



# **Unoccupied Property Insurance**

Product Disclosure Statement and **Policy** Wording

# INDEX

<b>YOUR POLICY .....</b>	<b>3</b>
<b>COMPLAINTS AND DISPUTES .....</b>	<b>4</b>
<b>HOW TO MAKE A CLAIM.....</b>	<b>5</b>
<b>INTRODUCTION .....</b>	<b>7</b>
<b>GENERAL DEFINITIONS .....</b>	<b>8</b>
<b>UNDERSTANDING IMPORTANT TERMS &amp; CONDITIONS OF YOUR POLICY .....</b>	<b>11</b>
<b>GENERAL CONDITIONS APPLICABLE TO ALL POLICIES OF THIS COMBINED WORDING .....</b>	<b>13</b>
<b>GENERAL EXCLUSIONS.....</b>	<b>19</b>
<b>SECTION 1 PROPERTY DAMAGE .....</b>	<b>23</b>
COVER .....	23
DEFINITIONS .....	23
STANDARD COVER .....	24
EXTENSION 1.....	24
SUBJECT TO THE FOLLOWING CONDITIONS.....	24
OPTIONAL BENEFITS .....	24
EXCLUSIONS APPLICABLE TO PROPERTY INSURED UNDER SECTION 1 INCLUDING OPTIONAL BENEFITS .....	26
<b>SECTION 2 PROPERTY OWNERS LIABILITY.....</b>	<b>27</b>
COVER .....	27
DEFINITIONS .....	27
LIMITS OF LIABILITY.....	27
EXCLUSIONS APPLICABLE TO SECTION 2.....	27
CONDITIONS.....	28

## Your Policy

Welcome to **Your** Mainstay Underwriting Motor Trades combined **Policy** and thank **You** for choosing Mainstay Underwriting. The information **You** have given forms part of the contract of insurance with **Us**. **Your Policy, Schedule and Endorsements** are evidence of that contract. Please read them carefully and keep them in a safe place.

This wording is divided into a number of **Sections** that must be read together with the **Schedule** and **Endorsements**. The **Schedule** will show which **Sections** apply to **You**. If **Your Schedule** is incorrect return it to **Your** insurance broker for alteration.

### Important

**We** recommend that **You** read this **Policy** with the **Schedule** to make sure that it meets with **Your** needs. If **You** have any questions, please contact **Us** or **Your** insurance broker.

### Who is Mainstay Underwriting?

Mainstay Underwriting Pty Ltd ABN 47 123 301 762 (Australian Financial Services Licence No. 477690) ("Mainstay Underwriting"), is an underwriting agency providing a range of insurance products.

Mainstay Underwriting acts as an agent for and on behalf of Certain Underwriters at Lloyd's led by Beazley Furlonge Ltd, Syndicate 2623/0623. Mainstay Underwriting does not act on **Your** behalf.

**You** may contact Mainstay Underwriting via **Your** insurance intermediary or broker or as follows:

Post: Suite 29, 42 Bundall Road, Bundall, QLD, 4217

Phone: 07 5680 9945

Email: Risk@Mainstay.com.au

### Welcome to the Lloyd's market

Lloyd's is the world's specialist insurance and reinsurance market, bringing together an outstanding concentration of underwriting expertise and talent. It is often the first to insure emerging, unusual and complex risks.

Around 80 syndicates are underwriting insurance at Lloyd's, covering all classes of business. Together they interact with thousands of brokers daily to create insurance solutions for businesses in over 200 countries and territories around the world.

Lloyd's enjoys strong financial security supported by excellent ratings. Visit [www.lloyds.com](http://www.lloyds.com) for more information.

### 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.

Lloyd's has 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 Mainstay Underwriting in the first instance:

**Mainstay Underwriting Dispute Resolution Manager**

Write to **Us** at: Suite 29, 42 Bundall Road, Bundall, QLD, 4217

Telephone: 07 5680 9945

Email: [Complaints@Mainstay.com.au](mailto:Complaints@Mainstay.com.au)

**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)

Telephone: (02) 8298 0783

Post: Level 32, 225 George Street, Sydney NSW 2000, Australia

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:

1. If a dispute arises under this Insurance, this Insurance 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;
2. Any summons notice or process to be served upon the Underwriters may be served upon:  
**Lloyd's Underwriters' General Representative in Australia**  
Level 32, 225 George Street,  
Sydney NSW 2000, Australia  
who has authority to accept service on the Underwriters' behalf;
3. 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 notice should be given as soon as reasonably practicable by referring to **Section** of the wording, "How to Make A Claim".

## How To Make A Claim

**You** must follow the procedures outlined if something happens that causes or is likely to result in a claim, or the incurring of an expense which may lead to **You** making a claim under this **Policy**. If **You** do not, **We** may refuse **Your** claim or reduce the amount **We** pay.

### Claims Notification

If **You** wish to make a claim, **You** must:

1. Contact either
  - a. **Your** insurance Broker
  - b. Contact Mainstay Underwriting:  
Mainstay Underwriting Pty Ltd  
Suite 29, 42 Bundall Road  
Bundall, Queensland, 4217, Australia  
TEL: +61 (0)75680 9945  
Email: Claims@Mainstay.com.au
  - c. Contact **Our** Third Party Claims Administrator:
    - i. For claims in **Sections 1, 2, 3, 4 or 6** please notify:  
Insurx Pty Ltd  
Unit 1, 149 Beauchamp Road  
Matraville, NSW, 2036, Australia  
Email: mainstayclaims@SteadfastClaims.com.au  
Office: 02 8233 3188
2. As soon as practicable send **Us** any court documents or other communication **You** receive about the claim.

### When loss, damage or personal injury occurs, **You** must:

1. As soon as possible, take reasonable steps to prevent further loss or **Damage**.
2. As soon as possible make a report to the police if:
  - a. **You** know or suspect that **Your** property has been stolen;
  - b. someone has broken into **Your Situation**; or
  - c. someone has caused malicious **Damage** to **Your** property.
3. Preserve and retain any damaged property and make it available for inspection by **Us** or **Our** agent (including a loss adjuster).
4. Not make any admission of liability, in connection with any event; negotiate or promise anyone a payment; dispose of any damaged property; accept any payment (including **Excess** payments) from anyone; not incur any costs or expenses or authorise repairs (other than necessary temporary repairs) unless **We** agreed in writing first.

### What **You** must agree to if **You** claim

1. **You** must provide proof of ownership of any lost or damaged property. Proof could include receipts, valuations or warranties.
2. Give **Us** any information and help **We** need to handle the claim. This can include agreeing to be interviewed and providing relevant documents **We** ask for

### When **You** have made a claim

1. **We** or **Our** agent may investigate any matter that is or may be the subject of the claim.
2. **You** are always required to provide **Us** with direct access to **Your** professional adviser.
3. If **We** ask, **You** are required to instruct **Your** professional adviser to assist **Us** in connection with any matter **We** seek to pursue with any government department, body or agency conducting the tax audit which is or may be the subject of a claim under this **Policy**.
4. Proceedings in the event of a claim

**When You submit a claim:**

**We** require that **You** give **Us** all information and assistance **We** may need:

1. to settle or defend claims; or
2. to recover from others any amount **We** have paid for a claim.

**You must allow Us to:**

1. make admissions, settle or defend claims on **Your** behalf; and
2. take legal action in **Your** name against another person to recover any payment **We** have made on a claim before **We** have paid **Your** claim, or whether or not **You** have been compensated or paid in full for **Your** actual loss.
3. **You** must allow **Us** or **Our** agent to enter **Your Situation** or make them available to **Us** for inspection.
4. **You** must allow **Us** or **Our** agent to take possession of any damaged property and deal with it in a reasonable manner. If **We** do not take possession of the damaged property **You** cannot abandon it to **Us**.

**We** will make progress payments on claims at intervals to be decided by **Us** following receipt of an interim report from **Our** loss adjuster or representative.

**Fraudulent claims**

If **You** or someone acting on **Your** behalf makes a false or fraudulent claim, **We** may:

1. refuse to pay the claim;
2. cancel the **Policy**;
3. take legal action against **You**; or
4. do any or all of the above.

**Waiver of Your recovery rights or hold harmless agreement**

If another person is, or could have been, liable to compensate **You** for any loss, **Damage** or legal liability otherwise covered by the **Policy**, but **You** have agreed with that person either before or after the **Loss, Damage** or legal liability occurred that **You** would not seek to recover any moneys from that person, **We** will not cover **You** under the **Policy** for any such **Loss, Damage** or legal liability.

**When We may refuse a claim**

**We** may refuse to pay a claim, or **We** may reduce the amount **We** pay, if:

1. **You** do not do what **Your** duty of disclosure requires **You** to;
2. **You** are not truthful;
3. **You** have not given **Us** full and complete details.

## Introduction

The following is a summary of the insurance in the Mainstay **Unoccupied** property **Sections** that are available to meet **Your** requirements.

Summary of covers (for details of actual coverage refer to relevant Coverage Section in this Policy)	
<b>Section 1 Property Damage</b>	This <b>Section</b> covers <b>You</b> against loss or <b>Damage</b> to <b>Property Insured</b> caused by the specified events that <b>You</b> have elected in <b>Your Proposal</b> , being either Standard Cover or Extension 1 cover, as noted in <b>Your Schedule</b> and subject to the terms and conditions of the <b>Policy</b> . subject to the terms of the <b>Policy</b> .
<b>Optional Benefits under Section 1</b>	<b>You</b> can choose to add additional Optional Benefits under <b>Section 1</b> , being Claims Preparation, <b>Landlord Contents</b> , <b>Glass</b> , Rental Income, and/or Accidental <b>Damage</b> .
<b>Section 2 Properties Owners Liability</b>	<b>We</b> will pay for <b>Your</b> legal liability for personal injury or Third-Party property <b>Damage</b> arising from owning <b>Your Unoccupied</b> property or <b>Vacant Land</b> , caused by an occurrence during the <b>Period of Insurance</b> , up to the limit of liability of \$10,000,000., subject to the terms of the <b>Policy</b> .

### Insurer's Liability Several Not Joint

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 next to its stamp. This is subject always to the provision concerning "signing" below.

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. The business address of each member is Lloyd's, One Lime Street, London EC3M 7HA. The identity of each member of a Lloyd's syndicate and their respective proportion may be obtained by writing to Market Services, Lloyd's, at the above address.

### Proportion of Liability

Unless there is "signing" (see below), the proportion of liability under this contract underwritten by each **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 next to its stamp and is referred to as its "written line".

Where this contract permits, written lines, or certain written lines, may be adjusted ("signed"). In that case a **Schedule** is to be appended to this contract to show the definitive proportion of liability under this contract underwritten by each **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). A definitive proportion (or, in the case of a Lloyd's syndicate, the total of the proportions underwritten by all the members of a Lloyd's syndicate taken together) is referred to as a "signed line". The signed lines shown in the **Schedule** will prevail over the written lines unless a proven error in calculation has occurred.

