



Underwritten by:

**Allianz** 

Arthur J. Gallagher

## **Landlords Insurance**

Product Disclosure Statement  
and Policy Document.



**Arthur J. Gallagher**  
BUSINESS WITHOUT BARRIERS™

## **About Arthur J. Gallagher**

Arthur J. Gallagher is the world's fourth largest insurance broking and risk management company. Arthur J. Gallagher has an extensive national broking network in metropolitan and regional Australian locations providing broking solutions to a wide range of clients from small to medium enterprises through to large multi-national corporations, as well as affinity partners and associations. Globally, the Arthur J. Gallagher insurance broking operation maintains a network of more than 400 offices throughout 22 countries.

Arthur J. Gallagher is a broking organisation, which in Australia includes Arthur J. Gallagher & Co (Aus) Limited, ABN 34 005 543 920, AFSL No. 238312, Instrat Insurance Brokers Pty Ltd., ABN 84 088 119 297, AFSL No. 235103 and Arthur J. Gallagher (2) Pty. Ltd. ABN 63 062 672 173, AFSL No. 238177.

Arthur J. Gallagher does not act as the agent of the insurer and does not issue, guarantee or underwrite this policy.

# Welcome to the Arthur J. Gallagher Landlord Insurance Policy

This is an important document. If you cannot read and understand English, please use an interpreter to explain it to you before entering into this contract of insurance.

## Important information about Arthur J. Gallagher's advice

Any advice Arthur J. Gallagher gives about this policy does not take into account any of your particular objectives, financial situation or needs. For this reason, before you act on Arthur J. Gallagher's advice, you should consider the appropriateness of the advice taking into account your own objectives, financial situation and needs. Before you make any decisions about whether to acquire this policy we recommend you read this PDS.

## Arthur J. Gallagher Landlord Insurance Product Disclosure Statement

This Product Disclosure Statement (PDS) contains two sections:

- Important Information – contains general information about your Landlord insurance policy; and
- The Arthur J Gallagher Landlord Insurance Policy – contains the terms and conditions of your Landlord insurance policy.

To assist you to locate specific items in this PDS, a table of contents is provided on pages 3 to 5.

Please read this PDS before you apply for insurance.

If we accept your application for insurance, you will receive a schedule that sets out details of the insurance you have taken out.

If you need more information about this PDS or your policy, please contact your insurance adviser.

Preparation date: 07/08/2015.

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# Important information

## The purpose of this Product Disclosure Statement (PDS)

The PDS has been prepared to assist you in understanding your Landlord insurance policy and making an informed choice about your insurance needs.

This PDS sets out important information about the insurance and the terms and conditions and limitations of the policy. The policy terms and conditions are set out in this PDS under the heading "The Arthur J. Gallagher Landlord Insurance Policy" commencing on page 9.

## Who is the insurer

Allianz Australia Insurance Limited is the insurer providing the cover under Buildings and Contents Cover. Our Australian Business Number is 15 000 122 850. Our Australian Financial Services Licence Number is 234708.

Allianz Australia Insurance Limited is the insurer providing the cover under Landlord Workers' Compensation if your situation is in the Australian Capital Territory, Western Australia, Tasmania or the Northern Territory. Our Australian Business number is 15 000 122 850.

In this policy the insurer is called "we", "our" or "us".

## How to contact us

For all enquiries, please contact your Arthur J. Gallagher representative.

## Your cooling-off period

We will refund all premium paid for cover under your policy if you request cancellation within 30 days of its commencement.

To do this, you must advise us in writing and return the schedule to your Arthur J. Gallagher representative.

You will not receive a refund if you have made a claim under your policy.

## How to apply for insurance

Complete our application form. If we accept your application for insurance, you will receive a schedule that sets out details of the insurance you have taken out.

## How to make a claim

When something happens that you believe you can claim for, please contact us as soon as possible. Details about making a claim are shown in the insurance policy terms and conditions under "Making a claim".

## Calculating your premium

The premium payable by you for this insurance will be shown on your schedule. The key factors that influence the premium calculation are reflected in the questions asked, and information sought, at the time of your enquiry or application for home insurance. These include factors relating to the type of property being insured, where the property is located, the type of construction of the property and your previous insurance and claims history.

Premiums are subject to Commonwealth and state taxes and/or charges. These include the Goods and Services Tax and stamp duty. We also include an amount estimated to cover Our obligation to pay any applicable government Fire Service Levy in relation to the Policy. The amount of these taxes and/or charges will be shown on your schedule.

## Paying your premium

The insurance applies for the period for which you have paid us (or agreed to pay us) the premium.

You may pay your premium by cash, cheque or credit card. If your cheque or credit card is dishonoured by your financial institution, you are not insured.

You can also pay your premium by instalments direct from a financial institution account or from your credit card. You cannot make a claim under this policy if you owed us more

than one month's premium when the event you want to claim for happened.

If you pay your premium by instalments and you are more than one month behind, we can cancel your policy without notice.

If you have a total loss, we shall deduct the instalments for the remaining period of insurance from the amount we pay you. Refer also to the "Conditions of Cover" section, item 6. "Non payment of premium by instalments – Right to refuse a claim" and item 8. "Premium payment by direct debit".

## **Intermediary remuneration**

Allianz pays remuneration to insurance intermediaries when we issue, renew or vary a policy the intermediary has arranged or referred to us. The type and amount of remuneration varies and may include commission and other payments. If you require more information about remuneration we may pay your intermediary you should ask your intermediary.

# The Arthur J. Gallagher Landlord Insurance Policy

## Your Policy

Your policy is a contract of insurance between you and us.

Your policy includes information on the following:

- When you are covered
- Who is covered under your policy
- What you are covered for
- What your policy does not cover
- Excesses that may apply
- How we pay claims

If we accept your application for insurance, you will receive a schedule that sets out details of the insurance you have taken out as described in this policy.

Our agreement with you is made up of your application, your current schedule and this policy, as well as any endorsements we send to you.

Together, they make up your insurance contract with us.

Read them carefully and store them together in a safe place.

We recommend that you keep receipts for major items you purchase.

## When you are covered

Your insurance begins when we accept your application. The commencement date of your insurance will be shown on the schedule we will send you.

We will not cover your buildings or your contents for a period of 48 hours from the time of the commencement of your insurance for loss or damage caused by:

- bushfire or grassfire; or
- a named cyclone.

We will provide cover however if:

- This insurance commences directly after another insurance policy covering the same property expired without a break in cover;
- You have entered into a contract of sale to purchase the property; or

## Who is covered under your policy

The person whose name is set out in the schedule is insured.

In this policy all these people are called “you” or “your”.

## Words that have a special meaning

In this policy there are words that have a special meaning. These words are listed below. If the meaning of a word is not shown below, we tell you on what page the meaning is printed.

**“Accidental Loss or Damage”** means damage to, loss or destruction of your buildings or contents caused by an unintentional act, or an unforeseen or uncontrollable incident.

**“Allowable reletting expenses”** means reletting expenses as specified in the current lease or rental agreement for the building.

**“Body Corporate”** means the body corporate, owners corporation, corporation, strata company or strata corporation of the strata title development applicable to the strata or unit titles legislation which applies in the State or Territory where the lot is located.

**“Bond Monies”** means the amount paid by your tenant at the start of the current lease or rental agreement that is held as security against damage or loss of rent. Your policy will operate on the basis that bond money equal to at least four weeks rent has been paid.

**“Buildings”** is on pages 15 to 16 under “What are your buildings”.

**“Burglary or Housebreaking”** means theft following forcible entry.

**“Collection”** means a group of individual items, pairs or sets which are of a similar type and which, when assembled and displayed together as a group, take on a value greater than the sum of the individual items’, pairs’ or sets’ values.

**“Common Property”** means property owned by the body corporate forming part of the strata title development.

**“Contents”** is on page 16 under “What are your contents”.

**“Contents in the open air”** means contents at the risk address which are located:

- in the open air;
- under an open sided structure or carport; or
- on a patio or verandah.

**“Default of payment of rent”** means that the tenant:

- is still occupying the building but is not paying rent, and
- has been issued with the appropriate notices (including all notices required to be given under any relevant State or Territory legislation) in relation to non-payment of rent, such as “Notice to Remedy Breach” and “Notice to Leave”.

**“Excess”** is the amount of money you will pay if you have a claim. The amount of your excess is shown on your schedule. You are only required to pay one excess in respect of any single claim:

- arising out of the same insured event; or
- which involves loss or damage to both buildings and contents arising out of the same insured event;

and the earthquake excess and application of the excess is shown on page 45.

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

- a lake (whether or not it has been altered or modified);
- a river (whether or not it has been altered or modified);
- a creek (whether or not it has been altered or modified); another natural watercourse (whether or not it has been altered or modified);
- a reservoir;
- a canal; or
- a dam.

