

Millennium

Underwriting Agencies

Millennium Landlords Residential Property (Accidental Damage)

*Product Disclosure Statement
and Policy Wording
with Flood Cover*



About Millennium Underwriting Agencies

Millennium Underwriting Agencies Pty Ltd (MUA) (ABN 38 079 194 095, AFS Licence No. 246721) is an insurance underwriting agency and holds an AFS Licence to issue, deal in general insurance products and provide claims handling and settling services.

MUA was established in 1998 and is part of the MGA Whittles Group of Companies.

MUA is authorised to distribute this policy under its own AFS Licence by Insurance Australia Limited (ABN 11 000 016 722, AFS Licence No. 227681) trading as CGU Insurance (CGU) and when it does so, MUA acts for CGU and not as your agent.

MUA does not receive any form of remuneration from CGU for distributing this policy.

Before deciding whether to purchase this policy, you should consider your personal circumstances and this Product Disclosure Statement (PDS) as well as the Target Market Determination (TMD) available at <https://millennium.com.au/document-library/>

You may contact MUA by:

- telephone on 08 8249 7900; or
- writing to: PO Box 309, Kent Town SA 5071

Please note that MUA are only able to provide factual information about the product. MUA does not give advice on whether this product is appropriate for your personal objectives, needs or financial situation.

If you are interested in purchasing this policy or have any inquiries about it, you should contact your intermediary or insurance broker, who can provide you with all the information and assistance you require about this policy.

To make a complaint, you can access CGU's dispute resolution service set out in the PDS.

MGA Insurance Brokers Pty Ltd

MUA have an association with MGA Insurance Brokers Pty Ltd (ABN 29 008 096 277, AFS Licence No. 244601 (MGA Insurance Brokers).

MGA Insurance Brokers and MUA have some common directors and a proportion of the shares of each company have common ownership.

MGA Insurance Brokers is a member of the Austbrokers network, a division of the AUB Group Ltd. AUB Group Ltd have an equity interest in their business.

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LANDLORDS RESIDENTIAL PROPERTY

INSURANCE PRODUCT DISCLOSURE STATEMENT AND POLICY

with Flood Cover

LANDLORDS RESIDENTIAL PROPERTY

This Product Disclosure Statement (PDS) is issued by Insurance Australia Limited ABN 11 000 016 722 AFSL 227681 trading as CGU Insurance and has been designed to help you get the most out of your policy.

Information in this PDS may need to be updated from time to time where required and permitted by law. You can obtain a paper copy of any updated information without charge by calling us on the contact details provided in this document. If the update is to correct a misleading or deceptive statement or an omission that is materially adverse from the point of view of a reasonable person deciding whether to acquire the Policy, we will provide you with a new PDS or Supplementary PDS.

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About this insurance

Landlords Residential Property Insurance

Landlords Residential Property Insurance provides cover for any accidental loss or damage to the buildings or contents that make up your rental property.

We also provide cover under specific conditions for a range of incidents and additional covers.

You can choose to take out a buildings policy, a contents policy, or a combined buildings and contents policy.

You can also add options to your policy for loss of rent, rent default and theft by a tenant, liability, strata title mortgagee protection and workers' compensation.

Your buildings or contents and the options you have chosen will be covered up to the sum insured, as listed on your current schedule.

To find out **What This Policy Covers**, see pages 1-7 ►
For **Exclusions To This Cover**, see pages 7-8 ►

Excesses that may apply when you make a claim

An 'excess' is your contribution towards the cost of a claim. We will tell you if an excess applies when you make a claim.

The type of excess that applies to your policy and the amount of that excess will be listed on your schedule. You may need to pay more than one type of excess. You will need to pay any excesses that apply as part of the finalisation of your claim.

Your excess will be increased by \$250 for any loss or damage that occurs as a result of an earthquake or tsunami.