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

LMA3333 – 21 June 2007

## General Definitions

The following words and expressions have the meanings given to them below and apply to all **Sections** of this **Policy**, unless these words are defined differently in the relevant **Section** of the **Policy**:

### Annual Gross Rentals

Gross rentals in one calendar year.

### Asbestos

Asbestos in whatever form including, without limitation, asbestos, fibres, derivatives or products containing asbestos.

### Building(s)

The **Building(s)** situated at the **Situation** which include;

- landlord's fixtures and fittings
- annexes, gangways, out **Buildings** and extensions, tenants improvements for which the landlord is responsible under the terms of the lease or other agreement under which the property is let
- canopies, fixed signs, gangways, lamp posts and street furniture
- walls, gates and fences
- drains, sewers, piping, ducting, cables, wires and associated control gear and accessories on the **Building** and extending to the public mains, but only to the extent of **Your** responsibility for that property
- yards, car parks, roads and pavements, forecourts, which are constructed of solid materials
- landscaping, excluding external ponds and lakes Belonging to the **Insured** or for which the **Insured** is legally responsible or has assumed liability to insure under a written contract.

### Bushfire

'Bushfire' shall mean:

1. Any (whether naturally occurring or caused by human activity) wildfire, wildland fire, forest fire, vegetation fire, grass fire, peat fire, **Bushfire**, brush fire, hill fire, desert fire, veld fire, escaped prescribed fires, escaped wildland fire or any other uncontrolled or unplanned fire or equivalent thereof and regardless of originating cause.
2. The events originating or resulting or following from a **Bushfire** described in paragraph (i) above include, for example, **Damage** from, smoke, soot, fumes, heat, cinders, embers, or other fire debris.

### Business

The business or occupation described in the **Schedule**, including Ownership by the **Insured** of the **Property Insured** including:

- maintenance, occupation or use of the **Property Insured** by the **Insured**
- the provision and management of canteen, sports, social or welfare organisations for the benefit of Employees and fire, security, first aid, medical and ambulance services

- private work undertaken with the prior consent of the **Insured** by Employees for any director or senior official of the **Insured**.

### Contractor

A "contractor" is defined as any person, company or organisation working at or on the **Situation** or **Property Insured** as a professional tradesman, including where **You** are working in such capacity. Examples: Labour Hire Personnel, Sub-contractors.

### Landlord Contents

**Landlord Contents** are items not permanently attached to the insured **Situation** and include, but not limited to: furniture, furnishings, clothing, unfixed electrical goods and appliances, internal blinds, drapes and curtains, carpets and rugs, pot plants, fixtures and fittings (not forming a permanent part of the **Building's** structure). These items must be owned by **You**.

### Coverage Section

A **Section** of this **Policy** that sets out the terms of Insurance.

### Damage(d)

Loss or destruction of or physical damage to the **Property Insured**.

### Declared Value

A sum declared by **You** for **Property Insured**.

### Employee(s)

Any person while employed by **You** in the **Business** who **You** compensate by salary, wages or commission and have the right at all times to govern, control and direct in the performance of their work.

### Employment Practices

Any wrongful or unfair dismissal, denial of natural justice, defamation, misleading representation or advertising, harassment or discrimination in respect of the Named **Insured's** Employees.

### Excess

The first part of each and every loss, claim, event or **Damage** which the **Insured** must pay, as shown in the **Schedule**.

### Glass

**Glass** (including plastic material used as **Glass**) which belongs to **You**, or for which **You** are legally liable and including:

- external **Glass**;
  - internal **Glass** and vitreous china or ceramic; and
  - toilet pans, cisterns and wash basins;
- Glass** does not include:
- signs;
  - expendable items;

- **Glass** forming part of vehicles or stock or merchandise in trade;
- ornaments, antiques or portable **Glass** objects;
- chipped or cracked or imperfect **Glass**, or **Glass** in poor condition at the commencement of the **Period of Insurance**;
- **Glass** in electronic or printing equipment; or
- **Glass** in any **Glass** house, conservatory, radio, television screen, computer screen, vase, picture, crystal, crockery, china, or **Glass** normally carried by hand.

### First Loss

First Loss refers to a limited amount of coverage specified in **Your Schedule**, which is the maximum liability the insurer will pay for any one loss or occurrence under **Section 1 – Property Damage**. It does not require the policyholder to insure the full value of the property, but the insurer's liability is capped at the First Loss Limit for any individual claim, regardless of the total value or actual value of the Property Insured. The underinsurance clause still applies in the event of an understated Sum Insured or Declared Value.

### Flood

The covering of normally dry land by water that has escaped or been released from the normal confines of any of the following whether or not each of the following has been altered or modified:

1. a lake;
2. a river;
3. a creek;
4. another natural watercourse;
5. a reservoir;
6. a canal; or
7. a dam.

### Gross Rentals

The money paid or payable to the **Insured** for tenancies and associated income derived from the letting, leasing or licencing use of the **Situation**.

### Indemnity Period

The period beginning with the occurrence of the **Damage** and ending not later than the number of months stated in the **Schedule** as the indemnity period during which the results of the **Business** shall be affected in consequence of the **Damage**.

### Personal Injury

Bodily injury, death, disease, illness or nervous shock.

### Insurance

The insurance provided to **You** by this **Policy**.

### Insured(s)/You

The person(s) or commercial entity(ies) named in the **Schedule** as the **Insured**.

### Intermediary

A representative, such as a broker or agent, who facilitates the arrangement of insurance between **You** and **Us**.

### Labour Hire Personnel or Contractor or Subcontractor

Any person engaged in any aspect of the **Business** of the **Insured** whilst employed by an employment agency, placement agency, labour hirer or any other company or person whose **Business** is or includes the supply or provision of labour.

### Monitored Burglar Alarm

An alarm system that is at least a Class 3 alarm and monitored, as referred to in Australian Standard AS 2201:2008. It is a back-to-base alarm that does not rely on a landline but utilises a mobile connection such as GSM, GPRS, 3G, 4G, 5G, or a similar mobile solution for communication.

### Maximum amounts

Where a dollar amount is stated in a Coverage **Section** preceded by “*Maximum:*”, the amount stated after “*Maximum:*” is the most **We** will pay for that benefit under the **Policy** unless a higher amount is specified for that benefit in the **Schedule**.

### Optional Benefits

The optional benefits specified under the heading “Optional benefits” in **Section 1** of the Coverage **Section**, which **You** have selected, and **We** have agreed to cover. These Optional Benefits include Accidental Damage, **Landlord Contents**, **Glass**, Rental Income, Occupied Risk Extension, and Claims Preparation, as specified as covered in the **Schedule**.

### Period of Insurance

The specific duration during which **Your Policy** is active and provides coverage.

### Situation(s)

The places listed in the **Schedule** (including **Buildings**, yards and land within the legal boundaries of the **Situation**).

### Property Insured / Insured Property

The **Buildings**, **Contents** and **Glass** at the **Situation**, as specified and to the extent covered as **Property Insured** in the **Schedule**.

### Policy

This **Policy** wording, the **Schedule** and all endorsements

### Proposal

The proposal form, any correspondence, and any additional information supplied to **Us** by **You** or on **Your** behalf.

### Section

A **Section** of this **Policy**.

## Schedule(s)

The **Schedule** issued by **Us** for this **Policy**. In the event of any conflict or inconsistency between the terms of this **Policy** and the details outlined in **Your Schedule**, the terms and conditions set forth in **Your Schedule** shall prevail and supersede the wording of this **Policy**.

## Specified Event

Means the perils covered under Standard Cover or Extension 1 of **Section 1** – Property Damage, as chosen by **You** in **Your** proposal and noted as "INSURED" in **Your Schedule**.

## Standard Gross Rentals

The Gross Rentals during that period in the twelve months immediately before the date of the **Damage** which corresponds with the Indemnity Period to which such adjustments shall be made as may be necessary to provide for the trend of the **Business** and for variations in or special circumstances affecting the **Business** either before or after the **Damage** or which would have affected the **Business** had the **Damage** not occurred so that the figures thus adjusted shall represent as nearly as may be reasonably practicable the results which but for the **Damage** would have been obtained during the relative period after the **Damage**.

## Sum Insured/Limit of Indemnity/Limit of Liability

The sum or limit specified in the **Schedule** as applying to the **Section** of the **Policy**, Property Insured, events, claims or **Our** aggregate liability, as specified in the **Schedule**.

## Territorial Limits

The Commonwealth of Australia only

## Terrorism

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) which from its nature or context is done for, or in connection with, political, religious, ideological, ethnic or similar purposes or reasons, including the intention to influence any government or to put the public, or any **Policy** of the public, in fear.

## Third Party Property Damage

Physical loss or **Damage** to tangible property belonging to a party other than the **Insured**, and for which the **Insured** is not legally liable for and has not assumed responsibility to insure.

## Underwriters

The underwriters/**Insurers** specified in the **Schedule** that provide this Insurance.

## Unoccupied

When the **Situation** are closed for trade, untenanted or not resided at for a period in excess of seven consecutive days.

## Vacant Land

Vacant Land means land not being used for any **Business** (other than as property owner), profession, trade, manufacturing or rural activity or operation. Such land to be with or without any of the following:

- gates, fences, letter boxes, site identification pegs and signs.
- plants, trees and shrubs.
- landscaping, retaining walls, gutters, drains, paths, paving and driveways.
- underground and above ground services including aprons, supply mains and meters.

Otherwise the land to be free of any structure or structures.

## We, Us, Our, Insurer

Underwriters and Mainstay Underwriting PTY LTD, ABN: 47 123 301 762, AFSL 477690 as Coverholder and agent for the Underwriters.

## Works

For the purposes of this **Policy**, "Works" refers to any building works, construction, renovation, refurbishment, redecoration, landscaping, or demolition activities that are likely to be undertaken at the **Situation** during or after the **Period of Insurance**. This includes any structural or non-structural alterations or improvements to the **Situation**.

## You, Your, Yourself, Insured

Any person, company or legal entity shown on the **Schedule** as the Named **Insured**.

# Understanding important Terms & Conditions of Your Policy

## Basis on which We insure You

We agree to insure You based on the information provided in the Proposal and subject to payment of the required premium by the required date

## Cover under more than one Policy

We will not indemnify You or pay for any claim under more than one Coverage Section for the same loss, Damage or liability.

## Your Duty of Disclosure

Before You enter into the Policy with Us, the Insurance Contracts Act 1984 requires You to provide Us with the information We need to enable Us to decide whether and on what terms Your application for insurance is acceptable and to calculate how much premium is required for Your insurance.

The Act imposes a different duty the first time You enter into the Policy with Us to that which applies when You renew, vary, extend, reinstate or replace the Policy. We set these two duties out below.

