



RESIDENTIAL STRATA/COMMUNITY CORPORATION INSURANCE

PRODUCT DISCLOSURE STATEMENT AND POLICY WORDING

IMPORTANT NOTICE TO THE INSURED

This insurance is a legal contract. Please read it carefully to ensure that it is in accordance with your requirements and that you understand its terms and conditions. The Insurance Broker or other intermediary who arranged this insurance should be contacted immediately if any correction is necessary.

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This document contains 2 separate sections: Part A and Part B.

Part A – Product Disclosure Statement

Part A of this document contains a Product Disclosure Statement (PDS). The PDS is an important document. It is designed to assist you to make informed choices about your insurance needs. You should read the PDS carefully before making a decision to purchase this product.

The PDS gives a summary of the significant benefits and risks associated with this product (you should refer to Part B – Terms and Conditions for full details). It also contains information about costs, our dispute resolution system, your cooling off rights and other relevant information including other rights, terms and conditions and obligations attaching to this product. Please read Parts A and B of this document carefully.

Part B – Policy Terms and Conditions

Part B of this booklet contains the Policy Terms and Conditions, which detail all the terms, conditions and exclusions relating to the policy. It is Part B which informs you of your legal contract with us.

If we issue you with an insurance policy, you will be given a Policy Schedule. The Policy Schedule sets out specific terms applicable to your cover and should be read together with the Policy Terms and Conditions.

The Policy Terms and Conditions and the Policy Schedule we send to you form your legal contract with us so please keep them in a safe place for future reference.

If you require further information about this product, please contact your Insurance Broker or other Intermediary.

Insurer

This policy is underwritten by the following underwriters:

Underwriters at Lloyds (100%) and Liability AUD\$2.5 million, Fidelity Guarantee AUD\$40,000 and Personal Accident AUD\$40,000

Syndicate: 0510 – KLN (Kiln)

QBE Insurance (Australia) Limited (ABN: 78 003 191 035) AFS Licence No. 239545

For excess of Liability AUD\$17.5 million, Fidelity Guarantee AUD\$10,000 and Personal Accident AUD\$60,000.

Millennium Underwriting Agencies Pty Ltd distributes this product through licensed Insurance Brokers or Advisors.

Throughout this document when we are referring to your Insurance Broker or Advisor we may simply refer to them as your Intermediary.

About Millennium Underwriting Agencies Pty Ltd

Millennium Underwriting Agencies Pty Limited ABN 38 079 194 095, AFS Licence Number 246721 T/As Millennium General Insurance is part of the MGA Whittles Group of Companies. Established in 1998, Millennium General Insurance is an insurance claims and underwriting facility offering market leading policies.

Association with an Insurance Broker

We have an association with MGA Insurance Brokers Pty Ltd (ABN 29 008 096 277). MGA Insurance Brokers Pty Ltd and Millennium Underwriting Agencies Pty Ltd have some common directors and a proportion of the shares of each Company have common ownership.

MGA Insurance Brokers Pty Ltd are members of the Austbroker Group and Austbrokers have an equity interest in their business.

Significant benefits and features

The Millennium Strata Title Composite Insurance product combines cover for Building and Common Contents, Catastrophe Cover, Electrical/Mechanical Breakdown, Legal Liability, Fidelity Guarantee, Voluntary Workers Personal Accident and Office Bearers Liability, for Body Corporate or Residential Strata Titles properties.

The following is a summary only and does not form part of the terms of your insurance. We give examples of some of the significant benefits and risks, but you need to read Part B – Policy Terms and Conditions for full details.

Building and Common Contents

This policy is designed to cover you for physical loss or damage to your Building and Common Contents that occurs during the Period of Insurance up to the Sum Insured. Providing that the Sum Insured has not been exhausted.

This cover also includes Additional Benefits within the Sum Insured. (Refer to the Additional Benefits on page 17)

- Bursting, leaking, discharging or overflowing of water tanks, water apparatus or water pipes including exploratory costs;
- Reduced floor-space ratio index;
- Additional costs incurred by complying with requirements of any lawful authority;
- Loss of land value;
- Reasonable costs of repairing or replacing electronic motors damaged by fusion;
- Rewriting or reconstruction of your records;
- Temporary costs incurred including boarding out of pets normally domiciled at the premises.

The cover is subject to specific Definitions and Exclusions and your sum insured, which are set out in the policy (refer to the Building and Common Contents cover section in Policy 1 and your schedule of insurance).

Catastrophe Cover

If the Building or Common Contents are destroyed beyond economic repair by an insured event which has been declared a state of emergency, we will increase the Sum Insured by 30% for the rebuilding of the property.

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

The cover is subject to specific Definitions and Exclusions and your sum insured, which are set out in the policy (refer to the Catastrophe cover section in Policy 2 and your schedule of insurance).

Electronic/Mechanical Breakdown

This section provides the opportunity to include cover for mechanical or electrical breakdown of:-

- Plant
- Electrical, electronic & mechanical plant
- Boilers and unfired pressure plant
- Pressure pipe systems

against the sudden and unforeseen physical damage to the Insured plant during the period of insurance.

The cover is subject to specific Definitions and Exclusions and your sum insured, which are set out in the policy (refer to the Electronic/Mechanical Breakdown cover section in Policy 3 and your schedule of insurance).

Legal Liability

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

- Property damage, or
- Personal injury

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

The cover is subject to specific Definitions and Exclusions and your sum insured, which are set out in the policy (refer to the Legal Liability cover section in Policy 4 and your schedule of insurance).

Fidelity Guarantee

This provides cover for the Body Corporate for fraudulent embezzlement or fraudulent misappropriation of group funds during the period of insurance.

The cover is subject to specific Definitions and Exclusions and your sum insured, which are set out in the policy (refer to the Fidelity Guarantee cover section in Policy 5 and your schedule of insurance).

Voluntary Workers Personal Accident

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

- Weekly benefit payment for total or partial disablement following an accident;
- Capital benefit payment for an accident causing an injury as listed in the cover section.

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

The cover is subject to specific Definitions and Exclusions and your sum insured, which are set out in the policy (refer to the Personal Accident Insurance (Voluntary Workers) cover section in Policy 6 and your schedule of insurance).

Office Bearers Liability

This cover provides protection for your officers against claims made for actual or alleged wrongful acts occurring during the period of insurance, in managing the Body Corporate affairs.

The cover is subject to specific Definitions and Exclusions and your sum insured, which are set out in the policy (refer to the Officers Bearer's cover section in Policy 7 and your schedule of insurance).

Significant Issues

This policy does not cover certain things. There are certain times when this insurance may not provide cover. Insurance contracts contain policy limits and sub-limits, policy terms and conditions and policy exclusions. These things may affect the amount of payment that we will make to you if you have a claim.

You should read the PDS (Part A of this document) and Policy Terms and Conditions (Part B of this document) carefully. Please ask your Intermediary if you are unsure about any aspect of this product.

This product may not match your expectations

This product may not match your expectations (for example, because an exclusion applies). You should read the PDS (Part 1 of the document) and the Policy Terms and Conditions (Part 2 of this document) carefully. Please ask your Insurance Broker or other Intermediary if you are unsure about any aspect of this product.

Your Sum Insured may not be adequate

We can insure you up to the amount of the Sum Insured or other specified limits for your insured property.

Covers for Legal Liability, Fidelity Guarantee, Office Bearers Liability, Electronic/Mechanical Breakdown and Voluntary Works Personal Accident insure you up to a set limit of liability which is shown on the schedule.

You need to ensure that you are happy with the relevant sum(s) insured and limits. If you do not adequately insure yourself you may have to bear the uninsured proportion of any loss yourself.

For example, if you don't have a sufficient sum insured to replace your insured property at new costs, you will bear the shortfall. The cost of demolition and removal of debris from the site, and other costs such as architects and surveyors fees, the replacement of other structures such as driveways, kerbing and roadways, above and below ground services should all be included in the sum insured. If you are unsure if your property is insured for the correct amount, you should seek professional advice.

Exclusions

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

- Wear, tear, rust, corrosion or gradual deterioration;
- Radioactivity or any radioactive substances;
- Flood

These are only some of the events not covered by this policy. Please read the Policy Terms and Conditions (Part B of this document) for full details of all relevant exclusions. Some may not be relevant to you, however you should make yourself aware of all the exclusions that apply in all cover sections.

Excesses can apply

Excesses may also apply to any claim under this policy. An excess is the uninsured portion of a loss for which you are otherwise covered, i.e. the amount you must contribute towards each claim.