If a claim is made for what we identify as one or more separate incidents, you may need to pay any excesses that apply for each separate incident we have identified.

Bond money we may deduct when you make a claim

We will reduce the amount we will pay for loss or damage to your building or contents, rent default or legal expenses by any bond money that you are entitled to use to pay for or reduce the cost of any loss or damage.

What this policy covers

Buildings we will cover

We will cover residential buildings, their fixtures and fittings and any structural improvements at your rental property.

Your buildings include:

- residential buildings, **including:**
 - any professional offices or surgeries in those buildings.
- domestic outbuildings
- fixed coverings to walls, floors and ceilings:
 - these do not include fixed carpets, curtains or internal blinds.
- infrastructure for services, including infrastructure for the supply of electricity, gas, water, internet and telephone
- items built in, fixed to, or on the buildings
- blinds or awnings on the outside of the buildings
- in built swimming pools and spas
- boat jetties or pontoons that you are legally responsible for
- fences and gates (limits may apply).

Your buildings do not include:

- buildings that a tenant is liable for under the terms of a written, rental agreement, **unless:**
 - the building is listed under 'Your buildings include' as above.
- building materials
- plants, shrubs, trees or grass, except as specifically covered under the 'Landscaping' additional cover
- lawns
- loose or compacted soil, gravel, pebbles, rocks or sand
- dams.

What we will pay for buildings

We will cover your buildings up to the sum insured, as listed on your schedule.

Contents we will cover

We will cover household goods you own or are legally responsible for that are not fixed or fitted to your buildings at your rental property.

Your contents include:

- items thinly covered with gold or silver that are not jewellery or watches
- carpets, curtains or internal blinds
- fixtures and fittings that you have installed if you are the owner of a strata title unit, **unless:**
 - the body corporate or similar body has insured them.
- household goods
- furniture and furnishings that are not built in

- portable domestic appliances that are not built in
- swimming pools, saunas and spas that are not built-in and their accessories
- 'special contents', as listed on your schedule.

Your contents do not include:

- unset precious/semi-precious stones
- plants and trees growing outdoors, **unless:**
 - they are growing in pots or tubs.
- animals, including birds and fish
- jewellery and watches
- items that contain gold or silver, **unless:**
 - they are items thinly covered with gold or silver.
- furs
- collections of stamps, money or medals
- sporting equipment
- clothing and personal effects
- money and negotiable documents
- cryptocurrency or non-fungible tokens (NFTs) and/or any devices or programs involved in the storage or transfer of cryptocurrency or NFTs
- battery-powered items as listed below:
 - audio visual equipment
 - camera equipment, including accessories and unprocessed film
 - electronic diaries
 - GPS
 - mobile or portable phones
 - portable computers.
- pedal cycles, motorcycles, mini-bikes, caravans, trailers, aircraft, watercraft or motor vehicles, **unless:**
 - they are ride-on mowers.
- building materials.

What we will pay for contents

There are set maximum amounts that we will pay when you make a claim. These amounts are listed below and are included in your contents sum insured.

The most we will pay	
Contents	up to the contents sum insured as listed on your schedule (inclusive of GST) in total
Any content item, pair, set, collection or system of contents items	\$20,000 (inclusive of GST) per item, pair, set, collection or system

Nominating the amount we will pay for contents

When you take out a contents policy, you must nominate the replacement value of your contents at today's prices. This is called your 'sum insured' and is listed on your schedule.

Increasing the amount we will pay for contents

You can increase the maximum amount we will pay for any content item, pair, set, collection or system by nominating an amount that is higher than \$20,000. Your contents will be listed on your schedule as 'special contents'.

Where your contents are covered

We will cover your contents at your rental property for loss or damage as a result of an incident we have agreed to cover.

Accidental damage cover

We will cover your buildings or contents for any accidental loss or damage.

There are also a number of incidents we will cover under specific conditions – these are listed on the following pages.