## Your Duty of Disclosure when You enter into the policy with Us for the first time

You will be asked various questions when You first apply for the Policy. When You answer these questions, You must:

- Give Us honest and complete answers;
- Tell Us everything that You know; and
- Tell Us everything that a reasonable person in the circumstances could be expected to tell Us.

## Your Duty of Disclosure when You renew, vary, extend, reinstate or replace the policy

When You renew, vary, extend, reinstate or replace Your Policy(ies), Your duty is to tell Us before the renewal, variation, extension, reinstatement or replacement is made, every matter which:

- You know; or
- a reasonable person in the circumstances could be expected to know,

that is relevant to Our decision whether to insure You and whether any special conditions need to apply to the Policy(ies).

## What You do not need to tell Us for either duty

You do not need to tell Us about any matter:

- that diminishes Our risk;
- that is of common knowledge;
- that We know or should know as an Insurer; or
- that We tell You We do not need to know.

## Who does the duty apply to?

The duty of disclosure applies to You and everyone that is Insured under the Policy. If You provide information for another Insured, it is as if they provided it to Us.

## What happens if the duty of disclosure is not complied with?

If the duty of disclosure is not complied with We may cancel the Policy and/or reduce the amount We pay if You make a claim. If fraud is involved, We may treat the Policy as if it never existed, and pay nothing.

## Renewal procedure

Before Your Policy expires We will send You a notification of Your current insurance and invite You to complete a new Proposal. There is no automatic renewal of any insurance We offer. If You require insurance for further Period of Insurance, You will always need to complete and submit a new Proposal 14 days prior to the termination of the current Policy for Our consideration and assessment.

Please note, insurance cover ends when the Period of Insurance ends. Once We have assessed Your further Proposal We will advise whether We intend to offer insurance and if so on what terms. It is important that You check the terms of Our renewal offer before renewing to satisfy Yourself that the details and content are correct. In particular, check the Sum Insured and limit amounts, Limit of Indemnity and Excess(es) applicable to ensure the levels of cover are applicable and correct for Your requirements. Please note that You need to comply with Your Duty of Disclosure before each renewal of insurance, as a renewed insurance Policy is a new contract of insurance.

## Interested parties

We will not insure the interests of any person other than You, unless You have notified Us in writing of such interest, and the interest has been noted in the Schedule.

## The Goods and Services Tax (GST) and Your insurance (GST registered policyholders only)

GST has an impact on the way in which claim payments are calculated under Your Policy. We will calculate the amount of any payment We make to You having regard to Your GST status. If, for example, We make a cash payment to You for the purchase of goods or services for which You are entitled to claim an input tax credit, We will only pay You an amount equal to Your net cost – i.e. Your cost after claiming input tax credits. If You are registered for GST purposes, You should calculate Your Insured amounts or advise Us of Your asset values or turnover having regard to Your entitlement to input tax credits.

You should, therefore, consider the net amount (after all input tax credits have been taken into account) which is to be Insured and calculate and advise to Us Insured amounts, asset values or turnover on a GST exclusive basis where You are registered for GST purposes.

If **You** are either wholly or partially input taxed, **You** are in a special category under the GST legislation, and will need to advise **Us** of **Your** sums **Insured**, asset values or turnover on a GST inclusive basis as well as the relevant percentage that applies to any input tax credit entitlements.

This outline of the effect of the GST has on **Your Policy** is for **Your** general information only. **You** should not rely on this information without first seeking expert advice on the application of the GST to **Your** particular circumstances

## Your Privacy and The Law

Mainstay Underwriting is dedicated to upholding **Your** privacy and protecting **Your** personal information. **We** are bound in Australia by the Privacy Act 1988 (Cth) and its associated Australian Privacy Principles.

Please visit the Mainstay Underwriting website [www.Mainstay.com.au](http://www.Mainstay.com.au) for full details of **Our** up to date Privacy **Policy**.

## Updating this PDS

**We** may need to update this document which is **Our Policy** disclosure statement ("PDS") from time to time, if certain changes occur, where required and permitted by law. **We** will issue **You** with a new PDS or a supplementary PDS or other compliant document to update the relevant information except in limited cases. Where the information is not something that would be materially adverse from the point of view of a reasonable person considering whether to buy this insurance, **We** may issue **You** with notice of this information in other forms or keep an internal record of such changes (**You** can get a paper copy free of charge by contacting **Us** using **Our** details on the back cover of this PDS). Other documents may form part of **Our** PDS and the **Policy**. If they do, **We** will tell **You** in the relevant document.

## AML collection of Personal Information

**We** may be required by Anti-Money Laundering/Counter Terrorism Financing legislation to collect **Your** personal information.

## Cancellation Rights

- **You** may cancel this **Policy** at any time, provided **You** do so in writing. Notice of cancellation must be sent to the Intermediary who arranged the **Policy** or, if applicable, to the Intermediary who has subsequently taken over management of the **Policy** following a Letter of Appointment.
- **We** have the right to cancel the **Policy** where permitted by law. This includes, but is not limited to, the following circumstances where:
  - **You** failed to comply with **Your** Duty of Disclosure;
  - **You** have made a misrepresentation to **Us** during negotiations prior to the issue of the **Policy**, or during the **Period of Insurance**;

- **You** have failed to comply with a provision of the **Policy**, including the term relating to payment of premium;
- **You** have made a fraudulent claim under the **Policy** or under some other contract of insurance that provides cover during the same period of time that **Your Policy** covers **You**;
- If **You** fail to maintain the **Insured** Property in a good state of repair or alter the **Insured** Property in a way that **We** think increases the risk of loss, as determined by **Us**;
- **Your Policy** includes a provision that requires **You** to notify **Us** of a specified act or omission made by **You**; or the effect of the contract is to authorize **Us** to refuse to pay a claim, either in whole or in part, by reason of an act or omission made by **You** or by some other person; and after the contract was entered into, such an act or omission has occurred.

If **We** cancel **Your Policy**, **We** will provide **Your** Intermediary with at least fourteen (14) days' notice in writing, effective from the date specified in the notice.

If **Your Policy** is cancelled for any of the above causes, **We** may retain the premium paid or deduct a proportion of the premium for time on risk, reasonable administrative costs related to the acquisition and termination of the **Policy** **We** incur and any government taxes or duties **We** cannot recover.

## Cancellation Cost

- If **You** cancel **Your Policy**, there is no return of premium:
  - For **Section 2** – Property Owners Liability;
  - If **Your Period of Insurance** is less than six (6) months;
  - If **You** have made a claim under this **Policy** and **We** have agreed to pay a claim;
  - If a claim has been made under the **Policy** which is still under consideration
  - If an incident has occurred which is likely to give rise to a claim but has yet to be reported to Underwriters.
- If **You** cancel **Your Policy** and **Your Period of Insurance** is more than six (6) months, the **Section 1** – Property Damage premium will be returned on the following basis:
  - Up to 4 months: 50% of the premium returned
  - Up to 5 months: 40% of the premium returned.
  - Up to 6 months: 30% of the premium returned.
  - Up to 7 months: 20% of the premium returned.
  - Up to 8 months: 10% of the premium returned.
  - More than 8 months: 0% of the premium returned.

**Example:** The **Insured** accepted a 12-Month **Policy** but decided to cancel 4 months and 5 days into their **Period of Insurance**.

- The **Section 1** base premium was \$1,000 and the **Section 2** premium was \$200.
- **We** retain 100% of the **Section 2** premium and return 40% of the **Section 1** premium.
- The return premium is \$400.

## General Conditions applicable to all Policies of this combined wording

These General conditions are applicable to all **Sections** of **Your** Combined wording. Notwithstanding any provision to the contrary or any endorsement. Failure to comply with these General Conditions may cause cancellation of **Your** cover.

### Actions of parties other than You

The acts or omissions of:

- a tenant of **Yours**; or
- the owner of, or another tenant in, the **Building** or **Situation**; which breach any provision of this **Policy** will not affect **Your** entitlement to cover provided that:
  - the act or omission was committed without **Your** prior knowledge or complicity; and
  - **You** notify **Us** of the happening or existence of the act or omission as soon as **You** become aware of it; and
  - **You** pay any reasonable extra premium which **We** require.

### Aggregation

If the causes detailed below are **Insured** by this **Policy** the duration and extent of any one occurrence of **Damage** shall be limited to:

- 24 consecutive hours for a hurricane, a typhoon, windstorm, rainstorm, hailstorm, cyclone;
- 72 consecutive hours for earthquake, tsunami, seaquake, volcanic eruption;
- 24 consecutive hours and within the limits of one city, town or village for riots, civil commotions and malicious **Damage**;

and no individual loss from whatever **Insured** cause, which occurs from an event outside these periods shall be included in any claim for **Damage** caused by that event. The **Insured** may choose for the purpose of claims under the **Policy**, the date and time when any such period of consecutive hours commences and if any event is of greater duration than the above period, the **Insured** may divide that event into two or more occurrences of **Damage** provided no two periods overlap and provided no period commences earlier than the date and time of the happening of the first recorded individual loss to the **Insured** in that event during the **Period of Insurance**.

### Alteration to risk

If **You** become aware of any change to the facts or circumstances that existed when this insurance commenced, which alters the nature of the risk — for example, a change to the nature of **Your Business**, the way the Property **Insured** is used, or activities at the **Situation** (such as conducting property auctions) — and such change may increase the risk of loss or **Damage**, **You** must notify **Us** in writing as soon as reasonably possible. If **We** agree to accept the change, **We** will confirm this in writing and may require **You** to pay an additional

premium. Failure to notify **Us** of such changes may result in **Us** refusing or reducing a claim, or cancelling **Your Policy**.

### Bankruptcy or Insolvency

In case of execution against **You** of any final judgment covered by this **Policy** being returned 'unsatisfied' by reason of **Your** bankruptcy or insolvency, then an action may be maintained by the injured party or their representative against **Us** in the same manner, and to the same extent as **You** but not in excess of the limit of liability

### Works Condition

This **Policy** does not provide cover for any **Works** undertaken at the **Situation** or that involve or effect Property **Insured** ("Works"). It is a condition of this **Policy** that **You** must immediately notify **Your** broker in writing before commencing any building works, construction, renovations, refurbishments, redecorations, landscaping, and/or demolition, in order to arrange for **Your Policy** to be cancelled. If **You** carry out any building works, construction, renovations, refurbishments, redecorations, landscaping, and/or demolition, **Your Policy** will be cancelled from the date such activities commence, or in cases of demolition or possible demolition, from the date the development application is approved. In either cases, **We** will cease to provide coverage under this **Policy**.

### Burning of Waste on the Situation

The burning of waste is prohibited on the **Situation**, either within the **Building(s)** or open area outside any **Building** or structure.

### Claim settlements – Where We agree to pay Income Tax Credits entitlement

If any Event occurs which gives or may give rise to a claim **You** must tell **Us** **Your** entitlement to Input Tax Credits for **Your** insurance premium if **You** are registered, or should be registered, for GST purposes. If **You** do not tell **Us** **Your** entitlement or the information **You** give **Us** is incorrect, **We** will not cover **You** for any resulting fines, penalties or tax charges.

