

Zurich Strata Insurance

Product Disclosure Statement



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About our Strata Insurance

About Zurich

Zurich is proud to present the Zurich Strata Insurance product.

The insurer of this product is Zurich Australian Insurance Limited (ZAIL), ABN 13 000 296 640, AFS Licence Number 232507, a subsidiary of Zurich Financial Services Australia Limited (ZFSA). In this document, ZAIL may also be expressed as 'Zurich', 'we', 'us' or 'our'.

ZFSA and its subsidiaries are members of the Swiss-based Zurich Group, offering an extensive range of general insurance, investment, life insurance and superannuation products and services for individuals, small to medium sized businesses, larger companies and multi-national corporations.

In Australia, Zurich offers general insurance products covering property, motor, liability, workers compensation, compulsory third party, directors and officers, and professional indemnity risks.

This Product Disclosure Statement (PDS) is an important document. You should read it carefully before making a decision to purchase this product.

This PDS will help you to:

- **decide whether this product will meet your needs; and**
- **compare this product with other products you may be considering.**

The information contained in this PDS is general information only. It is important you read your policy to ensure you have the cover you need.

We sometimes capitalise or italicise terms in this PDS, to show that words are abbreviations or have a particular defined meaning. You should refer to the Definitions sections of this document on pages 12, 16, 22, 24, 25 and 26 to obtain the full meaning of such terms.

Throughout this document, 'you', 'your', 'yours', 'insured' means the *body corporate* or Corporation named in the *schedule of insurance*, or if there is no strata title, the person or company so named.

How to apply for this insurance

Zurich generally distributes its products through licensed insurance brokers or advisers. Insurance brokers or advisers are qualified professionals who are able to access a wide selection of insurance products from which they are able to recommend those best suited to your insurance requirements, after taking into account your individual circumstances.

Throughout this document when we are referring to your insurance broker or adviser, we may simply refer to them as your intermediary.

If you are interested in buying this product, you should contact your intermediary. Your intermediary can help you tailor your insurance policy to best suit you. If you then decide to apply for insurance and we accept your proposal, we will issue you with a policy *schedule of insurance*, which is a document that sets out the details of your particular insurance policy with us.

If you have any inquiries about this product, you should speak to your intermediary who should be able to provide you with all the information and assistance you require. If you are not satisfied with the information provided by your intermediary you can contact us at the address or telephone number shown on the back cover of this PDS. However, we are only able to provide factual information or general advice about the product. We do not give any advice on whether the product is appropriate for your personal objectives, needs or financial situation.

Our Strata Insurance

The Zurich Strata Insurance product is designed to cover the insurance requirements of Body Corporates for Residential Strata Title properties and combines cover for Building and Common Contents, Property Owner's Liability, Fidelity Guarantee, Voluntary Workers Personal Accident and Office Bearer's Liability.

Benefits offered under each Cover Section

Building and Common Contents

This provides cover against physical loss or damage to your *building* and *common contents* occurring during the *period of insurance*, up to the *sum insured*. Providing the *sum insured* has not been exhausted, the following cover is also provided (refer to the Additional Benefits within the *sum insured* from page 17):

- reduced floor-space ratio index;
- loss of land value;
- bursting, leaking, discharging or overflowing of water tanks, water apparatus or water pipes including exploratory costs;
- reasonable costs of repairing or replacing electronic motors damaged by fusion;
- additional costs incurred by complying with requirements of any lawful authority;
- loss of money;
- costs incurred to restore security to the *property* as a result of loss of locks and keys.

The following cover is provided in addition to your *sum insured* (refer to the Additional Benefits above the *sum insured* from page 18):

- architects, surveyors and consulting engineers costs;
- emergency mitigation costs;
- bonus cover;
- loss of rent;
- rewriting or reconstruction of your records;
- temporary costs incurred including boarding out of pets normally domiciled at the premises.

Specific limits apply to either Additional Benefits within your *sum insured* and Additional Benefits above the *sum insured* – see the Building and Common Contents *cover section*.

The cover is subject to specific Definitions and Exclusions and your *sum insured*, which are set out in the policy (refer to the Building and Common Contents *cover section* from page 16 and your *schedule of insurance*).

Optional Extensions of Cover

1. Catastrophe cover

If an insured event gives rise to authorities declaring a state of emergency and the *building* is beyond economical repair, we will provide cover for an additional 30% of the *sum insured* for *property* where the *building* is rebuilt.

2. Flood

Flood is excluded in our standard cover and this option provides this cover if required. Additional premium will be required if this option is taken out. Please note, we reserve our right not to provide this cover, after due consideration of the individual risk being considered.

Legal Liability

This provides cover for claims for compensation or expenses, which you become legally liable to pay in respect of:

- *personal injury*, or
- *property damage*,

happening as a result of an *occurrence* arising in connection with the ownership of the *property*.

The cover is subject to specific Definitions and Exclusions and your *sum insured*, which are set out in the policy (refer to the Legal Liability *cover section* from page 22 and your *schedule of insurance*).

Fidelity Guarantee

This provides cover for the Body Corporate group funds which are lost as a result of theft, embezzlement, misappropriation, conversion or fraud that occurs during the *period of insurance*.

The cover is subject to specific Definitions and Exclusions and your *sum insured*, which are set out in the policy (refer to the Fidelity Guarantee *cover section* from page 24 and your *schedule of insurance*).

Personal Accident (Voluntary Workers)

This provides cover for any *unit owner* or other *voluntary worker* for a:

- capital benefit payment for an accident causing an injury as listed in the *cover section* on page 25;
- weekly benefit payment for total or partial disablement following an accident.

Weekly benefits are limited to the maximum number of 104 weeks, but the maximum total amount that we will pay for a claim under weekly benefits is your *sum insured* less any capital benefits paid. Please note that the *excess* applicable for this *cover section* is expressed in days. This period is shown in your *schedule of insurance* and is usually the first seven (7) days after any disablement.

The cover is subject to specific Definitions and Exclusions and your *sum insured*, which are set out in the policy (refer to the Personal Accident (Voluntary Workers) *cover section* from page 25 and your *schedule of insurance*).

Office Bearer's Liability

This provides cover for your *officers* against *claims* arising out of any actual or alleged *wrongful act(s)* occurring during the *period of insurance*, in managing the Body Corporate affairs.

The cover is subject to specific Definitions and Exclusions and your *sum insured*, which are set out in the policy (refer to the Office Bearer's *cover section* from page 26 and your *schedule of insurance*).

Our contract with you

Your policy is a contract of insurance between you and Zurich and contains all the details of the cover that we provide.

Your policy is made up of:

- the policy wording, which begins on page 12 of this document. This is common to all customers who buy our Zurich Strata Insurance product. It tells you what is covered, sets out the claims procedure, exclusions and other terms and conditions of cover;
- the proposal, which is the information you provide to us when applying for insurance cover;
- your most current policy *schedule* issued by us. The *schedule of insurance* is a separate document unique to you, which shows the insurance details relevant to you. It includes any changes, exclusions, terms and conditions made to suit your individual circumstances and may amend the policy; and
- any other written change otherwise advised by us in writing (such as an endorsement or a supplementary PDS). These written changes vary or modify the above documents.

Please note, only those *cover sections* shown as covered in your *schedule of insurance* are insured.

This document is also the PDS for any offer of renewal we may make, unless we tell you otherwise. Please keep your policy in a safe place.

We reserve the right to change the terms of this product where permitted to do so by law.



Significant issues to consider

Insurance contracts contain policy exclusions, policy terms and conditions and policy limits and sub-limits that you should be aware of when deciding to purchase our product. These things may affect the amount of the payment that we will make to you if you have a claim.

We may express some policy terms, policy limits or sub-limits as being either a dollar amount or a percentage of your *sum insured* shown in your *schedule of insurance* or some other amount, factor or item specified in the relevant clause or this document.

You should be aware of the following matters in considering whether this product is suitable for your needs.

Excesses can apply

For each of the available covers, an excess may apply. An excess is not an additional fee charged by us at the time of making a claim. Rather, it is the uninsured first portion of a loss for which you are otherwise covered, ie the amount that you must contribute towards each claim.