If you make a claim, you will need to pay any excesses that apply – you will only need to pay this amount once.

Any cover we provide is subject to exclusions.

For **Exclusions To This Cover**, see pages **7–8** ►

Incident cover provided under specific conditions

Burning out of an electric motor

We will cover the cost to repair or replace your electric motor if it burns out or fuses.

We will only do this if your electric motor is 15 years old or less.

Drug contamination

We will cover your buildings or contents for loss or damage as a result of contamination from the manufacture, storage, or distribution of illegal drugs.

We will pay up to \$30,000 during your period of insurance for the cleaning and/or replacement of items that are contaminated.

We will only do this if:

- the manufacture, storage, or distribution is discovered by, and referred to the police for investigation and proper assessment confirms contamination
- the property is rented to a tenant, and a valid rental agreement is in place
- you, or the person managing your property, have conducted regular inspections at the property in line with the rental agreement terms and conditions.

We will not pay if:

- there is not a valid rental agreement in place
- it has not been reported to the police or relevant authority as soon as reasonably possible
- you, or the person managing your property, become aware of the situation and fail to act immediately.

Fire or explosion

We will cover your buildings or contents for loss or damage as a result of a fire or an explosion.

We will not cover loss or damage caused by a bushfire or grassfire within 48 hours of the start date of your policy, **unless**:

- you took out your insurance with us immediately after another insurance policy covering the same buildings or contents expired, without a break in cover
- you took out your insurance with us immediately after the risk passed to you as purchaser of your buildings
- you took out your insurance with us immediately after you signed a lease contract for your buildings.

Landslide or subsidence

We will cover your buildings or contents for loss or damage as a result of a landslide or subsidence.

We will only do this if the loss or damage occurs within 72 hours of:

- an earthquake or explosion
- a storm or flood, including rainwater or wind, **or**
- liquid escaping from a fixed pipe, or an object attached to a pipe, fixed gutter, fixed tank or a drain.

Loss or damage by a tenant or their visitors

We will cover your buildings or contents for loss or damage caused by a tenant or their visitors, or their visitors pets.

We will only do this if the loss or damage occurs as a result of:

- accidental breakage of any fixed glass in your buildings, **including**:
 - any window tinting or shatter proofing material attached to the glass
 - fixed shower bases, basins, sinks, spas, baths and toilets.
- fire or explosion, as described on this page
- impact by a vehicle
- water or liquid that escapes from:
 - a fixed pipe or an object attached to a pipe, fixed gutter, fixed tank or a drain
 - a bath, basin, sauna, spa, shower base or shower wall, sink, toilet or tiled floor that has drainage holes
 - a washing machine or dishwasher
 - an aquarium
 - a waterbed.
- a deliberate or intentional act, vandalism or a malicious act, **unless** it is a result of:
 - theft
 - tenant neglect, carelessness, poor housekeeping or unhygienic living habits
 - damage occurring during maintenance or repair operations carried out by the tenants or anyone acting on their behalf
 - damage caused by pets belonging to tenants or their visitors.
- accidental damage or loss caused by a tenant's pet up to \$10,000 per claim

- scorching to carpet to a limit of \$1,000 per claim
- scorching to bench tops and vanities to a limit of \$1,000 per claim.

Storm, flood, rainwater or wind

We will cover your buildings or contents for loss or damage as a result of storm, flood, rainwater or wind.

We will not cover loss or damage as a result of flood within 14 days (336 hours) of the start date of this policy, **unless**:

- you took out your insurance with us immediately after another insurance policy covering flood and insuring the same building or contents expired, without a break in cover.

We will not cover loss or damage caused by a named cyclone within 48 hours of the start date of your policy, **unless**:

- you took out your insurance with us immediately after another insurance policy covering the same buildings or contents expired, without a break in cover
- you took out your insurance with us immediately after the risk passed to you as purchaser of your buildings
- you took out your insurance with us immediately after you signed a lease contract for your buildings.