### Complying with Our requirements

**You** must comply, within a reasonable time which **We** will specify (acting reasonably), with any request made by **Us**:

- to be allowed to survey **Your Situation** or examine Property **Insured**;
- for the protection or improvement of Property **Insured**; or
- to reduce the likelihood of loss of or **Damage** to property, breakdown, or any other loss or **Damage Insured** by this **Policy**.

### Cooking and Heating Conditions

It is a requirement that;

- all chimneys, exhausts, flues and extraction canopies to solid-fuel stoves, boilers, gas and

electric cooking and heating facilities and open fires at or on the **Situation** are kept in a good state of repair and that they are professionally cleaned once a year, and if operational then at least every six months

- no naked flames or tools producing naked flames be present in the roof space of the **Situation** at any time. If the **Insured** fails to comply with any of the above conditions, **We** may reduce **Our** liability for a claim by the extent of prejudice **We** suffer by reason of the breach, which may include reducing **Our** liability to nil.

### Composite Panels and Cladding

Where **You** have declared to **Us** that there are composite panels or cladding within the **Building** structure at the **Situation** and **We** have agreed to accept the risk, the following conditions apply;

- suitable fire extinguisher appliances are available in all cooking areas
- ducting, conduit wiring and hot flues are adequately protected within fire resistant sleeves where passing through composite panels
- at least weekly inspections are undertaken by the **Insured** to check for damage to composite panels or panel joints. Any defects found must be rectified without delay or replaced by a panel with a non-combustible core within 7 days
- no repairs will made to composite panels that involve welding, grinding, cutting or other obvious ignition sources
- all heat sources are kept at least 2 metres from any composite panelling or such panelling must have a non-combustible core
- no external storage of combustible stock, packaging, pallets, waste or waste skips or bins within 10 metres of any **Building** at the **Situation**
- Notwithstanding the Heat Application clause in this **Policy** any work involving the application of heat will only be carried out by a qualified contractor and the **Insured** is to ensure the contractor has adequate Public Liability Insurance in force with a **Policy** indemnity limit of not less than AUD \$10m and shall confirm same through inspection of the **Policy** of insurance prior to the commencement of work. Subrogation rights against such contractor(s) must not be waived by the **Insured**.

The following are conditions must be complied with:

- the area in which work is to be carried out shall be adequately cleared and combustible materials shall be removed to a distance not less than 6 metres from the area of proposed work
- if work is to be carried out overhead then the area beneath shall be similarly cleared and all combustible materials removed
- suitable fire extinguisher with a capacity of not less than 9 litres shall be kept available for immediate use at the **Situation** and readily accessible in the area where work is carried out

- blow lamps and blow torches shall be lit in as short a time as possible before use and extinguished immediately after use
- lighted blow lamps and torches shall not be left unattended
- half an hour after each period of work a thorough examination shall be made of and in the area in which works have been undertaken
- if work is to be carried out in the vicinity of composite/sandwich panels then such panels must be protected by non-combustible blankets, curtains or screens. **We** will

not cover and have no liability for **Damage** caused by fire except where **You** have complied with each of the conditions above.

### Development Application for Demolition or Possible Demolition

It is a condition of this **Policy** that should a Development Application (DA) for demolition or possible demolition be approved, or planning permission for such demolition be granted, coverage under this **Policy** will cease as of the date the DA or planning permission is approved. From that date forward, **We** will no longer be on risk for any loss, **Damage**, liability, claims, cost, or expense arising from the demolition or any activities related to the approved DA or planning permission.

### Electrical Installations

- The **Insured** must remove from the **Situation** any equipment that has failed testing unless it has been repaired by a qualified professionally registered technician
- The **Insured** must hold a current
  - 'certificate of testing and safety' for electrical equipment at the **Situation**
  - 'certificate of testing and compliance' for electrical installation at the **Situation**

**You** are required to do this under the Electrical Safety Regulation applicable to each relevant State of Australia.

**We** will not cover and have no liability for **Damage** caused by fire except where **You** have complied with this condition.

### Requirements of certificates

**You** must obtain the certificates referred to in this clause within 14 days following any inspection that results in the issue of such certificates.

Certificates must state the following:

- the name and address of the person for whom the work was performed
- the details of the electrical equipment or electrical installation tested
- the day the electrical equipment or electrical installation was tested
- the electrical contractor licence number under which the electrical equipment or electrical installation was tested.

In addition to the above, a certificate must contain a suitable certification statement. For example:

- electrical equipment – a statement that certifies the electrical equipment (to the extent it is affected by the electrical work) has been tested to ensure it is electrically safe
- electrical installations – a statement that certifies the electrical installation (to the extent it is affected by the electrical work) has been tested to ensure it is electrically safe and is in accordance with the requirements of the wiring rules and any other standard applying under the ES Regulation to the electrical installation.

If **You** do not comply with any of the above conditions, **We** may reduce **Our** liability for a claim by the extent of prejudice **We** suffer by reason of the breach, which may include reducing **Our** liability to nil.

### Excess

**You** must pay any **Excess** that applies to a claim under a **Section** of Cover for any event, claim or **Damage**. The **Excess** must be paid to **Us** or as **We** direct within the time **We** specify, acting reasonably.

If the **Damage** exceeds the Limit of Liability, the **Excess** will be deducted from the Limit of Liability, not from the total **Damage** amount. Alternatively, **We** may deduct the **Excess** from the amount **We** pay for any claim, up to the Limit of Liability.

### Other Insurance

If at the time of the occurrence of any injury, loss or **Damage**, there shall be any other indemnity or insurance of any nature, wholly or partly covering the same, **We** shall not be liable to pay or contribute towards any such injury, loss or **Damage** except in **Excess** of the sum or sums actually recovered or recoverable under such other indemnity or insurance.

### Heat Application

The **Insured** and/or their contractor(s) must comply with the following precautions:

For application of heat by means of electric, oxyacetylene or other welding or cutting equipment or angle grinders, blow lamps, blow torches, hot air guns or hot air strippers ("Hot Work") in or at the **Situation**:

- the area in the immediate vicinity of the Hot Work (including in the case of work carried out on one side of a wall or partition, the opposite side of the wall or partition) is cleared of all loose combustible material; other combustible material is covered by sand or over-lapping sheets or screens of non-combustible material
- at least two adequate and appropriate portable fire extinguishers, in proper working order, are kept in the immediate area of the Hot Work being undertaken and used immediately once smoke or smouldering or flames are detected
- a person appointed by the **Insured** or the contractor must watch for signs of smoke or smouldering or flames and will take immediate steps to extinguish any smouldering or flames

discovered during the Hot Work and for a period of 60 minutes after Hot Works have finished

- blow lamps and blow torches are filled in the open and are not lit until immediately before use and are extinguished immediately after use

For use of asphalt, bitumen, tar, pitch or lead heaters in or at the **Situation**:

- the heating is carried out in the open in a vessel designed for the purpose and, if carried out on a roof, the vessel is placed on a non-combustible heat insulating base
- The Contractor(s) using the application of heat on the **Situation** shall have in place appropriate Public Liability insurance with an indemnity limit of no less than AUD \$10m and shall supply a copy of the insurance **Policy** to the **Insured** prior to the commencement of work.

Failure to comply with the above precautions may reduce **Our** liability for a claim by the extent of prejudice **We** suffer by reason of the breach, which may include reducing **Our** liability to nil. Where the protection provided by this **Policy** covers the interests of more than one party, any act or omission of an individual party will not prejudice the rights of the other parties to this contract of insurance.

### Interpretation

In this **Policy**:

The singular includes the plural and vice versa. The male gender includes the female and neutral genders.

A reference in this **Policy** to any legislation or legislative provision includes any statutory modification or re-enactment of, or legislative provision substituted for, and any subordinate legislation issued under, that legislation or legislative provision (whether of the Commonwealth of Australia or elsewhere) (collectively the "Legislation") and any legislation enacted to govern in whole or part the objects of the Legislation.

Headings have been included for ease of reference only. The provisions of the **Policy** are not to be construed or interpreted by reference to such headings.

### Kitchen Equipment

Any commercial kitchen equipment at the **Situation** must be removed or disconnected prior to inception and remain so for the duration of cover.

### Labour Hire Personnel, Contractors, or Subcontractors

All labour hire personnel, contractors, and subcontractors must have their own insurance (active Public Liability with a minimum \$1,000,000 cover), valid licenses, and the policyholder must actively ensure these are at all times valid, both during employment and at least every 6 months thereafter. This **Policy** will not respond where any labour hire personnel, contractor, or subcontractor does not have adequate insurance or licenses.

### Minimum Security Requirements:

Failure to comply with the following precautions may reduce **Our** liability for a claim by the extent of prejudice **We** suffer by reason of the breach, which may include reducing **Our** liability to nil:

- all protections provided for the safety of the **Situation** shall be continuously maintained in good order and shall not be withdrawn altered or varied without **Our** prior consent and shall be in full and effective operation when the **Situation** are **Unoccupied**
- any alarm and/or system forming part of the protections shall be continuously maintained in full and efficient working order under a contract to provide both corrective and preventive maintenance with the installing company and in accordance with the manufacturer's recommendations
- All external entry/exit doors are fitted with deadlock locking mechanisms which are functioning and locked at all times when the **Situation** are not occupied
- Windows that are readily accessible are either barred, grilled or fitted with key operated window locks which are functioning and locked at all times when the **Situation** are not occupied

Any claim in respect of theft will not be covered while the issue is ongoing if the **Insured** receives notification of any of the below;

- that the police authority attendance or any contractually provided attendance in response to alarm signals and/or calls from any alarm system may be withdrawn or the level of response reduced or delayed or
- from a Local Authority or Magistrate imposing any requirement for abatement of nuisance in respect of any alarm system or
- that any alarm system cannot be returned to or maintained in full working order then with immediate effect.

### More Specific Coverage Section

Where more than one Coverage **Section** covers a claim, **We** will be liable under the Coverage **Section** that provides the greatest financial benefit to **You** for that claim, and **We** shall not cover or have liability for that claim under any other Coverage **Section**.

### Non-imputation

Where this insurance is arranged in the joint names of more than one **Insured**, as described in the definitions of **You**, it is hereby declared and agreed that:

- each **Insured** shall be covered as if it made its own Proposal for this Insurance
- any declaration, statement or representation made in any Proposal shall be construed as a separate declaration, statement or representation by each **Insured**
- any knowledge possessed by any **Insured** shall not be imputed to the other **Insured(s)**.

### Planning Permission/Development Application

It is a condition of this **Policy** that **You** advise **Us** as soon as possible if **Your** application for planning permission/consent is refused or withdrawn by the Local Planning Authority. If **You** fail to comply with this condition, **We** may reduce **Our** liability for a claim by the extent of prejudice **We** suffer as a result of the breach, which may include reducing **Our** liability to nil.