We will tell you the amount of any excess when you apply for cover. They may vary according to a number of factors, such as your risk, location and your insurance history.

General Conditions

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

Special conditions are applicable in the following cover sections:

- Building & Common Contents
- Office Bearers Liability

Changes in circumstances

You should advise your intermediary to notify us as soon as possible of any changes to your circumstances that are relevant to your policy. For example, if you purchase additional common contents for your strata and do not advise us of these changes, your sum insured may not be adequate to cover your loss in the event of a claim, or you may not even have cover under your policy.

Overdue premium

You must pay your premium on time otherwise your Policy may not operate.

If you have not paid by the due date or your payment is dishonoured, this Policy will not operate and there will be no cover.

A claim may be refused

We may refuse to pay or reduce the amount we pay under a claim if you do not comply with the policy conditions, if you do not comply with your Duty of Disclosure, or if you make a fraudulent claim.

The cost of this insurance Policy

The total premium is the amount we charge you for this insurance policy. It includes the amount, which we have calculated will cover the risk, and any taxes and government charges. The premium and any taxes and government charges will be shown on your policy schedule.

When calculating your premium we take a range of rating factors into account. These factors, and the degree to which they affect your premium, will depend upon the information you provide to us.

Duty of disclosure – What you must tell us

Under the Insurance Contracts Act 1984 (the Act), you have a Duty of Disclosure. The Act requires that before a policy is entered into, you must give us certain information we need to decide whether to insure you or anyone else to be insured under the policy, and on what terms. Your Duty of Disclosure is different, depending on whether this is a new Policy or not.

New business

Where you are entering into this Policy for the first time (that is, it is new business and is not being renewed, varied, extended or reinstated) you must tell us everything you know and that a reasonable person in the circumstances could be expected to tell us, in answer to the specific questions we ask.

When answering our questions you must be honest.

- Who needs to tell us

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

- If you do not tell us

If you do not answer our questions in this way, we may reduce or refuse to pay a claim, or cancel the Policy. If you answer our questions fraudulently, we may refuse to pay a claim and treat the Policy as never having worked.

Renewals, variations, extensions and reinstatements

Once your Policy is entered into and is no longer new business then your duty to us changes. You are required before you renew, vary, extend or reinstate your Policy, to tell us everything you know and that a reasonable person in the circumstances could be expected to know, is a matter that is relevant to our decision whether to insure you, and anyone else to be insured under the Policy, and if so, on what terms.

- You do not have to tell us about any matter
 - that diminishes the risk;
 - that is of common knowledge
 - that we know or should know in the ordinary course of our business as an insurer; or
 - which we indicate we do not want to know
- If you do not tell us
If you do not comply with your Duty of Disclosure we may reduce or refuse to pay a claim or cancel your Policy. If your non-disclosure is fraudulent we may treat this Policy as never having worked.

Privacy

We are covered by the Federal Privacy Act and its National Privacy Principles (NPPs), which set out standards for the collection, use, disclosure and handling of personal information.

We endeavour to protect any personal information that we hold for misuse and loss, and to protect it from unauthorized access, modification and disclosure.

For our complete Privacy Policy or for further information please contact our Privacy Officer during normal business hours on (08) 8291 2300.

The General Insurance Code of Practice

The Insurers are signatories to the General Insurance Code of Practice. The Code aims to raise standards of practice and service in the insurance industry.

It:

- promotes better communication between insurers and customers which will lead to better public understanding of insurance to allow customers to make informed choices; and
- outlines good standards of practice and service to be met by insurers to enhance their reputation for responding efficiently to their customers' needs.

How to make a claim

Please contact your Insurance Broker or other Intermediary to make a claim. Full details of what you must do for us to consider your claim are provided in the Claims section in part B of this booklet.

Dispute Resolution

We will do everything possible to provide a quality service to you. However, we recognise that occasionally there may be some aspect of our service or a decision we have made that you wish to query or draw to our attention.

Any enquiry or complaint relating to this Insurance should be referred to the Complaints Officer at Millennium Underwriting Agencies in the first instance.

If this does not resolve the matter or you are not satisfied with the way a complaint has been dealt with, you should contact Peter Fryer at:

Lloyd's Australia Limited
Suite 2, Level 21
Angel Place
123 Pitt Street
Sydney NSW 2000

Telephone Number: (02) 9223 1433
Facsimile Number: (02) 9223 1466
Email: peter@lloydsaustralia.com.au

Following receipt of your dispute, you will be advised whether your dispute will be handled by either Lloyd's Australia or the Policyholder & Market Assistance Department at Lloyd's in London.

If your dispute is not resolved in a manner satisfactory to you, they will then provide retail clients eligible for referral to the Financial Ombudsman Service (FOS) with details of that body. FOS is an independent body that operates nationally in Australia and aims to resolve disputes between you and your insurer.

Retail clients not eligible for referral to the FOS, and wholesale clients, may be eligible for referral to the Financial Ombudsman Service (UK).

Taxation implications

Goods and Services Tax

The Policy has provisions relating to GST. In summary, they are as follows but please read the provisions in full. They can be found in Part B Terms and Conditions, under the heading 'How Goods and Services Tax affects any payments we make'.

- 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 the other limits of insurance cover shown on your policy documentation are GST exclusive.
- When we pay a claim, your GST status will determine the maximum amount we pay.

Other taxation implications

There may be other taxation implications affecting you, depending upon your own circumstances. We recommend that you seek professional advice.

Cancelling your Policy

How you may cancel this Policy

- You can cancel this Policy at any time by telling us in writing that you want to cancel it. You can do this by giving the notice to your Insurance Broker or other Intermediary.
- Where "you" involves more than one person, we will only cancel the Policy when a written agreement to cancel the Policy is received from all persons name as the insured.

How we may cancel this Policy

- The insurers may cancel this Policy in any of the circumstances permitted by law by informing you in writing.
- The insurers will give you this notice in person or send it to your address last known to us.

The Premium

We will refund to you the proportion of the premium for the remaining period of insurance.

Evidence of Value

Please retain receipts of purchase or proof of value of all property insured by this Policy so that you can prove the amount of any loss if you have to claim under this policy.

Full Insurance – Protect your Assets

If you have elected to insure your building and contents for reinstatement and replacement costs (excluding stock), the sum insured should represent the full replacement value at new costs and if this is not done, losses may not be paid in full. It is your responsibility to ensure adequacy of sums insured and you should re-assess these sums insured during the currency of the policy and prior to renewal each year.

Cooling-off Information

You have a cooling-off period. During the cooling-off period, you may return your policy to your Financial Services Provider to obtain a refund.

You may do this by notifying your Financial Services Provider in writing or electronically.

You may only exercise this right during the period of 14 days starting earlier of:

- The time you received confirmation of this insurance transaction, or
- The end of the 5th day after the day on which the policy was issued to you.

You cannot exercise this right at any time after:

- You have exercised a right or power under your Policy (e.g. you have made a claim), or
- Your rights or powers under the policy have ended.

If your policy is for an event that will start and finish within the 14 day cooling-off period, you can only exercise your right before the event starts or the expiry of the cooling-off period, whichever is the earlier. For example, for travel insurance, the commencement of the journey is the event.

If you exercise your right to return this policy then it is terminated with effect from that time.

Your Financial Services Provider will give you a pro rata refund. Your Financial Services provider may deduct from the refund:

- Any tax which we have been paid or must be paid and which is not refundable, and
- Any reasonable administration and transaction costs.

Third Party Interests

You must inform us of the interests of all third parties (e.g. financiers, lessors) to be covered by this insurance. We will protect their interests only if you have informed us of them and we have noted them on the Certificate.

You may only exercise this right during the period of 21 days starting earlier of:

- The time you received confirmation of this insurance transaction, or
- The end of the 5th day after the day on which the policy was issued to you.

You cannot exercise your right at any time after:

- You have exercised a right or power under your Policy (e.g. you have made a claim), or
- Your rights or powers under your policy have ended.

If your Policy is for an event that will start and finish within the 21 day cooling-off period, you can only exercise your right before the event starts or the expiry of the cooling-off period, whichever is the earlier. For example, for travel insurance, the commencement of the journey is the start.

If you exercise your right to return this policy then it is terminated with effect from that time.

Your Insurance Broker or other Intermediary will give you a pro rata refund. Your Insurance Broker or other Intermediary may deduct from the refund:

- Any tax which we have been paid or must be paid and which is not refundable, and
- Any reasonable administration and transaction costs.

