disability must take place within 365 days of the accident that caused it.

(a) Permanent total disablement	100.0%
(b) Permanent loss of use of two or more limbs	100.0%
(c) Permanent loss of use of one limb	50.0%
(d) Permanent insanity	100.0%
(e) Permanent total loss of sight	100.0%
(f) Permanent total loss of sight in a remaining eye	100.0%
(g) Permanent total loss of sight or the lens in one eye	50.0%
(h) Permanent total loss of hearing	75.0%
(i) Permanent total loss of hearing in one ear	15.0%
(j) Permanent total loss of use of a thumb and all fingers on one hand	70.0%
(k) Permanent total loss of use of all the fingers on one hand	40.0%
(l) Permanent total loss of use of a thumb	30.0%
(m) Permanent total loss of use of one joint of a thumb	15.0%
(n) Permanent total loss of use of a finger	10.0%
(o) Permanent total loss of use of two joints of a finger	7.5%
(p) Permanent total loss of use of one joint of a finger	5.0%
(q) Permanent total loss of use of a foot	15.0%
(r) Permanent total loss of use of a big toe	5.0%
(s) Permanent total loss of use of one joint of a big toe	3.0%
(t) Permanent total loss of use of each other toe	3.0%

- |   |       |
|---|-------|
| (u) Broken leg or kneecap that will not join      | 10.0% |
| (v) Shortening of a leg by at least 5 centimetres | 7.5%  |

The degree of permanent injury will be decided by 365 days after the accident.

3. Loss of Earnings - We will pay the Volunteer up to the Sum Insured if a disability or injury stops the Volunteer doing what the Volunteer was capable of doing by training or experience. The payments will be made at the end of each 4 week period. But, We will:
  - (a) Not pay if the Volunteer is not in paid employment at the time of the accident.
  - (b) Not pay for more than 52 weeks for any one accident.
  - (c) Not pay more than the average weekly income that the Volunteer earned in the 12 months directly before the accident took place. If the Volunteer was not working for the full 12 months the average will be based on the time worked.
  - (d) Not pay until the Volunteer has seen a registered medical doctor about the disability or injury.
  - (e) Stop payments once the Volunteer is able to return to any form of work. If the Volunteer earns less due to the disability We will pay the difference.
4. Domestic Assistance - We will pay the reasonable costs of domestic assistance for a Volunteer who is totally disabled from doing what the Volunteer was capable of doing by training or experience. We will not pay more than \$500 for any one injury.
5. Travel Expenses - We will pay the travel expenses necessarily incurred in obtaining medical treatment following disability or injury. The costs must be reasonable. We will not pay more than \$500 for any one injury.
6. Limitations - We will not pay for more than one disability for each accident. The payment will always be the greater percentage of the Sum Insured that is payable.
 

But:

  - (a) The permanent loss of several fingers and or a thumb will be treated as one disability with a limit of 70%.
  - (b) The permanent loss of several toes will be treated as one disability with a limit of 15%.

Any payment for death or permanent disability will be reduced by the amount already paid for loss of earnings if it is due to the same accident.

We will not pay more claims for a Volunteer once they are entitled to claim for at least 50% of the Sum Insured for permanent disability.

## SECTION 8 – OFFICE HOLDERS LIABILITY

### WHAT'S COVERED

1. Members Indemnity - The amount a Member becomes legally liable to pay for a Wrongful Act attempted or committed by the Member. The Wrongful Act must arise from a:
  - (a) Duty of the Member to serve You (the Body Corporate or Company).
  - (b) Claim made against the Member for which You have not indemnified the Member.
2. Body Corporate or Company Reimbursement - Payments by way of an indemnity that You have made to a Member. But, it is limited to the:
  - (a) Extent allowed by the law.
  - (b) The Loss a Member becomes legally liable to pay for a Wrongful Act attempted or committed by the Member. The Wrongful Act must arise from a duty of the Member to serve You. The Wrongful Act must occur in Australia.

### DEFINITIONS

In this Section;

Employee means;

- i) any natural person acting under a contract of service with You;
- ii) any natural person acting as a Volunteer

Employee does not mean any consultant or sub-contractor or independent professional adviser or agent or Member or any natural person providing services to You.

Wrongful Act means any:

1. Actual or alleged mis-statement.
2. Breach of duty.
3. Breach of trust.
4. Error or omission.
5. Misleading statement.
6. Negligent act.