### Reasonable Precautions/Care/Maintenance

The **Insured** must:

- take all reasonable precautions to prevent occurrences which may give rise to **Damage** or accidents
- take all reasonable steps to comply with statutory requirements obligations and regulations imposed by any Government or Statutory authority
- take immediate steps to make good or remedy any defect or danger which becomes apparent and take such additional precautions as circumstances may require.
- take all reasonable steps to prevent loss of or **Damage** to property, breakdown, and loss or **Damage Insured** by this **Policy**;
- take all reasonable care to prevent injury to another person or damage to another person's property;
- comply with all laws and safety requirements imposed by any Government or Statutory authority or by state or Commonwealth legislation;
- keep all property maintained.

### Roof Maintenance Condition

**You** must ensure that:

- any flat roof portion of the **Buildings** is inspected every two years by a qualified builder or property surveyor and any defects brought to light by that inspection are repaired, and
- at commencement of and throughout the **Period of Insurance** **You** must have documentation evidencing that such inspections and repairs described above have taken place, and
- all gutters of **Buildings** are inspected and cleared every 6 months and any defects brought to light by these inspections shall be repaired immediately

Failure to comply with the above conditions may reduce liability for a claim by the extent of prejudice **We** suffer by reason of the breach, which may include reducing **Our** liability to nil.

### Mortgagees and Other Interests

- The interest of any mortgagee(s) of individual portions of the Property **Insured** must be notified to **Us** in the event of a claim.
- In addition, if, without the knowledge of **You** or mortgagee(s) or in circumstances that are beyond their control, there is a change in the use of the **Situation** which constitutes an increase in the risk

of **Damage**, cover under this **Policy** shall not be prejudiced provided that the **Insured** or mortgagees shall immediately on becoming aware thereof give notice in writing to **Us** and on demand pay such reasonable additional premium as **We** may require.

### Sprinkler Maintenance

In respect of any installation(s) of automatic sprinklers at the **Situation** the **Insured** must:

- make a test annually for the purpose of ascertaining that the alarm for the sprinklers is in working order and that the Stop Valve controlling the individual water supplies and the installation are fully open
- undertake an annual test if required by **Us** to do so for the purpose of ascertaining that each water supply is in order and record the particulars of each test
- undertake a test annually (holidays excepted) of
  - the Brigade connection ("test 1")
  - the circuit between the alarm switch and the control unit ("test 2"); and
  - the batteries in respect of each approved system for the transmission of alarm signals from sprinkler installations to a Fire Brigade (collectively the "Tests")
    - Note 1: it is permissible for test 1 to be carried out by the Fire Brigade if the latter are prepared to give a written undertaking to perform the duty
    - Note 2: where the electrical circuits in (i) and (ii) are continuously monitored tests need only be made once per week
- remedy promptly any defect revealed by the Tests
- allow **Us** access to the **Situation** at all reasonable times for the purpose of inspecting the sprinkler installation
- have in force during the **Period of Insurance** a contract with the installing engineers or appropriately qualified professional engineers providing for the maintenance of and half-yearly inspection of the sprinkler installations(s) and to obtain from them following each inspection certification that they are in satisfactory working order.

Failure to comply with the above conditions may reduce liability for a claim by the extent of prejudice suffered by reason of the breach, which may include reducing liability to nil

### Survey & Insurance Rebuild Valuation

If **We** require a survey of the **Situation** or Property **Insured**, **We** may appoint a surveyor within 30 days of the commencement of the **Period of Insurance**, unless otherwise stated in **Your Schedule**. **You** must provide access to that surveyor to permit the survey to be undertaken. **We** will tell **You** whether the survey will be at **Our** cost or **Yours** before the commencement of the **Period of Insurance**. It is an inherent requirement of cover and of any claim or liability under the **Policy** that

where **We** require a survey, that survey is undertaken. If **You** refuse to permit the survey, **You** will have no cover under this Insurance and **We** shall have no liability for any claim or liability from the date **You** refuse to permit the survey until the day the survey is completed.

**We** will revise **Our** terms, conditions and exclusions and/or revise the premium upon receipt of the survey. The requirements identified by the Survey must be completed within the period specified by **Us**. **You** must continue to implement such requirements during the whole term of the **Policy** and following any renewal unless otherwise agreed by **Us** in writing.

If **You** fail to implement those requirement(s) within the period(s) specified by **Us**, then **We** may reduce **Our** liability for a claim by the extent of prejudice **We** suffer by reason of the failure to implement those requirements, which may include reducing **Our** liability to nil.

In the event **We** cancel this **Policy** because **You** have failed to comply with this condition, a return premium will be calculated in accordance with the Cancellation Rights and Cancellation Cost clause in this wording less the cost of the survey up to a Maximum of \$1,000.

### Occupied Condition Precedent

This **Policy** covers **Your Situation** that is **Unoccupied**, as defined, during the **Period of Insurance**.

Should the **Situation** become occupied, or partially occupied in any way, or experience any change to the tenancies, or occupants already disclosed and covered under the Occupied Risk Extension, **You** must immediately inform **Us**. Coverage under this **Policy** will cease upon such changes unless **You** have obtained prior written agreement from **Us**.

If **We** agree to extend cover, **You** must comply with any conditions set out by **Us**, including payment of any reasonable additional premium required within the specified timeframe.

If **You** do not notify **Us** or fail to obtain prior written agreement, **We** will not cover, and will not be liable for, any loss or **Damage** occurring after the **Situation** becomes occupied, partially occupied, or subject to any change in occupancy that has been agreed under the Occupied Risk Extension.

### Under insurance

Claims under this insurance will be limited in the amount that **We** pay when **You** have a claim if **You** have understated a Sum **Insured** or Declared Value in the Proposal or request for insurance.

If **You** have understated a Sum **Insured** or Declared Value, **We** will only pay that proportion of the claim which the Sum **Insured** or Declared Value bears to 80% of the value of the Property **Insured** at the commencement of the **Period of Insurance**.

The calculation for the claim payment will be as follows:

$$\text{Claim Payment} = (\text{Sum Insured or Declared Value}) \div (80\% \text{ of the actual value of the property}) \times \text{Total claim amount}$$

Example:

- if the Sum Insured is \$60,000 and the actual value of the property is \$100,000, **We** will pay only 75% of the total claim amount.
- If the total claim is \$50,000, **We** will pay \$37,500 (calculated as  $\$60,000 \div \$80,000 \times \$50,000$ ).

## Water, Gas, and Electricity

The **Insured** must take the following precautions in respect of the **Situation** at all times during the **Period of Insurance**:

- All gas, water and electricity mains supplies must be turned off at the point of entry to the property/mains, except for the electrical circuits that **We** have specifically sanctioned to remain on for security and/or fire protection purposes, with prior written agreement, or those electrical circuits required to remain on under the Occupied Risk Extension.
- If **We** have sanctioned any electrical circuits to remain on for security or fire protection purposes, or under the Occupied Risk Extension, **We** reserve the right to require **You** to obtain an Electrical Safety Certificate confirming the following:
  - All electrical circuits at the **Situation**, except for the electrical circuit(s) associated with the system or devices that **We** have specifically sanctioned, have been turned off (please note that all other circuits must remain off); and
  - The electrician has inspected and tested all circuits, confirming they are safe and in working condition; and
  - There are no unsafe electrical circuits on the **Situation**.
- All water tanks, apparatus, pipes and heating other than those connected to automatic sprinkler systems must be drained down
- If unsanctioned electrical circuits, water, or gas are required to be turned on for inspection or viewing of the **Situation**, but have not been agreed by **Us**, it is **Your** responsibility to ensure that **You**, or any persons or contractors attending the site, turn off any unsanctioned electrical circuits, water mains, and/or gas supplies once the **Situation**, or in the case of the Occupied Risk Extension, any **Unoccupied** portion of the **Building**, has been left unattended. This must be done upon exit, ensuring that no unsanctioned electrical circuits, water mains, or gas are left on while the **Situation** is unattended.

Failure to comply with the above conditions may reduce **Our** liability for a claim by the extent of prejudice **We** suffer by reason of the breach, which may include reducing **Our** liability to nil.

## Minimum Protections

- The following additional minimum protections must be taken:
  - all doors and windows must be securely locked and fastened

- any letter boxes must be sealed
- all security and alarm protections must be set in full operation and are in proper working order
- When the **Situation** first become **Unoccupied**
  - the **Insured** or the **Insured's** nominee must carry out a detailed inspection of all doors, windows and other access points to ensure that they are secure against unauthorised entry and document both the inspection and any action required. All records and documents should be stored off site.
  - thereafter, the **Insured** or the **Insured's** nominee must inspect the **Situation** every seven days, keeping a written record, and if the measures taken have proved inadequate, improvements must be made and documented. All records and documents should be stored off site.
  - If any illegal entry or attempted entry is detected notice must be given to the **Insurer** as soon as possible
- during the **Period of Insurance** any moveable combustible items or materials other than fixtures and fittings must be cleared from the **Buildings** and removed from the **Situation** or vacant land
- any waste or refuse must be cleared and removed from the Vacant Land or **Buildings**
- tanks containing fuel or other flammable liquids must be drained and purged within 7 days of the **Buildings** becoming **Unoccupied** or the land becoming Vacant Land. Tanks containing water or liquid(s) of any nature must be drained and purged within 7 days of the land becoming Vacant Land
- notice must be given to the **Insurers** as soon as possible after any untenanted or **Unoccupied Building** (or part thereof) is occupied
- the lighting of fires and the burning of waste must NOT be carried out at any time or on any occasion on the Vacant Land unless the **Insured** or the **Insured's** nominee
  - has obtained the correct permit from the relevant state fire authority that is necessary to make sure the fire is legal
  - complies with any no burn notices or total fire bans which override any permits obtained
  - is aware of the legal and safety requirements enforced by local and state authorities for the conduct of fire lighting and use of equipment that is likely to ignite a fire
  - has obtained a general guide from the relevant State Fire or Fire and Rescue authority of the measures needed to be undertaken before and during lighting of a fire

Failure to comply with the above conditions may reduce **Our** liability for a claim by the extent of prejudice **We** suffer by reason of the breach, which may include reducing **Our** liability to nil.

## Your Intermediary – authorisation

By entering into this **Policy**, **You** agree that the person representing **You** when applying for this insurance is authorised to give and receive information on **Your** behalf

in relation to all matters arising under this **Policy** and in accordance with the Insurance Contracts Act 1984.

### Cash Payments

Any cash payments made to **You** under this **Policy** will be based on costs including GST. However, if **You** are, or would be, entitled to claim any Input Tax Credits for the repair or replacement of the Property **Insured** or for other things **Insured** by this **Policy** **We** will reduce **Our** payment to **You** by the amount of **Your** Input Tax Credits entitlement.