Details of the excess amounts and circumstances in which they will be applied are set out in the Definition of excess on page 12 and the relevant *cover section*.

If a single event results in claims in more than one *cover section*, you will only be required to pay one amount of basic excess – that which is the greater of the applicable excesses.

The amounts of basic excesses you will be required to pay will appear on your *schedule of insurance*.

Exclusions

In some circumstances, this policy contains a number of exclusions, some of which are common in insurance policies. For example, we may not pay for loss or damage arising out of:

- flood;
- radioactivity or any radioactive substances;
- failure to keep your *property* in good condition.

Some of the exclusions may be less common, and as such may be unexpected. For example, the Legal Liability coverage in this policy excludes cover for Information Technology Hazards such as damage to your computer programs as a result of a computer virus. Please refer to page 23 for the details of this exclusion.

The above are some of the events that are not covered by this policy. Before making a decision about whether to purchase this policy, you should read the full details of all relevant exclusions, which are contained in the wording. Some may not be relevant to you, however you should make yourself aware of all the exclusions that apply in all *cover sections*.

Please refer to General Exclusions on page 13 and Exclusions to the individual *cover sections* as follows:

- Building and Common Contents from page 19;
- Legal Liability from page 22;
- Fidelity Guarantee on page 24;
- Personal Accident (Voluntary Workers) on page 25;
- Office Bearer's Liability on page 27.

General Terms and Conditions

General Terms and Conditions applicable to all *cover sections* set out your obligations with which you need to comply. Please refer from page 13. You should read the *cover sections* and make yourself aware of all the terms and conditions that apply. If you do not meet them, we may be able to decline or reduce the claim payment or cancel your policy.

Special Terms and Conditions are applicable in the following *cover sections*:

- Building and Common Contents refer to page 19;
- Personal Accident (Voluntary Workers) refer to page 25;
- Office Bearer's Liability refer to page 26.

Make sure you have the cover you need

You should discuss with your intermediary the appropriate amounts and risks for which you need to be insured. If you do not adequately insure for the relevant risks you may have to bear any uninsured losses yourself.

You should also advise your intermediary to notify us as soon as possible when your circumstances change which are relevant to your policy. For instance, if you purchase new additional *common contents* for your Strata. If you do not tell your intermediary of these changes, in the event of you suffering accidental damage, your *sum insured* may not be adequate to cover your loss, or you may not even have any cover under your policy.

Duty of Disclosure

Before you enter into this contract of insurance with us, the Insurance Contracts Act 1984 requires you to tell us everything of which you are aware, which you know, or which a reasonable person in the circumstances could be expected to know is relevant to our decision, whether and on what terms, your proposal for insurance is acceptable and to calculate the premium required for your policy.

The Act imposes a different duty the first time you enter into the policy with us, from that duty that applies when you renew, vary, extend, reinstate or replace your policy. We set these duties out below.

Your duty of disclosure applies when you enter into this policy with us for the first time

You will be asked various questions when you first apply for this policy. When you answer these questions, you must:

- give us honest and complete answers;
- tell us everything you know;
- tell us everything that a reasonable person in the circumstances could be expected to tell us.

Who needs to tell us

It is important that you understand, that you are disclosing to us and answering our questions for both you and anyone else who you want to be covered by the policy.

If you do not tell us

If you do not answer our questions honestly or do not properly disclose to us, we may reduce or refuse to pay a claim or may cancel the policy. If you act fraudulently in answering our questions or not disclosing to us, we may refuse to pay a claim or treat the policy as never having existed. This would mean that you were never insured.

Your duty of disclosure applies when you renew, vary, extend, reinstate or replace your policy

When you renew, vary, extend or reinstate your policy, your duty is to tell us before the renewal, variation, extension or reinstatement, every matter known to you, which:

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

is relevant to our decision whether to insure you and, if so, on what terms.

What you do not need to tell us when you renew, vary, extend or reinstate your policy

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.

Non-disclosure or Misrepresentation

If you make a misrepresentation to us, or if you do not comply with your duty of disclosure and we issue your policy with terms and conditions that are different to the terms and conditions that would have been issued had there not been any misrepresentation, or your duty of disclosure had been complied with, then:

- we may reduce the cover provided, so that we are placed in the same position as we would have been in, had there not been any misrepresentation and your duty of disclosure had been complied with; and
- we may also cancel your policy; or
- we may treat your policy as if it never existed if the misrepresentation or your non-compliance with your duty of disclosure was fraudulent.

How we calculate your premium

The amount of your *premium* is determined by taking a number of different matters into account. You can seek a quote at any time.

It is important for you to know in particular that the premium varies depending on the information we receive from you about the risk to be covered by us. The higher the risk is, the higher the premium will be. Based on our experience and expertise as an insurer, we decide what factors increase our risk and how they should impact on the premium. Each insurer can do this differently.

In this product the factors including the following are taken into consideration:

- your nominated *sum insured*;
- the *location* of the *property*;
- the materials used in the construction of your *property*;
- the number of lots that make up your Strata Title;
- your prior claims history;
- security measures (eg. alarms, deadlocks);

- our basic excess. This means that when you purchase a policy you may elect to take a higher excess in the event of a claim, which will reduce the cost of your *premium*. If you are interested in this, you should ask your intermediary to supply you with quotes based on differing amounts of excesses.

Your intermediary can arrange for you to be provided with a quote for a premium. You will need to give your relevant personal details to your intermediary at this time to enable us to calculate your *premium*.

Another important thing to know is that your *premium* also includes amounts that take into account our obligation to pay any relevant compulsory government charges, taxes or levies (e.g. Stamp Duty, GST and Fire Services Levy) in relation to your policy. These amounts will be set out separately on your *schedule of insurance* as part of the total *premium* payable.

How and when you pay your premium and what happens if you don't pay?

Premiums are charged and are payable on a yearly basis. Your intermediary can also tell you what other methods are available to make your *premium* payments.

Your intermediary should send you an offer of renewal of your insurance once a year, before your current *period of insurance* expires. If you do not pay your *premium* when due, your policy may lapse after 30 days and you will not be covered. You may be able to reinstate your policy after it lapses, but you must submit an application to us, which is subject to our reassessment of your personal circumstances at the time of application.

How to make a claim

In the event of an incident which requires you to make a claim against this policy, please refer to 'Claims procedures' on page 13. If you have any queries, please contact your intermediary as soon as possible, or call us on 132 687.

Goods and Services Tax

The *sum insured* that you choose should exclude Goods and Services Tax (GST).

In the event of a claim, if you are not registered for GST, we will reimburse you the GST component, in addition to the amount we pay you. If you are registered for GST, you will need to claim the GST component from the Australian Taxation Office.

Input Tax Credit	Claim Settlement
0%	Settled inclusive of GST
100%	Settled less GST
70%	Settled less 70% of the GST

You must advise us of your correct input tax credit percentage, where you are registered as a business and have an Australian Business Number. Any GST liability arising from your incorrect advice is payable by you.

Your Privacy

We are committed to protecting the privacy of your personal information and complying with the National Privacy Principles under the Privacy Act 1998 (Cth). For further details on how we do this, please refer to 'Privacy' on page 15.

Cooling-off Period

After you apply for a Zurich product and you have received the policy document, you have 21 days to check that the policy meets your needs. Within this time you may cancel the policy and receive a full refund of any *premiums* paid, unless:

- you have made a claim or become entitled to make a claim under your policy; or
- you have exercised any right or power you have in respect of your policy or the policy has ended.

Your request will need to be in writing and forwarded to us via your intermediary or to the address shown on the back cover of this document.

You can cancel your policy at any time after the cooling-off period. Please refer to 'Cancellation' under the General Terms and Conditions on page 14.

Confirmation of transactions

Please contact us if, for any reason, you wish to make an enquiry about your policy or obtain confirmation of any policy transaction. You should first check if your intermediary already has the information. Our contact details are on the back cover of this PDS.

General Insurance Code of Practice

As a member of the Insurance Council of Australia Limited, we subscribe to the General Insurance Code of Practice.

The purpose of the Code is to raise the standards of practice and service in the general insurance industry.

The Code aims to:

- constantly improve claims handling in an efficient, honest and fair manner;
- build and maintain community faith and trust in the financial integrity of the insurance industry; and
- provide helpful community information and education about general insurance.