We will not cover:

- swimming pool covers, **including**:
 - solar covers and plastic liners.
- water entering your buildings:
 - through an opening made for any building, renovation or repair work
 - because of a structural defect, faulty design or faulty workmanship when your buildings were constructed.
- free-standing fences made of corrugated fibrous material that do not have a supporting frame, **if**:
 - they have not been installed and constructed according to the manufacturer's specifications, **and**
 - such installation or construction caused or contributed to the loss or damage.
- free-standing gates, fences or walls that are made of timber and are more than 15 years old
- jetties, wharves, bridges or pontoons for damage by flood.

Theft or attempted theft

We will cover your buildings or contents for loss or damage as a result of theft or attempted theft.

We will not cover your buildings or contents for loss or damage as a result of theft by a tenant or their visitors.

The theft or attempted theft must be reported to the Police.

Water or liquid damage

We will cover your buildings or contents for loss or damage caused by water or liquid. We will also cover the cost of finding where the water or liquid escaped from, including the cost of repairing any damage that occurs while looking for the cause.

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

- landslide or subsidence, **unless**:
 - we agree to cover the incident as described under 'Landslide or subsidence'.

- water entering your buildings:
 - through an opening made for any building, renovation or repair work
 - because of a structural defect, faulty design or faulty workmanship when your buildings were constructed.
- or the cost of fixing or finding leaks that have not caused loss or damage to your buildings or contents.

We will cover the cost of repairing the item that caused the escape of water or liquid.

For **Landslide or subsidence**, see page 3 ◀

Additional cover included in this insurance

Your insurance includes a range of covers we refer to as 'additional cover'. These covers are listed on the following pages. The additional cover we provide depends on whether you have a buildings policy, contents policy or a combined buildings and contents policy.

The amount we will pay for these covers is in addition to the sum insured, as listed on your schedule.

If you make a claim for an additional cover, you will not need to pay an excess.

Any cover we provide is subject to exclusions.

For **Exclusions To This Cover**, see pages 7-8 ▶

Automatic contents cover

BUILDINGS

We will cover the reasonable costs to repair or replace furniture, furnishings, fixtures, fittings, carpets, curtains, and internal blinds.

We will not cover contents that are covered under any other insurance policy.

The most we will pay is \$10,000.

Damage by emergency services

BUILDINGS

CONTENTS

We will cover the reasonable costs you incur for damage caused by authorised emergency services personnel while carrying out their duties.

We will not cover loss or damage arising from or in connection with emergency services activities related to suspected or actual criminal conduct by you or someone with your consent, or if you were aware that your tenants were involved in criminal activities that led to the damage and did not report it to the police as soon as reasonably possible.

The most we will pay is \$1,000, regardless of whether you have a buildings, contents, or combined policy.

Debris removal and demolishing

BUILDINGS

CONTENTS

We will cover the reasonable costs to demolish and remove any debris that results from loss or damage to your buildings or contents, up to 10 per cent of your buildings or contents sum insured.

The debris must occur as a result of an incident we have agreed to cover.

Domestic or family violence

BUILDINGS

CONTENTS

We will cover the reasonable costs to remove and store abandoned goods for up to 60 days, and to change keys, locks or security codes to the extent that they are reasonably required as a result of:

- your tenant or any other person legally entitled to do so giving you a valid notice terminating the rental agreement or periodic tenancy agreement for your building because of domestic or family violence;
- a competent Court or Tribunal issuing an order terminating the rental agreement or periodic tenancy agreement for your building because of domestic or family violence; **or**
- a competent Court or Tribunal issuing an order to remove a perpetrator of domestic or family violence from the rental agreement or periodic tenancy agreement for your building because of domestic or family violence.

Garbage Removal

BUILDINGS

CONTENTS

We will cover the reasonable costs to remove garbage left by your tenant during the period of insurance, when necessary to restore the rental property to a habitable condition.

