

Specialists in
Landlord Insurance



terri **scheer**

Scheer
Short Stay
Policy,
Product
Disclosure
Statement
and Policy
Wording

Terri Scheer Insurance Pty Ltd

SCHEER SHORT STAY

PRODUCT DISCLOSURE STATEMENT

AND POLICY WORDING

Product Disclosure Statement and Policy Wording (PDS)

The purpose of this Product Disclosure Statement and Policy Wording (PDS) is to help you understand the insurance policy and provide you with sufficient information to enable you to compare and make an informed decision about it.

This PDS is in two parts:

Part 1: Important Information. This part includes important information about your rights and responsibilities, the General Insurance Code of Practice and how you may contact us if you have a complaint.

Part 2: Policy Wording. This part contains the terms, conditions, limits and definitions of your Insurance.

Other documents may form part of the PDS. Any such documents will be dated and will include a statement identifying them as part of the PDS. If any major omissions, updates or corrections need to be made to the PDS, a supplementary PDS may be provided.

Part 1: Important information

It is important that you:

- ▶ read all of this PDS before you buy the Insurance to make sure it gives you the protection you need, and
- ▶ are aware of the limits on the cover provided, the amounts we will pay you and any excess that applies.

This insurance is only available to landlords whose property is managed by a licensed real estate agent or on-site Property Manager.

About Terri Scheer

Terri Scheer Insurance Pty Ltd was established in 1995 to specialise in providing landlord insurance for owners of professionally managed residential rental properties.

The founder, Terri Scheer, designed landlords insurance in 1990.

The Company is unique in that it is the only insurance intermediary in Australia to specialise solely in landlord insurance.

Terri Scheer Insurance Pty Ltd provides training for licensed real estate agents and on site Property Managers in the area of general insurance and claims handling, to ensure the best possible results for landlords.

Welcome to Vero

Vero is part of a Group that can trace its origins back to 1833 in Australia. Since then we have successfully protected our customers' personal and business assets.

Vero aims to provide our customers with certainty and peace of mind, through innovative, specialised and expert insurance offerings.

Vero offers a range of insurance products including home building, home contents, private motor, caravan and travel insurance.

Date of preparation: 15th January 2010

Date effective: 1st April 2010

Version Number: MKT135 (04/2010)

Insurer

Vero Insurance Limited ABN 48 005 297 807, AFS Licence No. 283059 is the insurer and issuer of the insurance policy and is the issuer of this PDS. References to 'us', 'we' and 'our' in this Policy are to the insurer.

In arranging this insurance Policy, Terri Scheer Insurance Pty Ltd ABN 76 070 874 798, AFS Licence No. 218585 will be acting under authority given to them by Vero. They will be acting as agents of Vero, not as your agent.

How you contact us

You may contact Vero by calling:

▶ 1300 794 133,

or alternatively by writing to us at:

Vero Insurance Limited
GPO Box 1619, Adelaide, SA 5001

Type of tenancy

This policy is primarily designed to provide cover for landlords of professionally managed residential rental properties which are tenanted on a **Short Stay** basis for periods of 12 weeks or less.

If you elect to alternate from a **Short Stay** tenancy during peak holiday periods to a more permanent leasing arrangement (**Long Stay**) throughout the rest of the year, then this policy can also provide cover for you.

The amount you pay for this insurance

The total premium is the amount we charge you for this Insurance. It includes the amount which we have calculated will cover the risk, plus any taxes and government charges – all of which will be shown on your Policy Schedule.

You can pay your premium in one annual payment by cash, cheque, postal order, MasterCard, Visa or BPay.

How various factors affect your premium

We consider a number of factors in calculating your premium. The key factors that affect your premium are:

- ▶ the State/Territory in which the property is located,

State/Territory	Base premium
ACT	\$340
NSW	\$390
NT	\$320
QLD	\$315
SA	\$295
TAS	\$265
VIC	\$310
WA	\$300

- ▶ optional increases in sums insured selected. For example, if you elect to increase the contents sum insured to more than the standard \$60,000 included in the base premium, then your total premium will increase.

Each time you renew, your premium may change even if your personal circumstances have not changed. This is because premiums are also affected by other factors such as:

- ▶ the cost and frequency of claims we have paid to other customers,
- ▶ changes in government taxes or charges,
- ▶ the cost and frequency of claims we expect to pay in the future, and
- ▶ our expenses of doing business.

Calculating your premium

We calculate your premium by taking into account the above factors and by combining the following:

1. Discounts

The following discounts are available to eligible applicants.

Online Discount

To be eligible for the online discount you must apply and pay for a new Scheer Short Stay (SSS) Policy via the Terri Scheer website: www.terrischeer.com.au. If you meet this criteria then you will be entitled to a 5% discount on the premium payable for that policy.

For example, if your property is in SA and you apply for a new Short Stay Policy online, then your discount would be calculated as follows.

Premium for SA properties	Discounted premium
1 x SSS is \$295	\$295 less 5% = \$280.25 Total payable is \$280.25 (discount totals \$14.75)

Multiple Property discount

To be eligible for a multiple property discount the policyholder named on the policy must have a minimum of 3 current Landlord Preferred or Scheer Short Stay policies. If you meet these criteria you will be entitled to a \$20.00 discount on the premium payable for each policy.

For example, if you have 2 current Landlord Preferred policies (LPP) and 2 current Scheer Short Stay policies (SSS) and all properties are located in SA, then your discount would be calculated as follows.

Premium for SA properties	Discounted premium
2 x LPP is 2 x \$255 = \$510 2 x SSS is 2 x \$295 = \$590 Total payable is \$1100	2 x LPP is \$255 less \$20 multiple property discount = \$235 per policy x 2 policies = \$470 2 x SSS is \$295 less \$20 multiple property discount = \$275 per policy x 2 policies = \$550 Total payable is \$1020 (discount totals \$80)

2. Government charges

After we have calculated an amount to cover the risk, GST and any other relevant government charges (such as stamp duty and fire services levy) are applied.

3. Policy options

An additional premium as described below will be charged if any of the following policy options are selected.

Policy option	Sum insured	Additional premium
Contents sum insured.	\$60,000	Nil
	\$70,000	\$200 + relevant Government charges
	\$80,000	\$300 + relevant Government charges
	\$90,000	\$400 + relevant Government charges
	\$100,000	\$500 + relevant Government charges

Policy option	Weekly rent range	Additional premium
Weekly rent sum insured. (For long stay tenancies only. No increased limits for short stay tenancies).	Up to \$1000	Nil
	\$1001 - \$1250	\$100 + relevant Government charges
	\$1251 - \$1500	\$200 + relevant Government charges
	\$1501- \$1750	\$300 + relevant Government charges
	\$1751 - \$2000	\$400 + relevant Government charges
	\$2001 - \$3000	Depends on our assessment of the risk

How to make a claim

As soon as possible after the event that causes loss, damage or legal liability, you must follow the steps set out in 'Making a Claim' on page 77 of the enclosed policy wording.

Contact Terri Scheer Insurance on 1800 804 016, who will advise you of the claims process and assist you through the next steps.

The amount you pay towards a claim

An excess is the amount you are required to pay in the event of a claim. The amount of any excess that applies will either be set out in the PDS on pages 81 to 82 or shown on your Policy Schedule.

Depending on the circumstances, you might have to pay more than one type of excess when you make a claim. You must pay the excess in full (if we ask for it) before we pay the claim.

We will decide whether you pay the excess to us or to a repairer or supplier. We may also choose to deduct the excess from the amount we pay you or from the amounts we must legally pay another person.

How a claim payment is calculated

When we pay a claim we consider a number of aspects in calculating the amount. These can include the:

- ▶ amount of loss or damage or liability,
- ▶ excess,
- ▶ sum insured,
- ▶ policy limits, and
- ▶ terms and conditions of the policy.

How and when benefits are provided

Benefits are provided following the submission of a claim. After considering the factors in 'How a claim payment is calculated', we will either:

- ▶ pay for repair or replacement of your contents or building,
- ▶ pay the person to whom you are legally liable, or
- ▶ pay you.

Claim payment examples

The examples on the following pages illustrate how a claim payment is calculated and are designed to assist you in understanding some of the important benefits in the policy. The examples do not cover all scenarios or all benefits and do not form part of your policy terms and conditions. They should be used as a guide only, as all claim payments will depend on the facts in each case. You should consider all examples as each one explains different benefits and scenarios.

Where we say 'long stay' we refer to claims for tenancies which are governed by the Residential Tenancy Act in your State or Territory. Where we say 'short stay' we refer to claims for tenancies of 12 weeks or less, which are not governed by the Residential Tenancies Act.

Please note our examples assume that the policyholder is not registered for GST.

Example 1:

Water damage and untenable loss of rent (Short Stay)

You have the Scheer Short Stay policy with the following short stay bookings confirmed over the next 21 days – all bookings have been paid for in advance at a rate of \$500 per day.

- ▶ Booking 1: 7 days in week 1 - \$3,500 paid
- ▶ Booking 2: 4 days in week 2 - \$2,000 paid
- ▶ Booking 3: 3 days in week 3 - \$1,500 paid

The day before booking 1 is due to commence, water from a burst pipe escapes and damages carpets throughout the property resulting in the property becoming untenable until the end of week 3. This results in all of the scheduled bookings being unfulfillable. The cost to replace the carpet is \$2,500.

Rent refunded – booking 1	\$3,500	<p>Under Section 1 – Loss of rent, (d) untenable (contents) we cover your loss of rent if your property becomes untenable as a result of damage to your contents caused by an insurable event. We agree that the water damage from the burst pipe is an insurable event under section 2 of the policy and we also agree that as a result the property was untenable until the end of week 3.</p> <p>Coverage is calculated by multiplying the daily rent by the number of days in which documented bookings could not be fulfilled. In this case the booking was 7 days so a refund of 7 days rent at \$500 per day is required which is \$3,500.</p>
---------------------------	---------	---

Rent refunded – booking 2	\$2,000	Coverage is calculated by multiplying the daily rent by the number of days in which documented bookings could not be fulfilled. In this case the booking was 4 days so a refund of 4 days rent at \$500 per day is required which is \$2,000.
Rent refunded - booking 3	\$1,500	Coverage is calculated by multiplying the daily rent by the number of days in which documented bookings could not be fulfilled. In this case the booking was 3 days so a refund of 3 days rent at \$500 per day is required which is \$1,500.
Total rent loss incurred by landlord	\$7,000	This is the total 14 days rent lost by the landlord from documented rental bookings during the 21 day period whilst the property was untenable.
Apply policy limit Subtotal (1)	\$6,000	We apply the \$6,000 limit for any one period of insurance which applies to rent loss claims arising from ‘untenable (contents)’ coverage.
Water damage to carpet	\$2,500	Section 2 provides water damage cover for your contents (in this case your carpet). We agree that the carpet has been water damaged and that the repair cost of \$2,500 is reasonable.
Less Excess	\$100	The excess for water damage is \$100 and is applied per claim.
Subtotal (2)	\$2,400	Amount payable for carpet after excess has been applied.
Total Claim	\$8,400	Subtotal (1) plus Subtotal (2)

Example 2:

Loss of rent - default by court order plus representation costs (Long Stay).

You have the Scheer Short Stay policy with no optional increase in loss of rent sum insured. Your tenant is on a Long Stay periodical lease and is evicted by court order due to non-payment of rent (defaulting tenant). The tenant owes 7 weeks rent in arrears and it takes a further 7 weeks to re-let the property. The weekly rent is \$300, therefore, the loss of rent is \$4,200. The bond is \$1,200 and non-claimable re-letting expenses are \$1,300.

Your Property Manager has also charged you \$300 to attend the court hearing and a further \$300 was incurred for the bailiff/sheriff to evict the tenant.

For the purpose of this example we have assumed the property is in SA - no rent excess applies and the periodical lease requires the tenant to give 3 weeks' notice.

Rent owed	\$3,000	Under Section 6 – Loss of rent, you are covered for rent that a tenant is liable for if they are evicted due to non-payment of rent. Coverage is calculated from the tenant's 'paid to' date until the earlier of the date the property is re-let, the date the tenant's lease expires or the date the policy limit is reached. Since the lease is periodical and the notice period under South Australian legislation is 3 weeks (for termination of periodical leases) this means that the lease will expire before the property is re-let. In this case the tenant is liable for the 7 weeks rent in arrears, plus the 3 weeks rent owed because a notice was not provided under the terms of the periodical lease. Therefore, the tenant would owe a total of 10 weeks rent at \$300 per week, which is \$3,000.
-----------	---------	--

Less bond credit	- \$0	Under the terms of Section 6, you are required to apply any available bond money to the claimed loss, once any other re-letting expenses the tenant is liable for have been paid. \$1200 bond less \$1300 expenses = Nil bond credit. Note you are unable to claim re-letting expenses that exceed the bond amount unless they relate to an insured event
Rent loss incurred by landlord	\$3,000	The amount the tenant owes after applying the bond credit is \$3000. This is within the 15 week limit applicable to claims for Defaulting tenant (by court order), so no further reduction applies to the rent claim.
Plus Representation costs	\$500	Section 6 of the policy provides \$500 cover for any one period of insurance for costs you incur from your Property Manager to represent you in court for the purpose of obtaining an order against the tenant. A \$300 sub limit also applies for bailiff/sheriff fees. Total costs incurred in this case are \$600, so the policy limit of \$500 would be applied.
Total Claim	\$3,500	

Example 3:

Accidental damage - contents

You have the Scheer Short Stay policy with no optional increase in the contents sum insured. After your tenant vacates, you complete a final inspection and find there are numerous stains on the carpet caused by numerous events over the course of the lease. There are 5 carpeted areas in the property and we agree that 4 of them have sustained accidental damage by the tenant. The tenant owes no rent and you have established their bond monies have already been spent on other non-claim expenses – therefore there is no bond money to apply to the carpet claim. The quote you provide is for \$2,340 to replace all 5 areas of carpet and is itemised as follows:-

- ▶ Lounge - \$800
- ▶ Bedroom 1 - \$500
- ▶ Bedroom 2 - \$500
- ▶ Bedroom 3 - \$240
- ▶ Bedroom 4 - \$300 (undamaged)

For the purpose of this example the property is in NSW and we will assume that the accidental damage excess is \$250.