Complaints and Disputes Resolution process

If you have a complaint about an insurance product issued by us or a service you have received from us, including the settlement of a claim, please contact your intermediary to initiate the complaint with us. If you are unable to contact your intermediary, call us on 132 687. If you are not satisfied with our initial response, you may then use our Internal Disputes Resolution process or, ultimately, our External Disputes Resolution Scheme.

Please refer to 'Complaints and Disputes Resolution process' on page 14 for full details of our process and how you can access it.

Headings

Headings have been included for ease of reference, but do not form part of the policy.

Updating this PDS

Certain information in this PDS may change from time to time. If the updated information is not materially adverse from the point of view of a reasonable person deciding whether or not to purchase this product, a paper copy of the updated information will be available free of charge upon request, by contacting your intermediary or us by using our contact details on the back cover of this PDS. Please note that we may also choose to issue a new PDS or a supplementary PDS in other circumstances.

Important information

On 25 May 2005, ZFSA and its general insurance arm, ZAIL, agreed to Enforceable Undertakings (EUs) with both the Australian Prudential Regulation Authority (APRA) and the Australian Securities & Investments Commission (ASIC), following an investigation into certain reinsurance arrangements entered into in 2000, including the way in which they were treated for accounting purposes and the conduct of past employees. As part of the EUs, a settlement has been reached with APRA under which APRA agrees to take no action against ZFSA or its subsidiaries on certain terms set out in the APRA EUs.

ASIC's investigation into the reinsurance arrangements and APRA's investigation into the conduct of individuals (which are the subject of adverse comment in the APRA EUs) are continuing.

These issues do not impact on Zurich's day to day businesses, subsidiaries, intermediaries or customers. The issues also do not materially affect the current financial position of ZFSA or its subsidiaries.

For additional information on these issues, and any further developments, please visit our website (www.zurich.com.au). Alternatively, you can contact Zurich on 131 551. A copy of the respective EUs can be obtained from the APRA website (www.apra.gov.au) and the ASIC website (www.asic.gov.au).

Benefits of cover available

The following is a summary of the major benefits of covers available under the policy. Please refer to each *cover section* for full details of coverage and applicable terms and conditions.

Types of covers available	Benefits of cover available	Page no.
Building and Common Contents	Cover against physical loss or damage to your <i>building</i> and <i>common contents</i> occurring during the <i>period of insurance</i> up to the <i>sum insured</i>	16
Legal Liability	Cover for claims for compensation or expenses, which you become legally liable to pay in respect of <i>personal injury</i> or <i>property damage</i> , happening as a result of an <i>occurrence</i> arising in connection with the ownership of the <i>property</i>	22
Fidelity Guarantee	Cover for the <i>body corporate funds</i> which are lost as a result of an <i>event</i> where theft, embezzlement, misappropriation, conversion or fraud occurs during the <i>period of insurance</i>	24
Personal Accident (Voluntary Workers)	Following an accident causing an injury to a <i>voluntary worker</i> we will pay a capital benefit payment or weekly benefit payment	25
Office Bearer's Liability	Cover for your <i>officers</i> against <i>claims</i> arising out of any actual or alleged <i>wrongful act(s)</i> occurring during the <i>period of insurance</i> , in managing the <i>body corporate</i> affairs	26
Additional benefits for all Cover Sections		
Approved claim preparation costs	We will pay up to \$20,000 for reasonable professional fees and such other expenses incurred by you for the preparation of a claim.	15
Emergency mitigation costs	Reasonable costs in preventing further damage	15
Building and Common Contents Additional Benefits within the Sum Insured		
Reduced floor-space ratio	We will pay the difference between the actual costs of replacement to comply with the reduced floor-space ratio	17
Loss of land value	Up to \$500,000 or 50% of your <i>sum insured</i> , whichever is the greater	17
Exploratory costs	Reasonable costs up to \$25,000 in locating the cause of the damage and overflowing of water tanks, for any loss or damage caused in locating the leak. We will also pay up to \$1,000 for the repair or replacement of the defective part or parts of such tanks, apparatus, pipes or other installations giving rise to the loss or damage	17
Motors damaged by fusion	Reasonable costs of repairing or replacing electric motors damaged by fusion	18
Extra cost of reinstatement	We will pay additional costs incurred to comply with requirements of any lawful authority imposed to the proportion of the <i>building</i> actually damaged	18
Money	We will pay up to \$5,000 any one loss or series of losses arising out of any one event for the loss of money	18
Locks and keys	We will pay up to \$5,000 any one event for costs incurred to restore security to the <i>property</i> as a result of loss of locks and keys	18
Building and Common Contents Additional Benefits above the Sum Insured		
Architects, surveyors and consulting engineering costs	We will pay any costs reasonably incurred in the process of replacement or reinstatement following an insured loss or damage to the <i>property</i>	18
Additional costs	We will pay additional costs and expenses necessarily and reasonably incurred for the purpose of, extinguishing a fire, temporary protection, removal of debris, demolition and removal of any property damaged under an insured event	18
Bonus cover	Your <i>sum insured</i> shall be regarded as automatically increased at midnight on the last day of each month of the <i>period of insurance</i> by 0.50 of 1%	19
Loss of rent	We will pay the relevant <i>unit owner</i> for loss of rent where an insured loss or damage renders a unit or units unfit to be occupied for their intended purpose. The maximum we will pay in total is 15% of your <i>sum insured</i>	19
Rewriting or reconstruction of your records	Reasonable costs up to \$10,000 for the rewriting or reconstruction of your records and books of accounts	19
Boarding out of pets after loss or damage	Boarding out of pets normally domiciled at the premises being owned by the <i>unit owners</i> to a maximum of \$500 per unit	19

Types of covers available	Benefits of cover available	Page no.
Building and Common Contents		
Optional Extensions of Cover		
Catastrophe Cover – Declaration by the relevant authority of a State of Emergency	We will increase your <i>sum insured</i> on the <i>property</i> and all other Additional Benefits in the <i>cover section</i> by up to 30% if the <i>property</i> is rebuilt	21
Flood	We will provide <i>flood</i> cover to your <i>property</i>	21
Legal Liability		
Covering your Legal Liability in connection with the ownership of the <i>property</i>	Up to your <i>sum insured</i> stated in your <i>schedule of insurance</i> for any one <i>occurrence</i>	22
Fidelity Guarantee		
Protecting the <i>body corporate funds</i>	We will pay up to \$50,000 following an <i>event</i> of your <i>funds</i> being lost as a result of theft, embezzlement, misappropriation, conversion or fraud that occurs during the <i>period of insurance</i>	24
Personal Accident (Voluntary Workers)		
Death, total and irrecoverable loss of all sight in both eyes, total and permanent loss of the use of both hands or of both feet or the loss of use of one hand and one foot, and quadriplegia, paraplegia or incurable paralysis of all limbs	\$100,000	25
Total and permanent loss of use of one hand or the use of one foot and total and irrecoverable loss of all sight in one eye	\$50,000	25
Voluntary Workers total disablement from carrying out the principal duties of their usual profession, business or occupation	\$1,000 per week	25
Voluntary Workers partial disablement from carrying out all the normal duties of their usual profession, business or occupation	\$500 per week	25
Office Bearer's Liability		
Claims arising out of any actual or alleged <i>wrongful act(s)</i>	Provides cover for your <i>officers</i> up to your <i>sum insured</i> notified during the <i>period of insurance</i>	26

Strata Insurance – Policy Wording

Our Agreement

Subject to all of the terms and conditions contained in your policy document and payment of the *premium*, we will provide you with the cover shown in the relevant *cover sections* of your policy document up to the appropriate amount shown in your *schedule of insurance* or other limits shown in your policy.

Definitions

The following definitions shall apply to these words when used in your policy, unless otherwise defined in the individual *cover sections*.

Act of terrorism

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

Aircraft

aircraft means any vessel, craft, machine or object made or intended to fly or move in or through the atmosphere or space.

Body corporate

body corporate means proprietors, members, owners or shareholders from time to time and is limited to the interest of proprietors, members, owners or shareholders in respect of the ownership of the *building and common contents* (as defined in the *cover section* – Building and Common Contents) in terms of the Strata Titles Act or Community Titles Act or similar legislation applying in your *property's location*.