### Discharge of Our Liabilities

If, at any time, **We** pay **You** the Sum **Insured** for any claim under this **Policy**, the future conduct of the claim then becomes **Your** responsibility.

### Interim Payments

**We** will make interim payments on claims at intervals to be agreed by **Us** following receipt of an interim report from **Our** loss adjuster or representative on the assessment of any claim **You** make under the **Policy**.

### Salvage

After **We** have settled a claim by replacing a damaged item of **Property Insured**, if **We** so elect, the damaged property (other than a **Building**) becomes **Ours**. **We** will not sell or dispose of any salvage without giving **You** the opportunity to buy it at its salvage value. This condition does not allow **You** to abandon the property to **Us**.

### Sanction Limitation 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 Australia, the European Union, United Kingdom or United States of America.

LMA3100A – 5 October 2023

## General Exclusions

These General exclusions are applicable to all **Sections** of the **Policy**. Notwithstanding any provision to the contrary, **Your Policy** does not cover the following:

### Above the 26th Parallel

If the geographical location of **Your** property falls above the longitudinal measure, 26°S (26th Parallel), this **Policy** will exclude loss, **Damage**, liability, claims, cost or expense by whatever nature, either directly or indirectly caused by, contributed to, resulting from, or in connection with the extraneous perils of Cyclone, Storm, Lightning and **Flood**.

### Absolute Asbestos

Loss, **Damage**, liability, claims, cost or expense by whatever nature, either directly or indirectly caused by, contributed to, resulting from, or in connection with:

- Asbestos, the incorporation of Asbestos in Property **Insured**, exposure to Asbestos or the escape of Asbestos.
- subsequent **Damage**, clean-up costs, removal of debris, disposal and decontamination costs caused by or arising directly or indirectly out of Asbestos, the incorporation of Asbestos in Property **Insured**, exposure to Asbestos or the escape of Asbestos or **Damage** resulting from Asbestos.
- The manufacture of, supply of, or installation, storage, handling, removal, stripping or dismantling of asbestos or asbestos containing materials
- Injury which arises in whole or in part, either directly or indirectly, out of Asbestos whether or not the Asbestos is airborne as a fibre or particle, contained in a product, carried on clothing, or transmitted in any fashion whatsoever.

In this clause Asbestos means:

- asbestos in a raw unprocessed state
- Mineral particles, fibres, or dust from asbestos
- Other materials and products that
- incorporate greater or lesser quantities of the mineral and/or raw asbestos,
- Asbestos contained in any products, goods, materials, **Buildings**, structures, or other real or personal property

### Biological or Chemical Materials Exclusion

It is agreed that this Insurance excludes loss, **Damage**, liability, claims, 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.

NMA2962 - 06/02/2003

### Car parks, Carports and Common Areas

loss, **Damage**, liability, claims, cost or expense by whatever nature, either directly or indirectly caused by,

contributed to, resulting from, or in connection with the use, operation or existing state of commercial carpark/s, garaging, carport/s and any common area/s at or part of at the **Situation**.

### Communicable Disease Endorsement

1. This **Policy**, subject to all applicable terms, conditions and exclusions, covers losses attributable to direct physical loss or physical damage occurring during the **Period of Insurance**. Consequently and 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 endorsement, 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 endorsement 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.

LMA5393 - 25 March 2020

### Consequential Loss, and Legal liability

Loss, **Damage**, liability, claims, cost or expense by whatever nature, either directly or indirectly caused by, contributed to, resulting from, or in connection with:

- Consequential loss of any kind including but not limited to loss resulting from delay, lack of performance, loss of contract, loss of anticipated profit, business interruption, or depreciation in value of any **Property Insured**;
- Legal liability except as explicitly provided in **Section 2 Property Owners Liability**, where such cover is specified in the **Schedule**.

### Fines and Penalties

Any loss, **Damage**, liability, claims, cost or expense by whatever nature, either directly or indirectly caused by, contributed to, resulting from or in connection with fines, penalties, or punitive damages imposed by law or contract.

### Contamination and Pollution Exclusion Clause

Loss, **Damage**, liability, claims, cost or expense by whatever nature, either directly or indirectly caused by, contributed to, resulting from or in connection with contamination, soot, deposit, impairment with dust, chemical precipitation, poisoning, epidemic and disease, pollution, adulteration or impurification or due to any limitation or prevention of the use of property because of hazards to health.

### Drug Production

Loss, **Damage**, liability, claims, cost or expense by whatever nature, either directly or indirectly caused by, contributed to, resulting from or in connection with illegal modifications to electricity supply, holes in walls, or any physical damage resulting from modification of the **Situation** to facilitate drug production, establish Methamphetamine labs, or hydroponic facilities, and contamination or pollution of walls and floor coverings that results.

### Employers Liability / Employment Practices Liability

Loss, **Damage**, liability, claims, cost or expense by whatever nature, either directly or indirectly caused by, contributed to, resulting from or in connection with an Injury to an Employee and Employment Practices

### Faults, Defects, and Workmanship

Loss, **Damage**, liability, claims, cost or expense by whatever nature, either directly or indirectly caused by, contributed to, resulting from, or in connection with:

- Faults, defects, wear and tear, gradual deterioration, or latent defects in the **Property Insured**;
- Structural defects, faulty design, materials, or faulty workmanship in their construction of the **Property Insured**;
- Defects, faults, or conditions known to **You** or any employee whose knowledge, in law, would be deemed to be **Yours** and not disclosed to **Us** at the time the **Policy** was entered into;
- Faulty or defective workmanship, operational error or omission on the part of the **Insured** or an Employee but this shall not exclude such **Damage** not otherwise excluded which itself results from a Specified Event;
- Rectification, repair, or replacement of faulty or defective design, materials, or workmanship.

## Flood

Loss, **Damage**, liability, claims, cost or expense by whatever nature, either directly or indirectly caused by, contributed to, resulting from or in connection with **Flood**, regardless of any other cause or event contributing concurrently or in any other sequence to the loss or **Damage**.

## Infidelity or Dishonesty:

Loss, **Damage**, liability, claims, cost or expense by whatever nature, either directly or indirectly caused by, contributed to, resulting from or in connection with Infidelity or dishonesty by **You** or any Employee or other persons to whom **Property Insured** is entrusted.

## Injury to Labour Hire Personnel or Contractors or Sub-contractors

Loss, **Damage**, liability, claims, cost or expense by whatever nature, either directly or indirectly caused by, contributed to, resulting from or in connection with Injury to any Labour Hire Personnel or Contractor or Sub contractor, and their employees and subcontractors.

## Labour Hire Personnel or Contractors or Sub-Contractors

Loss, **Damage**, liability, claims, cost or expense by whatever nature, either directly or indirectly caused by, contributed to, resulting from or in connection with the activities of Contractors of the **Insured**.

## Micro-Organism Exclusion Clause

Loss, **Damage**, liability, claims, cost or expense by whatever nature, either directly or indirectly caused by, contributed to, resulting from or in connection with mould, mildew, fungus, spores or other micro-organism of any type, nature or description including any substance whose presence poses an actual or potential threat to human health.

This Exclusion applies regardless of whether there is;

- any physical loss or **Damage** to **Insured** Property
- any Specified Event or cause whether or not contributing concurrently or in any sequence to loss or **Damage** or the claim
- any loss of use occupancy or functionality any action required to repair, replace, remove, clean-up, abate, dispose of relocate or address medical or legal concerns about substances.

## Radioactive Contamination and Explosive Nuclear Assemblies Exclusion Clause

This **Policy** does not cover

- 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 contributed to by or arising from

- a) ionising radiations or contamination by radioactivity from any nuclear fuel or from any nuclear waste from the combustion of nuclear fuel
- b) the radioactive, toxic, explosive or other hazardous properties of any explosive nuclear assembly or nuclear component thereof.

NMA1622 - 04/04/1968

## Pre-existing Damage

Loss, **Damage**, liability, cost, or expense by whatever nature, either directly or indirectly caused by, contributed to, resulting from, or in connection with **Property Insured** where such property has pre-existing **Damage**, at the effective date of this insurance, and is considered by the Underwriters to be exposed to conditions which would not have been exposed had the previous loss not occurred. In the event an insured loss to any interest insured hereunder where such interest has pre-existing **Damage**, at the effective date of this insurance, then necessary deduction shall be made to the indemnity hereon.

## Portable Heating

Loss, **Damage**, liability, claims, cost or expense by whatever nature, either directly or indirectly caused by, contributed to, resulting from or in connection with the use or storage of paraffin or portable gas heaters or containers on the **Situation**, unless specifically agreed by **Us** prior to such use or storage.

## Property Cyber and Data Exclusion

- 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 Computer System; or
  - 6.2 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.
- 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 any kind that is recorded or transmitted in a form to be used, accessed, processed, transmitted or stored by a Computer System.

LMA5401 - 11 November 2019

### Sonic Bangs

Loss, **Damage**, liability, claims, cost or expense by whatever nature, either directly or indirectly caused by, contributed to, resulting from or in connection with **Damage** caused by pressure waves from aircraft or other aerial devices travelling at sonic or supersonic speeds.

### Swimming pools

Loss, **Damage**, liability, claims, cost or expense by whatever nature, either directly or indirectly caused by, contributed to, resulting from or in connection with swimming pool/s that are not drained and/or play equipment.

### Storage of hazardous goods

Loss, **Damage**, liability, claims, cost or expense by whatever nature, either directly or indirectly caused by, contributed to, resulting from or in connection with the storage of hazardous goods.

### Soil Movement, Erosion, landslide, Mudslide, Subsidence

Loss, **Damage**, liability, claims, cost or expense by whatever nature, either directly or indirectly caused by, contributed to, resulting from or in connection with soil movement, erosion, landslide, mudslide, subsidence, collapse, or any other movement of earth, regardless of any other cause or event contributing concurrently or in any other sequence to the loss or **Damage**.

### Territorial Limits

Loss, **Damage**, liability, claims, cost or expense by whatever nature, either directly or indirectly caused by, contributed to, resulting from or in connection with events occurring or arising outside the Territorial Limits except as specifically stated otherwise in the **Policy**.

### Terrorism Exclusion Endorsement

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 act of terrorism regardless of any other cause or event contributing concurrently or in any other sequence to the loss.

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 any act of terrorism.

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.

NMA2920 - 08/10/2001

### War and Civil War Exclusion Clause

Notwithstanding anything to the contrary contained herein this **Policy** does not cover Loss or **Damage** directly or indirectly occasioned by, happening through or in consequence of war, invasion, acts of foreign enemies, hostilities (whether war be declared or not), civil war, rebellion, revolution, insurrection, military or usurped power or confiscation or nationalisation or requisition or destruction of or **Damage** to property by or under the order of any government or public or local authority.