**“Legal expenses”** are expenses that you incur when you have to apply to a court for remedial action against a tenant.

**“Lot”** means the lot or unit in a strata title development.

It includes fixtures and fittings which are not insurable by the body corporate. It does not include common property, fixtures and fittings which are insurable by the body corporate or contents (as described on pages 16 to 17, whether insured or not).

**“Malicious acts”** means the wilful act or acts of a person or persons, other than you or your agents and employees or other representatives, which causes damage to your buildings and/or contents with the deliberate and direct intention of denying you the use or benefit of the buildings and/or contents damaged; it does not mean theft, burglary or housebreaking.

**“Occurrence”** means any event or events resulting in Personal injury and/or Property Damage and which is/are neither expected nor intended by You. Any series of events consequent upon or attributable to one source or originating cause, including continuous or repeated exposure to substantially the same general conditions, which result in Personal Injury and/or Property Damage, are deemed to be one occurrence.

**“Occupied”** means your buildings are occupied if they are furnished so that they are comfortably habitable and you or someone with your consent has resided in the buildings overnight.

**“Period of insurance”** means the period of time commencing on the effective date stated in the current schedule and ending on the expiry date stated in the current schedule or the date of cancellation, whichever is the earlier.

**“Rainwater”** means rain falling naturally from the sky onto the buildings and/or ground.

**“Rent”** means the amount of money paid or payable by the tenant to lease or rent the building as set out in the current lease or rental agreement with you or your agent.

**“Risk address”** means the land including yard and garden areas on which the building is located at the risk address stated in the current schedule.

**“Run-off”** means rainwater that has collected on or has flowed across normally dry ground or has overflowed from swimming pools or spas.

**“Set”** means a group of similar or related items that belong together.

**“Schedule”** means the most current document we give you which sets out the details of your insurance cover. You receive a schedule when you first take out your insurance and again when the policy is renewed or changed. Your schedule may be called a policy, renewal or endorsement schedule.

**“Storm”** means violent wind (including cyclones and tornadoes), thunderstorms and hail which may be accompanied by rain or snow.

**“Strata title”** means any form of land title which allows for multiple individual titles to exist in or on a block of land where the common property is held under a single separate title.

**“Theft”** means means theft without forcible entry.

**“Situation”** means the place where the buildings and/or contents are located and is shown on your current schedule. We will show this place on all schedules we give you. We also refer to the situation as the risk address.

**“we”, “our” or “us”** means Allianz Australia Insurance Limited AFS Licence No. 234708 ABN 15 000 122 850 of 2 Market Street, Sydney NSW 2000.

**“you” or “your”** means the person(s) named in the current schedule as the insured.

# Buildings and Contents Cover

Your current schedule shows if you have buildings and/or contents cover.

## If you have buildings cover

### What are your buildings

- Residential buildings at the risk address that are primarily used as a place of residence, including any professional offices or surgeries in those buildings.
- Domestic outbuildings.
- Infrastructure for services, including infrastructure for the supply of electricity, gas, water, the internet and telephone.
- fixed appliances which are permanently connected to the electrical, gas or plumbing systems such as air-conditioners, dishwashers, fans, hot water services, light fittings, room heaters and stoves;
- fixtures and fittings, except those for which your tenant is legally responsible under the terms of the lease or similar agreement. These include fixed ceiling, wall or floor coverings (except for carpets, loose floor coverings, curtains and internal blinds), exterior blinds and awnings;
- When the buildings are not part of a strata title development, the term buildings also includes all structural domestic improvements which belong to you including:
  - a. carports, patios, gazebos and other structures which are not fully enclosed;
  - b. built-in furniture;
  - c. paved paths, paved driveways, terraces, walls, gates, fences, masts, aerials, satellite dishes, tennis courts, clothes lines and built-in barbeques;

- d. permanently fixed swimming pools, saunas and spas (including their fixed accessories); and
- e. jetties which are permanently fixed to the land at the risk address, and which are your property, and which have no commercial activities undertaken from them.

## What are not your buildings

The following items are not covered by this policy:

- Any items that are listed under “What are your contents” on page 16.
- Property that a tenant is liable for under the terms of a rental agreement;
- carpets, loose floor coverings, curtains and internal blinds;
- unpaved paths or unpaved driveways constructed of earth or gravel;
- Plants, shrubs, trees or grass except as provided for under “Additional things we will pay for when you have insured your buildings and/or contents”.
- residential flats, home units or town houses, which are part of a strata title development.

## If you have contents cover

### What are your contents

Property that belongs to you as the landlord or for which you are legally responsible for including:

- carpets, curtains, furnishings, furniture, household goods, internal blinds and loose floor coverings; light fittings which are not permanently fixed to the buildings
- Portable domestic appliances and utensils that are not built in and are provided specifically for the tenants’ use;
- Swimming pools, saunas and spas that are not permanently installed;
- Gardening equipment which have been provided specifically for the tenants’ use.

## What are not your contents

The following items are not covered by this policy:

- Anything which is covered under “What are your buildings” on pages 15 to 16
- contents when they are in the internal or external common areas of a residential flat, home unit, town house or other type of multiple occupancy residence where any of the other owners, tenants, their guests or the public have access (including whilst contained in or on a vehicle in those areas);
- animals, birds, fish, insects, reptiles or spiders;
- trees, shrubs and plants growing outdoors in the ground;
- motor vehicles (including motor cycles, motorised mini-bikes and motorised go-karts) whether they are capable of being registered or not.
- farm vehicles, farm trailers and mobile or motorised farming implements;
- caravans or trailers;
- boats and other watercraft;
- aircraft;
- accessories and/or spare parts of motor vehicles, farm vehicles, caravans, trailers, watercraft or aircraft;
- items of clothing, personal effects, mobile phones, computers, jewellery, furs, curios, works of art, gold or silver, antiques, money, cheques, or other negotiable instruments, documents of any kind, stamp collections, coin collections or any other collections; and
- articles belonging to you or any other person, which are not for the sole use of your tenant and are being stored at the risk address or elsewhere.

# If you have Buildings and/or Contents Cover

## What is covered

### Accidental Damage cover

Your buildings and/or your contents as set out in your schedule are covered if they are destroyed, lost or damaged. They are covered only if you own them, or are liable for them.

If you only cover your buildings, the cover provided under the policy for destruction, loss or damage does not apply to your contents, except as provided under “Additional things we will pay for when you have insured your buildings – Landlord contents”.

If you only cover your contents, the cover provided under the policy for destruction, loss or damage does not apply to your buildings.

Your buildings and your contents are covered while at your situation.

We will cover your buildings and your contents for accidental loss or accidental damage. There is some loss or damage we will only cover under specific conditions. This is accidental loss or accidental damage caused by:

### Water or other liquid damage

(Applicable whether you have buildings and/or contents cover)

We will pay for loss or damage which results directly from the sudden bursting, leaking, discharging or overflowing of:

- fixed apparatus, including fixed pipes or an object attached to a pipe, gutters, tanks, drains or roadside kerbing and heating or cooling systems owned by you;
- washing machines, dishwashers, waterbeds, aquariums and above ground pools and spas;

- if you have buildings cover we will also pay the reasonable cost of locating the source of the damage, including the cost of repairing any damage that occurs while locating the source of the water/liquid damage. The maximum we will pay for this benefit is up to the sum insured shown on your current schedule for your buildings.

We will not pay:

- a. for loss or damage caused as a result of the gradual escape of liquid over a period of time:
  - due to lack of maintenance, wear and tear, or neglect; or
  - caused by water escaping from a shower base, shower recess, shower alcove or the walls surrounding the shower;
- b. for the cost of repair or replacement of the defective part or parts of the fixed apparatus, dishwashers, washing machines, fixed tanks, fixed pipes or installations which caused the loss or damage;
- c. for the cost of repair or replacement of any broken main or pipe;
- d. for loss or damage caused by rust, corrosion, algae, mould or mildew; or
- e. caused by water entering your buildings through an opening made for the purpose of alterations, extensions, renovations or repairs.

## **Landslide or subsidence**

Cover only applies when the landslide or subsidence occurs within 72 hours of, and as a direct result of, one of the following:

- Storm, tsunami, rainwater, hail, snow or wind;
- Explosion;
- Earthquake; or

- Liquid that escapes from a fixed pipe or something attached to a pipe, fixed gutter, fixed tank apparatus or a drain.

This cover also applies to gates, fences or retaining walls that are entirely or partly at the situation.

## **Burning out of an electric motor**

If an electric motor burns out during the period of insurance, we will repair, reinstate or replace it. We decide which one we will do. We will only do this if the electric motor is 15 years old or less.

We will not pay for:

- any associated repair or replacement costs for items such as fuses, switches, electronic components, printed circuit boards, bearings, lighting or heating elements, protection devices, or electrical contacts at which sparking or arcing occurs in ordinary working;
- the cost of removing or reinstalling:
  - underground or submersible pump motors above 1.86 kW (2.5 hp); or
  - multi-stage and bore hole pumps
- the cost of repair or replacement of rectifiers and transformers; or
- fusion damage to motors under any warranty or manufacturers' guarantee.