Cover section

cover section means the different types of cover you can elect to have, as contained in the policy, and if elected, as shown in your *schedule of insurance*.

Excess

excess means the first amount of each claim payable by you. The amount of the *excess* is shown in the *schedule of insurance* and in respect to earthquake, in the *cover section* – Building and Common Contents, Exclusion 6.

Location

location means the place shown on the *schedule of insurance* where the *property* is physically located.

Period of insurance

period of insurance means the period we will insure you for as shown in your *schedule of insurance*.

Policy

policy means the *cover sections* selected by you from the available *cover sections* in this booklet and as shown in your *schedule of insurance*. Your policy includes this policy booklet, your *schedule of insurance*, the proposal and any endorsements or alterations made, that we have agreed to.

Premium

premium means the amount you must pay us for the *cover sections* you select. Your *premium* is shown on the *schedule of insurance*.

Property

property means the *building and common contents* (as defined in the *cover section* – Building and Common Contents) at the *location* as shown in the *schedule of insurance*.

Schedule of insurance

schedule of insurance means your most recent *schedule of insurance*. We give you this *schedule of insurance* when you first buy this insurance and each time you request an addition, alteration or renewal. The *schedule of insurance* forms part of your policy.

Sum insured

sum insured means the maximum amount we will pay for any claim under each *cover section* and is shown in your *schedule of insurance* except as otherwise provided for specifically in a *cover section*.

Unit owner

unit owner means a person, persons or others registered as a proprietor or owner of an estate in a unit in terms of the Strata Titles Act, Community Titles Act or similar legislation applying in your *property's location*.

Vehicle, vehicles

vehicle, vehicles means any type of machine on wheels or self-laid tracks, except unregistered lawn-mowers, made or intended to be propelled by other than manual or animal power and any trailers or other attachments made or intended to be drawn by any of those machines.

Watercraft

watercraft means any vessel, craft, machine or object made or intended to be used on, in or under water.

General Exclusions

These general exclusions apply to all *cover sections* within the policy. However, each *cover section* also has specific exclusions to the cover offered under that *cover section* and those exclusions should be read in addition to the ones below.

None of the *cover sections* provide cover for loss, damage, destruction, injury or liability directly or indirectly caused by, arising from or as a result of:

1. an intentional act by you or a person acting with your consent unless for the purpose of preventing or eliminating danger to persons or property;
2. the lawful seizure, confiscation, nationalisation or requisition of the *property*;
3. destruction of, or damage to, property by or under the order of any government or public or local authority, unless required to reduce further destruction or damage to the *property*;
4. war, invasion, act of foreign enemy, hostilities (whether war is declared or not), civil war or unrest, rebellion, revolution, insurrection, military or usurped power, looting, sacking or pillage following any of these;
5. the use, existence or escape of nuclear weapons material, or ionising radiation from, or contamination by radioactivity from, any nuclear fuel or nuclear waste from the combustion of nuclear fuel or action of nuclear fission.

General Terms and Conditions

1. Restricting our right of recovery

Where another person is liable to compensate you for any loss, damage or liability, which is covered by this policy but you have agreed not to seek recovery of any monies from that person or have agreed to limit any amount so recoverable, we will not cover you under this policy for that loss, damage or liability to the extent that our right of recovery has been so restricted.

2. Changes

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

3. Unoccupied Property

If the *property* is totally unoccupied for a period of more than 60 consecutive days, you must tell us in writing and obtain our written agreement for cover to continue beyond that period. If you do not do so, the cover under your policy is limited to damage caused by lightning, thunderbolt, impact and earthquake for the period in excess of 60 consecutive days during which you have left the *property* totally unoccupied. The period of 60 consecutive days is calculated from the date when the *property* was last occupied, regardless of the commencement or renewal of your policy.

4. Other Interests

You must not transfer any interest in this policy without our written consent. All persons entitled to any benefit under this policy are bound by the terms of this policy. We insure only those interests of which you notify us of when we issue cover, or which are notified to us during the currency of this policy and which we agree to insure.

5. Care and Maintenance

You must take all reasonable care and precautions to prevent or minimise loss, damage, injury, illness or liability including your compliance with any law, by-law, ordinance or regulation that concerns the safety of persons or property. Should any damage have occurred prior to commencement of the insurance and such damage has not been repaired or made good, we shall not be liable for such damage or any consequential loss, destruction or damage.

Your *officers* (as defined in the *cover section* – Office Bearer's Liability) must use due diligence and act at all times to avoid or diminish any *claim*.

6. Claims Procedures

On the happening of any *occurrence* or *event*, which may give rise to a claim, you must:

- (a) take all reasonable precautions to prevent further loss, damage or liability;
- (b) notify the Police immediately if any of your *property* is lost, stolen, or maliciously or intentionally damaged;
- (c) notify us in writing as soon as possible, but if claiming under the *cover section* – Office Bearer's Liability, notification must be during the *period of insurance* and within 28 days after expiry;
- (d) supply us with all information we require to investigate, settle or defend the claim;

- (e) not arrange replacement of any property in connection with any claim without our consent;
- (f) not admit liability if an incident occurs which is likely to result in someone claiming against you and for which we insure you, without our prior written consent.

We have the right to negotiate, defend or settle in your name and on your behalf any claim and will have full discretion in the conduct of any proceedings or in the settlement of any claim.

7. Payments in respect of Goods and Services Tax

When we make a payment to you, or on your behalf, under this policy for the acquisition of goods, services or other supply, we will reduce the amount of the payment by the amount of any input tax credit that you are, or will be, or would have been entitled to under A New Tax System (Goods and Services Tax) Act 1999, in relation to that acquisition, whether or not that acquisition is actually made.

When we make a payment to you, or on your behalf, under this policy as compensation instead of payment for the acquisition of goods, services or other supply, we will reduce the amount of the payment by the amount of any input tax credit that you are, or will be, or would have been entitled to under A New Tax System (Goods and Services Tax) Act 1999 had the payment been applied to acquire such goods, services or supply.

8. Breach of Condition

We may refuse to pay a claim if you are in breach of any of the conditions of this policy.

9. Excess

The amount we will pay for a claim will be reduced by the amount of the excess. Some events provided for in your policy are subject to an excess. Please refer to your *schedule of insurance* for particulars of any excess imposed. Under *cover section* – Building and Common Contents, Exclusion 6 an additional excess is applicable to loss or damage caused directly or indirectly by, or arising out, of earthquakes.

10. Cancellation

You may cancel this policy at any time by notifying us in writing. We will refund to you a proportion of the *premium* for the unexpired *period of insurance*, provided that the cancellation does not fall during the period of time referred to in Cooling-off Period. We may cancel this policy by notice in writing for any reason available to us at law. We will refund to you a proportion of the *premium* for the unexpired *period of insurance*.

11. Complaints and Disputes Resolution process

If you have a complaint about an insurance product issued by us or a service you have received from us, including the settlement of a claim, please contact your intermediary to initiate the complaint with us. If you are unable to contact your intermediary, call us on 132 687. We will respond to your complaint within 15 working days provided we have all necessary information and have completed any investigation required. If more information or investigation is required we will agree reasonable alternative timeframes with you.

If you are unhappy with our response or we cannot agree on reasonable alternative timeframes, your complaint will be registered as a dispute and it will be reviewed by our Internal Disputes Resolution process which is free of charge.

We will respond to your dispute within 15 working days provided we have all necessary information and have completed any investigation required. If more information or investigation is required we will agree reasonable alternative timeframes with you. We will keep you informed of the progress of our review at least every 10 working days and give you our response in writing.

If you are unhappy with our response or we cannot agree on reasonable alternative timeframes, you can refer the matter to the External Disputes Resolution Scheme of which we are a member. This scheme is administered by Insurance Ombudsman Services Limited (IOS). IOS will review our decision in accordance with their terms of reference. You are not bound by their decision. However, we are bound to act immediately on IOS's decision. This is a free service provided by an independent body. Brochures outlining the operations of IOS are available from us or the Insurance Council of Australia in your State or Territory. You can phone the IOS from anywhere in Australia on 1300 780 808 or write to them at:

Insurance Ombudsman Services Limited

PO Box 561,

Collins Street West,

Melbourne, Vic, 8007.