You/Your/Insured	The Strata Corporation, Community Title or Body Corporate stated in the Certificate of Insurance, Proprietors and/or members.
We/Our/Us/Company/Insurer	Millennium Underwriting Agencies Pty Ltd on behalf of the underwriters (Certain Syndicates at Lloyd's and QBE Insurance Ltd).
The Excess	The sum of money which you may have to contribute towards any claim payment under this policy.
Certificate of Insurance	The attachment and any Certificate of Renewal which forms part of these policies and shows your policy numbers, together with the important details of your cover.
Certificate of Renewal	The Notice of Payment Due forwarded to you by us at the expiry date of the period of insurance, together with any endorsements thereon.
Proposal	The form that you have completed and signed as being the application for this insurance contract.
Vehicle	Shall mean any type of machine on wheels or on caterpillar tracks made or intended to be propelled other than by manual or animal power.
Watercraft – Aircraft	Shall mean any vessel, craft or thing made, or intended to float on, or in, or travel through water or the atmosphere.
Proprietors, Fixtures, Fittings and Improvements	<p>Shall mean proprietors' improvements and fixtures forming part of the building, but excluding:</p> <ol style="list-style-type: none"> 1. Fixtures, the property of a lessee, removable by a lessee at the expiration of a tenancy. 2. Anything described as not forming part of a building for the purposes of this definition. 3. Paint and wallpaper, but this exclusion 3 shall only apply to risks situated in New South Wales and Western Australia. 4. Removable floor and ceiling coverings and suspended light fittings, including all carpet.
Damage or Destruction	Means physical loss, damage or destruction by any cause not otherwise excluded by this Policy.
Property Insured	Means the Building or Contents as stated in the Certificate.
Flood	Means the inundation of normally dry land by water escaping or released from the normal confines of any water course or lake, whether or not altered or modified, or of any reservoir, canal or dam.
Tsunami	Means sea wave caused by a disturbance of the ocean floor or by seismic movement.
Period of Insurance	Means the period referred to in the current Certificate.
Sum Insured	Means the relevant sum stated in the Certificate.
Situation	Means the situation stated in the Certificate.

Land Value

The sum certified by the Valuer General as being the value of the land so described in the policy after due allowance has been made for variations or in special circumstances affecting such value either before or after the damage, or which would have affected the value had the damage not occurred so that the figures thus adjusted shall represent as near as may be reasonably practicable, the true land value pertaining both before and after the damage.

The Property Insured

- 1.1 The Building containing the Units or Lots and Common Property comprising the Strata Plan, including all improvements and fixtures of a structural nature including fixed plant, machinery and underground services owned by you or for which you are responsible whilst in and about the buildings and including Proprietors' Fixtures, Fittings and Improvements.
- 1.2 Common contents including the appliances, equipment, furniture and fittings in any common area at the situation of risk stated in the Certificate of Insurance where the proprietorship therein is vested in the Body Corporate. (But shall not include vehicles, trailers, watercraft, aircraft, all as defined, and their accessories).

For the amount of:

1% of the sum insured on Buildings;

- a) While in the buildings at the situation stated in the Certificate of Insurance; or
- b) While temporarily removed or in transit, but not while in transit to, or from, a furniture repository.
- c) \$10,000 any one loss while in the open air at the situation stated in the Certificate of Insurance.
- d) \$5,000 any one loss in respect to rockeries, trees, shrubs and plants owned by the Body Corporate or for which it is responsible.

All the property insured whilst in and about the Buildings at the situation stated on the Certificate of Insurance.

We will pay

In the event of any physical loss, destruction or damage not otherwise excluded occurring during the period of insurance stated in the Certificate of Insurance, or any renewal thereof at the situation of the Property Insured we will, subject to the provisions of this policy including the limitation of our liability, indemnify you in accordance with the applicable Basis of Settlement.

Basis Of Settlement

**1. Reinstatement
Replacement**

The basis upon which the amount payable to you is to be calculated shall be the cost of reinstatement of the Property damaged at the time of its reinstatement subject to the following provisions and subject also to the terms, conditions and Limit(s) or Sub Limit(s) of Liability of this policy.

For the purposes of the insurance under this Clause, 'reinstatement' shall mean:

- 1.1 Where Property is lost or destroyed, in the case of a Building, the rebuilding thereof, or in the case of Property other than a building, the replacement thereof, by similar property, in either case in a condition equal to but not better or more extensive than its condition when new.
- 1.2 Where Property is damaged, the repair of the damage and the restoration of the damaged portion of the Property to a condition substantially the same as but not better or more extensive than its condition when new.

2. Provisions

- 2.1 the work of rebuilding, or replacing, or repairing, or restoring or reinstating, as the case may be (which may be carried out upon another site and in any manner suitable to your requirements, but subject to our liability not being thereby increased), must be commenced and carried out with reasonable despatch, failing which we shall not be liable to make any payment beyond the amount which would have been payable under the Policy if this Clause had not been incorporated therein.
- 2.2 When any Property insured to which this clause applies is damaged in part only, our liability shall not exceed the sum representing the cost which we could have been called upon to pay for reinstatement if such Property had been wholly damaged.
- 2.3 No payment beyond the amount which would have been payable under the Policy if this Clause had not been incorporated therein shall be made until a sum equal to the cost of reinstatement shall have been actually incurred.
- 2.4 All other insurances covering the property effected by or on your behalf shall be on a similar reinstatement basis.
- 2.5 For the purpose of these Provisions the amount which would have been payable under Section 1 of the Policy had this Clause not been incorporated therein shall be, notwithstanding anything contained in this Clause or in Basis of Settlement 1.1 to the contrary, the value of the Property insured at the time of the happening of the damage.
- 2.6 With our prior consent you shall not be bound to actually rebuild any building destroyed but may purchase an alternative existing building to replace that destroyed. Such replacement shall be deemed to constitute “reinstatement” for the purpose of this insurance but we shall not under any circumstances be liable to make any payment beyond the actual cost of rebuilding the building destroyed.

3. Additional Benefits**Within the Sum Insured**

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

3.1 Extra Cost of Reinstatement

(Applicable to Buildings, Machinery, Plant and all other Property and Contents, other than those specified in Items 2.2 and 2.3 under The Property Insured).

The Policy extends to include the extra cost of reinstatement (including demolition or dismantling) of the insured property damaged necessarily incurred to comply with the requirements of any Act of Parliament or Regulation made thereunder or any by-law or Regulation of any Municipal or other Statutory authority, subject to the following provisions and subject also to the terms, conditions and exclusions of the policy.

- a) The work of reinstatement (which maybe carried out wholly or partially upon another site if the aforesaid Act, by-law or Regulation of any Municipal or other Statutory Authority so necessitates subject to our liability not being thereby increased) must be commenced and carried out with reasonable despatch, failing which we shall not be liable to make any payment beyond the amount which would have

been payable under the policy if this Provision had not been incorporated herein.

- b) The amount recoverable shall not include the additional cost incurred in complying with any such Act, Regulation, by-law or requirement with which you had been required to comply prior to the happening of the damage.
- c) All other insurances covering the Property effected by or on your behalf shall be on a similar basis.
- d) The indemnity provided in respect of the extra cost of reinstatement shall apply to the extent to which the sum(s) insured on the building is not otherwise exhausted or unless otherwise stated on the Certificate of Insurance.

3.2 Plot Ratio Clause

In the event of damage occurring to the Buildings insured which necessitates the rebuilding of part of the structure, then if approval to rebuild to the dimensions of the Building at the time of the said damage is not given by a Municipal or Statutory Authority as a result of change of zoning or any other reasons so that the Building as reinstated or repaired will have less units/lots therein than at the date of damage, we agree to pay the cost of erecting on an alternative site a building containing units/lots equal to and similar to those which cannot be rebuilt or a sum of money equal to all necessary costs incurred in purchasing the same number of units/lots in another Building, whichever is the lesser.

In no case will the proportion which the said sum of money bears to the sum(s) insured exceed the proportion which the unit/lots entitlement of those bears to the aggregate unit/lot entitlement.

The total amount recoverable under this additional benefit in respect of any one loss or series of losses arising out of one occurrence shall only apply to the extent to which the sum(s) insured on the building is not otherwise exhausted.

3.3 Loss of Land Value

a) In the event of the absolute refusal by the competent local or Government authority to allow the reconstruction of the premises following destruction or damage we shall pay by way of indemnity the difference between the land value before and after the destruction or damage,

or

b) In the event of the competent local or Government authority allowing partial reconstruction only of the premises after destruction or damage we shall pay by way of indemnity the difference between the land value after such reconstruction and the land value before the destruction or damage.