## **Flood or flood water combined with run-off and/or rainwater**

Where your schedule shows that you are covered for Flood, we will pay for physical loss or damage caused by Flood or flood water combined with run-off and/or rainwater.

We will not pay for:

- loss or damage caused by storm, rainwater or run-off (except where the run-off and/or rainwater is combined with flood water).

- loss or damage caused by action of the sea, high water or tidal wave;
- loss or damage caused by:
  - soil movement including erosion, landslide, mudslide or subsidence, unless it is directly caused by and occurs within 72 hours of the flood;
  - shrinkage or expansion of earth or land;
  - hydrostatic pressure;
- loss or damage to gates or fences if they are not well maintained and are not in good order and repair;
- loss or damage to retaining walls;
- loss or damage to swimming pool and spa covers, their liners or their solar domes;
- loss or damage to pontoons, jetties or bridges; or the cost of cleaning mud or debris out of tanks, swimming pools or spas.

### **Accidental breakage of glass**

- a. If you have buildings cover we will pay for accidental breakage of fixed glass, glass or ceramic cooking surfaces of any kind, ceramic shower bases, wash basins, sinks, baths, lavatory pans or cisterns when they are permanently fixed to the buildings; and/or
- b. If you have contents cover we will pay for accidental breakage of glass forming part of your furniture (including fixed or unfixd table tops and hanging wall mirrors).

We will not pay for breakage:

- if the breakage is not through the entire thickness of the damaged item;
- of glass, fittings or equipment as detailed above, which was in a damaged or imperfect condition before the breakage happened;
- of glass forming part of any glass-house or conservatory;

- of glass in any part of the buildings used for trade or business purposes other than an office; or
- of items such as crockery, porcelain, china, hand mirrors, glassware, crystal or glass in clocks, vases, ornaments, pictures, radios, visual display units or televisions.

## **Fire or smoke**

We will pay for loss or damage caused by fire or smoke.

We will not pay for loss or damage:

- a. which arises gradually out of repeated exposure to fire or smoke;
- b. to any property as a result of its undergoing a process necessarily involving the application of heat; or
- c. to any property as a result of scorching and/or melting.

## **Malicious acts**

(Applicable whether you have buildings and/or contents cover)

We will pay for loss or damage caused by malicious acts, unless the loss or damage was caused by:

- you or your domestic helpers;
- the invitees of you or your domestic helpers; or
- any person who is acting with your express or implied consent. We will not pay for loss or damage resulting from:
  - a. poor housekeeping by your tenant or a member of their immediate family or your tenant's invitees; or
  - b. your tenant or a member of their immediate family or your tenant's invitees failure to control their children or domestic pets.

We will not pay for the cost of cleaning, re-decorating, painting or wall-papering unless:

- a. physical structural damage has occurred to the buildings;
- or

- b. the buildings has been damaged by graffiti, which we agree necessitates such cleaning, re-decorating, painting or wallpapering.

We will not pay if the malicious act relates to contents which are in the internal or external common areas of residential flats, home units, town houses or any type of multiple occupancy residences.

## **Theft, burglary or housebreaking**

(Applicable whether you have buildings and/or contents cover)

We will pay for loss or damage caused by theft, burglary or housebreaking.

We will not pay if the actual or attempted theft, burglary or housebreaking:

- a. is committed by:
  - you;
  - your domestic helpers;
  - the invitees of you or your domestic helpers;
  - any person who is acting with your expressed or implied consent; or
  - your tenant, or the invitees of your tenants, except as provided for under the Optional additional cover "Rent Default and Theft by Tenant" on pages 37 to 40;
- b. takes place in the internal or external common areas of residential flats, home units, town houses or any type of multiple occupancy residences;
- c. relates to contents in the open air, except in the circumstances set out under "Contents in the open air at the risk address" on page 26; or
- d. relates to contents items which are not listed as being present on the current property inspection report.

# Exclusions applicable to Accidental Damage Cover

## What we will not pay for

We will not cover your buildings and your contents for any accidental loss or accidental damage caused by:

- Landslide or subsidence except as described on pages 19 to 20;
- Settling, shrinkage or any movement of earth;
- Erosion;
- Water entering your buildings:
  - through an opening made for any building, renovation or repair work; or
  - because of a structural defect, faulty design or faulty workmanship when your buildings were constructed;
- Flood, unless your schedule shows that you are covered for Flood;
- Rust, corrosion, gradual deterioration, depreciation, wear or tear;
- Rats, mice or insects;
- Roots from trees, plants, shrubs or grass;
- Any process of cleaning involving the use of chemicals other than domestic household chemicals;
- A defect in an item, faulty workmanship, structural defects or faulty design;
- Theft from any part of the buildings which you share with another person who is not insured under this policy;
- Mechanical or electrical breakdown other than an electric motor burning out, unless the breakdown results in loss or damage to your buildings or contents.

# Additional things we will pay for when you have insured your buildings and/or contents

If you have cover for your buildings and/or contents, the following will be paid in addition to the sum insured. If you have insured your buildings and contents, we will only pay once for an event.

## Landlord contents

(Applicable when you have buildings cover only)

We will pay to repair or replace:

- furniture and furnishings other than electrical items;
- fixtures and fittings; or
- carpets, loose floor coverings, curtains and internal blinds, damaged as a result of an insured event.

Our maximum payment for this benefit will be the lesser of \$10,000 or up to the remainder of the sum insured after payment of your buildings claim.

## Removal of Tree Debris and Stumps

We will pay the professional costs for the removal of tree stumps, fallen trees and branches and the associated disposal costs necessarily incurred in order to repair or replace insured damage caused to your buildings and contents by storm damage that we have agreed to cover. We will also pay for the removal of trees and branches from the situation if they have caused damage to landscaped gardens.

We will pay up to \$5,000 for each claim for the costs for removal and disposal of fallen trees and tree stumps incurred as a result of storm but we will not pay unless the costs exceed \$500.

## Fumigation Costs

We will pay the reasonable clean-up and fumigation costs following the death of a tenant at your buildings during the period of insurance.

In order for this benefit to apply, the building must be rendered unfit for human occupation.

The maximum we will pay in any one period of insurance is \$2,000.

## Emergency Storage of Contents

We will pay the reasonable costs for the temporary storage of your undamaged contents following an insured event at the situation that we agree to cover under this policy.

The maximum that we will pay in any one period of insurance is 10% of the contents sum insured shown in your current schedule.

## Contents in the open air at the risk address

(Applicable only when you have contents cover)

We will cover your contents in the open air which have been lost or damaged due to an insured event covered by your policy, up to a maximum of 20% of the contents sum insured. We will not cover contents located:

- at a location other than the risk address;
- in or on a motor vehicle, caravan, trailer or watercraft; or
- in a tent.

No excess applies to this benefit.

## Temporary Protection

We will pay reasonable expenses to protect your buildings or contents from further damage following insured damage we have agreed to cover.

## Fire Brigade Attendance Fees

We will pay up to \$500 for the reasonable costs you have to pay the fire brigade or a similar authorised organisation to attend and protect your buildings or contents against an actual fire or other emergency.

## Rental Costs after an Insured Event

(Applicable only when you have buildings cover or the building is part of a strata title development and you have contents cover)

If the buildings are damaged by an insured event covered by your policy, to such an extent that your tenant cannot live in them, or we agree access to or use of the buildings was not possible if any of the insured events covered by this policy occur during the period of insurance and causes:

- damage to other property in the vicinity of the buildings; or
- damage within the strata title development itself, where the building is a lot; and
- this damage prevents access to or use of the building for a minimum period of 7 days,
- we will pay for your loss of rent on the buildings:
- for the length of time which we agree is necessary to reinstate your buildings or for which access is denied, or
- up to a maximum period of 12 months, whichever period of time is the lesser.

The amount we will pay will be based on the weekly rent payable by your tenant as at the date of damage to the buildings.

We will not pay for your loss of rent if:

- the buildings have not been tenanted for more than 60 consecutive days immediately before the date of the loss or damage; or
- you did not have a contract in place for your buildings to be tenanted within the 30 days immediately following the date of the loss or damage.

If a claim can be made under more than one of the following sections:

- “Rental costs after an insured event”;
- “Default of payment of rent by the tenant”;
- “Departure of the tenant from the building without notice”;
- “Death of a sole tenant”; or
- “Tenant hardship”,

then you may only claim under one section of your choice.

## **Legal liability – cover for injury to other people or their property**

(Applicable only when you have buildings cover or the building is part of a strata title development and you have contents cover)

We will cover your legal liability as owner of the buildings for payment of compensation in respect of:

- death, bodily injury or illness; and/or
- physical loss of or damage to property,

which is caused by an occurrence as defined first occurring within the Territorial Limits during the period of insurance arising out of the ownership of the building or ownership of contents where the building is a part of a strata title development.