Email: ios@insuranceombudsman.com.au

12. Privacy

Zurich respects your privacy. Before we collect personal information you should know the following things:

We require personal information about you to assess your request for insurance and to administer the policy.

- Where relevant for this purpose, we will disclose your personal information (other than sensitive information such as health information) to your intermediary.
- We will also, where relevant, disclose your personal information, including sensitive information, to our service providers (including loss adjusters, administrators, reinsurers) and to our business partners for this purpose. By submitting your personal details, you consent to those organisations collecting and us disclosing personal and sensitive information about you for this purpose.
- A list of the type of service providers and business partners we commonly use is available on request, or on our website. Go to www.zurich.com.au and click on the Privacy link on our home page.
- If you do not provide the requested information, your proposal may not be accepted, we may not be able to administer your policy or you may breach your duty of disclosure, the consequences of which are set out in the Duty of Disclosure notice.
- We may also disclose personal information about you where we are required or permitted to do so by law.
- In most cases, on request, we will give you access to the personal information we hold about you. In some circumstances, we may charge a fee for giving you access, which will vary but will be based on our costs.

If you would like to find out more, you may contact us by telephone on 132 687 or email at Privacy.Officer@zurich.com.au or in writing to:

The Privacy Officer
Zurich Australian Insurance Limited
PO Box 677, North Sydney, 2059

13. Proper law and Jurisdiction

- (a) The construction, interpretation and meaning of the provisions of this policy shall be determined in accordance with Australian law.
- (b) In the event of any dispute arising under this policy, including, but not limited to, its construction and/or validity and/or performance and/or interpretation, you will submit to the exclusive jurisdiction of any competent Court in the Commonwealth of Australia.

14. Approved claim preparation costs

In addition to the amount of cover provided by each *cover section* we will pay up to \$20,000 for reasonable professional fees and such other expenses incurred by you for the preparation of a claim under a *cover section*.

Provided that before you incur these claim preparation costs you obtain our written approval to incur these costs.

15. Emergency mitigation costs

In the case of an emergency where you are required to protect against further loss or damage to any *property*, as a direct result of that emergency, and the *property* is covered by your policy, we give you the authority to arrange these emergency mitigation costs on our behalf.



Building and Common Contents

What you are insured against

We agree to indemnify you against physical loss or damage to your *building* and *common contents* occurring during the *period of insurance*.

Definitions specific to this Cover Section

Building

building means the residential building at the *location* shown in the *schedule of insurance*, containing the units or lots and common property and includes:

1. all improvements and fixtures of a structural nature including fixed plant and machinery.
2. services (including underground) owned by you or for which you are responsible whilst in and about the buildings.
3. paint and wallpaper in common areas and inside individual units.
4. ducted air conditioners, stoves, ovens, hotplates, hot water systems, built-in cupboards and bathroom fittings.
5. any other items defined as buildings by the relevant legislation in the State or Territory where the building is located.

building does not mean:

- (a) temporary wall, ceiling or floor coverings.
- (b) paint and wallpaper in NSW only.
- (c) window coverings, internal blinds, carpets or light fittings other than in common areas.
- (d) air conditioners that are not permanently mounted, clothes dryers, washing machines, microwave ovens and any free standing or portable appliance.
- (e) fixtures removable by a lessee or tenant at the end of the lease or tenancy.
- (f) property in the course of construction, erection, alteration, addition or renovation where the contract value of the work exceeds \$500,000.

Common contents

common contents means:

1. domestic appliances, equipment, furniture and fittings for which you are responsible or for which you have assumed responsibility to insure:
 - (i) in any common area at the *location* shown in the *schedule of insurance*, or
 - (ii) while in the *building* or temporarily removed to another building for repair or service.
2. rockeries, trees, shrubs and plants owned by you or for which you are responsible.

common contents does not mean:

- (a) *vehicles, watercraft, aircraft* or their accessories.
- (b) personal property owned by a *unit owner*.
- (c) works of art, curios and antiques, except up to \$10,000 in total.

Flood

flood means the covering of normally dry land with water released or that has escaped from the normal confines of:

- (a) any watercourse whether natural or altered;
- (b) any lake whether natural or altered; or
- (c) any reservoir, canal or dam.

Tsunami

tsunami means a high tide or tidal wave caused by an earthquake, earth tremor or seismological disturbance under the sea.

How much we will pay and how

We will pay up to the *sum insured* for physical loss or damage to your *building*. In the event of a claim for a *building* we will at our option:

1. repair or replace the *building*; or
2. pay the reasonable cost of repair or replacement to a condition substantially the same as but not better or more extensive than when new; or
3. pay up to the *sum insured*. We will not sell or dispose of any salvage without giving you the opportunity to purchase it at its salvage value, but this does not allow you to abandon any property to us.

However:

With our prior written consent you shall not be bound to actually rebuild the *building* destroyed but may purchase an alternative existing building to replace that destroyed. Such replacement shall be deemed to constitute 'repair' for the purpose of this insurance but we shall not, under any circumstances, be liable to make any payment beyond the *sum insured* or the actual cost of rebuilding the *building* destroyed, whichever is the lesser.

The work of rebuilding, replacing, repairing, restoring or reinstating, as the case may be, must be commenced within six (6) months of the damage or loss occurring (or any other period which we agree with you), failing which we shall not be liable to make any payment beyond the amount which would have been payable had the delay not occurred and you may have to pay any increase in the cost.

In the event of a claim for *common contents* we will at our option:

1. repair or replace the *common contents*; or
2. pay the reasonable cost of repair or replacement to a condition substantially the same as but not better or more extensive than when new. The most we will pay for *common contents*, other than rockeries, trees, shrubs and plants is:
 - (a) \$100,000 or 1% of the total *sum insured*, whichever is the greater, for any one loss if the *common contents* were:
 - (i) at the *location* stated in the *schedule of insurance*, but not in the open air; or
 - (ii) temporarily removed from the *location* or in transit but not while in transit to or from a furniture repository.

- (b) \$10,000 for any one loss while in the open air at the *location* stated in the *schedule of insurance*, but only if the *common contents* are designed to be used and kept outside.

The most we will pay for rockeries, trees, shrubs and plants owned by you or for which you are responsible is \$5,000 for any one loss.

Additional Benefits within the Sum Insured

Subject to our liability not being increased beyond the *sum insured*, we will also indemnify you:

1. Floor-space ratio or index

If the *building* is totally destroyed or damaged and we declare it beyond economical repair, and the relevant statutory authority permits reinstatement only to a reduced floor-space ratio index, we will pay the difference between the actual cost of reinstatement to comply with the reduced floor-space ratio index, and the cost of reinstatement, had the reduced floor-space ratio index not applied.

2. Loss of land value

Up to \$500,000 or 50% of the *sum insured*, whichever is the greater, for loss of land value as a result of the requirements of any legal authority not allowing rebuilding or allowing only partial rebuilding at the *location* where there has been an insured loss or damage.

We calculate this amount by subtracting the sum of the land value after the insured loss or damage, plus the amount of any compensation paid to you by the authority, from the land value immediately before the insured loss or damage occurred.

3. Exploratory costs

When an insured loss or damage to the *building* or *common contents* is as a result of:

- (a) bursting, leaking, discharging or overflowing of water tanks, water apparatus or water pipes; or
- (b) leakage of oil from any fixed oil installation, including tanks, apparatus and pipes.

We will pay the reasonable costs of locating the cause of the damage and for any loss or damage caused in locating the leak, up to \$25,000. We will also pay up to \$1,000 for the repair or replacement of the defective part or parts of such tanks, apparatus, pipes or other installations giving rise to the loss or damage.

4. Fusion

For the reasonable cost of repairing or replacing electric motors which are damaged by fusion, where fusion is the process of fusing or melting together of the windings of an electric motor following damage to their insulating material as a result of overheating caused by electric current.

However, we will not pay for:

- (a) the repair or replacement of a sealed or semi-sealed refrigeration unit after 20 years from the date of manufacture of the unit; or
- (b) loss or damage to lighting or heating element, fuses or protective devices; or
- (c) loss or damage to electrical contacts at which sparking or arcing occurs in ordinary working.