Lounge carpet	\$550	Section 2 of the policy provides accidental damage cover to your contents subject to an excess per event. Under the terms of the policy, where the carpet is damaged by more than one event we will treat the damage to the carpet of one room as 'one event'. In this example the accidental damage was caused by numerous events and so we will apply an excess for the carpet of each room. We have accepted that the lounge carpet damage was accidental and that the quote of \$800 is reasonable. We apply the excess of \$250 and would pay \$550.
---------------	-------	---

Plus Bedroom 1 carpet	\$250	Section 2 of the policy provides accidental damage cover to your contents subject to an excess per event. We have accepted the Bedroom 1 carpet damage was accidental and that the quote of \$500 is reasonable. We apply the excess of \$250 and would pay \$250.
Plus Bedroom 2 carpet	\$500	Section 2 of the policy provides accidental damage cover to your contents subject to an excess per event. We have accepted the Bedroom 2 carpet damage was accidental and that the quote of \$500 is reasonable. Because the policy caps the number of accidental damage excesses to 2 per claim, we will pay for this room of carpet without applying a further excess.
Plus Bedroom 3 carpet	\$0	Section 2 of the policy provides accidental damage cover to your contents subject to an excess per event. We have accepted the Bedroom 3 carpet damage was accidental and that the quote of \$240 is reasonable. Because the quote falls below the policy excess of \$250, we are unable to include this room of carpet in the claim. It's important to note that the capping of accidental damage excesses only applies to events whose cost exceeds the applicable accidental damage excess.
Plus Bedroom 4 carpet	\$0	The conditions relating to carpet replacement in Section 2, state that we will only pay for the materials in the room or functional area where loss or damage occurs. Therefore we would not pay to replace the undamaged carpet in this room.
Total Claim	\$1,300	

Example 4:

Malicious damage and untenable loss of rent (Long Stay)

You have the Scheer Short Stay policy without the optional increase in sums insured. You have evicted a Long Stay tenant by court order due to non-payment of rent. The tenant vacates and pays the rent owed, however they have damaged the property to the extent that it is untenable. A Claims assessor appointed by us has inspected the damage and reports that the property has sustained the following tenant damage:

- ▶ 4 doors have been kicked in - \$1,200 to repair,
- ▶ 6 walls had punch holes - \$900 to repair,
- ▶ the glass in 2 windows have been smashed - \$500 to replace,
- ▶ cleaning and rubbish removal - \$1,500.

The weekly rent was \$300 and a bond of \$1,200 is held. The repairs take 3 weeks to complete and a new tenant moves in 3 weeks after completion of repairs. For the purpose of this example we assume the property is located in Victoria and the excess for malicious damage is \$250.

Malicious damage	\$2,600	Section 3 'Building' provides malicious damage cover to your building if caused by the tenant. We agree that the doors, windows and punched walls are malicious damage and therefore the total repair cost is \$1,200 plus \$900 plus \$500 which equals \$2,600.
Less excess	\$250	The excess for malicious damage is applied per claim, so costs for all malicious damage events submitted as one claim have one excess.
Subtotal (1)	\$2,350	Amount payable after the excess has been applied.

Plus loss of rent untenable	\$1,500	Under section 6 if your property becomes untenable due to an insured event such as malicious damage, we will pay your loss of rent until the property becomes tenable and up to 2 weeks loss of rent whilst a new tenant is obtained. Repairs took 3 weeks (\$900) and we can cover 2 of the 3 weeks it took to re-let the property (\$600). Therefore the total payable is \$1,500.
Subtotal (2)	\$3,850	Sub-total (2) \$2,850 plus loss of rent whilst untenable \$1,500.
Less bond credit	-\$0	Bond held is \$1,200 less cleaning/ rubbish removal costs \$1,500, which leaves nil credit remaining from bond.
Total Claim	\$3,850	

The Policy does not cover certain things

The policy provides cover for losses caused by specific events and under certain circumstances. This means that not all losses are claimable. The specific events we insure and don't insure you for, along with the terms and conditions of cover, can be found in the Policy Wording contained in this document.

Duty of Disclosure

You have a legal duty of disclosure to us whenever you apply for, change or renew an Insurance policy.

What you must tell us

You have a general duty to disclose to us everything that you know, or could reasonably be expected to know, is relevant to our decision whether to insure you, and if we do, on what terms.

However your duty does not require you to disclose anything:

- ▶ that reduces the risk to be undertaken by us,
- ▶ that is generally well known,
- ▶ that we know, or in the ordinary course of our business, ought to know, or
- ▶ in respect of which we have waived your duty.

Your general duty applies to renewals and changes

Your general duty applies in full when you renew an insurance policy or change an existing policy including when you extend or reinstate it.

Your general duty is limited for new policies

When you apply for a new policy your duty of disclosure applies, but you do not need to disclose something to us unless we specifically ask you about it. However, you must be honest in answering any questions we ask you. You have a legal duty to tell us anything you know, and which a reasonable person in your circumstances would include in answering the questions. We will use the answers in deciding whether to insure you and anyone else to be insured under the policy, and on what terms.

Who needs to tell us

It is important that you understand you are disclosing to us and answering our questions for yourself and anyone else 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.

We respect your privacy

Vero Insurance Limited is a member of the Suncorp Group.

The Privacy Act 1988 (Cth) requires us to inform you that:

Purpose of collection

Personal information is information about an identifiable individual and includes facts or an opinion about you which identifies you or by which your identity can be reasonably determined. The collection of your personal information is essential to enable us to conduct our business of offering and providing you with our range of financial products and services.

We collect personal information for the purposes of:

- ▶ identifying you when you do business with us,
- ▶ establishing your requirements and providing the appropriate product or service,
- ▶ setting up, administering and managing our products and services,
- ▶ assessing and investigating, and if accepted managing a claim made by you under one or more of our products,
- ▶ improving our financial products and services, including training and developing our staff and representatives.

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

Consequences if personal information is not provided

If we request personal information about you and you do not provide it, we may not be able to provide you with the financial product or service that you request, provide insurance cover, manage or pay any claim under an insurance policy, manage your product or provide any benefits, or provide you with the full range of services we offer.

Disclosure

We use and disclose your personal information for the purposes we collected it.

We may also use and disclose your personal information for a secondary purpose related to the purpose for which we collected it, where you would reasonably expect us to use or disclose your personal information for that secondary purpose. In the case of sensitive information, any secondary purpose, use or disclosure will be directly related to the purpose of collection.

When necessary and in connection with purposes listed above, we may disclose your personal information to and/or collect your personal information from:

- ▶ other companies within the same Group,
- ▶ where required or authorised under our relationship with our joint venture companies,
- ▶ information technology providers, including hardware and software vendors and consultants such as programmers,
- ▶ customer research organisations,
- ▶ intermediaries including a representative acting on your behalf, other Australian Financial Services Licensee or our authorised representatives and our agents,
- ▶ where you are an insured person and not the policy holder, we will disclose to the policy holder,
- ▶ government, law enforcement or statutory bodies,
- ▶ the Financial Ombudsman Service,
- ▶ other insurers, financial institutions, insurance and claims reference agencies, credit agencies, loss assessors, financial or investigative service providers,
- ▶ legal and other professional advisers,
- ▶ hospitals, medical and health professionals,

- ▶ research and development service providers,
- ▶ printers and mail service and delivery providers for the mailing of statements, insurance policy documents and marketing material, and
- ▶ imaging and document management services.

Disclosure overseas

There are also instances where we may have to send your personal information overseas or collect personal information from overseas. These instances include:

- ▶ sending your personal information to companies in the same Group,
- ▶ when you have asked us to do so,
- ▶ when we are authorised or required by law to do so,
- ▶ when we have outsourced a business activity or function to an overseas service provider with whom we have a contractual arrangement, or
- ▶ certain electronic transactions when it is necessary in order to facilitate a transaction on your behalf.

We will only send your personal information overseas or collect personal information about you from overseas for the purposes in this statement and in compliance with the privacy regime.

Access

You can request access to the personal information we hold about you by contacting us.

In some circumstances, we are able to deny your request for access to personal information. If we deny your request for access, we will tell you why.

If accessing your personal information will take an extended period of time, we will inform you of the likely delay. For more detailed requests for access to personal information, for example, access to information held in archives, a fee may be charged to cover the associated cost of retrieval and supplying this information.

Marketing

We would like to use and disclose your personal information to keep you up to date with the range of products and services available from us and other companies within the same Group. Generally, our companies in the Group will use and disclose your personal information for the Group's marketing purposes.

If you do not want us to use and disclose your personal information for the purpose of marketing products and services to you, you should contact and tell us.

Contact

Please contact us to:

- ▶ change your mind at any time about receiving marketing material,
- ▶ request access to the personal information we hold about you, or
- ▶ obtain more information about our privacy practices by asking for a copy of our Privacy Policy.

You can contact us by sending a letter to:

The Privacy Officer
GPO Box 3999
Sydney NSW 2001

Our Privacy Policy can also be found on our website at:

http://www.suncorp.com.au/suncorp/legal/privacy_policy.aspx

The General Insurance Code of Practice

We have adopted the General Insurance Code of Practice which has been developed by the Insurance Council of Australia. The Code is designed to promote good relations and good insurance practice between insurers, intermediaries and consumers.

The Code sets out what we must do when dealing with you. Please phone us if you want more information about the Code.

If you're not satisfied, tell us... we want to know so we can help!

Our goal is to have you as a loyal and happy customer. We want you to be completely satisfied in all your dealings with us.

Vero is committed to:

- ▶ listening to what you tell us,
- ▶ being accurate and honest in telling you about our products and services,
- ▶ communicating with you clearly, and
- ▶ resolving any complaints or concerns you have.

This is part of our commitment to the General Insurance Code of Practice. Please contact us if you would like to know more about the Code of Practice.

So if you think we have let you down in any way, or our service is not what you expect (even if through one of our agents*), please let us know so we can help.

How to tell us when you are not happy (or even if you just want to clarify something).....

If you have a complaint about our products or services please tell the staff member or agent you are dealing with. If your complaint is not resolved to your satisfaction or you do not wish to contact that person, you can

- ▶ phone us on: 1800 689 762 (FREE CALL)
- ▶ fax us on: 1300 767 337
- ▶ write to us at: Reply Paid 1453
Customer Relations Unit RE058
GPO Box 1453
BRISBANE 4001 or
- ▶ email us on: customer.relations@vero.com.au

If you choose to write us a letter please ensure that you provide as much detail as possible including the reference, policy or claim number, as well as any extra information you feel we may not already have.

*Agents can be authorised representatives, distributors, assessors or loss adjusters and investigators (and repairers or builders when we appoint them to provide their professional opinion to us).

What we will do....

When you first let us know about your complaint or concern:

- ▶ it will be handled by the person who has authority to deal with it; and
- ▶ this person will review your complaint, consider the facts and contact you to resolve your complaint as soon as possible, usually within 24 hours.

If the matter cannot then be resolved to your satisfaction, it will be referred to the relevant Manager, who will contact you within 5 working days. If you are still not satisfied with the outcome, it will be referred to our Customer Relations Team. We will send you our final decision in writing within 15 working days from the date you first made your complaint.

If more information is required or our assessment or investigation of your complaint will take longer than 15 days to complete, we will agree a reasonable alternative timeframe with you and contact you every 10 days with details of progress.

Rest assured...

We are committed to answering any questions or resolving any concerns you might have.

We expect our procedures will deal fairly and promptly with your complaint. However, if you remain dissatisfied you also have external dispute resolution options.

You can raise certain complaints directly with the Financial Ombudsman Service Limited ("FOS"). This is an independent body and its service is free to our customers. You must contact them within 2 years of receiving our final decision.

We agree to accept the FOS decision. You have the right to take legal action if you don't accept their decision.

You can contact FOS by:

- ▶ phoning: 1300 780 808 for the cost of a local call
- ▶ writing to: GPO Box 3, Melbourne Victoria 3001
- ▶ faxing: (03) 9613 6399
- ▶ email: info@fos.org.au
- ▶ visiting: www.fos.org.au

The FOS is available to customers and third parties that fall within the Terms of Reference of the FOS. Where the FOS Terms of Reference do not extend to your dispute, we will give you information about other external dispute resolution options that may be available to you.

Cooling off

You have the right to cancel and return the insurance contract within 30 days of the date it was issued to you ('cooling off period'), unless you make a claim under the contract within the cooling off period. If you cancel during this time, we will return the amount you have paid.

To cancel at other times, please see "Cancelling your policy" on page 87 of the policy wording.

Part 2: Policy Wording

Index

Insurer	27
Our agreement with you	27
Information you need to tell us	27
Defined terms	29
Section 1: Loss of rent and legal expenses (Short Stay)	35
What we do cover	35
What we do not cover	38
Additional benefits	38
Conditions – Section 1	39
Basis on which claims are paid	40
Section 2: Contents	41
What are 'Contents'?	41
'Contents' are not	41
What we do and do not cover (Contents)	43
Basis on which claims are paid	47
Section 3: Building (limited cover)	51
What is 'Building'?	51
'Building' is not	51
What we do cover (building)	52
What we do not cover (building)	53
Basis on which claims are paid	55
Section 4: Liability to others	57
What we do cover (liability)	57
What we do not cover (liability)	57
Section 5: Tax Audit	59
Words with special meanings	59
Tax Audit - What we do cover	62
Tax Audit –Exclusions	63
Tax Audit - How much we will pay	65
Tax Audit - Conditions	66
Tax Audit - How to make a claim	66
Section 6: Loss of rent and legal expenses (Long Stay)	69
What we do cover	69
What we do not cover	72
Additional benefits	73
Conditions- Section 6	74
Basis on which claims are paid	76
Making a claim	77
General terms and conditions	85
General exclusions	89

Insurer

Vero Insurance Limited, ABN 48 005 297 807, AFS Licence No. 230859, is the insurer and issuer of this policy. References to 'us', 'we' and 'our' in this Policy are to the insurer.

In arranging this insurance policy, Terri Scheer Insurance Pty Ltd ABN 76 070 874 798, AFS Licence No. 218585, will be acting under authority given to them by Vero. They will be acting as agents of Vero, not as *your* agent.

Our agreement with you

Your Policy consists of this Policy Wording and the Policy Schedule we give *you*.

The Policy is a legal contract between *you* and us:

- ▶ *you* agree to pay us the premium, and
- ▶ we will provide *you* with the cover *you* have chosen as set out in the Policy, occurring during the *period of insurance* shown on *your* Policy Schedule or any renewal period.

Information you need to tell us

Changing your Policy

If you want to make a change to this Policy, the change becomes effective when we agree to it, and when we give you a new *Policy Schedule* showing the revised details of the insurance. Any new *Policy Schedule* we give *you* will be in writing, and it will be effective if it is delivered:

- ▶ to *you* personally, or
- ▶ posted to *your* address last known to us.