The maximum amount we will pay under this policy is \$20,000,000 (Australian) arising out of any one occurrence as defined or series of accidents attributable to one source or originating cause. This limit will be reduced by any amount paid under any other building or contents policies or similar policies you have with us providing this type of cover for the same liability, loss, occurrence or incident.

In addition we will also pay all legal costs and expenses you incur with our consent for which you are legally liable plus the cost of any lawyers we appoint.

What you are not covered for:

1. We will not cover your legal liability for:
  - a. damage to your property;
  - b. injury to any person who normally lives with you, or damage to their property;
  - c. injury to your employees, or damage to their property;
  - d. loss of or damage to property in your care, custody, or control;
  - e. claims arising out of or connected with your business, trade or profession;
  - f. which you are liable because of the terms of an agreement, other than a lease or rental agreement, you have entered into (unless you would have been liable if the agreement did not exist);
  - g. damage to any land or fixed property resulting from vibration, the removal or weakening of or interference with support to land, buildings or any other property;
  - h. claims arising out of your ownership, possession or use of any:
    - aircraft or aerial device or aircraft landing area, except a model aeroplane or toy kite;
    - “aircraft landing area” means any area in which aircraft land, take off, are housed, maintained or operated;
    - mechanically propelled vehicle, except garden equipment, golf buggy or wheelchair which does not need to be registered or does not require statutory bodily injury cover to be taken out;
    - watercraft except for surfboards, sailboards, canoes and surf skis; and
    - other non-motorised watercraft more than 3 metres in length;

- i. claims involving buildings in the course of construction or any alterations, additions, demolition, repairs to or decorations of the buildings costing more than \$100,000;
- j. claims arising directly out of, or in any way connected with, the existence, at any time, of asbestos;
- k. claims arising out of the discharge, dispersal, release or escape of pollutants defined as, smoke, vapours, soot, fumes, acid, alkalis, toxic chemicals, liquids, gases, waste materials or other irritants, contaminants or pollutants into or upon land, the atmosphere or any watercourse or body of water. This exclusion will not apply if such a discharge, dispersal, release or escape is caused by sudden accidental unexpected and unintended happening. We will not pay expenses for the prevention of such contamination or pollution;
- l. claims for:
  - pregnancy; or
  - the transmission of disease;
- m. which arises from your failure to take all reasonable precautions to comply with all statutory obligations and regulations imposed by any authority;
- n. which arises out of your ownership or possession of any building except for your buildings located at the risk address shown in the current schedule; or
- o. claims arising directly or indirectly from or in any way connected with, the existence, use, operation or maintenance, at any time, of electronic mail, a computer virus, an internet site or other internet based service, intranet or any website;

2. We will not:
- a. cover your legal liability arising out of breach of copyright or an act of libel, slander or assault caused by you;
  - b. cover you for any legal liability arising from any:
    - statutory, compulsory scheme or fund;
    - accident compensation scheme or workers compensation policy of insurance; or
    - industrial award,even if the amount recoverable is nil,
  - c. cover you for any legal liability which is over that recoverable under any:
    - statutory compulsory scheme or fund;
    - accident compensation scheme or workers compensation policy of insurance; or
    - industrial award; or
  - d. pay for any aggravated, exemplary or punitive damages, fines or penalties.

### **Special condition applying to legal liability**

This legal liability cover will be governed by the law of the State or Territory where this policy was arranged and whose courts will have jurisdiction in any dispute.

No excess applies to this benefit.

### **Mortgage Discharge Costs**

We will pay your legal costs to discharge your mortgage if your claim is for a total loss. We will reimburse your reasonable legal costs for the discharge and replacement of your mortgage(s) including legal fees and statutory government charges, up to an amount of \$2,000.

## Removal of debris, professional rebuilding fees and extra costs of complying with building regulations

(Applicable whether you have building and/or contents cover)

- a. When the buildings have been destroyed or damaged by any of the insured events covered by your policy and we have agreed to pay your claim, we will also pay the reasonable and necessary costs of:
- demolition and removing your buildings debris from the risk address;
  - architects', engineers', surveyors' and solicitors' fees; and
  - complying with the requirements of any statutory authority.

We will only pay these costs if they relate directly to the removal of debris from or repair or replacement to that part or parts of the building which have been destroyed or damaged and we have agreed to do so before they are incurred.

The maximum combined total amount we will pay under this benefit is 20% of the sum insured on your buildings. However, for a claim under this benefit we will first pay up to the balance of any buildings sum insured remaining after payment of your claim for loss or damage to your buildings, and any such payment will not be taken into account in calculating the above maximum combined total amount.

- b. When your contents have been destroyed or damaged by any of the insured events covered by your policy and we have agreed to pay your claim, we will also pay the reasonable and necessary costs of removing your contents debris from the risk address.

The maximum combined total amount we will pay under this benefit is 10% of the sum insured on your contents. However, for a claim under this benefit we will first pay up to the balance of any contents sum insured remaining after payment of your claim for loss or damage to your contents, and any such payment will not be taken into account in calculating the above maximum combined total amount.

## **Replacement of locks or cylinders**

(Applicable whether you have buildings and/or contents cover)  
If the key for the lock of any external door or window at the risk address is stolen during the period of insurance, or there are reasonable grounds to believe that the key(s) have been duplicated, we will pay the reasonable cost of replacement of the lock(s) or cylinder(s) operated by the key(s).

We will not pay for the replacement of locks which can be insured by the body corporate when the property is part of a strata title development.

If you are entitled to use bond monies to settle or reduce any loss you must do so.

## **Automatic indexation of sums insured**

(Applicable whether you have buildings and/or contents cover)

If you make a claim during the period of insurance, the sums insured for your buildings and/or contents will be adjusted with reference to the Consumer Price Index from the effective date of the current period of insurance.

There will be no additional premium or rebate during the period of insurance. However, at the end of each period of insurance the renewal premium for the next period of insurance will be calculated on the amount of the amended sum(s) insured at that time.

## Reinstatement of sum insured after a loss

You are fully insured again for your buildings for the amount shown in your schedule following a claim unless your claim is for a total loss. If your claim is for a total loss and we pay you the sum insured, then the cover for your buildings will end. However, liability cover in relation to your buildings formerly occupied by you will continue beyond the expiry date of your policy until the earliest of;

- a. any construction commencing at the situation,
- b. the sale of the situation or any part of it,
- c. another Policy that includes liability cover being taken out in relation to the situation,
- d. the commencement of construction of a building to replace the insured building at another situation, or
- e. six months from the date of the damage that caused the total loss.

## Statutory Costs Extension

We will pay the costs necessary to meet the requirements of any statutory authority in connection with rebuilding or repairing the buildings at the situation. We will not pay any costs which resulted from any notice which a statutory authority served on you before loss or damage to your buildings occurred. The most we will pay in any one period of insurance is 10% of the building sum insured.

## Landscaping

We will cover trees, shrubs, plants and artificial lawn for loss or damage caused by fire, lightning, theft or malicious damage

The maximum we will pay for any one claim is \$300 per tree, shrub or plant up to \$1500 in total and \$5,000 for artificial lawn.

## Continuation of cover when you are selling your buildings

(Applicable only when you have buildings cover)

If at the time of loss or damage to your buildings caused by an insured event covered by your policy, a contract for the sale of your buildings has been entered into and this policy is current, we will cover you for loss or damage to your buildings up to your buildings' sum insured, until such time as:

- a. the sale is completed; or
- b. the purchaser takes possession of your buildings, whichever occurs first.

## Environmental Benefits Extension

If your building has been totally destroyed after loss or damage has occurred and we have agreed to rebuild your building, we will pay up to a maximum amount of \$5,000 of the cost to you, after deduction of any rebate you are eligible for under any government or council rebate scheme, to install any combination of the following:

- rainwater tank;
- solar power systems, including solar hot water systems or photo-voltaic (PV) power systems;
- hot water heat exchange system; and
- grey water recycling system.

A rainwater tank facility includes:

- a rainwater tank;
- water pump and wiring;
- foundation or tank stand;
- pipes connecting the roof to the tank; and
- installation costs.

A solar power system includes:

- solar or PV panels;
- water tank, pump;
- electrical wiring;
- foundation or tank stand;
- pipes connecting the roof solar panels to the tank; and
- installation costs.

A hot water heat exchange system includes:

- heat exchange system;
- electrical wiring;
- foundation or tank stand;
- water pipes; and
- installation costs.

A grey water recycling system includes:

- recycling system;
- distribution pipes and connectors;
- outlet housings; and
- installation costs.

# Optional additional covers

Your schedule indicates which of the following optional additional covers apply.

## Rent Default and Theft by Tenant

(This cover only applies if your current schedule indicates you have this cover and you have buildings or contents cover.)