Less any sum paid by way of compensation by such authority arising out of the action referred to in 3.4(a) and 3.4(b) below.

3.4 Leaking Water, Oil

- a) Bursting, leaking, discharging or overflowing of water tanks, water apparatus or water pipes
- b) Leakage of oil from any fixed oil installation, including tanks, apparatus and pipes.

The indemnity provided herein includes the exploratory costs reasonably incurred in locating the source of damage, and also the cost (up to \$1000) of repair or replacement of the defective part, or parts of such tanks, apparatus or pipes or other installations giving rise to the said loss or damage.

3.5 Damage to electric motors

We will pay the cost of repairing electric motors which have burnt out due to the artificial generation of electric current therein, but we will not pay for the repair or replacement of a sealed or semi-sealed refrigeration unit after 20 years from the date of manufacture of the unit.

Nor will we pay for loss or damage:

- a) to lighting or heating elements, fuses or protective devices
- b) to electrical contacts at which sparking or arcing occurs in ordinary working.

3.6 Money

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

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

3.7 Locks and Keys

If during the period of insurance keys used at the property are accidentally lost or stolen we will pay the cost incurred to replace these keys and other costs that are necessarily incurred to restore the security of the property to the same level of security that existed prior to the loss of these keys. Provided that the maximum amount we will pay is limited to \$5,000 in total, any one event.

**4. Additional Benefits
Above the Sum Insured**

We will pay the following additional benefits over and above the Sum Insured.

4.1 Rewriting of Records

The policy extends to include a Limit of Liability of up to \$10,000 for the cost of rewriting the Insured's records and books of accounts following their damage by a peril insured against. Provided always that these costs are reasonably incurred by the Insured.

4.2 Bonus Cover

The Limit of Liability stated in the Certificate of Insurance shall be regarded as automatically adjusted each month by 1% of the sum insured on Buildings.

No premium shall be payable for any such adjustments occurring during the period of insurance and at each Policy anniversary the renewal premium shall be calculated on the sum insured at that time.

In the event of a claim occurring, the sum insured shall be that which is applicable as at the end of the month immediately preceding the date of occurrence giving rise to the claim.

4.3 Temporary Costs

In the Event of a peril or perils insured against rendering a Unit or Units unfit for habitation we will pay:

- a) All Maintenance Fees and Levies applicable to the Unit/Units payable to the Body Corporate to a maximum of \$1,000 per Unit.
- b) For the Boarding out of Pets normally domiciled at the Premises being owned by the Unit Proprietors or Members to a maximum of \$500.

4.4 Loss of Rent

Loss of Rent of all or any of the units/lots being so damaged by any of the Perils insured against as to become untenable. The annual rent (or the rentable value in cases where the Proprietor is the occupant of the unit/lot) is to be taken as the basis of calculation. Our liability shall be an additional amount not exceeding 15% of the Limit of Liability under this section unless otherwise stated on the Certificate of Insurance.

4.5 Fees and Costs

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

4.6 Additional Costs

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

- a) extinguishing fire at, or in the vicinity of, the property or threatening to involve the property or for preventing or diminishing imminent damage to the property by any other peril insured against by this policy, including damage to gain access and the cost of replenishment of fire fighting equipment and charges incurred for the purpose of shutting off the supply of water or other substance following accidental discharge from any fire protective equipment or otherwise escaping from intended confines.
- b) the temporary protection and safety of the property pending repair or replacement following an insured loss or damage.
- c) the removal of debris or the demolition, dismantling, shoring up, propping, underpinning or other temporary repairs following an insured loss or damage to the property, but not in connection with liability for pollution of any kind.

- d) the demolition and removal of any property belonging to you which is no longer useful for the purpose it was intended, provided such demolition and removal is necessary for the purpose of the reinstatement or replacement of the property and is following and insured loss or damage but not in connection with liability for pollution of any kind.

5. Special Conditions

5.1 For loss of land value:

- (a) Settlement shall be made following the ruling of the competent local or Government authority resulting in the loss of land value. Should settlement have been made however and subsequently the ruling of the competent local or Government authority be changed prior to completion of the reconstruction resulting in an increase in the land value, that part of the claim paid in excess of the revised land value shall be refunded to us.
- (b) All differences relating to the land value arising out of this Policy shall forthwith be referred to the decision of two Registered Valuers, one to be appointed by each of the parties, and in case the two Registered Valuers do not agree, a third Registered Valuer appointed by the President of the Commonwealth Institute of Valuers as an expert whose decision shall be binding and who shall at the same time decide as to payment of any costs of this referral.

5.2 Replacement by similar

In those cases where the architectural features and structural materials of the buildings described in this policy possess a particularly ornamental, antiquarian or historical character, or the materials are not readily available, it is hereby agreed that in calculating the cost which would have been incurred in reinstatement if the whole of the property had been destroyed as referred to in the Basis of Settlement Clause, the basis to be adopted is the cost of a similar type of building of current design and materials and of reasonably equivalent utility and capacity, and it is further noted that the sum insured under this policy has been based accordingly.

5.3 Reinstatement of Cover

The sum insured under each item of the Policy shall be automatically reinstated to the amount shown in the Certificate of Insurance in the event of a claim. Upon request you shall pay a pro rata additional premium based on the amount of the claim.

**6. Exclusions -
Applicable to Policy**

Property – We shall not be liable for any physical loss, destruction or damage caused directly or indirectly to:

- 5.1 Livestock, animals, birds or fish.
- 5.2 Applicable to Queensland only;
 - a) the Buildings by water or rain to the exterior paintwork
 - b) the Buildings by water seeping or percolating through walls, roofs or floors, or by water entering as a result of structural defects, faulty design or faulty workmanship in the Building.
- 5.3 Property undergoing construction, erection, structural alteration or addition other than structural alterations or additions when the value of such work does not exceed \$500,000.
- 5.4 Carpets resulting from staining, fading or fraying.
- 5.5 The popping of swimming pools and/or the accidental breakage, chipping or lifting of tiles of swimming pools and/or their surrounds.

7. Excluded Perils

We shall not be liable in respect of:

- 6.1 Any legal liability of whatsoever nature other than as herein provided.
- 6.2 Consequential financial loss of any kind associated with any commercial or private activity carried on or at the premises stated on the Certificate of Insurance, other than Loss of Rent (as defined.)
- 6.3 Physical loss, destruction or damage directly or indirectly caused by, or arising from, or in consequence of, or contributed to by:
 - a) incorrect siting of buildings
 - b) demolition ordered by government or Public or Local Authorities due to failure by you or your agents to obtain the necessary permits required.
- 6.4 Physical loss, destruction or damage directly or indirectly caused by, or arising out of water from, or action by the sea, tsunami, tidal wave, highwater and flood. Provided that this exclusion shall not apply if loss, destruction or damage is directly or indirectly caused by, or arising out of an earthquake.

- 6.5 Physical loss, destruction or damage directly or indirectly caused by, or arising out of:
- a) erosion, subsidence, earth movement or collapse resulting therefrom other than earthquake which is included, except for the first \$200 of each claim or series of claims during a period of 48 hours.
 - b) normal settling, seepage, shrinkage or expansion in buildings or foundations, walls, pavements, roads and other structural improvements, creeping, heaving and vibration.
 - c) birds, moths, termites or other insects, vermin, rust or oxidation, mildew, mould, contamination or pollution, wet or dry rot, corrosion, change of colour, dampness of atmosphere or other variations in temperature, evaporation disease, inherent vice or latent defect, loss of weight, change in flavour, texture or finish, smut or smoke from industrial operations apart from sudden and unforeseen damage resulting therefrom.
 - d) wear and tear, fading, chipping, scratching or marring, gradual deterioration or developing flaws, normal upkeep or failure of design.
 - e) error or omission in design, plan or specification or failure of design.
 - f) faulty materials or faulty workmanship.
 - g) mechanical, hydraulic, electrical or electronic breakdown, failure malfunction or derangement of any machine or electrical and/or electronic device.
 - h) Provided that exclusion (6.5) (a) to (g) shall not apply to subsequent loss, destruction or damage to property insured by the Policy occasioned by a peril (not otherwise excluded) resulting from any event, occurrence or peril referred to in this Exclusion.