Change of circumstances during the period of insurance

You must tell us as soon as possible:

- ▶ if *your* personal details change, including *your* name, mailing or insured address,
- ▶ if there is any significant change in condition or change in use of the *property* other than a change from *short stay* to *long stay* or from *long stay* to *short stay*. However, a permanent change to *long stay* should be notified to us,
- ▶ of any changes that increase the risk of a claim being made under this insurance, such as that you are having major renovations undertaken or the *property* falls into a state of disrepair,
- ▶ if you transfer the management of *your property* from one licensed real estate agency to another licensed real estate agency during the *period of insurance*,
- ▶ if *your property* ceases to be managed by a licensed real estate agent during the *period of insurance*. The Policy will come to an end at 4.00pm on the third business day following the day *your property* ceases to be managed by a *Property Manager*.

When you tell us that *your property* is no longer managed by a licensed real estate agent, we will cancel *your* policy and refund to *you* a proportion of the premium based on the remaining *period of insurance*, less any taxes which are not refundable.

Defined terms

Some key words and terms used in this Policy have a special meaning – these words are shown in *italic* throughout this document. If words and terms are only used in just one Section of the Policy, we will describe their special meaning in that Section. Wherever the following words or terms are used in the Policy, they mean what is set out below:

Above ground pool	A pool that has most of its water volume above the average ground level.
Absconding	The tenant vacating the <i>property</i> without having given the notice required under the <i>lease</i> . It includes a <i>tenant</i> breaching the <i>Lease</i> terms by not satisfying any legal obligations such as payment for re-letting, advertising and <i>rent</i> .
Accidental loss or damage	A sudden or unexpected loss which is caused by persons including <i>your tenant</i> , their family or their guests, but excludes: <ul style="list-style-type: none"> ▶ damage caused over a period of time, ▶ <i>malicious damage</i>, ▶ <i>deliberate damage</i>, ▶ damage otherwise excluded by this policy, and ▶ neglect, wear and tear.
Act	The <i>Act</i> of parliament relating to residential tenancies in <i>your</i> state or territory.
Act of Terrorism	An act, including but not limited to the use of force or violence and/or the threat of these, of any person or group(s) of persons, whether acting alone or on behalf of or in connection with any organisation(s) or government(s) which from its nature or context is done for, or in connection with, political, religious, ideological, ethnic or similar purposes or reasons, including the intention to influence any government and/ or to put the public, or any section of the public, in fear.
Bond money/ monies	Those monies paid by the <i>tenant</i> and held as security deposit against damage or outstanding <i>rent</i> .

Building	<i>Building</i> is defined in Section 3: <i>Building</i> of this Policy
Contents	<i>Contents</i> are defined in Section 2: <i>Contents</i> of this Policy.
Deliberate damage	<p>An act carried out without the owner's consent and with the full knowledge that the action will alter the current state of the <i>property</i>, but without any spite, malice or vindictiveness. This does not include:</p> <ul style="list-style-type: none"> ▶ damage caused by the landlord or someone acting under the express consent of the landlord or the landlord's family, ▶ <i>tenant</i> carelessness, neglect, unhygienic living habits or poor housekeeping, ▶ <i>malicious damage</i>, ▶ damaged caused by domestic pets, ▶ scratching, denting or chipping, or ▶ <i>accidental loss or damage</i>, ▶ damage otherwise excluded by this policy.
Excess	The first amount of any claim which you contribute. We will deduct the amount of the <i>excess</i> before the application of the maximum sum insured limits. The <i>excess</i> must be paid by <i>you</i> and is not considered a <i>re-letting expense</i> to be deducted from the security bond.
Fixed term lease	A written <i>lease</i> contract for a specific time agreed upon at the beginning of the tenancy (e.g. six or twelve months).
Floating timber floor boards	Timber floors which are loosely laid (i.e. not fixed) onto a subfloor such as a concrete slab. The floorboards may be secured around the edge of the room or to each other, but not to the subfloor.
Flood	The inundation of normally dry land by water from any watercourse, lake, canal, dam or reservoir.
In-ground swimming pool	A pool which has most of its water volume below the average ground level.

Lease	For <i>long stay tenancies</i> this is the contract in place between <i>you</i> and the <i>tenant</i> to rent the <i>property</i> in accordance with the Residential Tenancy Act in <i>your</i> state or territory. This can either be a fixed term or <i>periodical lease</i> .
Legal expenses	The expenses incurred by the appointment of a solicitor/lawyer, with our prior approval and for the purpose of minimising the claim.
Long stay tenancy/tenancies	Tenancies which are governed by the Residential Tenancy Act in <i>your</i> State or Territory.
Malicious damage	Damage committed on the <i>property</i> which is motivated by spite, malice or vindictiveness with the intention of damaging the <i>property</i> . This does not include: <ul style="list-style-type: none"> ▶ damage caused by the landlord or someone acting under the express consent of the landlord or the landlord's family, ▶ <i>tenant</i> carelessness, neglect, unhygienic living habits or poor housekeeping, ▶ <i>deliberate damage</i>, ▶ damage caused by children, ▶ damage caused by domestic pets, ▶ scratching, denting or chipping, or ▶ damage as a result of repairs or attempted repairs carried out by the <i>tenant</i>.
Maximum amount	The maximum we will pay (inclusive of all <i>legal expenses</i>) for any one <i>occurrence</i> arising from an insured event.
Occurrence	Includes continuous or repeated exposure to substantially the same general conditions. We regard all death, bodily injury or loss of or damage to <i>property</i> arising from one original source or cause as one <i>occurrence</i> .
Open air	In or under any part of the site which is not fully enclosed by walls and a roof, such as a veranda, carport, gazebo or outdoor living area within the land boundaries, <ul style="list-style-type: none"> ▶ in or on a motor vehicle, motorcycle, trailer or caravan, whether those vehicles are locked or not. ▶ “<i>Open air</i>” does not mean in common or shared areas of home units, flats, villas and the like.

Period of insurance	The period shown on the <i>Policy Schedule</i> .
Periodical lease	A <i>lease</i> (written, verbal or implied) for an indefinite period until it is lawfully terminated by either party or by the relevant governing body.
Period of stay	The period for which the <i>property</i> has a documented rental booking made by a <i>tenant</i> (s) under a <i>short stay tenancy</i> .
Policy Schedule	The schedule of insurance or any endorsement schedule we give <i>you</i> .
Property	The <i>building</i> and its <i>contents</i> at the <i>situation</i> set out in the <i>Policy Schedule</i> which is: <ul style="list-style-type: none"> ▶ owned by <i>you</i>, ▶ for use by the <i>tenant</i>, ▶ primarily used a residential rental, and ▶ which is no more than 2 acres in size.
Property Manager	The licensed real estate agent or on-site <i>Property Manager</i> shown as the 'managing agent' in the <i>Policy Schedule</i> .
Rainwater	Rain which falls naturally from the sky. It includes <i>rainwater</i> run-off over the surface of the land, but not <i>flood</i> .
Re-letting expenses	<i>Re-letting expenses</i> as specified in the current <i>lease</i> for <i>your property</i> for which the <i>tenant</i> is responsible.
Rent	For <i>long stay tenancies</i> this is the <i>rent</i> applying under the <i>lease</i> at the time of loss or damage. For <i>short stay tenancies</i> this is <i>rent</i> from documented (paper or electronic) rental bookings(s) or rental agreement(s), at the time of loss or damage.
Rent arrears	Means the <i>tenant's</i> rental payments were in arrears to the extent that a vacate/breach notice on the grounds of a breach of the <i>lease</i> to pay <i>rent</i> could have been issued in accordance with the Residential Tenancy Act in <i>your</i> state or territory.

Short stay tenancy	Tenancies which are not <i>long stay tenancies</i> and where each of the following applies: <ul style="list-style-type: none"> ▶ a documented (paper or electronic) booking confirmation has been issued, ▶ no one individual booking is greater than 12 weeks in duration, and ▶ a deposit or full <i>rent</i> payment has been made to <i>you</i> or <i>your Property Manager</i>.
Situation	The address at which the <i>property</i> is located.
Storm	Violent wind, cyclone or tornado which may also include rain, hail or snow.
Storm surge	A rise in the sea level due to the meteorological conditions above the predicted astronomical tide level of a particular day.
Tenant	The person or persons named in the <i>lease</i> or documented (paper or electronic) booking confirmation who occupy the <i>property</i> and pay <i>rent</i> under either a <i>long stay tenancy</i> or a <i>short stay tenancy</i> .
Tenant's family	These people if they normally reside in the <i>property</i> - the <i>tenant's</i> spouse (legal or de-facto), or partner, parents, parents- in-law, siblings or siblings of the <i>tenant's</i> spouse, children or the children of the <i>tenant's</i> spouse.
Tenantable	The <i>property</i> could be reasonably and safely re-let in its current condition without adversely affecting the amount of <i>rent</i> being sought.
Tsunami	A sea wave caused by a disturbance of the ocean floor or by seismic movement.
Uninhabited	That in the 90 day period before loss or damage occurred, no person resided in the insured building overnight on at least one occasion.
Untenantable	The <i>Property Manager</i> could not reasonably attempt to re-let the <i>property</i> until loss or damage, either claimable under this Policy or allowable as <i>re-letting expenses</i> using bond monies, has been repaired, replaced or reinstated but does not include periods of elective maintenance or improvement.

Watercraft	Any vessel, machine or object designed to be used on or in water.
You, Your	The person(s), companies or firms named on the current Policy Schedule as the 'Insured'.
Your family	Any member of <i>your family</i> who lives permanently with <i>you</i> , including <i>your</i> partner.

Section 1: Loss of rent and legal expenses (Short Stay)

What we do cover

We will cover *your* loss of *rent* in connection with a *short stay tenancy* caused by any of the Insured Events listed in this Section 1 occurring during the *period of insurance*. The cover provided by this section is subject to the basis set out under the heading 'Basis on which claims are paid' and is subject to the Limits and Conditions applicable to this section and the General Conditions and General Exclusions applying to this Policy together with the requirements outlined under the heading 'Making a claim'.

Insured Event	Limit
<p>a) Untenantable (building)</p> <p><i>Your property becomes untenantable</i> due to:</p> <ul style="list-style-type: none"> ▶ damage to the building caused by any of the Insured Events listed in Section 3. <p>We will pay <i>your</i> loss of <i>rent</i> commencing from the date the <i>property</i> became <i>untenantable</i> until whichever of the following occurs first:</p> <ul style="list-style-type: none"> ▶ the <i>property</i> becomes <i>tenantable</i>, or ▶ the commencement of a new booking, or ▶ the limit is reached. <p>During the period the <i>property</i> is <i>untenantable</i>, we will only pay for loss of <i>rent</i> for those days where a documented rental booking was in place, subject to the limit shown.</p>	<p>52 weeks loss of <i>rent</i> per claim, but no more than \$50,000 in any one <i>period of insurance</i>.</p>
<p>b) Untenantable (murder/suicide)</p> <p><i>Your property becomes untenantable</i> due to:</p> <ul style="list-style-type: none"> ▶ murder or suicide, or attempted murder or suicide at the <i>property</i> which results in damage to the <i>property</i>. 	<p>52 weeks loss of <i>rent</i> per claim, but no more than \$50,000 in any one <i>period of insurance</i>.</p>

<p>We will pay <i>your</i> loss of <i>rent</i> commencing from the date the <i>property</i> became <i>untenantable</i> until whichever of the following occurs first:</p> <ul style="list-style-type: none"> ▶ the <i>property</i> becomes <i>tenantable</i>, or ▶ the commencement of a new booking, or ▶ the limit is reached. <p>During the period the <i>property</i> is <i>untenantable</i>, we will only pay for loss of <i>rent</i> for those days where a documented rental booking was in place, subject to the limit shown.</p>	
<p>c) Untenantable (death of tenant)</p> <p><i>Your property</i> becomes <i>untenantable</i> due to:</p> <ul style="list-style-type: none"> ▶ the death of a <i>tenant</i> at the <i>property</i> which results in damage to the <i>property</i>. <p>We will pay <i>your</i> loss of <i>rent</i> commencing from the date the <i>property</i> became <i>untenantable</i> until whichever of the following occurs first:</p> <ul style="list-style-type: none"> ▶ the <i>property</i> becomes <i>tenantable</i>, or ▶ the commencement of a new booking, or ▶ the limit is reached. <p>During the period the <i>property</i> is <i>untenantable</i>, we will only pay for loss of <i>rent</i> for those days where a documented rental booking was in place, subject to the limit shown.</p>	<p>26 weeks loss of <i>rent</i> per claim, but no more than \$25,000 in any one <i>period of insurance</i>.</p>
<p>d) Untenantable (contents)</p> <p><i>Your property</i> becomes <i>untenantable</i> due to:</p> <ul style="list-style-type: none"> ▶ damage to <i>your contents</i> only caused by any of the Insured Events listed in Section 2. 	<p>6 weeks loss of <i>rent</i> per claim, but no more than \$6,000 in any one <i>period of insurance</i>.</p>

<p>We will pay <i>your</i> loss of <i>rent</i> commencing from the date the <i>property</i> became <i>untenantable</i> until whichever of the following occurs first:</p> <ul style="list-style-type: none"> ▶ the <i>property</i> becomes <i>tenantable</i>, or ▶ the commencement of a new booking, or ▶ the limit is reached. <p>During the period the <i>property</i> is <i>untenantable</i>, we will only pay for loss of <i>rent</i> for those days where a documented rental booking was in place, subject to the limit shown.</p>	
<p>e) Prevention of access</p> <p><i>Your tenant</i> does not have access to <i>your property</i>, as a result of damage to it, or other <i>property</i> in its immediate vicinity caused by an Insured Event listed in Section 2 of this Policy (except <i>Malicious damage</i>).</p> <p>We will pay <i>your</i> loss of <i>rent</i> commencing from the date access was prevented until whichever of the following occurs first:</p> <ul style="list-style-type: none"> ▶ when access was restored, or ▶ the limit is reached. <p>During the period where access to the <i>property</i> was prevented, we will only pay for loss of <i>rent</i> for those days where a documented rental booking was in place, subject to the limit shown.</p>	<p>26 weeks loss of <i>rent</i> per claim, but no more than \$25,000 in any one <i>period of insurance</i>.</p>
<p>f) Failure to vacate</p> <p><i>Your tenant</i> fails to vacate at the end of a documented rental booking and pay any additional <i>rent</i> required.</p> <p>We will pay <i>your</i> loss of <i>rent</i> commencing from the day after the end of the documented rental booking, through to</p>	<p>26 weeks loss of <i>rent</i> per claim, but no more than \$25,000 in any one <i>period of insurance</i>.</p>

<p>whichever of the following occurs first:</p> <ul style="list-style-type: none"> ▶ the date the <i>tenant</i> vacates, or ▶ the limit is reached. <p>During the period of cover, we will only pay for loss of <i>rent</i> for those days where a documented rental booking was in place, subject to the limit shown.</p>	
<p>g) Death of tenant</p> <p><i>Your tenant or tenant's family die unexpectedly during their period of stay.</i></p> <p>We will pay <i>your</i> loss of <i>rent</i> from the date of death through to whichever of the following events occurs first:</p> <ul style="list-style-type: none"> ▶ the end of the <i>tenant's</i> contracted rental booking, or ▶ the commencement of a new booking. 	<p>12 weeks loss of <i>rent</i> per claim, but no more than \$12,000 in any one <i>period of insurance</i>.</p>

What we do not cover

We do not pay any amount for loss of *rent* in relation to:

- ▶ a *long stay tenancy*,
- ▶ security bonds or deposits collected from tenants,
- ▶ seasonal fluctuations in rental income,
- ▶ market conditions such as variation in demand, or
- ▶ operating expenses of the *property*, such as, but not limited to, the cost of rates, gas, water or electricity.