We will not cover costs for storing rubbish or the tenant's possessions, or costs associated with regular garbage removal services provided by local councils or similar services.

The most we will pay is \$500, regardless of whether you have a buildings, contents, or combined policy.

Landscaping, plants, trees

BUILDINGS

We will cover the reasonable costs to replace landscaping features, plants, trees, shrubs, or hedges.

The most we will pay is \$2,000.

Mortgagee discharge costs

BUILDINGS

If you make a claim for the total loss of your buildings, we will cover any legal costs associated with the discharge of any mortgage you have left owing.

The total loss must occur as a result of an incident we have agreed to cover.

Rebuilding fees

BUILDINGS

If your buildings suffer loss or damage, and need to be rebuilt as a result, we will cover the costs of employing an architect or surveyor, and also pay any legal fees that arise from the rebuilding, up to 10 per cent of your buildings sum insured.

The rebuilding must occur as a result of an incident we have agreed to cover.

Replacement of keys & locks

BUILDINGS

CONTENTS

We will cover the reasonable costs to repair or replace the keys, fobs or locks of an external door or window lock of your rental property, whichever is less, if:

- a key(s) or fob(s) is stolen, or you have reasonable grounds to believe it has been stolen or duplicated
- a tenant fails to return the key(s) or fob(s) at the end of their tenancy, including if they have been legally evicted, left before the end of the rental period without providing the required notice, or have otherwise withheld them.

The most we will pay is \$1,000.

Sale of your rental property

BUILDINGS

If you have entered into a contract to sell your rental property, we will extend your buildings cover to the purchaser until:

- the contract settlement date
- the purchaser insures the rental property, **or**
- the purchaser becomes liable for damage to the rental property,

whichever happens first.

This cover will stop immediately if:

- the sale contract is terminated, **or**
- your buildings insurance comes to an end.

Sum insured

BUILDINGS

CONTENTS

If we agree to pay you for a loss to your buildings or contents we will increase your sum insured for buildings or contents by the amount the Consumer Price Index (all groups) has increased since you took out your policy.

However, we will not increase your sum insured for special contents.

You will be fully insured again for your buildings or contents for the amounts shown on your schedule, **unless:**

- your claim is for a total loss and we pay you the sum insured, then your policy comes to an end, subject to any continuing liability cover and no refund of your premium is due.

Optional cover you can add to your policy

You can broaden the scope of your cover by adding any of the following options. You will need to apply for this cover and pay an additional premium. Any options that we agree to add to your policy will be listed on your current schedule.

Any cover we provide is subject to exclusions.

For **Exclusions To This Cover**, other than the Workers' Compensation optional cover, see pages **7-8** ►

Liability cover

With this option, we will cover your legal liability as a result of an incident that causes loss or damage to someone else's property, or death or bodily injury to other people, during your period of insurance.

The most we will pay for all liability claims under this policy is the sum insured as listed on your schedule (including GST).

This amount includes any legal costs that must be paid to defend the claim and any costs awarded against you.

If you choose this option, it will be listed on your schedule as 'Liability cover'.

If you have insured your buildings, including strata title or a similar scheme, we will cover you for the amount you have to pay as owner or occupier of the buildings.

If your buildings are a total loss, we will continue liability cover for any amount you have to pay as owner or occupier of the buildings for up to six months from the date your buildings are destroyed.

This cover will stop immediately if:

- re-construction commences at the rental property
- you sell the land, **or**
- you take out a new buildings insurance policy for the rental property.

If you have insured your contents and you own part of the building that has been subdivided, we will cover you for the amount you have to pay as owner of your contents, or occupier of your part of the building.

If you have insured your contents we will cover you for the amount you have to pay because of any defect in your contents.

If you provide a car park for your tenant or their visitors to use, we will cover you for the amount you have to pay for damage to property while it is in the car park.