### Rent default

If you have this cover, we will pay you for your loss of rent due to the occurrence of one or more of the following insured events for the periods stated. The maximum amount we will pay for any one occurrence for rent default under all the events is \$10,000 in total.

#### 1. Default of payment of rent by the tenant

If your tenant defaults on rent payments during the period of insurance and fails to make good the default after you have issued the appropriate notices which may be required:

- a. under the current lease or rental agreement; or
- b. to comply with the requirements of any statutory authority,

we will pay your loss of rent:

- a. for a period not exceeding 15 weeks;
- b. until another tenant takes up residence in the buildings; or
- c. until payment of rent re-commences;

whichever amount payable is the lesser.

#### 2. Departure of the tenant from the building without notice

If your tenant permanently departs from the building during the period of insurance without providing written or verbal notice of departure, as required under the current lease or rental agreement, we will pay your loss of rent:

- a. for a period of up to 15 weeks;
  - b. until another tenant takes up residence in the building; or
  - c. until payment of rent re-commences,
- whichever amount payable is the lesser.

### **3. Death of a sole tenant**

If the building is rented to a sole tenant and that person dies before the end of their tenancy, we will pay your loss of rent from the date of their death:

- for a period of up to 15 weeks; or
- until another tenant takes up residence in the building, whichever amount payable is the lesser.

We will not pay if the sole tenant had given you or your agent notice in accordance with the rental agreement or periodic tenancy agreement prior to their death.

### **4. Tenant hardship**

If your rental agreement or periodic tenancy agreement is legally terminated by a Residential Tenancies Tribunal or another relevant authority on the grounds of hardship on the part of the tenant, we will pay your loss of rent from when the termination order issued by the Residential Tenancies Tribunal or other relevant authority takes effect:

- a. for a period of up to 6 weeks;
  - b. until another tenant takes up residence in the building; or
  - c. until payment of rent re-commences,
- whichever amount payable is the lesser.

Any payment under this cover will stop with immediate effect if your rental property is re-tenanted.

## **Theft by tenant**

If you have this cover, we will pay for loss or damage to your insured buildings or contents caused by theft, burglary or housebreaking committed by your tenant or invitees of your tenant.

## Legal expenses

If we have accepted a claim under any of the following insured events:

- Default of payment of rent by the tenant;
- Departure of the tenant from the building without notice;
- Death of a sole tenant;
- Tenant hardship; or
- Theft by tenant,

we will also pay your legal expenses, up to a maximum amount of \$3,000, for each claim for rent default or theft by tenant provided these expenses have been incurred with our prior written approval for the purpose of minimising a claim.

### **Special conditions applying to Rent Default and Theft by Tenant cover:**

1. We will not pay any claim under this cover unless you have a written lease or rental agreement in place from the time your tenant takes up residence.
2. At the time your tenant entered into the lease or rental agreement you must have collected the total amount of bond monies due under the terms of the lease or rental agreement. This amount must be equivalent to at least 4 week's rent.
3. In order to receive cover under section, 1. Default of payment of rent by the tenant. 2. Departure of the tenant from the building without notice, 3. Death of a sole tenant or 4. Tenant hardship, you must be actively seeking to obtain a tenant at any time when your buildings are unoccupied.

### **How we will settle your rent default, theft by tenant and legal expenses claim**

If you are entitled to use bond monies to settle or reduce any loss or damage you must do so. To calculate the amount payable under this section we will deduct the amount of

any bond monies remaining after you have paid allowable reletting expenses and we will then settle your claim subject to the policy conditions.

## **Strata Title Mortgage Protection**

(This cover only applies if the building is part of a strata title development and your current schedule indicates you have this cover.)

If the strata title development containing your lot is totally destroyed as a result of an event that is covered under this policy, and the body corporate of the strata title has failed to insure or has inadequately insured the common property of the strata title we will pay your mortgagees:

- a. the unpaid balance of your mortgage(s) at the date of loss or damage;
- b. the amount of the loss or damage; or
- c. the sum insured shown in the current schedule for this option,

whichever is the lesser.

### **How we will settle your Strata Title Mortgage Protection claim**

1. If you have a mortgage loan(s) on your lot and the amount payable:
  - a. is equal to or is more than the outstanding balance of your mortgage loan(s) at the date of payment of the claim, we will pay your mortgagee(s), the outstanding balance of your mortgage loan(s); or
  - b. is less than the outstanding balance of your mortgage loan(s) at the date of payment of the claim we will pay your mortgagee(s) the total amount that we have agreed to pay.
2. If you do not have a mortgage loan on your lot, no monies are payable under this section.

3. We have the right to recover from the body corporate or any other party the amount of any claim payable to you under this policy and we will have full discretion in the conduct, settlement or defence of any claim in your name under this policy.

## Landlord Workers' Compensation

(Not available in all States or Territories of Australia)

This cover only applies if your current schedule indicates you have Landlord Workers' Compensation cover.

Where you employ a person to do work around your rental property, we will pay the amount you are liable to pay if they are injured while working for you.

The relevant workers' compensation legislation for your State will determine what amount we will pay.

We will not pay for workers:

- who are working for you in your own business, trade, or profession;
- who are part time or full time permanent workers; or
- when the annual wages expected to be paid for casual workers exceeds \$7,500.

In these circumstances, a separate general workers compensation policy is required.

When this cover is operative it is provided by:

- Allianz Australia Insurance Limited  
ABN 15 000 122 850 in the Australian Capital Territory;
- Allianz Australia Insurance Limited  
ABN 15 000 122 850 in Western Australia; or
- Allianz Australia Insurance Limited  
ABN 15 000 122 850 in Tasmania.

# General Policy

## Exclusions

### When we will not pay a claim under your policy

1. We will not pay claims for loss, damage or liability arising from:

**Deliberate, intentional, malicious or criminal act** caused by a deliberate, intentional, malicious or criminal act by:

- you or anyone who lives with you permanently; or
- any person who is acting with your express or implied consent;

**Lawful seizure** caused by lawful confiscation, destruction, detention, nationalisation, requisition or seizure;

**Heat** to any property as a result of its undergoing any process involving the application of heat;

**Nuclear** caused directly or indirectly by or arising from ionising radiation or contamination by radioactivity from:

- any nuclear fuel or nuclear waste,
- the combustion of nuclear fuel (including any self-sustained process of nuclear fission); or
- nuclear weapons material;

**War** caused by or arising from any war, hostilities or warlike operations (whether war be declared or not), rebellion, civil war, revolution, insurrection, military or usurped power, invasion, act of foreign enemy or popular or military rising;

**Wear and tear** arising out of depreciation, gradual deterioration, wear and tear;

**Inherent defects** caused directly or indirectly through inherent defects, faulty design, structural defects or poor workmanship;

**Illegal contents** to contents which are acquired illegally or are illegally held; or

**Terrorism** arising directly or indirectly out of or in any way connected with terrorism.

**“terrorism”** means:

- a. any act of terrorism arising directly or indirectly out of or in any way connected with biological, chemical, radioactive, nuclear pollution or contamination, or explosion, or;
- b. any action in controlling, preventing, suppressing, retaliating against, or responding to any act referred to in a. above.

An act of terrorism includes, but is not limited to, any act, preparation in respect of action or threat of action, designed to:

- influence a government or any political division within it for any purpose, and/or
  - influence or intimidate the public or any section of the public with the intention of advancing a political, religious, ideological or similar purpose.
2. Unless we state differently in your policy, we will not pay for:
    - a. flood as defined on page 12;
    - b. any loss or damage which is not caused directly by one of the insured events;
    - c. loss or damage caused by the action of light, atmospheric or other climatic conditions unless caused by:
      - lightning or thunderbolt; or
      - storm, rainwater or run-off;
    - d. loss or damage which is caused directly or indirectly by:
      - insects or birds;
      - vermin (other than for loss or damage caused by fire or smoke);
      - rust, corrosion, algae, mould or mildew; or

- any process of cleaning, repairing or restoring which involves the use of chemicals;
  - e. loss or damage caused by mechanical or electrical breakdown, failure or derangement except for “burning out of an electrical motor” as set out on page 20;
  - f. anything which your tenant is legally liable for under the terms of a lease, rental or similar agreement;
  - g. loss or damage to electronic equipment or data caused by electrical, electronic or mechanical derangement or malfunction, or by a processing error or computer virus;
  - h. the cost of data recovery for any reason; or
  - i. consequential loss.
3. This policy does not cover any loss or damage to any appliance, machinery, equipment or other property which is a computer or which contains or comprises any computer technology (including computer chip or control logic) and which:
- a. fails to perform or function in the precise manner for which it was designed for any reason arising from the performance or functionality of such computer technology (including computer chip or control logic); or
  - b. arises directly or indirectly from the importation of any software virus whether the importation was malicious, negligent or accidental.