Additional benefits

Your legal expenses

If we have accepted a claim under an Insured Event under Section 1 of this Policy, we will also pay up to \$5,000 for each claim for *legal expenses*, provided they have been incurred with our prior written approval, and are for the purpose of reducing *your* claim under Section 1 of this Policy or filing a legal defence while the claim is being investigated.

Conditions – Section 1

A claim under 'Section 1- Loss of rent and legal expenses – Short Stay' may be refused or reduced if the following terms and conditions have not been met or followed.

Delays

If *you* cause unreasonable delays in making the *property* available for rental by delaying:

- ▶ the notification of *your* claim to us,
- ▶ the commencement or carrying out of any rebuilding work or repairs,
- ▶ preparing the *property* for rental following a murder or attempted murder or suicide or attempted suicide at the *property*,
- ▶ arranging access to *your property* following loss or damage to it or other *property* in its immediate vicinity,
- ▶ seeking the removal of tenants who do not vacate, or
- ▶ making the *property* available for rental following an unexpected death,

we will reduce the loss of *rent* calculation to take into account any loss of *rent* that results from *your* delay.

Loss of rent before commencement of policy

We do not cover loss of *rent*, for any period before the commencement of the initial *period of insurance*.

Market conditions

This Policy does not cover *your* inability to rent the premises due to adverse market conditions. This means that if none of the Insured Events covered by Section 1 has occurred and the conditions of the rental market dictate that a vacancy period will be sustained between tenancies, the Policy will not cover that loss.

Alternate accommodation

Section 1 does not provide cover for alternate accommodation costs for the *tenant* as a result of the *property* becoming *untenantable* for any reason.

Basis on which claims are paid

Rent calculation

Loss of *rent* will be calculated based on the daily rental rate applicable to each booking.

How we calculate what we pay

Subject to 'Conditions – Section 1', we will pay *you* the actual amount of *rent you* have lost from each documented rental booking which was caused by Insured Events (a), (b), (c), (d), (e), (f) or (g) in this section.

This calculation will include:

- ▶ any paid *rent* or deposits *you* have returned to tenants in relation to their documented rental bookings which could not be fulfilled, plus
- ▶ any unpaid *rent* in relation to documented rental bookings or rental agreements which cannot be fulfilled, plus
- ▶ any other shortfall in *rent* received for the period when future bookings cannot be accepted. If necessary, any shortfall in *rent* received will be determined by comparing the *rent* received to that received in the same period in the previous financial year and taking into account any change in the rents in this financial year.

The *rent* payable for each booking will then be combined. If the resultant amount exceeds the limit that applies to the associated Insured Event, it is then reduced to that limit.

Claims for more than one Insured Event

Where a claim is possible under more than one of the Insured Events of this Section, *you* may only claim under one of those Insured Events for any one period of *rent* loss.

Section 2: Contents

What are 'Contents'?

Contents include any of the items listed below which are owned by *you* (or which *you* are legally responsible for), which are listed in the most recent inventory/*property* condition report and which have been left at the *property* for the *tenant* to use:

- ▶ portable household goods and electrical appliances,
- ▶ household furniture, furnishings and light fittings (not hardwired to the building),
- ▶ curtains or internal blinds,
- ▶ floating timber floorboards,
- ▶ carpets and floor rugs,
- ▶ *above ground pools* or spas (including their fixed accessories).

Strata Titled Buildings

For Strata titled buildings '*contents*' also means: temporary wall, floor and ceiling covers, and any fixture or structural improvement servicing a particular lot which the body corporate or similar is not required by law to insure.

'Contents' are not

Contents do not include any of the following items:

- ✘ anything included in the definition of '*Building*' in Section 3 of this Policy,
- ✘ manchester and linen,
- ✘ cutlery and crockery,
- ✘ computers, computer tapes, or disks,
- ✘ cameras and photographic equipment,
- ✘ electronic data and images on films, negatives or photographs, memory cards, hard drives, video tapes, compact disks and DVD's,
- ✘ tools of trade, commercial or retail stock,

- ✘ pets, animals, birds, reptiles or insects,
- ✘ plants, hedges, trees or shrubs, except those in pots or tubs,
- ✘ grass, lawn or artificial turf,
- ✘ soil or bark (mulch), gravel, stones, shale or clay on or in paths, gardens, driveways or tennis courts,
- ✘ any *property* which is illegally in *your* possession,
- ✘ clothing, jewellery, furs, watches or other personal effects,
- ✘ cash, coins, transaction cards or any other negotiable instruments,
- ✘ unset precious stones,
- ✘ antiques (except antique furniture),
- ✘ gold or silver objects or materials made of, covered by or containing gold or silver,
- ✘ sporting goods or equipment,
- ✘ stamps, coins or medals,
- ✘ wills, share certificates, manuscripts, plans and documents of any kind,
- ✘ pictures or works of art valued at more than \$200 each item,
- ✘ hand woven rugs or hand woven carpets,
- ✘ *watercraft*, bicycles, vehicles of any type (including, wheel chairs, motor vehicles, trailers, caravans, motorised toys, motor cycles, all-terrain vehicles), aircraft, or *contents* stored in any of these,
- ✘ accessories or spare parts of *watercraft*, bicycles, vehicles of any type (including wheel chairs, motor vehicles, trailers, caravans, motorised toys, motor cycles, all-terrain vehicles) or aircraft,
- ✘ *property* whilst in storage at the insured *property* or stored elsewhere in Australia, and
- ✘ goods contained within the *property* which are owned by *you* but not intended by *you*, to be used by the *tenant*.

What we do and do not cover (Contents)

If any of the Insured Events listed in this Section 2 occur during the *period of insurance*, we will pay for resulting loss or damage to *your Contents*. This will be on the basis set out under the heading 'Basis on which claims are paid' and subject to the Limits, Conditions and Exclusions applicable to this section and the General Conditions and Exclusions applying to this Policy together with the requirements outlined under the heading 'Making a claim'.

Insured Events	
a)	Accidental loss or damage , except when the <i>property</i> is occupied by <i>you</i> or <i>your family</i> or <i>your</i> non-paying guests.
b)	Fire or explosion .
c)	Lightning , including power surge caused by lightning striking power supplies away from the <i>property</i> , but only when <i>you</i> can show us reasonable meteorological evidence that lightning was the most likely cause of the power surge.
d)	Earthquake X But not tidal wave or <i>tsunami</i> .
e)	Riot or civil commotion .
f)	Malicious damage caused by: <ul style="list-style-type: none">▶ <i>your tenant</i>,▶ <i>your tenant's family</i>,▶ <i>your tenant's visitors</i>,▶ an unknown person e.g. a burglar. We will not provide cover when: X the <i>property</i> is occupied by or damaged by <i>you</i> or <i>your family</i> or <i>your</i> non-paying guests.
g)	Deliberate damage caused by: <ul style="list-style-type: none">▶ <i>your tenant</i>,▶ <i>your tenant's family</i>,▶ <i>your tenant's visitors</i>,▶ an unknown person e.g. a burglar.

We will not provide cover when:

- ✘ the *property* is occupied by or damaged by *you* or *your family* or *your* non-paying guests.

h) **Theft** or damage due to theft caused by:

- ▶ *your tenant*,
- ▶ *your tenant's family*,
- ▶ *your tenant's* invited guests, or
- ▶ an unknown person e.g. a burglar.

We will not provide cover if:

- ✘ caused by *you* or *your family*, *your* non-paying guests. or any person acting for *you*.

i) **Water damage** due to the accidental escape of liquid from any:

- ▶ *rainwater* pipes, roof guttering and drains,
- ▶ water main or pipe,
- ▶ water tanks, aquariums and hot water systems,
- ▶ roads, pathways, gutters,
- ▶ washing machine or dishwasher, and
- ▶ other parts of the *property* designed to contain or carry liquid such as sinks, basins, baths and cisterns.

We will not provide cover for:

- ✘ loss or damage caused by the gradual escape of liquid over a period of time,
- ✘ loss or damage caused by the porous condition of any tiles, grout or sealant,
- ✘ loss or damage due to a leaking shower base which has not been fitted with a tray or water proof membrane, or
- ✘ the cost to locate or repair the defective part or item that causes the loss or damage.

j) **Oil leakage** from any heater

- k) **Glass breakage** in free standing furniture such as table tops, dressing table mirrors and wall units but excluding glass:
- ✗ in clocks, pictures, radios, television sets or visual display units (e.g. computer monitors),
 - ✗ that was damaged or that had imperfections before the breakage, or
 - ✗ that is only chipped or scratched or which arises from any imperfections in the glass.

- l) **Impact** by:
- ▶ motor vehicles or water craft,
 - ▶ aircraft, space debris or satellites,
 - ▶ falling trees and branches, or
 - ▶ TV antennae, satellite dishes or radio masts.
- We will not pay for:
- ✗ damage caused by tree lopping or felling carried out by *you* or at *your* request, or
 - ✗ removal of the fallen tree or branch unless it is required to allow repairs to be carried out.

- m) **Storm** or **rainwater**, but there is no cover for loss or damage:
- ✗ caused by *flood*,
 - ✗ caused by wind, *rainwater*, hail or snow penetrating into *your building*, unless it enters as a result of structural damage made by the *storm*,
 - ✗ caused by wind, *rainwater*, hail or snow penetrating into *your building* as a result of faulty design of *your building* or faulty workmanship in its construction,
 - ✗ caused by wind, *rainwater*, hail or snow penetrating into *your building* as a result of structural alterations, additions, renovations or repairs,
 - ✗ caused by the action of the sea, high water, high tide, *storm surge*, tidal wave or *tsunami*,
 - ✗ due to erosion, subsidence, landslide, mudslide, expansion or contraction of the earth, any other earth movement or underground water,
 - ✗ due to rust, corrosion, wear, tear or gradual deterioration,
 - ✗ to swimming pool or spa covers or liners,

- ✘ resulting from *your* failure, or failure by *your Property Manager*, to maintain the *property* in a good state of repair or failure to fix damage or deterioration,
- ✘ due to a defect that *you* or *your Property Manager* were aware of or should reasonably have been aware of.

Under no circumstances will we pay the cost of rectifying the defect itself.

n) **Electric motor burnout**

We will pay up to \$2000 for the cost to repair or replace any motor in a household electrical machine or appliance, but only if:

- ▶ the electrical machine or appliance forms part of *your contents*, and
- ▶ the motor is burnt out by electric current, and
- ▶ the motor is burnt out at the *property*.

We will not pay for:

- ✘ costs to replace fuses or protective devices, contact switches or relays, lighting or heating elements, starter switches, other parts where sparking or arcing occurs during their ordinary use,
- ✘ damage to mechanical parts of any description,
- ✘ the hiring of a replacement appliance or machine,
- ✘ any electrical appliance or component which is not an electric motor,
- ✘ mechanical parts which do not carry an electric current such as a pump,
- ✘ loss of or damage to computer software or data stored on a computer,
- ✘ lighting or heating elements, fuses or switches of any kind,
- ✘ damage to swimming pools, spas or their water as a result of fusion, or
- ✘ any amount recoverable under a manufacturer's guarantee or warranty.

However, *you* must contribute towards the cost of replacement parts where the age of the motor is more than 5 years. The contribution will be 7% of the cost of the replacement parts for each complete year of age from new.

For example: If the motor is 6 years old, we will depreciate it by 42% (6 years x 7%), meaning that if the cost of replacement parts is \$1000, we will deduct \$420 depreciation.

Contents in the 'open air'

We will not cover loss or damage to *contents* in the *open air*, unless the loss or damage results from Insured Events (f) '*malicious damage*', or (h) 'theft' under What we do and do not cover (Contents). We will not pay more than \$1500 for each claim for *contents* in the *open air*.

Basis on which claims are paid

Limit of Amount Payable

The maximum combined amount we will pay under Section 2: '*Contents*', and Section 3: '*Building*', during any one *period of insurance* is \$60,000 or the sum insured shown in the *Policy Schedule*.

Deliberate damage is limited to \$500 per claim.

Floating timber floor boards are limited to \$2,000 per claim.

How we calculate what we will pay

After considering the terms and conditions of the policy we will determine the amount of loss or damage that is covered. This will be reduced by:

- ▶ any available bond money from the *tenant**, then
- ▶ by any applicable excess (s)**.

*When *your contents* are damaged by the *tenant* under a *long stay tenancy* you must use their bond money for *re-letting expenses* and rental arrears and then apply any balance to reduce the loss or damage being claimed. We will not pay for loss of, or damage to *contents* items that could have, but were not deducted from the bond prior to making a refund of bond money to the *tenant*.

When *your contents* are damaged by the *tenant* under a *short stay tenancy* and you are entitled to use their bond money to reduce or settle the loss, you must do so.

**Refer to section 'Making a Claim' for *excess* values and how they are applied.

We will then apply the policy limit (if applicable) to *your* claim and pay *you* the remaining amount. We will not pay more than the sum insured shown on *your Policy Schedule*.

Repairing and replacing contents

When an Insured Event causes loss or damage to *your contents* during the *period of insurance*, and we accept *your* claim, we will decide which of the following actions we will take.

- ▶ **Repair** - if an item can be economically repaired we will pay the reasonable cost of repairing it with new materials.
- ▶ **Replace** – unless otherwise stated, we will replace any items which are less than 20 years old with a new one at 'replacement value' if it cannot be economically repaired. For items that are over 20 years old, we will pay *you* the 'indemnity value'.
- ▶ **When *you* do not want a replacement item or repairs**– if *you* do not want us to replace an item or to repair it and want cash instead, we will pay *you* the 'indemnity value' or the cost of repairs (if repairs are possible) or the *contents* sum insured, whichever is less.
- ▶ **When the item cannot be replaced** – if we agree that an item cannot be replaced then we will pay the lesser of the *contents* sum insured or the retail value of the item at the time of the loss or damage.
- ▶ **Pay *you* the amount to repair or replace** – if we decide to pay the cost of repairing or replacing *your contents* then we will pay the lesser of the *contents* sum insured or:
 - the retail value of the item at the time of the loss or damage, if it cannot be repaired, or
 - the repair cost, if repairs are possible.
- ▶ **Pairs and sets** – if the item for which *you* are claiming forms a part of a pair, set or collection, we only pay the reasonable costs of replacing or repairing that item. We do not pay for any special value the item may have as part of the pair, set or collection.