Arising from a duty of the Member to serve You (the Body Corporate or Company)

Claim means;

1. A written notice received by a Member for a demand for compensation or other relief from any party in respect of any actual or alleged Wrongful Act which leads to a Loss;
2. An Inquiry which is evidenced by a notice requiring the Member to attend which is first served during the period of insurance.

Loss means;

1. such sums which a Member is legally liable to pay as compensatory damages for any Wrongful Act;
2. punitive or exemplary damages awarded in a court of law against a Member which arise from a Wrongful Act;
3. Defence Costs

Defence Costs means;

Costs and charges and expenses incurred in the response to a Claim made against a Member with Our prior and written consent and which arise from a Wrongful Act. It does not mean salaries, wages, travel or accommodation expenses.

Retroactive Date means:

The date before which no Wrongful Act is covered. This date is shown in the Schedule.

### WHAT'S NOT COVERED

This Section does not cover:

1. A Claim for a Wrongful Act that:
  - (a) Occurred before the Retroactive Date.
  - (b) Was made before or after the period of cover. This does not apply if You or a Member first became aware of the facts, from which the claim arises, during the period of cover and You or a Member elect to tell Us about them during the same period.

2. A Claim for a Wrongful Act that arises out of facts that:
  - (a) Were notified under an earlier policy.
  - (b) You or a Member were aware of before this cover began.
3. A Claim for a Wrongful Act that arises out of:
  - (a) Abuse of power.
  - (b) A conflict in a Member's duty or interest.
  - (c) A criminal; dishonest; fraudulent; malicious; reckless; wilful; act or omission.
  - (d) A guarantee or warranty given by a Member.
  - (e) A Member gaining profit or advantage to which the Member is not entitled.
  - (f) A Member having information that is not available to the buyer or seller of securities.
  - (g) Money or other benefit given to a Member without authority of the Governing Body.
  - (h) Seepage or pollution.
  - (i) A decision not to effect or maintain insurance.
4. A Claim for or arising from:
  - (a) Defamation.
  - (b) Loss or loss of use of; or damage to property.
  - (c) Bodily injury sickness disease or death of a person or animal.

#### **HOW WE PAY CLAIMS**

We will pay:

1. The Loss that a Member becomes legally liable to pay; or
2. The amount for which You have indemnified the Member, and
3. Legal defence and other costs that We agree in writing to pay.  
But We will not pay more than:
  - (a) the Limit of Indemnity for one claim.
  - (b) The Annual limit that is shown in the Schedule for all Claims in one period of cover.

#### **EXTRA BENEFITS**

1. Estates and legal representatives –  
If a Member dies or becomes incompetent, insolvent or bankrupt We will cover the Member's estate heirs legal representatives or assigns as if they were the Member.
2. Loss of documents –  
We will cover You and any Member for:
  - (a) Liability that arises from the loss of or damage to; and
  - (b) Cost of replacing or restoring documents other than money, bearer bonds or negotiable instruments.
 We will not pay more than \$3,000 under this benefit.
3. Audit Fees –  
We will cover You for reasonable Professional Fees incurred with our written consent resulting from an Audit by a Government Authority first notified to You during the period of cover. We will not pay Audit costs associated with any Audit:
  - (a) where prior to the commencement of the period of cover;
    - (i) You became aware of the relevant audit; or
    - (ii) a reasonable person would have become aware that an audit was likely to occur;
  - (b) that is the subject of a legal statutory requirement and occurs on a regular basis;
  - (c) where documents have not been lodged on time or correctly;
  - (d) involving a failure by You to comply with a government or statutory requirement;
  - (e) which for tax or accounting purposes does not relate to Your prior taxation year
  - (f) in respect of any additional costs associated with:
    - (i) fines, penalties, judgements, interest or other additional costs imposed by any court, tribunal, government or statutory authority;
    - (ii) retaining licensing compliance or membership with any government body;
    - (iii) additional costs not directly part of the audit.

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We will not pay more than \$50,000 for any one audit and in aggregate during the period of cover.

4. Occupational Health and Safety Costs –  
We will cover You and any Member for Defence Costs incurred in defending any criminal or regulatory proceedings in respect of actual or alleged breach of any occupational health or safety laws or regulations which result from a Wrongful Act. We will not pay more than \$50,000 for any one claim and in aggregate during the period of cover.
5. Pollution Defence Costs –  
What's Not Covered 3 (h) will not apply to Defence Costs You or a Member incur in defending any criminal or regulatory proceedings in respect of any actual or alleged pollution. We will not pay more than \$50,000 for any one claim and in aggregate during the period of cover.





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