Loss of rent

With this option, if your buildings or sections of your buildings suffer loss or damage and are uninhabitable as a result, we will cover any loss of rent equal to the weekly amount as stated on your rental agreement or periodic tenancy agreement for up to 12 months. The most we will pay is up to the sum insured, as listed on your schedule.

If you choose this option it will be listed on your schedule as 'Loss of rent'.

This cover applies when:

- loss or damage to your buildings or contents occurs as a result of an incident we have agreed to cover as listed in this PDS
- access to your rental property is prevented due to loss or damage to other property located near your rental property.

We will only cover loss of rent while your rental property is uninhabitable.

We will also provide cover for up to four weeks rent, up to \$2,000 (inclusive of GST) after:

- a death of a sole tenant that occurs before the end of the tenancy period of your rental agreement or during a periodic tenancy agreement.

Cover will start from the date of death of the sole tenant.

We will not pay **if:**

- the sole tenant had given you or your agent notice in accordance with the rental agreement or periodic tenancy agreement prior to their death
- your rental agreement or periodic tenancy agreement is legally terminated by a Residential Tenancies Tribunal or another relevant authority on the grounds of hardship on the part of the tenant.

Cover will start from when the termination order issued by the Residential Tenancies Tribunal or other relevant authority takes effect.

This cover will stop immediately if your rental property is re-tenanted.

An excess may apply to this option.

This option is available for buildings or contents policies.

Rent default and theft by a tenant

With this option, we will cover:

- rent default and theft by a tenant
- legal costs you incur as a result of rent default or theft by a tenant.

If you choose this option, it will be listed on your schedule as 'Rent default and theft by a tenant'.

We will only cover rent default for the weekly amount your rental property is leased for. The most we pay for each rental agreement or periodic tenancy agreement is \$15,000 (inclusive of GST), less any excess or bond money that applies:

- if your tenant leaves your rental property before the end of the tenancy period of your rental agreement or periodic tenancy agreement, without giving you or your agent notice
- if your tenant is legally evicted from your rental property
- if your tenant stops paying rent owed to you or your agent.

We will only pay a rent default claim:

- if the tenant breaches your rental agreement or periodic tenancy agreement, **and**
- you have taken all reasonable steps legally available to you under the *Residential Tenancies Act*, or other relevant state or territory legislation, to remedy non-payment and evict the tenant.

Your cover for rent default ceases if the rental agreement could have been legally terminated by you.

Cover for rent default will not apply if the rent is in arrears at the commencement date of this insurance. This cover will not commence until all rent arrears have been paid, and the tenant has paid a minimum of four consecutive weeks of the agreed rent in accordance with the rental agreement.

When a rental agreement defaults to a 'periodic tenancy agreement', we will only pay up to two weeks rent after a tenant vacates the building without notice.

When you or your agent issues a notice to leave to a tenant, we will only pay up to two weeks rent after the tenant vacates the building.

We will not pay a claim if your tenant leaves the building with, or without notice, and you have failed to rectify a 'Notice of Remedy' breach issued by the tenant to you.

This cover will stop immediately:

- if your rental property is re-tenanted, **or**
- when the term of your rental agreement ends.

We will only cover theft by a tenant or their visitors of:

- any part of your buildings, up to the buildings sum insured, as listed on your schedule, after deducting any excess that applies, if you have insured your buildings
- your contents, up to the contents sum insured, as listed on your schedule, after deducting any excess that applies, if you have insured your contents.

If we have agreed to pay a rent default or theft by a tenant claim we will also cover legal costs as a result of rent default or theft by a tenant, up to \$7,500 (inclusive of GST) that you incur to:

- legally evict a tenant
- recover amounts owed to you by a tenant, **unless** the legal costs are solely to recover excesses that apply to a claim under this policy, **or**
- recover amounts for items stolen from your rental property by a tenant or their visitors.