8. Excluded Perils (Boilers) Any boiler (other than a boiler used for domestic purposes), economiser or other pressure vessel, including pipes, valves and other apparatus thereof in respect of which a Certificate is required to be issued under the term of any statute or regulation, occasioned by or arising from explosion, rupture, collapse, bursting, cracking or overheating thereof provided that this exclusion shall be limited to the aforementioned items immediately affected and shall not extend to other property as a result of such loss, destruction or damage.

1. INCREASE IN SUM INSURED

If the building or contents are destroyed beyond economic repair by a peril insured against which causes damage leading to the declaration by the relevant authority of a state of emergency at the situation, we will increase the sum insured on the building and contents and all other individual benefits by 30% if rebuilt.

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

This policy applies only:

- Where indicated on your certificate;
- To Policy 1 - Building and Common Contents;
- To damage which is otherwise covered by Policy 1- Building and Common Contents;
- To damage caused by the peril insured against giving rise to the state of emergency.

2. FLOOD

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

1. Definitions

1.1 Plant – means Electrical, Electronic and Mechanical Plant, Boilers and Unfired Pressure Plant and Pressure Pipe Systems specified in the Schedule but excluding computers, telecommunication transmitting and receiving equipment, electronic data processing equipment, lighting facilities, research, diagnostic and electro medical equipment, lifts, escalators, office machines, coin operated machines, storage tanks and vats, stationary and mobile pressure vessels containing explosive gases, mobile machinery, ducting, reticulating electrical wiring, water and gas piping and all other Plant and equipment not owned by the Insured or not installed or used at the Situation unless such Plant is specified in the Schedule.

1.2 Electrical, Electronic and Mechanical Plant – shall include all integral parts of the Plant specified in the Schedule with the exception of Boilers and Unfired Pressure Plant and Pressure Pipe Systems.

1.3 Boilers and Unfired Pressure Plant – means those parts of the permanent structure of the Plant specified in the Schedule which are subject to internal steam gas or fluid pressure (other than atmospheric pressure) including fittings and direct attachments which are connected to the permanent structure without an intervening valve or cock. This definition also includes the supporting structures of the Plant (other than foundations, masonry and brickwork), such as furnace doors, access doors, external combustion chambers, smoke boxes and casings, but shall not in any event include rotating, reciprocating or electrical apparatus or any interconnecting pressure pipe systems.

1.4 Pressure Pipe Systems – means

- a) in respect of Boilers and Unfired Pressure Vessel Plant, any pressure pipe systems with valves, fittings, traps and separators which contain steam condensate, gas or fluids under pressure (other than atmospheric pressure) and which is generated in whole or in part within the Plant specified in the Schedule, including any feed water piping between such Boiler and its feed pump or injector, but not including any such pipe systems which form part of any other vessel or apparatus;
- b) in respect of refrigeration and air-conditioning plant specified in the Schedule, the inter-connecting coils and pipe work containing transfer media.

1.5 Insured Damage – means sudden and unforeseen physical damage to the Plant which occurs during the Period of Insurance and requires immediate repair or replacement to enable ordinary work to continue.

2. The Indemnity

2.1 This Policy Insures Against the cost of making good insured Damage to the Plant which occurs during the Period of Insurance, while the Plant is located at the Situation specified in the Schedule.
(a) AUD \$5,000 automatic cover.

2.2 Automatic Temporary Cover The Insurer will automatically extend cover under the terms, conditions and exclusions of this Policy for a period of ninety (90) days on additional Plant installed or brought into use at the Situation, provided that;

- a) The Insured shall notify the Insurer within ninety (90) days and pay to the Insurer on demand the premium for the additional Plant from the date of installation or bringing into use;
- b) The additional Plant shall be free from known defects and shall comply with any Statutory requirements;
- c) This temporary cover shall not be provided until the additional Plant has worked satisfactorily for eight (8) hours and has become the responsibility of the Insured;
- d) The temporary cover shall only apply to Plant which is of a similar kind to that which is insured under this Policy;

- e) If, following inspection, any item of additional Plant is unacceptable to the Insurer for insurance, the Insured will be notified by the Insurer by mail. The Insurer will give the Insured not less than three (3) business days' written notice advising the Insured that the additional Plant is no longer covered by this Policy;
- f) The Limit of Indemnity and Excess in respect of the additional Plant shall be that currently specified for a similar item or group of items of Plant in the Schedule.

2.3 Basis of Settlement

Where Insured Damage has occurred, the Insurer will indemnify the Insured against;

- a) damage to the Plant;
- b) damage to other property belonging to, or in the Insured's custody or control and for which the Insured is responsible which results solely from impact from flying fragments of the Plant.

The Insurer will, at its option, reinstate or replace any Plant lost or damaged or pay the amount of the loss or damage in money up to the Limit of Indemnity.

The Insurer will not be responsible for the cost of any alterations, improvements or overhauls carried out on the occasion of a repair or reinstatement.

In the case of a claim where loss or damage is confined to part of a machine or structure, the Insurer shall be liable only for the value of that part plus the cost of any necessary dismantling and erection for which the Insured is responsible.

We will not pay for the repair or replacement of a unit after 20 years from the date of manufacture of the unit.

2.4 Limit of Liability

The Insurer's total liability in respect of any one occurrence shall not exceed;

- a) When the *Plant is specified in the Schedule as a separate item* – the amount specified in the Schedule against that item as the Limit of Indemnity less the Excess.
- b) When the *Plant is insured with other Plant collectively as a group* – the amount specified in the Schedule against the group as the Limit of Indemnity less the Excess.

3. Policy Extension

3.1 Deterioration of Refrigerated Goods

This additional cover is available only in respect of those items of Plant specified in the Schedule.

The Insurer will indemnify the Insured against loss of, or damage to the refrigerated goods in the cold storage spaces cooled by the Plant specified in the Schedule due to deterioration or putrefaction caused by;

- a) A change in temperature due solely to;
 - i) Insured Damage to the Plant;
 - ii) operation or failure of thermostats, pressure controls or limiting devices, but shall not include loss due to the manual operation or setting of switches;
 - iii) the accidental failure of public supply services;
 - iv) the sudden leakage of refrigerant from the Plant or Pressure Pipe Systems forming part of the Plant specified in the Schedule.

- b) Contamination of the goods resulting only from leakage of refrigerant from the Plant;

Provided that the liability of the Insurer under this Extension for all claims arising out of any one occurrence shall not exceed the Limit of Indemnity specified in the Schedule less the Excess.

The Insurer may, at its option, replace the refrigerated goods.

3.2 Exceptions

This Extension does not cover:

- a) Consequential loss, damage or liability due to or arising from the deterioration or putrefaction of the goods.
- b) Loss of, or damage to goods due to the failure of public supply services as a result of any deliberate act by the supply authority not performed for the sole purpose of safeguarding life or protecting any part of the public supply system;
- c) Loss of, or damage to goods due to any scheme of rationing not necessitated solely by accidental damage to the public supply undertaking's generating or supply equipment;
- d) Loss of, or damage to goods due to or resulting from disease from improper storage, damage to packing material, inadequate air circulation or non uniformity of temperature.

4. Conditions

4.1. Precautions

The Insured shall take all responsible measures to maintain the Plant in sound condition to prevent accidents occurring with or to the Plant and to comply with all Statutory obligations and By-laws or Regulations made by any Public Authority in relation to the operation, maintenance, repair or inspection of the Plant and;

- a) where a Certificate of Inspection is required by any Statute or Regulation, the particular item of Plant shall be so certified; and
- b) the load on the safety valve or safety valves upon any Item of Plant shall not be in excess of that permitted by the Certificate issued in accordance with any Statute or Regulation applicable to such item; and
- c) no safety valve limiting the pressure shall be removed or rendered inoperative.

4.2. Alteration of Working Conditions

The Insured shall notify the Insurer immediately in writing of any proposed alteration of, or additional to, or any change of circumstances materially affecting the working conditions of the Plant.

4.3. Examinations

The Insured shall permit the Insurer and its authorised representatives to inspect the Plant at all times during the Period of Insurance. The Insured shall have the Plant properly prepared at the Insured's own expense for such inspection. An inspection by the Insurer shall not warrant that the item of Plant is safe.

4.4. Repairs and Notification of Accidents

The Insured is to give to the Insurer notice and full particulars of the repairs as soon as possible by telephone, fax, email and also by letter. Any damaged parts are to be kept by the Insured for inspection. The Insured shall take immediate steps to minimise any damage to the Plant or other insured item. Other repairs to the Plant shall only be carried out with the consent of the Insurer. This insurance shall be suspended until the repairs have been completed to the satisfaction of the Insurer.

Every letter, claim, writ, commons or process shall be forwarded to the Insurer on receipt by the Insured.