If we decide to repair or replace *your contents* we will make reasonable endeavours to match existing materials or *contents*.

We will not pay to replace any undamaged item or materials, unless otherwise specified by us.

Indemnity value for the purposes of this section means the new replacement cost, less an allowance for age, wear, tear and depreciation, at the time of the loss or damage.

Replacement value for the purposes of this section means the new replacement cost of new items or materials with the same (or, if the same is not available, substantially the same) specifications from outlets within Australia, at the time the claim is made.

Carpets

- ▶ We will only pay for repair or replacement of carpet in the room where damage occurs – this could include carpet within that room which is undamaged. However, we will not pay to repair/replace undamaged carpet in other rooms to achieve a match with the carpet we have repaired/replaced.
- ▶ Whilst we will try to match carpet with the original materials, if this is not possible, we reserve the right to use nearest equivalent or similar materials.
- ▶ Where the carpet in one room has accidental damage caused by:
 - one event, we will apply one *excess* to the claim,
 - more than one event, we will treat the damage to the carpet in that room as 'one event' and apply one *excess* to the claim.
- ▶ Where the carpet in more than one room has accidental damage caused by:
 - one event, we will apply one *excess* to the claim,
 - more than one event, we will apply one *excess* for each room with damaged carpet.

Curtains

We will only pay for repair or replacement of damaged curtains in the room where damage occurs.

Furniture coverings

If the covering of an item of furniture cannot be repaired or replaced (or repairs have been unsuccessful) we will pay *you*.

- ▶ the replacement cost of the furniture. For furniture that is more than 10 years old, we will pay *you* the indemnity value, and
- ▶ for any unsuccessful repairs,

less any applicable *excess*.

If the covering of an item of furniture cannot successfully be repaired or replaced and it forms part of a set (or suite), we will treat the entire set as a total loss. If we do this, the set becomes our *property*.

This page has been left blank intentionally

Section 3: Building (limited cover)

What is 'Building'?

Building means the *property* owned by *you* at the address shown in the *Policy Schedule*, used principally and primarily as a residential building, and includes:

- ▶ domestic fixtures and fittings i.e. built in air conditioners and heaters, plumbed-in dishwashers, garbage disposal systems, cook tops, built-in cabinetry, doors, walls, windows (and glass), tap ware, hot water systems and shower screens,
- ▶ structural domestic improvements such as paths, driveways, garden borders, *your* proportion of fencing, gates, retaining walls, in-ground swimming pools and spas (including attachments which fit into their filter systems),
- ▶ awnings, pergolas, TV antennae, satellite dishes and letter boxes,
- ▶ fixed floor coverings such as linoleum, floor tiles and parquetry, (but not carpets)
- ▶ fixed light fittings which are hardwired to the building,
- ▶ tennis courts,
- ▶ inclinators, and
- ▶ underground services such as plumbing, sewerage, water and electrical which are located on *your property*.

'Building' is not

Building does not include:

- ✗ common *property* if the *building* is part of a strata title or any *property* that is insured by the body corporate, whether or not that *property* is contained within *your* unit or lot and whether or not any *excess* applies to the strata title insurance,
- ✗ carpets, carpet underlay or floating timber floorboards (these are insured under *contents*),
- ✗ grass, lawn, artificial turf, plants, hedges, trees or shrubs,
- ✗ soil or bark (mulch) in gardens,
- ✗ above-ground swimming pools,

- ✘ *contents* as defined in Section 2 of this Policy,
- ✘ any jetty or other marine structure,
- ✘ caravans trailers or vehicles of any kind, or
- ✘ gravel, stones, shale, or soil on paths, driveways or tennis courts.

What we do cover (building)

If any of the Insured Events listed in this Section 3 occur during the *period of insurance*, we will pay for resulting loss or damage to *your Building*. This will be on the basis set out under the heading 'Basis on which claims are paid' and subject to the Limits, Conditions and Exclusions applicable to this Section and the General Conditions and Exclusions applying to this Policy together with the requirements outlined under the heading 'Making a claim'.

Insured Events

a) **Accidental loss or damage** caused by:

- ▶ *your tenant,*
- ▶ *your tenant's family, or*
- ▶ *your tenant's invited guests,*

but only to the extent that it is not also directly or indirectly caused by a specified event that is excluded under the heading 'What we do not cover' on page 53.

We will also not provide cover when:

- ✘ the *property* is occupied by *you, your family or your non-paying guests.*

b) **Malicious damage** caused by:

- ▶ *your tenant,*
- ▶ *your tenant's family, or*
- ▶ *your tenant's invited guests.*

We will not provide cover when:

- ✘ the *property* is occupied by or damaged by *you, your family or your non-paying guests.*

c) **Deliberate damage** caused by:

- ▶ *your tenant,*
- ▶ *your tenant's family, or*
- ▶ *your tenant's invited guests.*

We will not provide cover when:

- ✘ the *property* is occupied by or damaged by *you, your family* or *your* non-paying guests.

d) **Theft or damage due to theft** caused by:

- ▶ *your tenant,*
- ▶ the *tenant's family,* or
- ▶ the *tenant's* invited guests,

but only to the extent that it is not also directly or indirectly caused by a specified event that is excluded under the heading "What we do not cover" on page 53.

We will also not provide cover when:

- ✘ the *property* is occupied by *you, your family* or *your* non-paying guests.

What we do not cover (building)

The *building* is not covered against loss or damage caused by the following events:

✘ theft, *malicious, deliberate* or *accidental* damage caused by any person, other than *your tenant, your tenant's family,* or *your tenant's* invited guests,

✘ fire or explosion,

✘ lightning strike,

✘ earthquake,

✘ riot or civil commotion,

✘ water damage due to the accidental escape of liquid from any:

- *rainwater* pipes, roof guttering and drains,
- water main or pipe,
- water tanks, aquariums and hot water systems,
- roads, pathways, gutters,
- washing machine or dishwasher, and
- other parts of the *property* designed to contain or carry liquid such as sinks, basins, baths and cisterns,

X	oil leakage from any heater,
X	accidental breakage of fixed glass, shower base, basin, sink, bath, lavatory pan or cistern,
X	<p>impact by:</p> <ul style="list-style-type: none"> • motor vehicles or <i>watercraft</i>, • aircraft, space debris or satellites, • falling trees and branches, and • TV antennae, satellite dishes or radio masts,
X	<i>storm, rainwater or flood,</i>
X	action of the sea, high water, high tide, <i>storm surge</i> , tidal wave or <i>tsunami</i> ,
X	erosion, subsidence, landslide, mudslide, expansion or contraction of the earth, any other earth movement or underground water,
X	wind, <i>rainwater</i> , hail or snow penetrating into <i>your building</i> as a result of faulty design of <i>your building</i> or faulty workmanship in its construction, or
X	rust, corrosion, wear, tear or gradual deterioration.

Basis on which claims are paid

Limit of amount payable

The maximum combined amount we will pay under Section 2: *Contents* and Section 3: *Building*, during any one *period of insurance* is \$60,000 or the sum insured shown in the *Policy Schedule*.

Deliberate damage is limited to \$500 for each claim.

How we calculate what we will pay

After considering the terms and conditions of the Policy we will determine the amount of loss or damage that is covered. This will be reduced by:

- ▶ any available bond money from the *tenant**, then
- ▶ by any applicable *excess* (s)**.

*When *your building* is damaged by the *tenant* under a *long stay tenancy* you must use their bond money for *re-letting expenses* and rental arrears and then apply any balance to reduce the loss or damage being claimed. We will not pay for loss of, or damage to building items that could have, but were not deducted from the bond prior to making a refund of bond money to the *tenant*.

When *your building* is damaged by the *tenant* under a *short stay tenancy* and you are entitled to use their bond money to reduce or settle the loss, you must do so.

**Refer to section 'Making a Claim' for *excess* values and how they are applied.

We will then apply the policy limit (if applicable) to *your* claim and pay you the remaining amount. We will not pay more than the sum insured shown on *your Policy Schedule*.

Repairing and replacing your building

When an insured event causes loss or damage to *your building* during the *period of insurance*, and we accept *your* claim, we will decide which of the following actions we will take.

- ▶ **Repair** – if we establish *your building* can be repaired, then we will repair it using new materials.
- ▶ **Replace** – if we establish that *your building* needs to be replaced, then we will replace it using new materials.
- ▶ **Pay you the amount to repair or replace** – if we decide to pay the cost of repairing or replacing *your building* then we

will pay the lesser of the *building* sum insured, the retail value of the *building* fixture (if applicable) at the time of the loss or damage or the repair cost (if repairs are possible), whichever is less.

- ▶ **When *you* do not want to replace or repair *your building*** – if *you* do not want us to replace or repair *your building* and want cash instead, we will pay *you* the ‘indemnity value’ of the *building*, the *building* sum insured or the repair cost (if repairs are possible), whichever is the lesser.

When we pay to restore or rebuild *your building* we will make reasonable endeavours to match existing materials.

Unless specified otherwise, we will assess *your* claim on the basis of the replacement value of the *building*.

Replacement value for the purposes of this section means the reasonable and necessary cost of rebuilding, replacing or repairing the *building* (at the time of the loss or damage), to a condition which is equivalent to, but not more extensive than when it was new.

Indemnity value for the purposes of this section means the replacement cost, less an allowance for the age, wear and tear and depreciation of *your building* at the time of the loss or damage.

If *you* cause unreasonable delays in commencing or carrying out the rebuilding work, *you* must pay any extra costs that result from *your* delay.

Section 4: Liability to others

What we do cover (liability)

This section insures *your* legal liability as the landlord and owner of the *property* in respect of an *occurrence* happening during the *period of insurance* at the *situation* which *you* did not expect or intend to happen and which causes:

- ▶ death or bodily injury to other people, or
- ▶ damage to other people's *property*,

subject to the General Conditions and Exclusions applying to this Policy together with the requirements outlined under the heading 'Making a claim'.

The *maximum amount* we will pay for any claim or series of claims arising out of any *occurrence* is \$20,000,000.

The *maximum amount* includes all *legal expenses*:

- ▶ incurred by us,
- ▶ incurred by *you* with our prior written consent, and
- ▶ which are recoverable from *you* by a claimant when our lawyer is acting on *your* behalf.

What we do not cover (liability)

We will not indemnify *you* for any claim:

✘	in respect of death or bodily injury to <i>you</i> or <i>your family</i> ,
✘	in respect of damage to <i>property</i> . <ul style="list-style-type: none">• owned by <i>you</i>, or anyone employed by <i>you</i>, or• not owned by <i>you</i> but in <i>your</i> custody care and control,
✘	for any liability to pay benefits under any domestic workers compensation or accident compensation legislation,
✘	for death of or bodily injury to anyone employed by <i>you</i> or someone who lives with <i>you</i> if the death or injury arises out of their employment,

X	arising under the terms of any agreement unless liability would have attached to <i>you</i> in the absence of such agreement,
X	<p>caused by the ownership possession or use of any:</p> <ul style="list-style-type: none"> • motorised or mechanically propelled vehicle or motor cycle, • trailer or caravan, • aircraft, aerial device or <i>watercraft</i>, or • any vehicle or craft that is required by law to be insured under a compulsory third party insurance policy or scheme at the time of any <i>occurrence</i>. <p>However, this exclusion will not apply to any motorised garden appliance that is not required by law to be insured under a compulsory third party insurance policy or scheme at the time of any <i>occurrence</i>,</p>
X	in connection with <i>your</i> trade, profession or employment other than as landlord and owner of the <i>property</i> ,
X	arising out of alterations, renovations or building works at the <i>property</i> , where the cost of building or contract works, including labour and materials, exceeds \$50,000,
X	arising out of any deliberate or intentional act by <i>you</i> or someone acting with <i>your</i> consent,
X	arising out of any unlawful or criminal act,
X	arising out of pregnancy or the transmission or spread of any infectious disease or virus,
X	for any fine, penalty, punitive, exemplary, aggravated or multiple damages,
X	arising from demolition, vibration or interference with support of land, buildings or other <i>property</i> ,
X	arising out of the discharge, dispersal, release or escape of smoke, vapours, soot, fumes, acid, alkalis, toxic chemicals, liquid or gases, waste materials or other irritants, contaminants, or pollutants into or upon land, the atmosphere or any watercourse or body of water or any costs and expenses incurred in the prevention or remediation of such contamination or pollution, or
X	caused by or arising directly or indirectly, out of or in connection with the actual or alleged use or presence of asbestos.

Section 5: Tax Audit

Words with special meanings

Some key words and terms used in this Section have a special meaning. Wherever the following words or terms are used in this section, they mean what is set out below:

Word/ Term	Meaning
Audit	<p>An investigation or audit of <i>your</i> financial or taxation affairs that is initiated by an authorised Commonwealth, State or Territory government, government authority or agency in relation to, and following the lodgement of, a return.</p> <p>An audit does not include anything related to:</p> <ul style="list-style-type: none">▶ any review pertaining to maintaining any industry status, licence, membership or any compliance with any employee related legislation or regulations,▶ any government agency or authority gathering data or information that is not directly part of the audit, or▶ an audit of a superannuation fund or superannuation fund contributions for the purpose of determining any matter relating to the superannuation funds or its trustees' compliance with any of the provisions of the Superannuation Industry Supervision Act 1993.
Auditor	<p>An officer who is authorized under Commonwealth, State or Territory legislation to carry out an Audit of <i>your</i> taxation, financial affairs or a Taxation Liability.</p>
Completion of the audit	<p>When the Auditor:</p> <ul style="list-style-type: none">▶ has given written notice to that effect,▶ forwards notification to <i>you</i> that they have made a final decision of a Taxation Liability, or▶ has issued an assessment or amended assessment of a designated liability.
Designated liability	<p>Means <i>your</i> obligation to pay an amount under Commonwealth, State or Territory Legislation.</p>

Exclusions	Any loss, <i>situation</i> , circumstances or amounts that are not covered under this Section of the policy.
Final decision	A written notification of the Auditor's concluded view in connection with a Taxation Liability and includes any written statement which is intended by the Auditor to be its findings in connection with a Taxation Liability or the basis upon which it proposes to act in connection with a Taxation Liability.
Goods and Services Tax Return	Any return required to be lodged by <i>you</i> pursuant to relevant Goods and Services Tax Legislation.
Limit of indemnity	Per Audit (apart from Sub-Limits of Liability): \$1,000 Limit of Indemnity in total for each <i>period of insurance</i> : \$2,000
Notification date	The date that <i>you</i> or <i>your</i> representative was first made aware of a potential audit whether verbally or in writing. If <i>you</i> received a pre-audit questionnaire following the lodgement of a return, then the notification date cannot be later than the date that <i>you</i> received the questionnaire.
Professional adviser	A qualified accountant which is a member of a nationally recognized accounting body, registered tax agent or tax consultant. With our prior written approval, any other qualified professional person or consultant engaged by or at the recommendation of the accountant, but does not mean <i>you</i> or any person working for <i>you</i> under a contract of employment.