## Paying claims

### Excesses that apply when you make a claim

An “excess” is your contribution towards the cost of a claim. We will tell you if you need to pay an excess when you make a claim.

In most instances you can select, at the time of your enquiry or application for insurance, the amount of the excess you wish

to pay should you make a claim. When you select a higher excess amount we will normally reduce the amount of the premium you will have to pay.

We take into consideration a number of factors in setting the amount of the excess. These include factors relating to the type of property being insured, where the property is located, the type of construction and your previous insurance and claims history.

At the time of your enquiry or application for insurance, the amount of the excess will be advised to you.

For each claim for your buildings or your contents, we will reduce the amount we pay you for your claim by the amount of the excess. The amount of your excess is shown on your schedule.

Your excess will be the greater of \$250 or the excess shown on your schedule for any claim for damage or loss arising from an earthquake or tsunami. This loss or damage must occur within 72 hours of the earthquake.

When a claim is paid for loss or damage to your buildings and your contents, the excess amount will only be applied once. You will not be required to pay any excess in the event that your building or contents are a total loss or when the loss or damage is a result of a government declared natural disaster other than earthquake or tsunami.

When a claim is paid under “Additional things we will pay for when you have insured your buildings” only, or “Additional things we will pay for when you have insured your contents” only, your excess will not apply. Sum insured, limits and sub-limits of liability shall apply in addition to, and shall not be reduced by, the amount of any applicable excess.

## **The most we will pay for your buildings or your contents**

The most we will pay for any claim for your buildings or your contents is the sum insured shown on your schedule. This does not apply to amounts payable under “Additional things

we will pay for when you have insured your buildings”, or “Additional things we will pay for when you have insured your contents”, or “Additional things we will pay for when you have insured your buildings and/or contents”.

## How we will settle your buildings claim

1. At our option, we will:
  - a. repair or rebuild the damaged part of your building to the same condition as when it was new; or
  - b. pay you the reasonable cost of repairing or rebuilding any damaged part of your building to the same condition as when it was new.
  - c. pay you up to the amount of the sum insured shown in the current schedule for your relevant buildings.

We will adjust your claims payment in accordance with the GST provision noted under “Conditions of cover”, “GST Notice” on page 53.

If we pay you the reasonable cost of repairing or rebuilding, this means the cost of repairing or rebuilding less any discounts available to us were we to repair or rebuild.

2. We will also pay any additional costs required for your buildings to comply with government or local authority bylaws up to a maximum of 10% of the building sum insured. We will not pay these additional costs if you were required to comply with these bylaws, and had not done so, before the loss or damage occurred.
3. When it is not possible to use original materials during the repair or rebuilding process, the nearest available equivalent to the original materials will be used. We will not pay to repair or rebuild property which has not been physically damaged.
4. Unless we have agreed in writing, repair or rebuilding of your buildings must commence within six months of the loss or damage. If repair or rebuilding of your buildings is not commenced within six months of the loss or damage or any extended period to which we have previously

agreed in writing, we will not be liable for any costs beyond the repair or rebuilding costs as at the date the loss or damage occurred.

5. If we have chosen to repair or rebuild your damaged building and you do not wish to repair or rebuild then, we will at our option:
  - a. pay you the reasonable cost to repair or rebuild your damaged buildings less an amount for depreciation based on the age and condition of the buildings; or
  - b. pay you the value of the land and buildings at the risk address immediately prior to the occurrence of the loss or damage less the value of the land and buildings immediately after the loss or damage occurred.
6. Rebuilding may be carried out on another site in the same vicinity provided that we agree in writing.
7. If the claim relates to loss or damage to fixed wall, floor or ceiling coverings, repair or replacement is limited to the room, hall or passage in which the loss or damage actually occurred.
8. If the claim relates to loss or damage to a dividing fence we will only pay half the cost of repairing the fence.

Further, if the claim is for gates, fences or freestanding walls damaged or destroyed as a result of storm, rainwater or run-off, we will deduct an amount from any claim settlement for depreciation based on their age and condition.
9. In no case will we pay more than the sum(s) insured shown in the current schedule (less any excess[es] which may be payable) unless we have stated differently under "Additional things we will pay for when you have insured your buildings and/or contents" on pages 25 to 36 or "Optional additional covers" on pages 37 to 41.
10. If you are entitled to use bond monies to settle or reduce any loss or damage you must do so. To calculate the amount payable under this section we will deduct the

amount of any bond monies remaining after you have paid allowable reletting expenses and we will then settle your claim subject to the policy conditions.

11. If the damage was caused by liquid that escaped from a bath, basin, sauna, spa, shower base or shower wall, we will pay the costs to repair your buildings. We will not pay the costs to repair or replace the bath, basin, sauna, spa, shower base or shower wall.

## How we will settle your contents claim

1. At our option, we will:
  - a. repair or replace your contents;
  - b. pay you the reasonable cost of repair or replacement;  
or
  - c. pay you up to the amount of the sum insured shown in the current schedule for your relevant contents.

If we pay you the reasonable cost of repair or replacement, this means the retail price of the item as if it were new less any discount available to us were we to repair or replace it.

We will adjust your claims payment in accordance with the GST provision noted under "Conditions of cover", "GST Notice" on page 53.

2. When it is not possible to repair or replace a damaged item with original materials or an original item, the nearest available equivalent to the original materials or item will be used. We will not pay to repair or replace property which has not been physically damaged.
3. If the claim relates to loss or damage to carpets, loose floor coverings, curtains or internal blinds, repair or replacement is limited to the room, hall or passage in which the loss or damage actually occurred.

4. If any part of a pair, set or collection is lost or damaged, we will not pay any more than the value of the part which is lost or damaged. No allowance will be made for any reduction in the value of the remaining part or parts of the pair, set or collection.
5. In no case will we pay more than the sum(s) insured shown in the current schedule (less any excess[es] which may be payable) unless we have stated differently under "Additional things we will pay for when you have insured your buildings and/or contents" on page 25 to 36 and "Optional additional covers" on pages 37 to 41.
6. If you are entitled to use bond monies to settle or reduce any loss or damage you must do so. To calculate the amount payable under this section we will deduct the amount of any bond monies remaining after you have paid allowable reletting expenses and we will then settle your claim subject to the policy conditions.
7. For Oriental or Persian carpets or rugs which exceed \$500 in value per item, loss settlement will be limited to \$500 in total.
8. If the claim relates to replacement of lost or damaged refrigerators, freezers, washing machines, clothes dryers and dishwashers, with less than a 3 Star Energy Rating, we will replace these items with items that have a minimum 3 Star Energy Rating.

# Conditions of cover

## 1. Changes to your insurance details – what you must tell us

You must tell us immediately if during the period of insurance:

- a. you commence using any part of your home for business, trade or professional purposes;
- b. you remove any security devices that were specifically required by us;
- c. you carry out alterations, additions, demolition, repairs or decorations to the buildings costing more than \$50,000; or
- d. you appoint or terminate a licensed managing agent for the property.

When we receive this information, we may:

- alter the terms and conditions of your policy;
- charge you additional premium; and/or
- decide not to offer to renew your policy.

If you do not provide the information immediately we may not pay a claim under the policy.

## 2. Buildings not lived in for more than 90 days

If the buildings have not or will not be lived in for any period in excess of 90 consecutive days, we will not pay for loss or damage caused by Accidental Damage as covered by this policy unless you have our prior agreement in writing:

This condition does not apply to “Strata Title Mortgage Protection” described on pages 40 to 41.

### 3. Taking precautions

We will not pay for loss, liability, injury or damage if you do not:

- a. take all reasonable precautions to prevent the loss, liability, injury or damage;
- b. maintain your buildings in good repair;
- c. effectively secure tarpaulins on buildings which are undergoing renovation where the area undergoing renovation would otherwise be exposed to the effects of the weather; and
- d. secure your buildings against unauthorised entry whenever the risk address is left unattended by you or any other person.

### 4. Property inspection reports

You must complete a property inspection report or have your authorised real estate agent or a qualified appraiser complete:

- a. at the time when a new lease or rental agreement commences;
- b. at the time when an existing tenant vacates the property; and/or
- c. at least on an annual basis if there is long term tenancy. In the event of a claim we will require copies of the property inspection reports.

### 5. Cooling off and cancellation rights under the policy

- a. You may cancel or return this policy at any time by contacting us.
- b. We have the right to cancel this policy where permitted by law. For example, we can cancel:
  - if you have failed to comply with your Duty of Disclosure;
  - where you have made a misrepresentation to us during negotiations prior to the issue of this policy;

- where you have failed to comply with a provision of your policy, including the term relating to payment of premium;
  - where you have made a fraudulent claim under your policy or under some other contract of insurance that provides cover during the same period of time that our policy covers you; or
  - where we agree to accept payment of premium by periodic instalment and at least one instalment remains unpaid in excess of one month from the date on which it was due and payable.
- c. If you or we cancel the policy we may deduct a pro rata proportion of the premium for time on risk, reasonable administrative costs related to the acquisition and termination of the policy and any government taxes or duties we cannot recover.
- d. In the event that you have made a claim under this policy and we have agreed to pay the full sum insured for your property no return of premium will be made for any unused portion of the premium.