NMA0464 - 01/01/1938

### Wilful Acts

Loss, **Damage**, liability, claims, cost or expense by whatever nature, either directly or indirectly caused by, contributed to, resulting from or in connection with wilful acts, including but not limited to any actual or alleged:

- dishonest, fraudulent, criminal or malicious acts;
- wilful breach of any statute, contract or duty;

conduct intended to cause loss, **Damage** or liability, with reckless disregard for the consequences, by **You** or any person acting with **Your** knowledge, consent or connivance.

### Works

Loss, **Damage**, liability, cost, or expense by whatever nature, either directly or indirectly caused by, contributed to, resulting from, or in connection with building works, construction, renovations, refurbishments, redecorations, landscaping, demolitions, or any other works of a similar nature. This exclusion applies to the works themselves, their effects, any consequential losses, and associated liabilities, whether occurring during or after the works. This exclusion applies to all **Sections** of the **Policy**, and no cover will be provided for such activities unless specifically stated in the **Schedule**.

Exclusions Include, but Are Not Limited To:

- Any Consequential Loss of any kind or description
- Any breakage arising directly or indirectly from alterations or repairs to the **Situation** or occurring whilst the **Situation** is empty or not in use, and Defects in frames, framework, or other fittings.
- Any property or structures in the course of construction or erection, including materials or supplies used in connection with any property under construction or erection, unless specified in **Your Schedule**.

If, at the time of **Damage**, any **Buildings** are awaiting refurbishment, redevelopment, or renovation, **We** shall not be liable for any costs which would have been incurred by the **Insured** in the absence of such **Damage**, or for work undertaken by or on behalf of the **Insured** subsequent to the **Damage**.

## Section 1 Property Damage

### Cover

**We** agree that if, during the **Period of Insurance**, any **Property Insured** at the **Situation** sustains **Damage** by any Specified Event as selected in **Your** Proposal and noted as being insured in **Your Schedule**, then **We** will pay to **You**:

### Cost of Reinstatement

The cost of repair or replacement of **Property Insured** Damaged in part, which shall not exceed the amount which would have been payable had such property been wholly lost or destroyed. No payment beyond the amount which would have been payable in the absence of this Reinstatement shall be made:

- unless reinstatement commences and proceeds without unreasonable delay;
- until the cost of reinstatement has actually been incurred;
- if the **Property Insured** at the time of the **Damage** shall be **Insured** by any other insurance effected by the **Insured** or on the **Insured's** behalf which is not upon the same basis of reinstatement.

### Limit of Indemnity

**We** will not pay any more than the following in respect of all **Damage** to **Property Insured** during the **Period of Insurance**:

- If an individual **Sum Insured** is specified on the **Policy Schedule** for an item of **Property Insured**, **Our** liability shall be limited to the **Sum Insured** for that item;
- In any event, **Our** liability shall in no circumstances exceed, in the aggregate, the **Sum Insured** for the category of **Property Insured** on the **Schedule** under which that item falls.

### Definitions

For the purposes of **Section 1**:

### Cost of Reinstatement means

The cost of:

- rebuilding or replacing **Property Insured** lost or destroyed, and provided the **Insurer's** liability is not increased, the rebuilding or replacement may be carried out:
  - in any manner suitable to both the **Insured's** and **Insurers'** requirements;
  - on another site;
- repair or restoration of **Property Insured** which is damaged, in either case to a condition equivalent to or substantially the same as, but not better or more extensive than, its condition when new;
- Removal of Debris;
- Architects', Surveyors', Legal, and Consulting Engineers' Fees

### Removal of Debris means

- costs and expenses necessarily incurred by the Insured with **Our** consent, acting reasonably, for:
  - removing debris
  - dismantling and/or demolishing
  - shoring up or propping up of the portions of the **Property Insured**
  - clearing drains sewers and gutters at the **Property Insured** as a result of **Damage** insured by the **Policy**

**We** will not be liable for or pay any costs or expenses:

- incurred in removing debris except from the site of such property destroyed or **Damaged** and the area immediately adjacent to such site
- arising from pollution or contamination of property not insured by this **Policy**.

### Architects', Surveyors' Legal' and Consulting Engineers' Fees

The reasonable cost of employing architects, surveyors, lawyers and consulting engineers in the reinstatement or repair of the **Property Insured** consequent upon its **Damage** but not for preparing any claim under this **Policy**.

### Standard Cover

If **You** have requested Standard Cover in **Your** Proposal, and **Your Schedule** shows that standard cover is included and identified as covered under the column titled 'INSURED,' the Specified Events are limited to the following perils:

- fire,
- lightning,
- explosion,
- aircraft or other aerial devices or articles dropped there from,

### Extension 1

If **You** have requested Extension 1 in **Your** Proposal, and **Your Schedule** shows that Extension 1 is included and identified as covered under the column "INSURED", the Specified Events are replaced by the following perils

- fire,
- lightning,
- explosion,
- aircraft or other aerial devices or articles dropped there from,
- riot,
- civil commotion,
- strikers,
- locked out workers,
- persons taking part in labour disturbances,
- malicious persons,
- theft,
- earthquake,
- storm,

- overflowing or leaking of any sprinkler apparatus, escape of water from any tank apparatus or pipe
- impact by any road vehicle or animal, falling trees, branches and falling aerials.

### Subject to the following conditions

#### Defined Event – Theft

**We** will cover **You** for **Damage to Property Insured** caused by:

- any person who forcibly and violently enters or attempts to enter **Your Situation**, or
- any person unlawfully concealed on the **Situation**.

Maximum: \$20,000 for any one occurrence where the **Situation** is fitted with a Monitored Burglar Alarm, otherwise Maximum: \$10,000 for any one occurrence of theft or attempted theft of Property Insured.

**We** will not cover:

- theft or attempted theft or unexplained disappearance from any open-sided structure such as, but not limited to verandas or yards or other open spaces even if they are partially or fully enclosed.
- loss or **Damage** to keys, or locks or the cost of replacement of locks or cylinders
- loss or **Damage** caused by **You** or anyone that lives or temporarily lives at **Your Situation**
- loss or **Damage** caused by any person who is acting with **Your** express or implied consent including any Employee
- A claim in respect of Theft will not be covered unless all of the Minimum Security Requirements are fully complied with.

#### Defined event – Malicious Damage

Maximum: \$20,000 for any one occurrence, by the actions of malicious persons.

### Optional benefits

If **You** have cover under **Section 1 Property Damage** and **You** have requested any of the following Optional Benefits in **Your** Proposal:

- Claims Preparation
- **Landlord Contents**
- **Glass**
- Rental Income
- Accidental **Damage**

and **We** have agreed in writing to cover **You** for these benefits, as shown in **Your Schedule**, **We** will provide the specified Optional Benefits subject to the following terms.

**Our** liability under these Optional Benefits:

- does not extend to the amount of the **Excess** specified in the **Schedule**; and

- shall not exceed the **Sum Insured** stated in the **Schedule** as being “INSURED” for the Optional Benefit(s).

### Claims Preparation Expenses

Where **We** have agreed in writing, **We** will pay for accountants’, claims consultant’s, surveyors’, architects’, engineers’ and other professional fees necessarily and reasonably incurred for the preparation of a valid claim made under this **Policy**, but **We** will not pay for any costs relating to consultations on coverage, negotiation of claims or claims advocacy.

Where not specified in the **Schedule** the maximum is \$20,000 or 20% of the cost of the claim whichever is lower.

### Landlord Contents

**We** will cover **Damage** that occurs during the **Period of Insurance** to **Landlord Contents**, up to the Sum Insured stated in **Your Schedule** as being “INSURED.” **We** shall cover the cost of repairing or replacing the Damaged **Landlord Contents** or its indemnity value, whichever is the lowest.

### Glass

**We** will cover the cost of repairing or replacing **Glass** breakages at **Your Situation** during the **Period of Insurance**, up to the Sum Insured stated in **Your Schedule** as being “INSURED,” for the reasonable cost of:

- boarding up rendered necessary by **Glass** breakage
- repairing or replacing window frames and framework consequent upon the **Glass** breakage
- refitting alarm foil consequent upon the **Glass** breakage.

### Rental Income

In the event of **Damage** to the **Property Insured** under **Section 1** (hereinafter called the **Situation**) and the **Business** carried on by **You** at the **Situation** in consequence of the **Damage** to **Property Insured** being interrupted or interfered with, **We** will pay **You** the amount of loss arising as a result of that interruption or interference in accordance with the following provisions. The loss **We** shall pay is limited to loss due to;

- Loss of Gross Rentals
  - Increase in cost of working
- during the **Indemnity Period** and the amount payable as indemnity shall be;
- the amount by which the Gross Rentals during the Indemnity Period shall in consequence of the **Damage** fall short of the Standard Gross Rentals; and
  - the additional expenditure necessarily and reasonably incurred including the cost of re-letting the **Situation** (including legal fees) for the sole purpose of avoiding or diminishing the loss of Gross Rentals which but for that expenditure would have taken place during the Indemnity Period in consequence of the **Damage** but not exceeding the

amount of the reduction in Gross Rentals thereby avoided;

less any sum saved during the Indemnity Period in respect of such charges or expenses of the **Business** as may cease or be reduced in the consequence of the **Damage** provided that;

- payment shall have been made or liability admitted under **Section 1** of this **Policy** in respect of such **Damage**
- if the **Sum Insured** by this **Policy** is less than twice the Annual Gross Rentals (or to a proportionately reduced multiple where the Indemnity Period is less than 24 months or to a proportionately increased multiple where the Indemnity Period is greater than 24 months) the amount payable shall be proportionately reduced.

**We** shall have no liability under this clause unless Gross Rental would have been earned had the **Damage** not occurred.

In assessing the loss regard will be had to;

- actual negotiations with prospective tenants both before and after **Damage**
- demand for similar accommodation in the locality
- the general level of rents applying

If required by **Us** to determine the amount payable under this clause, the advice of a professional valuer acceptable to both **You** and **Us** will be sought and such fees will be included in the indemnity under this Clause.

### Payments on Account- Rental Income

In the event of loss, **We** will at **Your** request make monthly payments on account as interim payments during the Indemnity Period for benefits under the Rental Income clause above.

### Professional Accountants Charges- Rental Income

**We** will cover **You** for reasonable fees payable to **Your** accountants for producing any particulars or details contained in **Your Business** books or documents or other such proofs of information or evidence as **We** may require.

Maximum: \$5,000 for one claim or event and in the aggregate.