Professional fees	<p>Fees, costs and/or expenses reasonably incurred by <i>you</i> to engage a Professional Adviser. Professional Fees do not include any fees, costs or expenses related to:</p> <ul style="list-style-type: none"> ▶ preparing or completing any accounts, returns, financial or taxation records, questionnaires, or documents that <i>you</i> would ordinarily be required to complete or rewriting or reconstructing any of <i>your</i> records or receiving any advice whether or not these fees, costs or expenses should have been incurred prior to lodging <i>your</i> return or prior to any audit, ▶ any part of an annual or regular fixed fee or cost arrangement, or <p>any subsequent objection or appeal or request for review in respect of the audit, any assessment, amended assessment or final decision of the Audit.</p>
Record keeping audits	<p>An enquiry or investigation by the Australian Taxation Office to determine the extent of <i>your</i> compliance with the record keeping or record retention requirements of relevant taxation legislation subject to the Sub-Limits of Indemnity.</p>
Return	<p>Any taxation return that is legally required to be lodged with the government, government agency or government authority by <i>you</i> or on <i>your</i> behalf.</p>
Schedule	<p>Refer to the most recently issued schedule or certificate of insurance.</p>
Sub-limits of indemnity	<p>The maximum we will pay during any one <i>period of insurance</i> in relation to Audits pertaining to:</p> <ul style="list-style-type: none"> ▶ Goods and Services Tax \$500, ▶ Record keeping audits \$500.
Taxation liability	<p><i>Your</i> obligations to pay an amount of tax under Commonwealth, State or Territory Legislation.</p>

Tax Audit - What we do cover

On completion of the Audit we will pay *you* the Professional Fees reasonably and necessarily incurred by *you* in connection with assisting *you* to respond to or defend the Audit pertaining to the residential rental *property* insured by this policy provided that:

- ▶ the Notification Date of the Audit occurred during the *period of insurance*, or the *period of insurance* immediately prior to the *period of insurance* in which the audit occurred, and
- ▶ this Section 5 was in force at the time of the Notification Date, and
- ▶ the Audit first occurred during the *period of insurance*, and
 - (a) the Audit was notified to us during the *period of insurance* or the *period of insurance* immediately prior to the *period of insurance* in which the audit occurred,
 - (b) the Audit related to a Return actually lodged no more than 12 months prior to the original inception date of this Section 5 of *your* policy,
 - (c) the Audit related to a Return for a financial year that ended no more than 3 years prior to the Notification Date, and
 - (d) no exclusion applies.

However, we will pay the Professional Fees when this policy and Section 5 are not in force at the time of the Audit in relation to *your property* only if:

- ▶ *you* have sold the *property* and not replaced it, or
- ▶ *you* have sold the *property* and replaced it with another *property* and that replacement *property* is insured by us and this policy and Section 5 is in force in relation to that replacement *property* at the time of the Audit, and
- ▶ all the other provisions of the 'Tax Audit - What we do cover' (above) section apply and none of the provisions 'Tax Audit - Exclusions' on pages 63 to 65 section apply.

Tax Audit – Exclusions

We will not pay for any claim:

X	if a return or document, which is required to be lodged in relation to the Audit, has not been lodged: <ul style="list-style-type: none">• at all,• properly, or• by the due date,
X	in relation to an Audit conducted by or on behalf of the Australia Prudential Regulation Authority or the Australian Securities and Investments Commission,
X	in relation to routine enquiries or enquiries from the Auditor which are not identified as being either preliminary to, or relating to an Audit,
X	in relation to an Audit if, prior to the commencement of the <i>Period of insurance</i> , <i>you</i> or any person acting on <i>your</i> behalf: <ul style="list-style-type: none">• received any notice of any proposed Audit,• had information that the Audit was likely to take place,• had information that would lead a reasonable person in <i>your</i> position, or in the position of any person acting on <i>your</i> behalf, to believe that an Audit was likely to take place,
X	for professional fees of persons of organizations ordinarily resident outside Australia,
X	where there has been a dishonest or fraudulent act or omission in relation to a Return or document or in communications with the Auditor (including where any supporting documents have been falsely created, amended or collected) by <i>you</i> or any person acting on <i>your</i> behalf,
X	where there has been a statement whether orally or in writing by <i>you</i> or any person acting on <i>your</i> behalf which was false or misleading in a material particular and/or which was made knowingly, recklessly or negligently to an Auditor. This exclusion does not apply if the false or misleading statement was made relying on representations made by the auditor, or if <i>you</i> did not and could not reasonably have known that the statement was false or misleading, or if

	<p>the statement was made on the basis of an honest and reasonable mistake as to what the law was as a result of advice from <i>your</i> Professional Adviser,</p>
X	<p>if the Audit is conducted specifically for the purposes of determining if any fine, penalty or prosecution action should be imposed in connection with any act or omission by <i>you</i>, or in connection with any failure, act or omission arising from, or in connection with <i>your</i> statutory obligations,</p>
X	<p>if <i>you</i>, without lawful justification, refused to or failed to comply with the request made by or on behalf of the Auditor for the production of documents or the supply of information,</p>
X	<p>for any Professional Fees:</p> <ul style="list-style-type: none"> • incurred more than twelve months after the commencement of the Audit, unless <i>you</i> can show that completion of the Audit has been delayed as a result of the conduct of the Auditor, • that were charged by someone other than a qualified Accountant who is a member of a nationally recognized accounting body, registered tax agent or tax consultant unless our prior written consent was first obtained, • for any work performed in connection with any prosecution which arises from the Audit or in connection with <i>your</i> culpable behaviour being assessed to be deliberate evasion or recklessness, • unless they directly pertain to the residential rental <i>property</i> insured by this Policy,
X	<p>for any fines, penalties, interest or adjustments to tax, additional tax, duty, government impost or similar, payable under any circumstances,</p>
X	<p>if <i>your</i> collective annual turnover and/or any related entity in the latest financial year exceeds \$250,000,</p>
X	<p>if at the commencement of the Audit <i>you</i> are bankrupt within the meaning of the Bankruptcy Act 1966, or insolvent or under external administration within the meaning of the Corporation Law,</p>

<p>X</p>	<p>relating to an Audit by the ATO if <i>you</i> fail to comply with any requirement or obligation imposed upon <i>you</i> by any relevant legislation if a return in relation to the Audit was not prepared or reviewed by an Accountant prior to dispatch,</p>
<p>X</p>	<p>if the Audit is commenced or is conducted specifically for the purposes of determining <i>your</i> taxation liabilities and liability to pay tax, interest, additional tax or penalty as a result of participation in any Mass Marketed Tax Avoidance Scheme (where the result of participation has resulted from an introduction, proposal or recommendation made by <i>you</i>),</p>
<p>X</p>	<p>if the Auditor imposes Culpability Penalties at a rate prescribed by the Auditor and <i>you</i> have no reasonably arguable case,</p>
<p>X</p>	<p>in relation to any Audit of any form of managed investment, or</p>
<p>X</p>	<p>if <i>you</i> breach any conditions in this policy, including failing to comply with any requirement imposed by any relevant legislation or failing to do what <i>you</i> must do if <i>you</i> intend to make a claim or <i>you</i> make a claim.</p>

Tax Audit - How much we will pay

The most we will pay for all claims during any one *period of insurance* relating to Goods and Services Tax returns and Record Keeping Audits is the Sub-Limit of Indemnity, \$500.

The most we will pay for each Audit is \$1000.

The *maximum amount* in the aggregate is limited to \$2000.

If *you* have more than one residential landlord *property* insured, whether under the same policy or not, and those properties benefit from the cover provided by “Section 5: Tax Audit Insurance”, we will not pay more than a total of \$4000 for all residential landlord policies that *you* have insured with us during any one *period of insurance*. We will not pay any Professional Fees pertaining to any residential landlord policies that are not insured under “Section 5: Tax Audit Insurance”. We will not pay any Professional Fees pertaining to any activity or part of a return not pertaining to the residential rental *property* insured by this policy.

Tax Audit - Conditions

For a claim to be payable under this Section, *you* must comply with the following policy conditions:

- ▶ make every effort to comply with the relevant legislation, procedures and guidelines issued by the relevant government, government authority or agency including in relation to maintenance of records, books and documents,
- ▶ lodge taxation and other returns within the time limits prescribed by statute, pay all taxes by their respective due dates, or, if an extension is granted by the Auditor, within the further period granted, and
- ▶ have and properly maintain records which:
 - (a) *you* are either required to keep or should or would keep in the ordinary course of business, or
 - (b) would be kept ordinarily in relation to a taxation liability.

Tax Audit - How to make a claim

What you must do

For a claim to be payable under this Section 5, *you* must comply with the following policy conditions:

- ▶ immediately give us full written details as soon as *you* become aware of any proposed Audit that could lead to a claim. As soon as *you* receive it, *you* must supply us with a copy of the notice from the government, government agency or authority that shows the type of Audit that they intend to conduct. Where an audit commences without notification, *you* must supply the following details, where possible:
 - (a) a letter signed by *you* confirming that an Audit has commenced,
 - (b) date of the Auditor's first visit, and
 - (c) the officer's agency, authority, position/title, full name and telephone contact details,
- ▶ obtain our prior written approval before engaging any Professional Adviser, other than *your* accountant, and notify us of all fees and costs that person proposes to charge,
- ▶ ensure that *you*.

- (a) provide us with all material information as it develops in relation to *your* claim and the Audit in a timely manner,
 - (b) take all reasonable steps to minimize costs and delay,
 - (c) respond to any letters, requests and enquiries from the Auditor within the required time and where there is no required time, a reasonable time,
 - (d) submit to us all accounts for Professional Fees that relate to this claim, upon conclusion of the Audit. These accounts must provide us with sufficient detail to enable us to determine the nature of the work done and the basis of calculation of any Professional Fees for which *you* are making a claim, and
- ▶ assist us with the processing of *your* claim by cooperating with our, or our agent's investigation into any matters which are or may be the subject of the claim. *You* must also instruct *your* Professional Adviser to assist us at all times, providing us with documents and details in connection with the claim. This may also include the pursuit of matters with the department, body or agency which is or may be the subject of a claim under this policy.

This page has been left blank intentionally

Section 6: Loss of rent and legal expenses (Long Stay)

What we do cover

We will cover *your* loss of *rent* in connection with a *long stay tenancy* caused by any of the Insured Events listed in this Section 6 occurring during the *period of insurance*. The cover provided by this section is subject to the basis set out under the heading 'Basis on which claims are paid' and is subject to the Limits and Conditions applicable to this section and the General Conditions and General Exclusions applying to this Policy together with the requirements outlined under the heading 'Making a claim'.

Insured Event	Limit
<p>a) Absconding Tenant</p> <p><i>Your tenant vacates with or without notice, breaks their lease, or vacates at the end of their lease leaving unpaid rent.</i></p> <p>We will pay <i>your</i> loss of <i>rent</i> from the day following the <i>tenant's rent</i> 'paid to' date, through to whichever of the following events occurs first:</p> <ul style="list-style-type: none"> ▶ the <i>property</i> is re-let, ▶ the <i>tenant's lease</i> expires, or ▶ the limit is reached. <p>We will not pay more than <i>you</i> would be legally entitled to recover from the <i>tenant</i> due to non compliance with their <i>lease</i>.</p>	<p>6 weeks loss of <i>rent</i></p>
<p>b) Defaulting Tenant (by court order)</p> <p>A court/tribunal order, for the termination of the <i>tenant's lease</i>, on the grounds of <i>rent arrears</i>, has been issued.</p> <p>We will pay <i>your</i> loss of <i>rent</i> from the day following the <i>tenant's rent</i> 'paid to' date, through to whichever of the following events occurs first:</p> <ul style="list-style-type: none"> ▶ the <i>property</i> is re-let, ▶ the <i>tenant's lease</i> expires, or ▶ the limit is reached. 	<p>15 weeks loss of <i>rent</i></p>

<p>We will not pay more than <i>you</i> would be legally entitled to recover from the <i>tenant</i> due to non compliance with their <i>lease</i>.</p>	
<p>c) Defaulting <i>Tenant</i> (by termination notice)</p> <p>A <i>tenant</i> vacates because they were issued a termination notice by <i>your Property Manager</i> on the grounds of <i>rent arrears</i>.</p> <p>We will pay <i>your</i> loss of <i>rent</i> from the day following the <i>tenant's rent</i> 'paid to' date, through to whichever of the following events occurs first:</p> <ul style="list-style-type: none"> ▶ the <i>property</i> is re-let, ▶ the <i>tenant's lease</i> expires, or ▶ the limit is reached. <p>We will not pay more than <i>you</i> would be legally entitled to recover from the <i>tenant</i> due to non compliance with their <i>lease</i>.</p>	<p>6 weeks loss of <i>rent</i></p>
<p>d) Failure to give vacant possession</p> <p><i>Your tenant</i> has refused to pay <i>rent</i> and has resisted all attempts by <i>you</i> or <i>your Property Manager</i> to gain vacant possession following service of the Court/ Bailiff/Tribunal order for possession or eviction.</p> <p>We will pay <i>your</i> loss of <i>rent</i> from the day following the <i>tenant's rent</i> 'paid to' date, through to whichever of the following events occurs first:</p> <ul style="list-style-type: none"> ▶ the <i>property</i> is re-let, ▶ the <i>tenant's lease</i> expires, or ▶ the limit is reached. <p>We will not pay more than <i>you</i> would be legally entitled to recover from the <i>tenant</i> due to non compliance with their <i>lease</i>.</p>	<p>28 weeks loss of <i>rent</i></p>