5. Extra cost of reinstatement

The additional costs incurred by you in complying with the requirements of any lawful authority that are imposed after the damage.

Provided that we will not pay for any costs that would have been incurred when complying with Statutory Regulations that applied to the *property* or situation prior to the damage.

6. Money

For loss of money, to a limit of \$5,000 any one loss or series of losses arising out of one event, whilst in the personal custody of an office bearer or committee member of the *body corporate*, but excluding fraudulent misappropriation, larceny or theft or any attempt thereat by:

- (a) any person in your employment;
- (b) a *unit owner* or a proxy of a *unit owner* or any member of his/her family residing permanently with him/her;
- (c) a duly appointed strata manager acting on behalf of the *body corporate*.

7. Locks and Keys

If during the *period of insurance* keys used at the *property* are accidentally lost or stolen we will pay the cost incurred to replace these keys and other costs that are necessarily incurred to restore the security of the *property* to the same level of security that existed prior to the loss of these keys.

Provided that the maximum amount that we will pay is limited to \$5,000 in total, any one event.

Additional Benefits above the Sum Insured

We will pay the following additional benefits over and above the *sum insured*.

1. Fees and costs

For architects', surveyors', consulting engineers' costs, including all incidental costs, legal and other fees and clerk of works' salaries for estimates, plans, specifications, quantities, tenders and supervision necessarily and reasonably incurred in the process of replacement or reinstatement following an insured loss or damage to the *property* but not the costs, fees and salaries for preparing any claim made under this policy or any other policy.

2. Additional costs

For costs and expenses necessarily and reasonably incurred for the purpose of:

- (a) extinguishing fire at, or in the vicinity of, the *property* or threatening to involve the *property* or for preventing or diminishing imminent damage to the *property* by any other peril insured against by this policy, including damage to gain access and the cost of replenishment of fire fighting equipment and charges incurred for the purpose of shutting off the supply of water or other substance following accidental discharge from any fire protective equipment or otherwise escaping from intended confines.
- (b) the temporary protection and safety of the *property* pending repair or replacement following an insured loss or damage.
- (c) the removal of debris or the demolition, dismantling, shoring up, propping, underpinning or other temporary repairs following an insured loss or damage to the *property*, but not in connection with liability for pollution of any kind.
- (d) the demolition and removal of any *property* belonging to you which is no longer useful for the purpose it was intended, provided such demolition and removal is necessary for the purpose of the reinstatement or replacement of the *property* and is following an insured loss or damage but not in connection with liability for pollution of any kind.

3. Bonus cover

The *sum insured* shall be regarded as automatically increased at midnight on the last day of each month of the *period of insurance* by 0.50 of 1%. No *premium* shall be payable for any such adjustments occurring during the *period of insurance* and at each policy anniversary the renewal *premium* shall be calculated on the *sum insured* at that time. In the event of a claim occurring, the *sum insured* shall be that which is applicable as at the end of the month immediately preceding the date of the occurrence giving rise to the claim.

4. Loss of rent

We will pay the relevant *unit owner* for loss of rent where:

- (a) an insured loss or damage renders a unit or units unfit to be occupied for their intended purpose; or
- (b) an insured loss or damage to the *property* in the immediate vicinity prevents reasonable access to the *building*.

The basis of our calculation will be the annual rent, or the rentable value in the case where the *unit owner* is the occupant of the unit. We do not pay for:

- (i) any loss of rent after the unit is fit again to occupy for its intended purpose, or
- (ii) any loss of rent for all units in the aggregate in excess of 15% of the *sum insured*.

5. Rewriting your records

For the reasonable costs up to \$10,000 for the rewriting or reconstruction of your records and books of accounts following their damage by an insured loss or damage.

6. Temporary costs

In the event of an insured loss or damage rendering a unit or units unfit for habitation we will pay:

- (a) all maintenance fees and levies applicable to the unit(s) payable to you up to a maximum of \$1,000 per unit.
- (b) for the boarding out of pets normally domiciled at the premises being owned by the *unit owner's* up to a maximum of \$500 per unit.

Special Terms and Conditions

1. For loss of land value:

- (a) settlement shall be made following the ruling of the authority resulting in the loss of land value. Should settlement have been made, however, and subsequently the ruling of the authority be changed prior to completion of the reconstruction, resulting in an increase in the land value, after insured loss or damage, that part of the claim paid in excess of the revised land value shall be refunded to us.
- (b) all differences relating to your land value arising out of this *cover section* may by agreement between you and us be referred to the President of the Australian Property Institute Inc. who will appoint a registered and qualified valuer whose decision will, if you and we also agree, be final and who will at the same time decide as to payment of any costs of referral.

2. In the case where the *building* has architectural features and structural materials of a particularly ornamental, antique or historical character, or the materials are not readily available, it is agreed that in calculating the cost which would have been incurred in reinstatement if the whole *property* had been destroyed, the basis to be adopted is the cost of a similar type of building of current design and materials and of a reasonably equivalent utility and capacity. It is further noted that the *sum insured* noted in the *schedule of insurance* has been based accordingly.

3. The *sum insured* will be automatically reinstated to the amount shown on the *schedule of insurance* in the event of a claim. Upon our request, you will pay a pro rata additional *premium* based on the amount of the claim.

Exclusions

We do not insure you against loss or damage caused directly or indirectly by or arising out of:

1. an animal kept by you or anyone living at, or visiting the *location*.
2. water or rain damage to the exterior of the *building*, unless by a sudden and unforeseen event.
3. water seeping or percolating through walls, roofs or floors or by water entering as a result of structural defects, faulty design, any gradual process or faulty workmanship in the *building* or water entering through an opening made for the purpose of alterations, additions, renovations or repairs.

Exclusion 3. will not apply to any subsequent damage to your *building* or *common contents* if you were not aware of, and a reasonable person in the circumstances could not be expected to have been aware of, the structural defect, faulty design, any gradual process or faulty workmanship.

4. hydrostatic pressure, popping, accidental breakage, chipping or lifting of swimming pools, spas and their surrounds including tiles or pavers.
5. *flood*.
6. erosion, subsidence, earth movement or collapse resulting from the action of the sea, high water or tidal wave.

Exclusion 6. will not apply to any damage to your *building* or *common contents* if caused by an earthquake or *tsunami*. An earthquake excess of \$200 applies for each claim or series of claims during a period of 48 hours. Each earthquake event is measured over a 48 hour period from when the first earthquake starts. Another event will occur if earthquake activity continues past the first 48 hour period which means you will be required to pay another excess.

7. normal settling, seepage, shrinkage or expansion in buildings or foundations, walls, pavements, roads and other structural improvements, creeping, heaving and vibration.
8. the removal or weakening of supports or foundations for the purpose of alterations, additions, renovations or repair.
9. storm, hail or wind damage to:
 - (a) retaining walls;
 - (b) pathways, tennis courts;
 - (c) pool covers or liners; or
 - (d) other property in the open air unless it forms all or part of a permanent structure designed to function without the protection of walls or roof.
10. birds, moths, termites or other insects, vermin or wildlife, rust or oxidation, mildew, mould, contamination or pollution, wet or dry rot, corrosion, change of colour, algae, dampness of atmosphere or other variations in temperature, evaporation, disease, inherent vice or latent defect, change in texture or finish, smut or smoke from industrial operations, the process of cleaning involving the use of chemicals, dilution or contamination of chemicals or contamination of water in a swimming pool or spa.

11. the invasion of tree or plant roots. However if such an invasion blocks your drainage system, this exclusion will not apply to any subsequent damage to your *building* or *common contents* caused by the escape of water or liquids from the damaged pipes.
12. error or omission in design, plan, specification, failure of design, faulty material or faulty workmanship.
13. mechanical, hydraulic, electrical or electronic breakdown (other than fusion of an electric motor as provided for in Additional Benefits within the Sum Insured), failure, malfunction or derangement, computer virus or processing error, of any machine or electrical and/or electronic device.