Written notice shall also be given to the Insurer as soon as possible after the Insured or the Insured's personal representatives have knowledge of any prosecution, inquest or fatal accident enquiry in connection with any accident giving rise to a claim.

4.5. Control of Claims

No admission, offer, promise, payment or indemnity shall be made or given to third parties by, or on behalf of the Insured without the Insurer's written consent. The Insurer shall be entitled to take over and conduct in the name of the Insured the defence or settlement of any claim or to prosecute in the Insured's name of the benefit of the Insurer any claim for indemnity or damages or otherwise, and the Insurer shall have full discretion in the conduct of any proceedings or in the settlement of any claim. The Insured shall give the Insurer all such information and assistance as the Insurer may require.

The Insurer may at any time pay to the Insured in respect of a claim made against the Insured arising directly or indirectly from the one occurrence the Limit of Indemnity (after deduction of any sum or sums already paid as compensation) or any less sum for which the claim or claims can be settled. Upon such payment, the Insurer shall be under no further liability under this Policy in connection with that claim or claims except for costs, changes and expenses recoverable from the Insured or incurred by the Insurer or by the Insured with the consent of the Insurer prior to the date of such payment.

4.6. Transfer of Interest

No transfer of interest in any Plant or other insured items shall effect or be binding on the Insurer unless written notice has been given by the Insured to the Insurer and the Insurer's written consent is provided to the Insured.

5. Exclusions

1. Except as specifically provided by this Policy, this Policy does not cover:
 - a) Wear and tear, which shall mean:
 - i) damage to glass or ceramic components, chipping or scratching of painted or polished surfaces or damage to a device designed for safety or protection when it operates for that purpose.
 - ii) any crack, fracture, blister, lamination, flaw or grooving which has not penetrated completely through the entire thickness of the material of the Plant, notwithstanding that repair or renewal of the part affected may be necessary either immediately or at some future time, other than as a result of the Insured Damage.
 - iii) slowly developing deformation or distortion unless the defects are the result of Insured Damage, wearing away or wasting of material caused by or naturally resulting from atmospheric conditions, rust, erosion, corrosion, oxidation or ordinary use.
 - iv) defective tube joints or other defective joints or seams, leakage of any valve fitting, shaft seal, gland packing joint or connection other than as a result of Insured Damage.
 - v) the tightening of loose parts, recalibration or adjustments or replacement or refrigerant or brine other than as a result of Insured Damage.
 - vi) damage to foundations, brickwork and refractory materials other than as a result of Insured Damage.

- b) Expendable items, which shall mean;
 - i) damage to or replacement of all electrical or electric glass bulbs, tubes, x-ray tubes, contacts, fuses and heating elements.
 - ii) track rails, wear plates, cutting edges, tools, dies, engraved cylinders, moulds, patterns, shear pins, filters, chain, belts, tyres, tracks or conveyor belts and any other part or parts which require periodic or frequent replacement.
 - c) Consequential loss of any kind.
2. This Policy does not cover:
- a) Perils, which shall mean
 - i) loss, damage or liability caused directly or indirectly by fire, smoke or soot, extinguishing of a fire or subsequent demolition, lightning, hail, wind and rain inundation, flood, aircraft or other aerial devices and/or items falling from them or pressure waves caused by their travelling at sonic or supersonic speed, theft or attempted theft, malicious damage, earthquake, subsidence, landslide, earth movement, subterranean fire, volcanic eruption, impact of land borne vehicles or waterborne craft.
 - ii) explosion other than
 - a) the sudden and violent rending of any Boiler or Pressure or Pressure Pipe Systems by force of internal fluid pressure or pressure of ignited flue gases but excluding other chemical action.
 - b) the busting or disruption of turbines, compressors, engine cylinders, hydraulic cylinders, flywheels or other parts subject to centrifugal force, transformers, switches or oil immersed switch gear.
 - b) Repairs and removal, which shall mean;
 - i) damage caused by the application of any tool or process to Plant or any insured item in the course of maintenance, inspection, repair, alteration, modification or overhaul.
 - ii) damage to Plant or any insured item during installation or erection other than dismantlement movement and re-erection for the purpose of cleaning, inspection or repair or installation in another position at the Situation.
 - c) Exceptional working conditions, which shall mean;
 - i) damage or liability arising out of Plant being subjected to tests involving abnormal stresses or arising out of Plant being intentionally overloaded.
 - ii) damage or liability arising out of any raising/lowering operation in which a single load is shared between any item of lifting and handling Plant and any other lifting equipment, whether insured by this Policy or not.
 - d) Damage or liability arising out of the Insured's deliberate act or an omission or neglect on the part of the Insured.
 - e) Loss or damage for which the manufacturer, supplier, agent or other engineers are responsible under terms of their Maintenance or Warranty Agreements with the Insured.
 - f) Lifts, machinery and associated apparatus unless specified on the schedule.

1. Definitions

- 1.1 Limit of Liability** means the Relevant Sum stated on the Certificate.
- 1.2 Personal Injury** means:
- 1.2.1 bodily injury, sickness or disease sustained by any person, including death at any time resulting therefrom;
 - 1.2.2 false arrest, false detention or wrongful imprisonment, malicious prosecution;
 - 1.2.3 libel, slander;
 - 1.2.4 wrongful entry or wrongful eviction or other invasion of privacy;
 - 1.2.5 assault or battery committed by any of Your employees in relation to Your Ownership of the Property Insured but excluding acts committed at Your direction, unless so directed for the purpose of preventing or eliminating danger to persons or property.
- 1.3 Property damage** means:
- 1.3.1 direct physical injury to, or loss or destruction of tangible property including any resulting loss of use thereof at any time resulting therefrom;
 - 1.3.2 loss of use of tangible property which has not been physically injured or destroyed provided such loss of use is caused by an Occurrence.
- 1.4 Occurrence** means:
- 1.4.1 in relation to 1.2.1, 1.3.1 and 1.3.2 any event including continuous or repeated exposure to substantially the same general conditions which caused Personal Injury or Property Damage which is neither expected nor intended on Your part, provided such Personal Injury and Property Damage occurs during the Period of Insurance. All Personal Injury and Property Damage arising directly or indirectly from one original source or cause shall be deemed to be one Occurrence;
 - 1.4.2 in relation to 1.2.2, 1.2.3, 1.2.4 and 1.2.5, an act or series of acts of the same or similar nature which cause Personal Injury which is neither expected nor intended on Your part, provided that such Personal Injury occurs during the Period of Insurance. Any such act or series of acts, regardless of their frequency or the number of claimants, shall be deemed to be one Occurrence.
- 1.5 Vehicle** means any type of machine designed to travel on wheels or on self-laid tracks and to be propelled by other manual or animal power.
- 1.6 Watercraft** means any vessel, craft or thing made or intended to float on, or in, or travel on, or through or under water.
- 1.7 Aircraft** means any vessel, craft or thing made or intended to fly, or move in or through the atmosphere or space.
- 1.8 Compensation** means money payable by reason of a judgement ordered by a court of competent jurisdiction, or by reason of any settlement of any claims negotiated with Our consent, but does not include any money payable by way of any fine or penalty or punitive, exemplary or aggravated damages.

2. The Indemnity

We will indemnify You in respect of any claim for Compensation in respect of Personal Injury or Property Damage occurring during the Period of Insurance as a result of an Occurrence arising out of the ownership of the Building and Contents insured under Policy 1 – Building and Contents.

We will not pay more than the Limit of Liability shown in the Certificate in relation to any one Occurrence. However, We will also pay legal costs approved by Us in the settlement or defence of claims.

3. Exclusions

We shall not be liable for claims in respect of:-

3.1 Employer's Liability

Personal Injury to any person:

- 3.1.1 arising out of, or in the course of the employment of such person by You;
- 3.1.2 employed by You and which claims arise from a liability imposed by an industrial award or agreement or determination.

3.2 Vehicles

Personal Injury or Property Damage arising out of the ownership, possession, operation, control, maintenance or use by You of any Vehicle:

- 3.2.1 which is registered; or
 - 3.2.2 which is required under any legislation to be registered;
 - 3.2.3 in respect of which insurance is required to be effected by You or on Your behalf, by or under any legislation including legislation of any State or territory, whether or not such insurance is effected.
- Exclusion 3.2.3 does not apply to Personal Injury or Property Damage;
- 3.2.4 caused by, or arising from the delivery or collection of goods to or from any Vehicle where such Personal Injury or Property Damage occurs beyond the limits of any public road, i.e. off a public road;
 - 3.2.5 caused by, or arising out of the loading or unloading of, or the delivery or collection of goods to or from any Vehicle used in work undertaken by You or on Your behalf but not in Your physical or legal control.