<p>e) Death of tenant</p> <p>If <i>your tenant</i> dies and they were the sole person listed on the <i>lease</i>.</p> <p>We will pay <i>your</i> loss of <i>rent</i> from the day following the <i>tenant's rent</i> 'paid to' date, through to whichever of the following events occurs first:</p> <ul style="list-style-type: none"> ▶ the <i>property</i> is re-let, or ▶ the limit is reached. 	<p>15 weeks loss of <i>rent</i></p>
<p>f) Hardship</p> <p>A court awards the <i>tenant</i> a release from their <i>lease</i> obligations, over and above the bond monies, due to hardship.</p> <p>We will pay <i>your</i> loss of <i>rent</i> from the day following the <i>tenant's rent</i> 'paid to' date, through to whichever of the following events occurs first:</p> <ul style="list-style-type: none"> ▶ the <i>property</i> is re-let, ▶ the <i>tenant's lease</i> expires, or ▶ the limit is reached. <p>We will not pay more than <i>you</i> would be legally entitled to recover from the <i>tenant</i> due to non compliance with their <i>lease</i>.</p>	<p>4 weeks loss of <i>rent</i></p>
<p>g) Untenantable (building)</p> <p><i>Your property</i> becomes <i>untenantable</i> for a minimum period of 7 days due to:</p> <ul style="list-style-type: none"> ▶ damage to the building by <i>your tenant</i> covered by the Insured Event of '<i>malicious damage</i>' in Section 3 of this Policy, and/or ▶ murder or suicide, or attempted murder or suicide at the <i>property</i>. <p>We will pay <i>your</i> loss of <i>rent</i> from the date the <i>property</i> became <i>untenantable</i> until whichever of the following events occurs first:</p> <ul style="list-style-type: none"> ▶ the date two weeks after the <i>property</i> becomes <i>tenantable</i> is reached, unless <i>you</i> re-let the <i>property</i> sooner or <i>you</i> do not attempt to re-let the <i>property</i>, or ▶ the limit is reached. 	<p>52 weeks loss of <i>rent</i></p>

<p>h) Untenantable (contents)</p> <p>Your <i>property</i> becomes <i>untenantable</i> for a minimum period of 7 days due to:</p> <ul style="list-style-type: none"> ▶ <i>your contents</i> only being damaged by an Insured Event listed in Section 2 of the Policy. <p>We will pay <i>your</i> loss of <i>rent</i> from the date the <i>property</i> became <i>untenantable</i> until whichever of the following events occurs first:</p> <ul style="list-style-type: none"> ▶ the <i>property</i> becomes <i>tenantable</i>, ▶ the <i>property</i> is re-let, or ▶ the limit is reached. 	<p>6 weeks loss of <i>rent</i></p>
<p>i) Prevention of access</p> <p>Payable when <i>your tenant</i> does not have access to <i>your property</i>, as a result of damage to it, or other <i>property</i> in its immediate vicinity caused by an Insured Event listed in Section 2 of this Policy.</p> <p>Cover will commence from the date access was prevented until whichever of the following events occurs first:</p> <ul style="list-style-type: none"> ▶ when access was restored, or ▶ the limit is reached. 	<p>52 weeks loss of <i>rent</i></p>

What we do not cover

We do not pay any amount for loss of *rent* in relation to:

- ▶ any *short stay tenancy*.

Additional benefits

Your legal expenses

If we have accepted a claim under an Insured Event under Section 6 of this Policy, we will also pay up to \$5,000 for each claim for *legal expenses*, provided they have been incurred with our prior written approval, and are for the purpose of reducing *your* claim under Section 6 of this Policy or filing a legal defence while the claim is being investigated.

Replacement of locks

If we have accepted a claim caused by Insured Event b) Defaulting *tenant* (court order) in Section 6 of this Policy, and the *tenant* has not returned the keys for the *property*, we will also pay up to \$250 per claim for the costs *you* incur (over and above the bond amount), to replace locks at the *property* following the successful eviction of a *tenant*.

Representation costs

If we have accepted a claim for an Insured Event under Section 6 of this Policy, we will pay up to \$500 during any one *period of insurance* for the costs *you* incur as a result of *your Property Manager*.

- ▶ representing *you* in court or a tribunal for the purpose of obtaining a court order for eviction against the *tenant*. This benefit only applies where the liability for this expense is specifically expressed in the Managing Agent Agreement between the landlord and the *Property Manager*, and/or
- ▶ engaging a bailiff/sheriff for the purpose of evicting *your tenant* – this benefit has a sub limit of \$300 per claim.

However, we will not pay costs incurred or charged by the *Property Manager* on *your* behalf, such as:

- ✘ court or tribunal filing fees,
- ✘ lodgement or application fees, or
- ✘ preparing an insurance claim.

Conditions- Section 6

A claim under 'Section 6- Loss of rent and legal expenses' may be refused or reduced if the following terms and conditions have not been met or followed.

Rent is in arrears at commencement of policy

If the *tenant's rent* payments were in arrears in the 2 months prior to the commencement of the policy, then *rent* cover is not available unless the '*rent arrears*' clause has been met – refer to 'General Terms and Conditions' on page 86 for this clause.

Loss of rent before commencement of policy

We do not cover loss of *rent*, for any period before the commencement of the initial *period of insurance*.

Breach notices are not issued

We may reduce or refuse *your rent arrears* claim if *you* or *your Property Manager*.

- ▶ fails to issue or delays issuing *rent arrears* and termination notices to the *tenant*, or
- ▶ fails to pursue or delays pursuing a court or tribunal order for the eviction of the *tenant* following the expiry of the breach or termination notice.

The above processes should be followed in accordance with the Tenancy Act in the State or Territory in which *your property* is located.

Failure to repair and re-let

You or *your Property Manager* must demonstrate that all reasonable steps have been taken to repair and re-let the *property* as soon as possible after the departure of the *tenant* or damage is discovered. If *you* fail to do so, we will commence the loss of *rent* claim from the point in time that it would have been reasonable to have repaired any damage and attempted to re-let the *property*.

Delaying repairs

If *you* cause unreasonable delays in commencing or carrying out any repair or rebuilding work, we will reduce the rental income benefit to take into account any loss of *rent* that results from *your* delay.

Market conditions

This Policy does not cover *your* inability to *rent* the premises due to adverse market conditions. This means that if none of the Insured Events covered by Section 6 has occurred and the conditions of the rental market dictate that a vacancy period will be sustained between tenancies, the Policy will not cover that loss.

Alternate accommodation

Section 6 does not provide cover for alternate accommodation costs for the *tenant* as a result of the *property* becoming *untenantable* for any reason.

Vacant at time of loss

Cover under Insured Events g) *untenantable* (building), h) *untenantable* (*contents*) and i) prevention of access of this Policy Section 6, will only apply when:

- ▶ the *property* was tenanted immediately prior to, or at the time of it becoming *untenantable* or when access was prevented, or
- ▶ *you* can demonstrate that the *property* would have been tenanted had the loss not occurred.

Basis on which claims are paid

Weekly rent

The maximum weekly loss of *rent* that is recoverable under Section 6 for *long stay tenancies* is \$1,000 or the weekly amount shown for *rent* on *your Policy Schedule*, whichever is greater.

How we calculate what we will pay

Loss of *rent* is calculated at the weekly *rent* of the *tenant* in accordance with their current *lease*, times by the number of week's loss of *rent* that *you* are entitled to under this Policy.

This amount is then reduced by:

- ▶ any bond monies left over after subtracting allowable *re-letting expenses**, and
- ▶ any applicable *rent excess* shown on *your Policy schedule*.

The resultant amount, if it exceeds the policy limit that applies to the event, is then reduced to that policy limit.

Allowable *re-letting expenses are those costs that the *tenant* can be held liable for under their *lease* and the relevant Residential Tenancy Act. Costs of this nature that exceed the bond monies held are not claimable under this policy. They include but are not limited to:

- ▶ general/carpet cleaning, rubbish removal, water usage, letting fees, advertising and minor repairs, the cost of which is not covered by this or any other insurance as a result of a policy *excess*.

If *your property* is situated in Queensland, *you* are not required to apply any of the bond money to a claim under Section 6 of this Policy, however there will be an *excess* payable for *tenant* claims under the Insured Events a), b), c) and d) of this Section. We deduct the amount of the *excess* from *your* claim.

Claims for more than one Insured Event

Where a claim is possible under more than one of the Insured Events of this Section, *you* may only claim under one of those Insured Events for any one period of *rent* loss.

Making a claim

Actions you must take in the event of loss or damage

In the event of loss or damage *you* must take the following actions:

- ▶ take all reasonable precautions to prevent any further loss, damage or liability,
- ▶ if *your property* suffers *malicious damage* or theft then *you* must report it to the police. If the loss is expected to exceed \$10,000, then the police report number needs to be submitted with *your* claim,
- ▶ not carry out repairs, except to prevent any further loss or damage, until we have had the opportunity to examine the damage and have authorised repairs,
- ▶ not delay in arranging the repair or replacement of stolen or damaged items after we have given *you* the authority to do so. We will not pay any increased costs or expenses which result from *your* unreasonable delay in returning the *property* to a *tenantable* condition,
- ▶ contact us as soon as possible after *you* become aware of any loss, damage or liability (refer to *your* schedule for the phone number). We will help and advise *you*, and explain the next steps *you* should take. We may also arrange for an assessor to attend and inspect *your property* if required,
- ▶ keep any damaged *property* or stolen *property* that *you* recover and let us inspect it if we need to. Please remember that we take over *your* legal right to recover the insured *property*, and
- ▶ not admit fault or settle or defend a claim without our prior agreement.

If *you* do not follow these steps we may be entitled to reduce the amount payable to *you* or refuse to pay a claim.

Providing Proof

Within 30 days of *you* becoming aware of loss, damage or liability *you* must give us full written details of *your* claim. Documents which we may ask for include but are not limited to:

- ▶ written booking confirmations, extensions and deposits made by future guests. Claims for loss of income will not be accepted for bookings made verbally which are not accompanied by a written booking confirmation,
- ▶ evidence of the rental values being claimed (for *short stay tenancies*), either by:
 - the immediate past twelve months rental history, or
 - a comparative valuation by a real estate agent, or
 - copies of all booking documentation in respect of current guests,
- ▶ proof of ownership i.e. receipts, valuations, photographs, warranties, instruction manuals etc for items which have been stolen or damaged,
- ▶ itemised quotes to repair/replace damaged items. If we have appointed an assessor, they can assist with sourcing quotes if required,
- ▶ a copy of the *tenant's* rental history and *Lease* if the claim involves loss of *rent*, *malicious* / *accidental* / *deliberate damage* or theft by *your tenant*,
- ▶ *rent arrears*/termination notices issued to, or court orders issued against the *tenant*, under the appropriate Tenancy Act of *your State* or Territory,
- ▶ copies of entry/exit and routine *property* inspection reports, if *your claim* involves *malicious* / *accidental* / *deliberate damage* or theft (or to support any other claim),
- ▶ invoices to establish the cost of *re-letting expenses* that were deducted from the *tenant's* security bond, and
- ▶ any other court issued documents, letter, claim, writ or summons, in relation to a claim, as soon as possible after *you* receive it.

You must be able to prove to us that *you* have suffered a loss that is covered by this Policy before we will pay *you* for it.

Actions we take when a claim is reported

When we receive a claim from *you* we will:

- ▶ examine the circumstances to see if the loss, damage or liability is insured, and
- ▶ tell *you* if it is covered.

If the event is covered we will:

- ▶ tell *you* how the claim will be assessed, examined and paid and what further supporting documents *you* need to provide us,
- ▶ either deduct any *excess* from *your* loss or ask *you* to pay it to a repairer, supplier or us.

If we choose to replace items *you* must:

- ▶ assist us by giving accurate descriptions and specifications to us and suppliers, and
- ▶ replace items as requested.

If *you* do not wish us to replace items from suppliers we nominate, *you* may nominate another supplier but *you* must pay any additional costs incurred by us as a result.

Claim Payments

Claims payments may be paid either to:

- ▶ a supplier we have authorised to complete repairs or replacements,
- ▶ to a third party if *you* have a legal liability, or
- ▶ to *you*.

For the purposes of claim payments only, *you*, includes the policyholder and *property* owner as well as the licensed *Property Manager* who has been engaged (by way of a Managing Agency Agreement) to manage *your property*. Payments will be made to the party who submits the claim, unless otherwise notified in writing at the time the claim is lodged.

Settling or defending your claim

If we agree *you* have a claim, only we have the right to:

- ▶ make or accept any offer or payment, or in any other way admit *you* are liable,
- ▶ settle, or attempt to settle, any claim, or
- ▶ defend any claim.

You must co-operate with us in defending or settling *your* claim. *You* must tell us about and send us a copy of any notice, letter, claim, writ or summons, in relation to a claim, as soon as possible after *you* receive it.

If you prevent our right to recover from someone else

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

Contribution/other insurance

If at the time of any claim under this Policy there are other insurances covering the *property*, then we will have the right to seek reimbursement from the other insurer(s) in respect to their proportion of any loss, damage or liability. *You* must give us all information and assistance we may reasonably require.

Excesses payable in the event of a claim

An *excess* is an amount payable by *you* when *you* make a claim under *your* insurance policy. We will either deduct any *excess* from *your* loss or ask *you* to pay it to us or a repairer or supplier. The excesses which apply to claims under this Policy are:

Excess Type	Claim Type	Excess
Basic excess	Loss of rent (Applicable to <i>long stay tenancies</i> only)	Queensland: \$180 for loss of <i>rent</i> arising from the <i>tenant absconding with rent</i> owing or defaulting on <i>rent</i> payments. All other causes of loss of <i>rent</i> have a nil <i>excess</i> . In all other States and Territories: Nil.
	Malicious damage, accidental loss or damage and deliberate damage	NSW, Victoria, Tasmania, Queensland, WA, SA and ACT: \$250 NT: \$500 <ul style="list-style-type: none"> For <i>malicious damage</i> discovered at the end of a tenancy, only one <i>excess</i> will be applied. For <i>accidental loss or damage</i>, the <i>excess</i> applies per event. For each event reported together as one claim we will only apply an <i>excess</i> to a maximum of 2 events. The third and any subsequent events reported together as one claim will not have an <i>excess</i> applied provided that the loss or damage for each event would have exceeded the <i>excess</i> amount if it had applied. For <i>deliberate damage</i> the <i>excess</i> applies per claim.