We do not insure you for:

- (a) loss or damage to *property* undergoing construction, erection, alteration, addition or renovation where the contract value of the work exceeds \$500,000.
- (b) the staining, fading or fraying of carpets and window applications, or the chipping, scratching or discolouration of glass, unless it is through the entire thickness of the glass.
- (c) any consequential loss other than specifically covered by this policy.
- (d) wear and tear, fading, chipping, scratching or marring, rust, gradual corrosion or gradual deterioration or developing flaws, normal upkeep or making good. However, this exclusion will not apply to any subsequent damage to your *building* or *common contents* if you were not aware of, and a reasonable person in the circumstances could not be expected to have been aware of, the wear and tear, gradual corrosion or gradual deterioration or developing flaws.

In addition to these Exclusions, please refer to the General Exclusions which are applicable to your policy.

Optional Extensions of Cover

1. Catastrophe cover

If your *property* suffers an insured loss or damage which is covered by this *cover section* and we declare it beyond economical repair and that loss or damage was caused by an event which causes damage leading to the declaration by the relevant authority of a state of emergency at the situation, we will increase the *sum insured* on the *property* and all other Additional Benefits in this *cover section* by up to 30% if the *property* is rebuilt.

In all other respects, the normal terms and conditions of this policy apply.

This optional extension of cover only applies:

- (a) when indicated on your *schedule of insurance*;
- (b) to damage which is otherwise covered by the *cover section*; and
- (c) to damage or loss caused by the insured event giving rise to the state of emergency.

2. Flood

When Flood is shown in the *schedule of insurance* we will provide cover for *damage to property* caused by *flood*.



Legal Liability

What you are insured against

We will indemnify you in respect of any claim for compensation or expenses which you become legally liable to pay in respect of:

1. *personal injury*; or
2. *property damage*;

happening during the *period of insurance* as a result of an *occurrence* arising in connection with the ownership of the *property*.

Definitions specific to this Cover Section

Computer equipment

computer equipment means:

- data or part of data, computer hardware, operating system, computer network, equipment, web sites, servers, extranet, software, applications software, computer chip including microprocessor chip and coded instructions as well as any new technology, product or service replacing or improving existing technology, product or service.

Personal injury

personal injury means:

1. bodily injury, death, sickness, disease, shock, fright, mental anguish, psychiatric or psychological disorder or mental injury;
2. false arrest, false or wrongful detention or imprisonment or malicious prosecution;
3. the publication or utterance of libellous or slanderous comments;
4. wrongful eviction or entry or other invasion of privacy;
5. assault or battery not committed by you or at your direction unless for the purpose of preventing or eliminating danger to persons or property.

Property damage

property damage means:

1. physical damage to, or loss or destruction of, tangible property including any resulting loss of use from the damage or destruction;
2. loss of use of tangible property, which has not been physically damaged or destroyed, provided the loss of use is as a direct result of an *occurrence*.

Occurrence

occurrence means:

- in relation to definition *personal injury* 1. and *property damage* 1. and 2. any event, including continuous or repeated exposure to substantially the same general conditions, which causes *personal injury* or *property damage* which is neither expected nor intended by you to happen. All *personal injury* and *property damage* arising directly or indirectly from one original source or cause shall be deemed to be the one *occurrence*.
- in relation to definition *personal injury* 2., 3., 4. and 5. any act or series of acts of the same or similar nature, which cause *personal injury* which is neither expected nor intended by you to happen. Any such act or series of acts regardless of their frequency or the number of claimants shall be deemed to be the one *occurrence*.

How much we will pay

We will not pay more than the *sum insured* in relation to any one *occurrence*. However, we will additionally pay legal costs necessarily and reasonably incurred and approved by us in the settlement or defence of claims.

Exclusions

We will not indemnify you claims in respect of:

1. Employer's liability

personal injury to any person:

- (a) arising out of, or in the course of, their employment with you;
- (b) employed by you where such claims arise from a liability imposed by the provisions of any workers compensation legislation, an industrial award or agreement or determination.

2. Vehicles

personal injury or *property damage* arising out of the ownership, possession, operation, control, maintenance or use by you of any *vehicle* which is:

- (a) registered, or
- (b) required to be registered by law, or
- (c) wholly or partly insured by you or on your behalf by or under any legislation including any compulsory statutory insurance or accident compensation scheme, or would have been, but for the failure to register the *vehicle* or to apply for cover under the scheme or to comply with a term or condition of the scheme.

Exclusion 2. (c) does not apply to *personal injury* or *property damage* caused by or arising:

- (i) from the delivery or collection of goods to or from any *vehicle* which is beyond the limits of any public road i.e. off a public road;
- (ii) out of the loading or unloading of, or the delivery or collection of, goods to or from any *vehicle* used in work undertaken by you or on your behalf but not in your physical or legal control.

3. Property owned or in your physical or legal control

property damage to property owned by you or in your physical or legal control.

4. Contractual liabilities

any contract, warranty or agreement requiring you to be liable for *personal injury* or *property damage* regardless of fault except where the liability would have been implied by law in the absence of contract, warranty or agreement.

5. Professional indemnity

any liability arising out of any breach of the duty owed in a professional capacity by you or persons for whose breaches of such duty you may be legally liable.

6. Watercraft and aircraft

any liability caused by or arising directly or indirectly out of or in connection with the ownership, custody, use or operation of any *watercraft*, *aircraft* or aircraft landing strip and all operations necessary and incidental to such craft.

7. Business or Profession

the conduct of any business or profession other than the ownership of the *property*.

8. Goods sold

any liability caused by the nature, condition or quality of goods (which includes containers) sold or supplied by you.

9. Building alterations

any liability arising directly or indirectly out of or in connection with the construction, erection, alteration, addition, renovation or demolition of a building by you or on your behalf where the contract value of the work exceeds \$500,000.

10. Vibration/Removal of support

any liability arising directly or indirectly from vibration, removal or the weakening or interference with support to land, buildings or other property.

11. Territorial Limits

any actions or claims against you instituted outside the Commonwealth of Australia.

12. Pollution

any liability caused by or arising out of contamination or pollution by the harmful nature of any substance discharged, released or which has escaped into or upon land, the atmosphere or any watercourse or body of water.

13. Asbestos

any liability arising out of asbestos or asbestos products or asbestos contained in any products.

14. Libel or Slander

any liability arising as a result of libel or slander made by you or at your direction with your knowledge of its falsity.

15. Fines and Penalties

any liability for fines, penalties, punitive, exemplary, liquidated or aggravated damages of any kind regardless of any other provisions of this policy.

16. Tobacco or Tobacco Smoke

any liability arising directly or indirectly out of the inhalation or ingestion of, or exposure to tobacco or tobacco smoke or any ingredient or additive present in any articles, items or goods which contain or include tobacco.

17. Information Technology Hazards

any liability caused or contributed by or arising directly or indirectly out of or in connection with any:

- (a) total or partial destruction, distortion, erasure, corruption, alteration, misuse, misinterpretation, misappropriation or other use of *computer equipment*;
- (b) error in creating, amending, entering, directing, deleting, or using *computer equipment*;
- (c) total or partial inability or failure to receive, send, access or use *computer equipment* for any time or at all.

18. Act of terrorism

any liability arising out of, or howsoever contributed to, whether directly or indirectly, or in any way involving any *act of terrorism* or any action taken in controlling, preventing, suppressing or in any way relating to any *act of terrorism*.

In addition to these Exclusions, please refer to the General Exclusions which are applicable to your policy.

Fidelity Guarantee

What you are insured against

We will pay for the value of *funds* which are lost as a direct result of an *event* that occurs during the *period of insurance*.

Definitions specific to this Cover Section

Funds

funds means money, negotiable instruments, securities or tangible property received by you, or collected on your behalf, which has been or was to be set aside for the financial management of your affairs. *Funds* do not include the personal money, securities or tangible property of *unit owners*.

Event

event means:

- (a) theft,
- (b) embezzlement,
- (c) misappropriation,
- (d) conversion, or
- (e) fraud.

How much we will pay

We will pay up to \$50,000 per *event* and in total during the *period of insurance*.