## **6. Non payment of premium by instalments – Right to refuse a claim**

Where you pay your premium by instalments, you must ensure they are paid on time because if one instalment has remained unpaid for a period of at least 14 days, we may refuse to pay a claim. We will notify you if an instalment has not been paid.

## **7. Keeping evidence of the value and ownership of the insured property**

You should keep evidence of the value and ownership of all property covered under your insurance policy. Receipts and/or valuations prove the value of your insured property. Photographs and instruction books will help provide evidence of your ownership in the event of a claim.

## 8. Premium payment by direct debit

You may have chosen to pay the premium for this insurance by direct debit from a financial institution holding your account. If you choose this option, the financial institution may dishonour the direct debit payment due to lack of funds in your account. If this occurs, we will charge you for any direct and indirect costs which we incur arising from the payment being dishonoured.

## 9. GST Notice

This policy has a GST provision in relation to premium and our payment to you for claims. It may have an impact on how you determine the amount of insurance you need. Please read it carefully. Seek professional advice if you have any queries about GST and your insurance.

### Sums insured

All monetary limits in this policy may be increased for GST in some circumstances (see below).

### Claim settlements – Where we agree to pay

When we calculate the amount we will pay you, we will have regard to the items below:

- Where you are liable to pay an amount for GST in respect of an acquisition relevant to your claim (such as services to repair a damaged item insured under the policy) we will pay for the GST amount.

We will pay the GST amount in addition to the sum insured/limit of indemnity or other limits shown in the policy or in this schedule.

If your sum insured/limit of liability is not sufficient to cover your loss, we will only pay the GST amount that relates to our settlement of your claim.

We will reduce the GST amount we pay for by the amount of any input tax credits to which you are or would be entitled.

- Where we make a payment under this policy as compensation instead of payment for a relevant acquisition, we will reduce the amount of the payment by the amount of any input tax credit that you would have been entitled to had the payment been applied to a relevant acquisition.
- Where the policy insures business interruption, we will (where relevant) pay you on your claim by reference to the GST exclusive amount of any supply made by your business that is relevant to your claim.

## **Disclosure – Input Tax Credit Entitlement**

If you register, or are registered, for GST you are required to tell us your entitlement to an input tax credit on your premium. If you fail to disclose or understate your entitlement, you may be liable for GST on a claim we may pay. This policy does not cover you for this GST liability, or for any fine, penalty or charge for which you may be liable.

# Making a claim

## What you must do

We may not pay your claim if you do not act as follows:

### 1. Do not admit liability

You must not:

- a. admit guilt or liability, or make a promise or offer of payment in connection with any claim; or
- b. offer or agree to settle any claim;

without our written consent.

We are entitled to take over and conduct the defence of any claim made against you for damages by a third party. We have full discretion in conducting any negotiations, proceedings and the settlement of claims.

If the claim is for legal liability, you may make a written request to us to agree that you are covered in respect of the claim.

### 2. Prevent further damage

You must take all reasonable precautions to prevent any further loss, damage or liability.

### 3. Contact the police

Inform the police immediately of any malicious acts, theft, attempted theft, burglary or loss of insured property.

### 4. Keep evidence of the loss or damage

You must keep evidence of any loss or damage to your insured property. You must not authorise any repairs or replacement unless they are urgently necessary for the sole purpose of you preventing further loss, damage or liability from occurring and you are unable to contact us.

## 5. Contact us as soon as possible

If there is any loss, liability, injury or damage which is likely to result in a claim, you must give us immediate notice of the full details of any loss, anticipated or alleged liability, injury or damage. You or your representative must give us full details in the manner we request which will be either:

- a. in writing by completing our claim form which will be supplied to you when you contact us; or
- b. verbally.

You must also:

- provide us with any original receipts, proof of ownership or quotes we require to settle your claim;
- provide us with any information we may reasonably require (including a copy of the current lease, proof of any bond held, notices provided to tenants and confirmation from your agent that you are actively seeking to re-lease your buildings) in the event your claim is for loss of rent, malicious acts or any other claim involving your tenant;
- inform us if your property is insured under any other policy; and
- give us immediate notice of the commencement of any legal proceedings against you.

## What happens after you make a claim

### 1. Assist us with your claim

You must assist us with your claim. This means give us all the information and assistance with your claim which we may reasonably require. If you do not we may not pay your claim or provide cover. If we have the right to recover any amount payable under this policy from any other person, you must co-operate with us in any action we may take.

## **2. End of cover following a total loss claim**

If we accept a claim and pay an amount which:

- a. is equal to or greater than the total sum insured for any single part of the policy on the insured property; or
  - b. is sufficient to pay you for the total loss or destruction of all the insured property under a single part of the policy,
- cover under that particular part of the policy will end.

## **3. Payment of unpaid premium following a total loss claim**

If we accept your claim and pay you the total sum insured for your property:

- a. the amount of any unpaid premium for the period of insurance will be deducted from the amount payable to you,
- b. if we replace or rebuild the property, you must pay us the balance of any unpaid premium or instalments for the period of insurance.

## **4. Our rights of recovery**

We have the right to recover from any person the amount of any claim payable to you under this policy and we will have full discretion in the conduct, settlement or defence of any claim in your name. If we recover more than the amount we paid to you on your behalf, we will pay you the balance.

## **5. GST**

We may adjust your claims payment in accordance with the GST provision detailed under "Conditions of cover", "GST Notice" on page 53

# Other information

## Your Duty of Disclosure

Before you enter into this insurance with us, you have a duty of disclosure under the Insurance Contracts Act 1984.

The Act imposes a different duty the first time you enter into a contract of insurance with us to that which applies when you vary, extend, reinstate or replace the contract.

This duty of disclosure applies until the contract is entered into (or varied, extended or reinstated as applicable).

## Your Duty of Disclosure when you enter into the contract with us for the first time

When answering our specific questions that are relevant to our decision whether to accept the risk of the insurance and, if so, on what terms, you must be honest and disclose to us anything that you know and that a reasonable person in the circumstances would include in answer to the questions.

It is important that you understand you are answering our questions in this way for yourself and anyone else that you want to be covered by the contract.

## Your Duty of Disclosure when you vary, extend, reinstate or replace the contract

When you vary, extend, reinstate or replace the contract with us, your duty is to disclose to us every matter that you know, or could reasonably be expected to know, is relevant to our decision whether to accept the risk of the insurance and, if so, on what terms.

## What you do not need to tell us

Your duty however does not require disclosure of any matter:

- that diminishes the risk to be undertaken by us; or
- that is of common knowledge; or

- that we know or, in the ordinary course of our business as an insurer, ought to know; or
- as to which compliance with your duty is waived by us.

## **Non-disclosure**

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

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

## **Privacy Notice**

At Allianz, we give priority to protecting the privacy of your personal information. We do this by handling personal information in a responsible manner and in accordance with the Privacy Act 1988 (Cth).

### **How we collect your personal information**

We usually collect your personal information from you or your agents. We may also collect it from our agents and service providers; other insurers and insurance reference bureaus; people who are involved in a claim or assist us in investigating or processing claims, including third parties claiming under your policy, witnesses and medical practitioners; third parties who may be arranging insurance cover for a group that you are a part of; law enforcement, dispute resolution, statutory and regulatory bodies; marketing lists and industry databases; and publicly available sources.

### **Why we collect your personal information**

We collect your personal information to enable us to provide our products and services, including to process and settle claims; offer our products and services and those of our related companies, brokers, intermediaries and business partners that may interest you; and conduct market or customer research to determine those products or services that may suit you. You can choose not to receive product

or service offerings from us (including product or service offerings from us on behalf of our brokers, intermediaries and/or our business partners) or our related companies by calling the Allianz Direct Marketing Privacy Service Line on 1300 360 529, EST 8am to 6pm Monday to Friday, or going to our website's Privacy section at [www.allianz.com.au](http://www.allianz.com.au).

## **Who we disclose your personal information to**

We may disclose your personal information to others with whom we have business arrangements for the purposes listed in the paragraph above or to enable them to offer their products and services to you. These parties may include insurers, intermediaries, reinsurers, insurance reference bureaus, related companies, our advisers, persons involved in claims, external claims data collectors and verifiers, parties that we have an insurance scheme in place with under which you purchased your policy (such as a financier or motor vehicle manufacturer and/or dealer). Disclosure may also be made to government, law enforcement, dispute resolution, statutory or regulatory bodies, or as required by law.