Basic excess (cont)	Earthquake	\$200. This <i>excess</i> applies for claims directly or indirectly caused by earthquake. All loss, destruction or damage occurring within a period of 48 hours of an earthquake is regarded as the one event.
	Representation costs, Replacement of locks, Legal expenses/ Liability and Tax audit	Nil.
	Other claims	\$100 for any other claim for a claim type not listed above.
Underwriting excess	All claims	An additional <i>excess</i> may be imposed based on an assessment of the risk, the overall claims history or if the risk of claim is higher than usual. The amount will be shown on <i>your</i> policy schedule and is payable instead of the Basic <i>excess</i> shown in this table.
Uninhabited property excess	All claims except Representation costs, Replacement of locks, Legal expenses/ Liability and Tax audit	\$500. Where <i>your property</i> is vacant for a period of 90 days or more and we have agreed to provide cover, an additional <i>excess</i> will be applied to all claims until the <i>property</i> is re-tenanted. This <i>excess</i> is in addition to any Basic or Underwriting <i>excess</i> that might apply.

If loss or damage results from more than one insured event, then the excesses that apply under each applicable section of the Policy will apply separately and *you* must contribute the total of all applicable excesses (except as described in Section 2: *Contents* in relation to damaged carpet).

If a single insured event results in a claim under more than one Section of this Policy then only one *excess* will apply and that will be the largest *excess* applicable under any section under which a claim could be made.

What can affect a claim?

We may limit the amount payable or refuse to pay a claim for any of the following reasons:

- ▶ there has been a change in the risk, unless *you* inform us of it and we have agreed to cover it under this policy,
- ▶ when applying for this insurance or when making a claim *you*:
 - are not truthful,
 - have not given us full and complete details, or
 - have not told us something *you* should have,
- ▶ *you* do not comply with *your* duty of disclosure (refer to the Product Disclosure Statement on page 18 of this document),
- ▶ *you* do not at all times take reasonable care to:
 - protect any *property you* have insured with us against any initial or further loss or damage,
 - keep *your property* in good condition,
 - obey any laws or regulations that safeguard people or their *property*,
- ▶ *you* do not give us the supporting documents we require to assist with our decision in relation to a claim,
- ▶ if any fraudulent means or devices are used by *you* or anyone acting on *your* behalf to obtain benefits under this Policy. Furthermore, we may also cancel this Policy or take legal action against *you* if it is proven the claim *you* submitted was in any way fraudulent,
- ▶ *you* breach any of the conditions of the policy, including any endorsements noted on or attached to the *Policy Schedule*,

- ▶ *you* do any of the following without us agreeing to it first:
 - make or accept any offer or payment, or in any other way admit *you* are liable,
 - settle, or attempt to settle any claim,
 - defend any claim.

A claim may also be reduced by an *excess* – the amounts are shown on *your Policy Schedule*.

Other general obligations

If *you* do not take reasonable care to:

- ▶ avoid the risk of injury to tenants and others,
- ▶ ensure that *your property* does not have defects that may cause injury to any person at the time a *tenant* takes possession or that such defects identified at any other time are rectified promptly once they have been brought to *your* attention,
- ▶ maintain the *property* in a good state of repair,
- ▶ ensure that all building, maintenance or repairs to the *property* are undertaken by appropriately licensed and qualified person(s),
- ▶ comply with all statutory obligations, by-laws and regulations imposed by any public authority, for the safety of persons or *property*.

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

General terms and conditions

Payment of premium

You must pay *your* annual premium by 4.00pm on the due date. If we do not receive *your* premium by this time or *your* payment is dishonoured, this Policy will not start and there will be no cover - if *you* have not paid, *you* are not insured.

You can pay *your* premium in one annual payment by cash, cheque, postal order, MasterCard, Visa or BPay.

Important conditions

Cover provided by this Policy is only applicable where:

- ▶ *your property* is managed by a licensed real estate agent or on-site manager,
- ▶ for *long stay tenancies*, there is a *lease* in place between *you* and the *tenant*. This *lease* must fall within the guidelines of the Residential Tenancy Act applicable to the State or Territory in which the *property* is located, and
- ▶ for short stay tenancies, a documented (paper or electronic) booking confirmation has been issued.

Actions and advice by or from your property manager

- ▶ Any notification, advice or discovery made to or by *your Property Manager* is considered to have been made to or by *you*.
- ▶ Any action taken or that should have been taken by *your Property Manager* is considered to be an act or omission by *you*.

Use of property

Cover provided by this Policy is only applicable when:

- ▶ the *property* is being used primarily for residential rental accommodation, and
- ▶ the *property* is no more than 2 acres (8000 sqm) in size.

Rent arrears

When the initial *period of insurance* commences after the beginning of the current tenancy, and at that time a *long stay tenancy* was in place, the following condition applies:

- ▶ Cover will be limited to Section 2: '*Contents*', (but excluding *malicious damage*) and Section 4: '*Liability to Others*' of this policy if the *tenant* was in '*rent arrears*' during the 2 months prior to the commencement of the initial *period of insurance*. If the *tenant* subsequently brings their rental payments out of '*rent arrears*' for a period of two consecutive months, then these limitations will not apply from the end of that two month period or the date of the commencement of the initial *period of insurance*, whichever occurs last.

Bond monies – long stay tenancy

Your Policy settlement will operate on the basis that bond monies equivalent to at least four weeks *rent* have been collected. This applies regardless of whether a full bond has been collected.

In the event of loss of or damage to *your property* caused by the *tenant* you will use the bond money to mitigate *your* loss. If *you* have voluntarily returned the bond money to the *tenant*, and *you* lodge a claim for loss of or damage to *your property*, we will reduce any amount we pay by the amount of prejudice we have suffered as a result of *your* actions.

Bond monies – short stay tenancy

Where bond monies have been collected from a short stay *tenant* and *you* are entitled to use it to reduce *your* loss, *you* must do so.

Every effort should be made to collect monies owing for *rent* and/or damage from the *tenant* prior to lodging a claim.

Uninhabited properties

When the *property* is *uninhabited*, Section 1: Loss of rent (Short Stay), Section 2: Contents, Section 3: Building, and Section 6: Loss of rent (Long Stay) will not apply unless *you* obtain our prior written agreement to provide the cover. An additional *excess* will be applied until the *property* is re-tenanted. This *excess* will be shown on *your Policy Schedule*.

Uninhabited means that in the 90 day period immediately before loss or damage occurred, no person resided in the *Property* overnight on at least one occasion.

Other party's interests

You must tell us of the interests of all parties (e.g. financiers, owners, lessors) who have an interest in the *property* insured. We will protect their interests only if *you* have told us about them and we have noted them on *your Policy Schedule*.

Cancelling your Policy

How you may cancel

You may cancel this Policy at any time by telling us that *you* want to cancel it.

We will refund any premium *you* have paid us along with any refundable government charges, less an amount to cover the period for which we have already insured *you*.

How we may cancel

We may only cancel this Policy when the law says we can. When we cancel *your* Policy we will tell *you* so in writing. This notice of cancellation will be given to *you* in person or sent to *your* last known address.

We will refund any premium *you* have paid us along with any refundable government charges, less an amount to cover the period for which we have already insured *you*.

Goods and Services Tax (GST)

This section of the policy deals with:

- ▶ how GST is part of what *you* have to pay for the policy,
- ▶ *your* obligation to tell us about any input tax credit entitlement *you* may have for that GST, and
- ▶ how GST affects what we pay *you* for any claims *you* make and any limits on what we pay.

As part of the total amount payable for this insurance policy, we will include an amount on account of GST.

Each time *you* make a claim under this policy, *you* must tell us if *you* are entitled to claim an input tax credit for the GST amount charged on *your* policy and, if *you* are, the proportion of the GST that *you* can claim as an input tax credit.

If you are entitled to claim an input tax credit for the GST included in the amount payable:

If *you* do not tell us that *you* are entitled to an input tax credit, or *you* give us incorrect information about the proportion of the GST *you* claim as an input tax credit, then *you* may have a GST liability for claim payments we make. Any such GST liability *you* have remaining when we make a cash settlement (whether it is made to *you* or to a third party to whom *you* are liable) will be *your* responsibility, even if *you* tell us *your* correct input tax credit entitlement after the payment has been made.

The amount of premium payable by *you* for this Policy includes an amount on account of the GST on the premium.

The sum insured and policy limits include GST therefore we will not pay GST in addition to *your* sum insured or policy limit.

If you are not entitled to claim an input tax credit for the GST included in the amount payable:

The sum insured and policy limits include GST therefore we will not pay GST in addition to *your* sum insured or policy limit. Please remember, we will apply these terms and conditions in addition to any other terms and conditions in the policy.

Changes of terms and conditions

In some circumstances the terms and conditions of the policy may be amended by endorsement. If *your* policy is endorsed *you* will receive notification of this in writing.

Notices

Any notices we give *you* will be in writing, and it will be effective if it is delivered:

- ▶ to *you* personally, or
- ▶ posted to *your* address last known to us.

Which rent cover applies?

There are two loss of *rent* sections in this policy:

- ▶ Section 1: Loss of rent and legal expenses (Short Stay), and
- ▶ Section 6: Loss of rent and legal expenses (Long Stay).

If the *occurrence* giving rise to the relevant Insured Event occurs:

- ▶ during a *long stay tenancy*, *you* can only claim for loss of *rent* under Section 6,
- ▶ at any other time, *you* can only claim for loss of *rent* under Section 1.

You may not claim under both Sections 1 and 6 in relation to a loss of *rent* arising from any one *occurrence*.

General exclusions

General exclusions applying to this Policy

We do not insure *you* for:

1. any war (whether it has been formally declared or not), any hostilities, rebellion, revolution or theft of *property* as a result of any of these, or
2. acts of Terrorism regardless of any other cause or even contributing concurrently or in any other sequence to the legal liability, loss, damage, cost or expense, or any legal liability, loss, damage, cost or expense of whatsoever nature directly or indirectly caused by, resulting from or in connection with any action taken in controlling, preventing, suppressing or in any way relating to any act of terrorism, or
3. radioactivity or the use, existence or escape of any nuclear fuel, nuclear material, or nuclear waste or action of nuclear fission or fusion, or
4. any intentional act committed by the landlord, the landlord's family or any person acting with the express or implied consent of the landlord.

This Policy also excludes any loss, destruction, damage, death, injury, illness, liability, cost or expense of any nature directly or indirectly caused by, contributed to by, resulting from or arising out of or in connection with any action taken in controlling, preventing, suppressing, retaliating against, or responding to or in any way relating to 1, 2 3 or 4 above.

Additional exclusions applying to all sections of this Policy

- a) We will not pay a claim under any section of this Policy (unless stated otherwise) when the claim is caused by or arises directly out of:
- ✘ *flood,*
 - ✘ the action of the sea, high water or high tide, *storm surge,* tidal wave or *tsunami,*
 - ✘ erosion, subsidence, landslide, mudslide, expansion or contraction of the earth, or any other earth movement, or underground water, but this exclusion will not apply to the cover provided under Section 2: '*Contents*' – 'What

the *contents* are covered for', (d) earthquake and (i) water damage,

- ✘ consequential loss, such as having to hire a washing machine because one, provided by *you* for the tenants use, was stolen,
- ✘ expropriation, lawful seizure, resumption, confiscation, nationalisation or requisition of any *property* by any lawfully constituted authority or persons,
- ✘ any intentional act committed by *you*, *your family* or by any person acting with *your* express or implied consent,
- ✘ an act by the *tenant*, where consent for the act was given to them by *you*,
- ✘ rust, wear, tear, mould or mildew, oxidation, change of colour, the action of light, atmospheric conditions or vibration unless caused by an insured event,
- ✘ heat damage, or scorching where there is no actual fire damage such as scorching or marking of bench tops from hot cooking pots or pans - for the purpose of this exclusion fire damage means actual ignition, heat and flames,
- ✘ damage caused by cleaning with detergents, chemicals, steam or any other cleaning agent,
- ✘ damage caused by insects or vermin (such as termites, rats, or mice or wildlife) but we will pay for any resultant fire damage to insured *property*,
- ✘ poor housekeeping by *your* tenants or a member of *your tenant's family* or *your tenant's* guests. Poor housekeeping includes costs associated with the tenants' untidy, unclean or unhygienic living habits,
- ✘ any loss or damage arising out of or connected with keys being provided for the purpose of *property* inspections,
- ✘ the *tenant* utilising the premises for trade, manufacturing or childcare with *your* knowledge and/or consent,
- ✘ tree roots,
- ✘ scratching or denting,
- ✘ inherent defects, faulty workmanship, structural defects, or faulty design,
- ✘ mechanical or electrical breakdown or electrical power surge, other than the burning out of electric motors, or

- ✘ the actions of domestic pets.
- b) We will not pay a claim under any section of this Policy from the point in time that:
- ✘ the landlord takes over private management of the *property*, or
 - ✘ the landlord takes up permanent residence in the *property*, or
 - ✘ the *property* is vacant, is not advertised for sale, and:
 - no effort is made to prepare the *property* for a new *tenant*, or
 - no effort is made to replace the *tenant*.
- This effort must be within a reasonable period of:
- the *tenant's* departure from the *property*, or
 - *you* or *your Property Manager* becoming aware of their departure,
- whichever occurs later, or
- ✘ *your property* is vacant and advertised for sale. However we will provide the following limited cover under:
 - Section 6 'Loss of *rent*', providing *you* can demonstrate a continuing reasonable effort was made to obtain a new *tenant* (such as advertising for a *tenant*), whilst *you* were simultaneously marketing the *property* for sale, and
 - Section 2 '*Contents*' and Section 4 '*Liability to others*' while the *property* is advertised for sale and *uninhabited* for a maximum period of 90 days. After the *property* has been *uninhabited* for 90 days, we will not pay a claim under any section of the policy unless *you* have obtained our prior written agreement for cover to be provided.
- c) We will not cover any loss, damage or liability that occurred prior to the commencement of the initial *period of insurance*.
- d) There is no cover for loss of or damage to water in swimming pools, spas or water tanks unless maliciously caused.

Financial Claims Scheme

This policy may be a 'protected policy' under the Federal Government's Financial Claims Scheme (FCS) which is administered by the Australian Prudential Regulation Authority (APRA).

The FCS only applies in the extremely unlikely event of an insurer becoming insolvent and the Federal Treasurer making a declaration that the FCS will apply to that insurer.

The FCS entitles certain persons, who have valid claims connected with certain protected policies issued by that insurer to be paid certain amounts by APRA.

Information about the FCS can be obtained from APRA at www.apra.gov.au or by calling 1300 13 10 60.

Terri Scheer Insurance Pty Ltd

ABN 76 070 874 798

AFS Licence No: 218585

www.terrischeer.com.au

GPO Box 1619 Adelaide SA 5001

Phone: 1800 804 016

Facsimile: 1300 370 874

Email: customerservice@terrischeer.com.au

This policy is issued by
Vero Insurance Limited
AFS Licence No: 230859
ABN 48 005 297 807



MKT135(04/2010) TS00016 01/04/10 A