3.3 Property Owned Or In Physical Custody or Control

Property Damage to property owned by You or in Your care, physical custody or under Your legal control.

3.4 Contractual Liabilities

Any contract, warranty or agreement requiring You to be liable for Personal Injury or Property Damage regardless of fault, except for liability which would have been implied by law in the absence of such contract, warranty or agreement.

3.5 Professional Indemnity

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

3.6 Watercraft and Aircraft

Personal Injury or Property Damage caused by, or arising directly or indirectly out of, or in connection with the ownership, existence, use, operation, loading or unloading by or on Your behalf of any:

- 3.6.1 Watercraft
- 3.6.2 Aircraft; or premises used for the purpose of an airport or any aircraft landing strip and all operations necessary or incidental thereto.

- 3.7 Business or Profession** The conduct of any business or profession other than as owner of the Property Insured.
- 3.8 Goods Sold** Personal Injury or Property Damage caused by the nature, condition or quality of goods (which expression includes containers) sold or supplied by You.
- 3.9 Building Alterations** Personal Injury or Property Damage arising directly or indirectly out of, or caused by, or in connection with the erection, demolition, alteration of and/or addition to the Building by, or on Your behalf except an alteration or addition costing not more than \$500,000.
- 3.10 Vibration/Removal Of Support** Personal Injury or Property Damage arising directly or indirectly from vibration or removal or weakening of support of land buildings or other property.
- 3.11 Territorial Limits** Actions brought against You or claims instituted outside the Commonwealth of Australia.
- 3.12 Pollution** Personal Injury or Property Damage caused by or arising out of contamination or pollution by the harmful nature of any substance discharged, released or which has escaped into or upon land, the atmosphere or any watercourse or body of water.
- 3.13 General** Fines, punitive, exemplary, liquidated or aggravated damages of any kind whatsoever regardless of any other provisions of this Policy.

We agree to indemnify you in respect to the fraudulent embezzlement or fraudulent misappropriation of funds set aside for the purpose of management of the Body Corporate affairs up to, but in any case not exceeding, \$50,000 per event and in total during the period of insurance.

**Exclusions –
Applicable to Policy 4**

We shall not be liable for:

1. any payment under this policy in contribution with any bond effected under Section 79 of the Strata Titles Act 1973 of New South Wales or its equivalent in the legislation of other States or any fund providing for infidelity. Nor will we be liable to make any payment until all such bonds or funds have been exhausted.
2. any fraudulent misappropriation committed after the initial discovery of loss.
3. any claims arising out of losses discovered more than 6 months after the termination of this policy.
4. any losses arising out of misappropriations committed prior to the inception of this policy.
5. any losses not discovered within 6 months of the expiration of the Period of Insurance.

- 1. The Indemnity** We will pay Compensation shown below to the Voluntary Worker who suffers an accident (excluding sickness or disease) occurring during the Period of Insurance which results in death or any of the following Disabilities, if death or Disability occurs within 12 months of such accident.
- 2. The Events**
- | | | |
|-----|--|-----------|
| 2.1 | Death | \$100,000 |
| 2.2 | Total and irrecoverable loss of all sight in both eyes | \$100,000 |
| 2.3 | Total and permanent loss of the use of both hands or the use of both feet or the use of one hand and one foot or the physical severance of both hands or both feet | \$100,000 |
| 2.4 | Total and permanent loss of use of one hand or of the use of one foot or the physical severance of one hand or one foot | \$50,000 |
| 2.5 | Total and irrecoverable loss of all sight in one eye | \$50,000 |
| 2.6 | a) Temporary Total disablement from engaging in or attending to usual profession, business or occupation - \$1,000 in respect of each week of disablement | |
| | b) Temporary Partial disablement from engaging in or attending to usual profession, business or occupation - \$500 in respect of each week of disablement. | |
- 3. Provided That**
- 3.1 this Policy will only apply in respect of work organised by and at the direction of the Body Corporate, its committee or the duly appointed delegate of the Body Corporate or its committee.
- 3.2 If the Voluntary Worker becomes entitled to Compensation under more than one of the items 2.1 to 2.6 in respect of the same bodily injury:
- Compensation will not be payable under any item if such item is included in any other item for which greater Compensation is payable;
 - Compensation payable will not exceed in the aggregate the Compensation for Item 2.1.
- 3.3 After the occurrence of any one of the Items 2.2 to 2.5 there will be no further liability under this Section in respect to the same Voluntary Worker for injures sustained thereafter.
- 3.4 Compensation will not be payable:
- under item 2.6 in excess of an aggregate of One hundred and four (104) weeks in all in respect of any one disablement.
 - under item 2.6 for the first one (1) week of disablement.
 - unless the injured Voluntary Worker shall as soon as possible after the occurrence of any bodily injury procure and follow medical advice from a legally qualified medical practitioner.
 - for more than one of Item 2.6 a) and 2.6 b) in respect of the same period of time i.e. compensation will only be paid under 2.6 a) or 2.6 b) not both.
 - in respect of children under the age of 12 years.
 - under item 2.6 in respect of persons not in receipt of wages, salaries or other remuneration.

**4. Exclusions –
Applicable to Policy 5**

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

- 4.1 intentional self injury or suicide (whether felonious or not) or any attempt thereat.
- 4.2 childbirth or pregnancy notwithstanding that such childbirth may have been accelerated or induced by accident resulting in the bodily injury.
- 4.3 which happens whilst a Voluntary Worker by mental unsoundness or by intoxicating liquor, narcotics or drugs is rendered less capable than usual of taking care of himself/herself or which event is directly or indirectly attributable thereto or consequential thereon.
- 4.4 in respect of or following upon any injury giving rise to a right in the Voluntary Worker or any other person to claim any compensation from his/her employer or any person liable to pay compensation under or by virtue of any Workers Compensation Act or Ordinance or any other Statutory Enactment providing for payment in the nature of compensation whether such right is exercised or not.

1. The Indemnity

We will indemnify the Insured against any claim or claims;

- a) made against the Insured during the period of insurance specified in the Certificate of Insurance and,
- b) immediately notified to us in writing during the period of insurance specified in the Certificate of Insurance and,
- c) arising out of a Wrongful Act (as herein defined) which occurred subsequent to the retroactive date.

Provided that claims which do not accord with all of a), b) and c) of this operative clause are not the subject of this insurance or any indemnity.

For the purpose of this indemnity clause the term “claim or claims” shall mean legal proceedings or other written demands instituted and served upon the Insured and the service of proceedings shall constitute the making of a claim against the Insurer for the purposes of this Policy.

The amount payable in respect of all claims under this Policy shall not in the aggregate, exceed the Limit of Indemnity stated in the Certificate of Insurance inclusive of claimants costs and expenses, and the costs and expenses incurred by, or with our written consent in the investigation, defence or settlement of any claim during the currency of any one annual period of insurance.

**2. Exclusions
Applicable to Policy 6**

2.1 We shall not be liable under this policy to make any payment for any loss in connection with any claim(s) made against any Insured in respect of, or by reason of:

- a) an Insured gaining or having gained any personal profit or advantage to which he/she is not legally entitled to, or for which he/she may be held accountable to the Body Corporate or any individual member thereof.
- b) moneys or gratuity given to any Insured without authorisation by the Members of the Body Corporate where such authorisation is necessary pursuant to the Memorandum of Articles of the Body Corporate or as prescribed by law;
- c) any Loss for which the Insured shall be reimbursed:
 - i) by the Body Corporate pursuant to its articles of Association;
 - ii) by reason of having given notice of any circumstance which might give rise to a claim under any other policy(ies) the terms of which have expired prior to the inception of this policy.
- d) bodily injury, sickness, disease or death of any person or property damage (including the loss of use thereof); except as arising from any negligent failure by, or on behalf of the Insured to effect valid Public Liability insurance on behalf of the Body Corporate as required by law.
- e) fines or penalties imposed by law.
- f) a conflict of duty and interest of an Insured.
- g) an intentional exercise of the powers conferred on the Insured as officer, for a purpose other than the purpose for which such powers were conferred by the articles of the Body Corporate.