## **Disclosure overseas**

Your personal information may be disclosed to other companies in the Allianz Group, business partners, reinsurers and service providers that may be located in Australia or overseas. The countries this information may be disclosed to will vary from time to time, but may include Canada, Germany, New Zealand, United Kingdom, United States of America and other countries where the Allianz Group has a presence or engages subcontractors. We regularly review the security of our systems used for sending personal information overseas. Any information disclosed may only be used for the purposes of collection detailed above and system administration.

## **Access to your personal information and complaints**

You may ask for access to the personal information we hold about you and seek correction by calling 1300 360 529 EST 8am–6pm, Monday to Friday. Our Privacy Policy contains

details about how you may make a complaint about a breach of the privacy principles contained in the Privacy Act 1988 (Cth) and how we deal with complaints. Our Privacy Policy is available at [www.allianz.com.au](http://www.allianz.com.au).

## **Telephone call recording**

We may record incoming and/or outgoing telephone calls for training or verification purposes. Where we have recorded a telephone call, we can provide you with a copy at your request, where it is reasonable to do so.

## **General Insurance Code of Practice – providing you with even better service**

The General Insurance Code of Practice was developed by the Insurance Council of Australia to further raise standards of practice and service across the insurance industry.

You can obtain more information on the Code of Practice and how it assists you by contacting us. Contact details are provided on the back cover of this policy.

## **Complaints – Internal and External Complaints Procedure**

If you are dissatisfied with our service in any way contact us and we will attempt to resolve the matter in accordance with our Internal Dispute Resolution procedures. To obtain a copy of our procedures contact us on 13 2664 EST 8am–6pm. A dispute can be referred to the Financial Ombudsman Service Australia (FOS) subject to its terms of reference. It provides a free and independent dispute resolution service for consumers who have general insurance disputes falling within its terms and its contact details are:

The Financial Ombudsman Service Australia

Phone: 1800 367 287

Post: GPO Box 3, Melbourne, Victoria 3001

Website: [www.fos.org.au](http://www.fos.org.au)

## **If this insurance has been issued through an insurance intermediary**

If your policy has been issued through our agent, or a broker who is acting under a binder arrangement with us, then they are acting as our agent and not as your agent.

If your policy has been issued by a broker, other than a broker acting under a binder arrangement with us, then the broker is acting as your agent.

When this policy has been arranged through an intermediary, a commission is payable by us to them for arranging the insurance.

## **Financial Claims Scheme**

In the unlikely event Allianz Australia Insurance Limited were to become insolvent and could not meet its obligations under this Policy, a person entitled to claim may be entitled to payment under the Financial Claims Scheme. Access to the Scheme is subject to eligibility criteria and for more information see APRA website at <http://www.apra.gov.au> and the APRA hotline on 1300 55 88 49.

## **Phoning for assistance**

If you need to clarify any of the information contained in this policy wording or you have any other queries regarding your insurance policy, please use the contact details on the back cover.

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Underwritten by:

**Allianz** 



Arthur J. Gallagher  
BUSINESS WITHOUT BARRIERS™

[www.ajg.com.au](http://www.ajg.com.au)

# Supplementary Product Disclosure Statement (“SPDS”)

## Changes to your duty of disclosure

Preparation Date: 18/10/2014

This document is an SPDS that updates and amends the Product Disclosure Statements (“PDSs”) for the following products underwritten by Allianz Australia Insurance Limited ABN 15 000 122 850 AFS Licence No. 234708 of 2 Market Street Sydney NSW 2000 (Allianz):

- Motor Insurance;
- Caravan & Trailer Insurance;
- Home Insurance; and
- Landlord Insurance.

This SPDS is issued by Allianz and must be read together with the above PDSs and any other SPDS that you are given which updates or amends the relevant PDSs.

The “Duty of Disclosure” section of the PDSs is deleted and replaced as follows:

### Your Duty of Disclosure

Before you enter this insurance with us, you have a duty of disclosure under the Insurance Contracts Act 1984.

The Act imposes a different duty the first time you enter into a contract of insurance with us to that which applies when you renew, vary, extend, reinstate or replace the contract.

This duty of disclosure applies until the contract is entered into (or renewed, varied, extended or reinstated as applicable).

### Your Duty of Disclosure when you enter into the contract with us for the first time

When answering our specific questions that are relevant to our decision whether to accept the risk of the insurance and, if so, on what terms, you must be honest and disclose to us anything that you know and that a reasonable person in the circumstances would include in answer to the questions.

It is important that you understand you are answering our questions in this way for yourself and anyone else that you want to be covered by the contract.

### Your Duty of Disclosure when you renew the contract

Where applicable, we will tell you what your renewal duty of disclosure is prior to each renewal.

### Your Duty of Disclosure when you vary, extend, reinstate or replace the contract

When you vary, extend, reinstate or replace the contract with us, your duty is to disclose to us every matter that you know, or could reasonably be expected to know, is relevant to our decision whether to accept the risk of the insurance and, if so, on what terms.

### What you do not need to tell us

Your duty however does not require disclosure of any matter:

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

### Non-disclosure

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

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

# Arthur J. Gallagher Landlords Insurance

## Supplementary Product Disclosure Statement (SPDS)

Preparation Date: 07/02/2017

## Important changes to your Arthur J. Gallagher Landlords Insurance Product Disclosure Statement and Policy Document

This document is an SPDS that updates and amends the Arthur J. Gallagher Landlords Insurance Product Disclosure Statement and Policy Document ("PDS"). It is issued by the insurer Allianz Australia Insurance Limited ABN 15 000 122 850 AFS Licence No. 234708 of 2 Market Street, Sydney NSW 2000. This SPDS must be read together with the PDS and any other SPDS that you are given which updates or amends the PDS.

This SPDS is made up of two Parts.

### Part 1 – Optional additional covers section of the PDS

The PDS is amended as follows:

#### Optional additional covers section of the PDS

- a. The "How we will settle your rent default, theft by tenant and legal expenses claim" section is deleted and replaced with:

##### **How we will settle your rent default, theft by tenant and legal expenses claim**

If you are entitled to use bond monies to settle or reduce any loss or damage you must do so. To calculate the amount payable under this section we will deduct:

- the amount of any bond monies remaining after you have paid allowable reletting expenses; and
- any excess specified in your schedule.

We will then settle your claim subject to the policy conditions.

Only one excess is payable where a claim for rent default or theft is made at the same time as a claim for related legal expenses.

- b. The "How we will settle your Strata Title Mortgage Protection claim" section is deleted and replaced with:

##### **How we will settle your Strata Title Mortgage Protection claim**

1. If you have a mortgage loan(s) on your lot and the amount payable:
  - a. is equal to or is more than the outstanding balance of your mortgage loan(s) at the date of payment of the claim, we will pay your mortgagee(s), the outstanding balance of your mortgage loan(s), less the excess specified on your schedule; or
  - b. is less than the outstanding balance of your mortgage loan(s) at the date of payment of the claim we will pay your mortgagee(s) the total amount that we have agreed to pay, less the excess specified on your schedule.
2. If you do not have a mortgage loan on your lot, no monies are payable under this section.
3. We have the right to recover from the body corporate or any other party the amount of any claim payable to you under this policy and we will have full discretion in the conduct, settlement or defence of any claim in your name under this policy.

c. The “Landlord Workers’ Compensation” section is deleted and replaced with:

### **Landlord Workers’ Compensation**

(Not available in all States or Territories of Australia)

This cover only applies if your current schedule indicates you have Landlord Workers’ Compensation cover.

Where you employ a person to do work around your rental property, we will pay the amount you are liable to pay if they are injured while working for you.

We will not pay for workers:

- who are working for you in your own business, trade, or profession;
- who are part time or full time permanent workers; or
- when the annual wages expected to be paid for casual workers exceeds \$7,500.

In these circumstances, a separate general workers compensation policy is required.

### **How we will settle your Landlord Workers’ Compensation claim**

The relevant workers’ compensation legislation for your State will determine what amount we will pay.

There is no excess payable under this optional cover except in Tasmania, where we will not pay the first 5 days of wages and the first \$200 of medical and other costs in respect of each injury.

When this cover is operative it is provided by:

- Allianz Australia Insurance Limited ABN 15 000 122 850 in the Australian Capital Territory;
- Allianz Australia Insurance Limited ABN 15 000 122 850 in Western Australia; or
- Allianz Australia Insurance Limited ABN 15 000 122 850 in Tasmania.

## **Part 2 – Other information section of the PDS**

The “Financial Claims Scheme” section is deleted and replaced as follows:

### **Financial Claims Scheme**

In the unlikely event Allianz Australia Insurance Limited were to become insolvent and could not meet its obligations under the policy, a person entitled to claim may be entitled to payment under the Financial Claims Scheme. Access to the Scheme is subject to eligibility criteria. More information can be obtained from <http://www.fcs.gov.au>.

You can contact us if you have any questions regarding your premium, the applicable discounts or the cover outlined in this SPDS.