### Occupied Risks Extension

If **You** wish to obtain cover for the **Property Insured** while it is partially occupied, **You** must seek prior approval from **Us**. If **We** have agreed in writing and amend **Your Schedule** to reflect this, coverage will be extended to the partially occupied **Property Insured**, subject to the following conditions:

- **You** have paid any additional premium **We** require within 30 days of agreement
- The Occurrences happens during the **Period of Insurance** specified in **Your** amended **Schedule** that applies whilst the property or land is partially occupied
- Notwithstanding any General Conditions the electricity mains, gas, and water supplies must

remain connected to the Occupied portions of the Property Insured

- For any **Unoccupied** portions of the Property Insured, electricity mains, gas, and water must be turned off
- Coverage under this benefit will only apply while the occupancy rate of the partially occupied **Property Insured** does not exceed an occupancy rate of 50%
- Coverage under this benefit will cease upon any **Unoccupied** portion of the **Property Insured** becoming tenanted, or partially tenanted, or any changes to the tenancies or occupation in the occupied units, unless previously agreed by Us.

If **You** fail to comply with any of the above conditions, **We** may reduce **Our** liability for a claim by the extent of prejudice **We** suffer by reason of the breach, which may include reducing **Our** liability to nil.

### Accidental Damage

Extension 1 (Specified Events) may be further extended to cover the **Property Insured** against risks of accidental physical loss or **Damage** ("Accidental **Damage**") occurring during the **Period of Insurance** at the **Situation** and subject to the **Sums Insured** specified in **Your Schedule**, if the Accidental **Damage** cover is agreed by **Us** in writing and included in **Your Schedule** as being "INSURED." Accidental **Damage** does not include;

- **Damage** caused by any other Specified Event
- The amount of the **Excess** specified in the **Schedule**
- **Damage** caused by or following subsidence, collapse, landslip, ground heave, settling, cracking, shrinkage or expansion of any **Building** or foundation
- mechanical and/or electrical derangement and/or breakdown, breakage of valves, filaments and the like burning out or **Damage** directly caused by short circuiting and/or claims arising from overheating
- **Damage** caused by moth, vermin or insect, wear, tear, gradual deterioration, rust or oxidization, rot, mould or mildew, inherent vice, latent defect, mysterious disappearance or unexplained shortage
- **Damage** caused by faulty manipulation, scratching or denting or loss of magnetism and/or erasure of tapes or faulty projection, shortage in weight, contamination, taint or insufficiency of insulation
- breakage of articles of a brittle nature
- loss by delay, loss of market, consequential loss of any and every description
- **Damage** sustained whilst the **Property Insured** is being worked upon or is under any process and directly resulting there from
- **Damage** caused by climatic or atmospheric conditions or extremes of temperature
- infidelity or dishonesty by the **Insured** or any Employee(s) of the **Insured**
- **Damage** to aircraft, watercraft, vehicles, livestock, growing timber or crops, jewellery, furs, watches, precious metals/stones, money, documents, data or word-processing, media or computer systems records

- **Damage** insured more specifically under any other **Policy** of insurance **Damage** to Computer equipment, TV and radio aerials, satellite dishes, aerial fittings and masts.
- theft however caused.

### Exclusions applicable to Property Insured under Section 1 including Optional Benefits

Notwithstanding any provision to the contrary or any endorsement **Your Policy** does not cover loss, **Damage**, liability, claims, cost or expense by whatever nature, either directly or indirectly caused by, contributed to, resulting from, or in connection with:

- inherent vice, frost, change in water table level,
- the bursting by steam pressure of a boiler, economiser, vessel, machine or apparatus in which internal pressure is due to steam only and belonging to or under the control of the **Insured** other than any boiler or economiser on the **Situation** used for domestic purposes, such as a hot water and/or central heating/ventilation system, corrosion, rust, wet or dry rot, shrinkage, evaporation, loss of weight, dampness, dryness, marring, scratching, vermin or insects
- change in temperature, colour, flavour, texture or finish
- joint leakage, failure of welds, cracking, fracturing, collapse or overheating of boilers, economisers, superheaters, pressure vessels or any range of steam and feed piping in connection therewith
- mechanical or electrical breakdown or derangement of the particular machine, apparatus or equipment in which such breakdown or derangement originates
- normal settlement or bedding down of new structures
- by water from or action of the sea, tidal wave, storm surge, high water, **Flood**;
- by or resulting from water seeping, percolating or otherwise penetrating into **Property Insured**
- by water entering **Buildings** through an opening in the wall or roof made for the purpose of alterations
- to gates, fences, retaining walls;
- to shade sails, shades, shade cloths, awnings and blinds; or
- to property in the open air unless such property is a permanent structure designed to function without the protection of walls or roof.
- land, roads, pavements, piers, jetties, bridges, culverts or excavations
- collapse or cracking unless resulting from a Specified Event that is not otherwise excluded.

## Section 2 Property Owners Liability

### Cover

**We** agree to pay, to **You** or on **Your** behalf, all amounts for which **You** become legally liable to pay as compensation for **Personal Injury** and **Third Party Property Damage**, arising out of the ownership of **Your Unoccupied Property** or **Vacant Land** within the **Territorial Limits**, and caused by or resulting from an **Occurrence** during the **Period of Insurance**, up to the Limit of Liability.

### **Legal costs, Defence Costs**

**We** will pay Defence Costs incurred by **Us** or by **You** for all sums which **You** become legally liable to pay, after **We** have provided **Our** written consent, in the defence of a claim for compensation made against **You** covered under this **Policy**.

### **Additional costs**

**We** will pay the following additional costs incurred by **You** in connection with an **Occurrence** covered by this **Policy**:

- First aid costs (other than medical costs which **We** are not allowed to pay by law); and
- The cost of emergency first aid to other persons
- for costs incurred with **Our** consent for temporary repairs, shoring up or protection of Damaged property of others.

### **Expenses**

**We** will reimburse **You** for all reasonable expenses **You** incur in connection with any claim made against **You** that is covered by this **Policy**, incurred with **Our** prior written consent, excluding any loss of earnings or loss of revenue or profit.

### Definitions

For the purpose of **Section 2**:

### **Occurrence**

Means an event, including continuous or repeated exposure to substantially the same general conditions, which results in **Personal Injury** or **Third Party Property Damage** that is neither expected nor intended from **Your** standpoint.

All **Events** of a series consequent upon or attributable to one source or original cause shall be deemed to be one **Occurrence**.

### Limits of Liability

The following limits apply:

### **Property Owners Liability**

Subject to any other limit set out in this **Policy**, **We** will pay no more than \$10,000,000 for any one Occurrence for **Section 2** cover, unless otherwise stated in **Your Schedule**.

The Limit of Liability is inclusive of Legal Costs, Defence Costs, Additional costs, and Expenses covered under **Section 2**, These costs are included within the Limit of Liability and not in addition to it.

### Exclusions Applicable to Section 2

**We** will not cover any liability under this **Policy** directly or indirectly caused by, arising from or in connection with:

### **Erection and alterations to buildings**

**Personal Injury** or **Third Party Property Damage** arising directly or indirectly out of or caused by or in connection with the erection, demolition of or alteration or addition to **Buildings** by **You** or on **Your** behalf.

### **Loss of use**

Loss of use of tangible property, which has not been physically Damaged or destroyed, resulting from:

- Delay in or lack of performance by **You** or on **Your** behalf of any contract or agreement; or
- The failure of **Your** products to meet the level of performance, quality, fitness or durability expressly or impliedly warranted or represented by **You**, however, this paragraph does not apply to loss of use of other tangible property resulting from the sudden and accidental physical **Damage** to or destruction of **Your** products after such products have been put to use by any person or organisation other than **You**.

### **Participation**

For Injury to any person or property, or **Damage** to the property of any person, directly or indirectly arising out of or in any way connected with, the actual participation of such person in any sport, exercise or activity such as but not limited to rally driving, motor racing, any vehicle activity on a race track, competitive motor sports, aerobics, athletics, football, aquatic, aerial or equestrian activity. The term participation as used in this exclusion includes the participation, training or practice for, supervision or control of such activities.

### **Professional liability**

Directly or indirectly arising out of or in any way connected with the provision of professional advice by **You** or by anyone on **Your** behalf, including any error or omission associated with such advice.

### **Vibration and removal of support**

Property **Damage** to any land or fixed property arising directly or indirectly from vibration or from the removal or weakening of or interference with support to land, **Buildings** or any other property.

### Contractual Liability

Loss, **Damage**, or liability arising out of or in connection with any obligation, liability, or indemnity assumed by **You** under any contract or agreement, unless such liability would have arisen regardless of the contract or agreement, or is otherwise covered under the terms of this **Policy**.

### Pollution and Contamination

Any liability in respect of any kind of pollution and/or contamination unless such pollution and/or contamination was caused by a sudden, identified, unexpected and unforeseen accident which happens in its entirety at a specific time during the

**Period of Insurance** at the **Situation** named in the **Schedule**.

Any such accident needs to be reported to **Us** not later than 30 days from the end of the **Period of Insurance**

### Injury

- Any **injury** arising directly or indirectly from any communicable disease
- Any **Injury** sustained by **You**
- Any **Injury** arising from any criminal or violent act to another person

### Your ownership and Possession

**We** will not indemnify **You** against any claim, or incident in respect of liability directly or indirectly arising from or in connection with **Your** ownership and Possession of the Following:

- Any motorized vehicle
- Any power operated lift
- Any aircraft or watercraft other than manually operated rowing boats or canoes
- Any animal

### Damage

**We** will not indemnify **You** against any claim, or incident in respect of liability directly or indirectly arising from or in connection with **Damage** to the following:

- inherent vice, latent defect, gradual deterioration, wear and tear, frost, change in water table level, faulty or defective design or materials
- the bursting by steam pressure of a boiler, economiser, vessel, machine or apparatus in which internal pressure is due to steam only and belonging to or under the control of the **Insured** other than any boiler or economiser on the **Situation** used for domestic purposes, such as a hot water and/or central heating/ventilation system.

## Conditions

The following conditions apply to **Section 2**:

### Claims notice

Any **occurrence** which might give rise to a claim under the **Policy** must be reported to **Us** in writing as soon as possible and, as far as is practicable. No alteration or

repair may be carried out by **You** until **We** have had the opportunity of inspecting **Damage** to property, unless such alteration or repair is necessary to either prevent or minimise any additional property **Damage** or personal injury, subject to such alteration or repair being covered under **Section 1**.

**You** must give notice as soon as reasonably practicable of any impending prosecution, inquest, inquiry or civil proceeding in connection with the **Occurrence**.

### Discharge of liabilities

**We** may at any time pay to **You** or on **Your** behalf in respect of all claims against **You**:

- The amount of the **Limit of Indemnity** (after deduction of any sum or sums already paid by **Us**); or
- Any lesser sum for which the claim or claims may be settled.

Upon such payment **We** will cease conduct or control of the defence of all claims against **You** and be under no further liability under **Your Policy** in connection with such claim or claims.

Provided that **We** will pay for costs, charges and expenses recoverable from **You** in respect of the period prior to the date of such payment (whether or not this is pursuant to an order made subsequently) or incurred by **Us**, or by **You** with **Our** written consent prior to the date of such payment.

### Statutory requirements

**You** must comply with all statutory requirements including but not limited to those concerning the inspection of passenger lifts and steam pressure apparatus