2.2 We shall not be liable under this policy to make payment for any Loss in connection with any claims;

- a) made or threatened or in any way intimated on or before the inception date of this policy specified in the Certificate of Insurance;

- b) arising from any circumstance or circumstances of which the Insured had become aware prior to the policy inception and which a reasonable person in the position of the Insured, would, at any time prior to the inception of the Policy, have considered may give rise to a claim or claims under this policy;
- c) first notified to us after the expiry of the policy;
- d) brought against the Insured in a court of law outside Australia;
- e) for libel or slander;
- f) brought about or contributed to by any dishonest, fraudulent criminal or malicious act or omission of the Insured.

2.3 It is agreed that any fact pertaining to any Insured shall not be imputed to any other Insured for the purpose of determining the application of Exclusion 1.

3. Definitions

Wrongful Act	The term “Wrongful Act” shall mean: any actual or alleged error or mis-statement, or misleading statement or act, or omission or neglect, or breach of duty by the Insured or any of them while acting in their individual or collective capacities on any matter, not excluded by the terms and conditions of this Policy, claimed against them solely by reason of their being officers of the Body Corporate.
Loss	The term “Loss” shall mean: the amount payable in respect of a claim or claims made against the Insured for a “Wrongful Act” and shall include damages, judgements, settlements, and costs, cost of investigation (excluding salaries of officers or employees of the Body Corporate) and cost of defence of legal actions, claims or proceedings and appeals therefrom. All losses arising out of the same act or inter related acts of one or more Insured’s shall be considered a single loss only.
Insured	The term “Insured” shall mean: the officers for the time being of the Body Corporate.
Officer(s)	The term “Officer(s)” shall mean: past and present council/committee members of the Body Corporate.
Body Corporate	The term “Body Corporate” shall mean: the Body Corporate specified in the Certificate of Insurance.
Retroactive Date	The term “Retroactive Date” shall mean: the Retroactive Date stated in the declarations being the date of the most recent of the following: <ul style="list-style-type: none"> a) Expiry of the most recent Office Bearers’ Liability Policy covering accidents or occurrences in the period of this policy. b) The engagement by the Body Corporate of a duly licensed Strata Management Company.

4. Special Conditions

Applicable to Policy 6	4.1 If the Insured shall refuse to consent to any settlement recommended by the company and shall elect to contest or continue any legal proceedings in connection therewith, our liability for the claim shall not exceed the amount for which the claim could have been so settled plus the costs and expenses incurred up to the date of such refusal.
	4.2 The inclusion in the Policy of more than one (1) Insured shall not operate to increase the limit of our limit of liability specified in the Certificate of Insurance.

- 4.3 It is hereby understood that all premiums and claims (if any) are payable at the place and in the currency of the country where this policy was issued.
- 4.4 This insurance shall be governed by Australian law and jurisdiction where the policy was issued whose courts shall have jurisdiction in any dispute arising hereunder.
- 4.5 Any sum paid by us in the discharge or settlement of any threat or intimation of a claim or in relation to any circumstance which might give rise to a claim, shall be deemed to be a payment made in the discharge or settlement of a claim made against the Insured under this Policy, and in particular and without limiting the generality of the foregoing shall be deemed to be such a payment for the purpose of calculating the aggregate of all claims under this Policy pursuant to The Indemnity Clause.

APPLYING TO POLICIES 1-7**1. General Exclusions**

None of these Policies provide cover for loss, damage, destruction or liability directly or indirectly caused by, or happening through, or in consequence of:

1.1 loss, damage or injury intentionally caused by You or a person acting with Your consent.

1.2 loss, damage or liability arising out of:

1.2.1 the lawful seizure, confiscation, nationalisation or requisition of the Property Insured;

1.2.2 destruction of or damage to property by or under the order of any government or public or local authority;

1.2.3 war, invasion, act of foreign enemy, hostilities (whether war be declared or not), civil war, rebellion, revolution, insurrection, military or usurped power, looting, sacking or pillage following any of these.

1.3 loss, damage or liability as a result of the use, existence or escape of nuclear weapons material, or ionising radiation from, or contamination by radioactivity from, any nuclear fuel or nuclear waste from the combustion of nuclear fuel;

1.4 Loss or damage that is caused by:

1.4.1 erosion, subsidence, landslide or earth movement no matter how caused (other than earthquake);

1.4.2 wear, tear, rust, corrosion or gradual deterioration.

2. Alteration

We will not pay for any losses under these Policies where any change or alteration has taken place that may or will increase the risk of any claim being made, and in particular relating to:

2.1 the nature of the occupation of or other circumstances affecting the Property Insured;

2.2 the fact that the Buildings insured or containing any Property Insured become unoccupied and remain so for a period of more than sixty (60) consecutive days without Our written consent;

2.3 removal of the Property Insured from the Situations except as specifically provided by these Policies;

2.4 where Your interest ceases except by will or operation of law.

3. Due Diligence

You must take all reasonable care and precautions for the safety and protection of the Property Insured and must at all times use due diligence in maintaining the Property Insured in such order and condition as to minimise the risk of loss, destruction or damage insured against any should any damage have occurred prior to the commencement of the insurance and such damage not have been repaired or made good. We shall not be liable for such damage nor for any resultant loss, destruction or damage.

4. Other Insurances

If at the time of any loss, damage, destruction or liability happening there shall be any other insurance effected by a person other than You covering the same loss, damage, destruction or liability, or any part, We shall only be liable for an amount over and above that recoverable under such other insurance.

5. Cancellation

5.1 You may cancel these Policies at any time by notifying Us in writing. We will then deduct from Your premium an amount for the period You have been insured with Us and the administrative costs associated with the issue and cancellation of the Policy and refund the balance. Where You consist of more than one person or entity, any notice of cancellation given by any one such person or entity shall be effective to cancel these Policies in total.

5.2 We may cancel these Policies at any time in accordance with the Insurance Contracts Act 1984. We will deduct from Your premium an amount for the period You have been insured with Us and refund the balance.

6. Claims

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

- 6.1 take all reasonable precautions to prevent further loss, damage or liability;
- 6.2 notify the Police immediately if any of Your property is lost, stolen, or maliciously or intentionally damaged;
- 6.3 notify Us in writing as soon as possible and supply Us with all information We require to investigate, settle or defend the claim;
- 6.4 not authorise repairs to or arrange replacement of any of the property insured in connection with any claim without Our consent;
- 6.5 not admit liability if an accident occurs which is likely to result in someone claiming against You and for which We insure You.

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

We may refuse to pay a claim if You are in breach of any of the conditions of these Policies, including any endorsements noted on or attached to the Certificate.

7. Excess

- 7.1 Earthquake, Subterranean fire or Volcanic eruption - \$200.
- 7.2 All other claims nil unless specified in the Certificate.

8. Co-Operation

If We elect or become bound to reinstate any property You shall produce and give to Us all such plans, documents, books and information as We may reasonably require.

9. Subrogation

In the event that We have a right to recover any monies payable under these Policies from any other person, You must co-operate with Us fully in any proceedings available to Us at law, which We may take.

10. Other Interests

- 10.1 No interest in these Policies may be transferred without Our written consent.
- 10.2 All persons entitled to any benefit under the Policies shall be bound by the terms of these Policies.
- 10.3 In the event of any claim made under these Policies, You or any other person claiming any benefits must notify Us as to any other insurance effected covering the same loss, damage or liability.
- 10.4 We shall not be liable to extend any indemnity for any loss, damage or liability if You agree or have agreed to limit or exclude any right of recovery against any third party causing that loss, damage or liability.
- 10.5 We will only recognise and be bound to accept those interests which are notified to Us whether at the time of issue of cover or subsequently and accepted by Us.

11. Single Event

No payment for loss or damage to property insured by these Policies will be made under more than one policy in respect of the same property and same event.

12. Service of Suit

The Underwriter hereon agree that:

- (i) In the event of a dispute arising under this insurance, the Underwriters at the request of the Assured will submit to the jurisdiction of any competent Court in the Commonwealth of Australia. Such dispute shall be determined in accordance with the law and practice applicable in such Court.

- (ii) Any summons notice or process to be served upon the Underwriters may be served upon:

Lloyd's Underwriters' General Representative in Australia
Suite 2, Level 21
Angel Place
123 Pitt Street
Sydney NSW 2000

who has authority to accept service and to enter an appearance on the Underwriters' behalf, and who is directed at the request of the Assured to give a written undertaking to the Assured that he will enter an appearance on the Underwriters' behalf.

- (iii) If a suit is instituted against any one of the Underwriters, all Underwriters hereon will abide by the final decision of such Court or any competent Appellate Court.

Millennium Underwriting Agencies Pty Ltd
AFS Licence No. 246721

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