Exclusions

We will not be liable for:

1. any payment under this policy unless you have previously exhausted your rights and entitlements under any other fidelity bond or fund, whether of a statutory nature or not.
2. any further *event* committed after the initial discovery of loss.
3. any claims arising out of losses discovered more than 12 months after the expiry of the *period of insurance*.
4. any losses arising out of an *event* committed prior to the *period of insurance* commencing.
5. any losses you are not able to prove to us to our satisfaction.

In addition to these Exclusions, please refer to the General Exclusions which are applicable to your policy.



Personal Accident (Voluntary Workers)

What you are insured against

We will pay compensation detailed below, to any *voluntary worker* who suffers injury as a result of an accident, occurring during the *period of insurance*, which results in one of the listed insured events within one calendar year of the accident. Injury does not include sickness or disease.

Definitions specific to this Cover Section

voluntary worker means any *unit owner* or other person working on your behalf in connection with the *property* and at your direction without fee or reward or any expectation of fee or reward.

How much we will pay (capital and weekly benefits)

We will pay the following for each insured event:

1. death: \$100,000.
2. total and irrecoverable loss of all sight in both eyes: \$100,000.
3. total and permanent loss of the use of both hands or of both feet or the loss of use of one hand and one foot: \$100,000.
4. permanent quadriplegia, paraplegia or incurable paralysis of all limbs: \$100,000.
5. total and permanent loss of use of one hand or the use of one foot: \$50,000.
6. total and irrecoverable loss of all sight in one eye: \$50,000.
7. (a) total disablement from carrying out the principal duties of their usual profession, business or occupation and not able to work in a similar profession, business or occupation for which the *voluntary worker* is qualified by education, training or experience – in respect of each week of disablement: a weekly benefit of \$1,000.
(b) partial disablement from carrying out all the normal duties of their usual profession, business or occupation – in respect of each week of disablement: a weekly benefit of \$500.

Subject to the maximum limits in the Special Terms and Conditions clause below.

Special Terms and Conditions

Compensation to each *voluntary worker* injured will be paid provided that:

1. if a *voluntary worker* suffers more than one disability, we pay only the highest of the amounts of compensation shown for the disabilities suffered.

2. if the *voluntary worker* dies as a result of a disability, we will reduce the amount we pay for death by any compensation we have paid for the disability.
3. we pay only if the *voluntary worker* is not entitled to compensation under any workers compensation insurance, transport accident scheme or other statutory scheme or fund.
4. if total or partial disablement is claimed, that the *voluntary worker* earned a regular income derived from their physical exertion immediately prior to the time of the accident.
5. after the occurrence of any one of the insured events 2 to 7 there will be no further liability under this *cover section* in respect of the same *voluntary worker* for future injuries.
6. the *voluntary worker* at the time of an accident was 12 years and over.

Compensation to each *voluntary worker* injured will not be paid:

- (a) for more than one total or partial disablement in respect of the same accident or period of time.
- (b) under total or partial disablement for the first week of disablement.
- (c) under total or partial disablement in excess of a maximum of 104 weeks.
- (d) unless the injured *voluntary worker* shall as soon as possible after the accident procure and follow medical advice from a legally qualified medical practitioner.

Exclusions

We shall not be liable for any claim arising out of or attributable to:

1. intentional self-injury or suicide, including injuries suffered as a result of attempted suicide.
2. a *voluntary worker* suffering from a mental illness.
3. a *voluntary worker* being under the influence of alcohol or any drug, other than a drug prescribed by a qualified medical practitioner and taken according to instructions.
4. a *voluntary worker's* pregnancy or childbirth notwithstanding that miscarriage or childbirth may have been accelerated or induced by the accident resulting in the bodily injury.
5. a *voluntary worker* who, at the time of the accident, was under 12 years of age.

In addition to these Exclusions, please refer to the General Exclusions which are applicable to your policy.

Office Bearer's Liability

What you are insured against

This *cover section* is issued on a claims-made basis. This means we will indemnify the *officers* against any *claim* for *loss*:

1. made against an *officer* during the *period of insurance* specified in the *schedule of insurance*, and
2. notified to us in writing within 28 days of the *officer* becoming aware of the *claim*, provided this notice is received during the *period of insurance*, and
3. arising out of a *wrongful act*.

If, during the *period of insurance* an *officer* becomes aware of any circumstances which may give rise to a *claim* and gives us written notice of those circumstances during the *period of insurance* we will treat any *claim* arising out of those circumstances at any time as if it were a claim notified to us during the *period of insurance*.

Definitions specific to this Cover Section

Officer

officer means a member or former member of the *body corporate* but does not include any person or organisation employed on a fee-for-service basis.

Claims

claim means any writ, summons, application, other originating legal or arbitral proceeding, cross claim or counter claim issued or served upon an *officer* alleging any *wrongful act* or any written or verbal demand alleging any *wrongful act* communicated to an *officer* in any way. *Claims* has a corresponding meaning to *claim*.

Loss

loss means:

1. money payable under a judgement ordered by a court of law or as a result of any arbitration, award or settlement negotiated with our consent.
2. legal costs awarded against an *officer*.
3. costs and expenses an *officer* incurs with our prior written consent in the investigation, defence or settlement of any *claim* or a circumstance that may give rise to a *claim* under this policy. We pay only costs and expenses incurred during the time the *officer* is entitled to cover under this policy.

loss does not mean fines, penalties, punitive, exemplary, liquidated or aggravated damages.

Wrongful act

wrongful act means any actual or alleged error or misstatement, misleading statement, negligent act, error or omission, or breach of duty by an *officer* which leads to a *claim* against the *officer* solely in their capacity as an *officer*.

How much we will pay

The total amount of *loss* we will pay in respect of all *claims* under this *cover section* shall not exceed the *sum insured* during any one *period of insurance* regardless of the number of *claims* made or reported.

Special Terms and Conditions

1. We have the right to negotiate, defend or settle in your or the *officer's* name and on your or the *officer's* behalf any *claim* and will have full discretion in the conduct of any proceedings or in the settlement of any *claim*.
2. Any sum paid by us in the discharge or settlement of any threat or intimation of a *claim* or in relation to any circumstance which might give rise to a *claim*, shall be deemed to be a payment made in the discharge or settlement of a *claim*.
3. The *officer* must give us written notice within 28 days of:
 - (a) any *claim* made against them, and
 - (b) the receipt of any notice from any person of an intention to make a *claim* against them.
4. The *officer* must give all reasonable assistance and cooperate with us in the defence of *claims* at their cost.
5. The *officer* must not admit liability, settle any *claim* or incur any costs without our prior written agreement.
6. The *officer* must use due diligence and act at all times to avoid or diminish any *claim*.

Exclusions

We will not be liable to make any payment for any *loss* in relation to:

1. an *officer* gaining or having gained any personal profit or advantage to which they are not legally entitled or for which they may be held accountable to you or another *unit owner*.
2. money or gratuity given to an *officer* without your authority if that authority is required under any statute, or any by-law of your organisation.
3. any *loss* for which an *officer* is entitled to reimbursement by you.
4. death, bodily injury, sickness or disease of any person, or damage to, or loss of use of, any tangible property.
5. liability for fines, penalties, punitive, exemplary, liquidated or aggravated damages of any kind regardless of any other provisions of this policy.
6. any conflict of duty and interest.
7. an intentional exercise of the powers conferred on the *officer* for a purpose other than the purpose for which those powers were conferred.
8. liability arising as a result of libel or slander made by you or your *officer* or at your direction with your knowledge of its falsity relating to advertising, broadcasting or publishing activities.
9. any action against the *officer* instituted outside the Commonwealth of Australia.
10. dishonest, fraudulent or criminal activity or malicious act or omission by an *officer*.
11. any warranty or guarantee given by an *officer*.
12. any action made or threatened or in any way intimated against an *officer* before the inception of this policy.
13. any circumstances of which an *officer* was aware prior to the inception of this policy that the *officer* (or a reasonable person in the *officer's* position) would reasonably expect might lead to a *claim* being made against an *officer*.
14. any facts or circumstances notified to an insurer under any previous policy.
15. any *claim* or circumstances first notified to us after expiry of this policy.
16. any matter disclosed in arranging this insurance.
17. any *claim* for failure to correctly purchase, retain in force or selection of correct policy limits in respect of insurance.

In addition to these Exclusions, please refer to the General Exclusions which are applicable to your policy.

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