You should seek our agreement before incurring any out-of-pocket expenses to ensure you will be able to claim those costs back on your policy. If you do not obtain our agreement first, we will only pay reasonable costs up to the amount we would have agreed to pay had you obtained our prior agreement.

An excess applies to this option.

Domestic or family violence cover

If you have chosen the 'Rent default and theft by a tenant' option and paid the additional premium, you will also be covered for Domestic or family violence cover as set out in this section.

If your tenant or any other person legally entitled to do so gives you a valid notice terminating the rental agreement or periodic tenancy agreement for your building because of domestic or family violence, or if a competent Court or Tribunal issues an order terminating the rental agreement or periodic tenancy agreement for your building because of domestic or family violence, we will pay:

- the amount your buildings are rented for from the time of termination until your building is re-tenanted; and
- any allowable reletting expenses you incur that are directly caused by the termination and which you are not legally entitled to deduct from the bond money.

In addition, if a competent Court or Tribunal issues an order to remove a perpetrator of domestic or family violence from the rental agreement or periodic tenancy agreement for your building, we will pay:

- the amount your buildings are rented for during any period that your tenant stops paying rent owed to you or your agent as a direct result of the removal; and
- any allowable reletting expenses you incur that are directly caused by the termination and which you are not legally entitled to deduct from the bond money.

We will not pay you when your buildings are re-tenanted.

We will not pay any claim under 'Domestic or family violence cover' for any period that you have already claimed for or are entitled to claim for under the 'Rent default and theft by a tenant' cover set out in this Policy.

The cover under this 'Domestic or family violence cover' is subject to a \$15,000 (inclusive of GST) limit, as specified in the 'Rent default and theft by a tenant' section. This is the maximum amount payable per claim under 'Rent default and theft by a tenant' and 'Domestic or family violence cover' sections combined.

An excess applies to Domestic or family violence cover.

Strata Title Mortgagee Protection

With this option, we will cover the amount you must pay to settle your mortgage following loss or damage to buildings that you own under a strata title or similar plan.

If you choose this option the individual amount you nominate and any excesses that apply will be listed on your schedule under 'Strata Title Mortgagee Protection'.

We will pay up to the amount you owe on your mortgage, but no more than the sum insured, as listed on your schedule.

We will pay this amount to your mortgagee when you are required to pay your mortgagee in full, **however:**

- the loss or damage must occur as a result of an incident we have agreed to cover.

We will only pay this when the body corporate:

- has not insured the buildings, **or**
- has not insured the buildings for loss or damage you can claim for under this policy.

This option is available as a stand-alone policy.

An excess may apply to this option.

Workers' Compensation

If you employ a person to do work around your rental property such as cleaning or gardening, you can add cover for the amount you are liable for if they are injured while working for you, subject to the relevant legislation in your state or territory.

If you choose this option, it will be listed on your schedule as 'Workers' Compensation'.

You will need to check with your local Workers' Compensation Authority as this cover may be compulsory.

This cover only applies to employees doing work in connection with you as owner, operator or manager of the rental property. We will not cover any person that is working for you in your business, profession, trade or occupation. The amount we will pay is subject to the relevant workers' compensation legislation in your state or territory.

An excess may apply to this option.

To find out **who the insurer is for this option**, see **inside back cover** ►

Exclusions to your cover

Any cover we provide, other than the Workers' Compensation optional cover, is subject to the following exclusions.

Accidental damage cover, additional cover and optional cover exclusions (not applicable to Workers' Compensation optional cover)

We will not cover any loss or damage as a result of, or caused by:

- settling, shrinkage or any movement of earth
- erosion, rust, corrosion, gradual deterioration, depreciation, wear or tear
- rats, mice or insects
- roots from trees, plants, shrubs or grass
- any process of cleaning involving the use of chemicals other than domestic household chemicals
- a defect in an item, structural defects, or faulty workmanship or design
- breakage of mirrors, glassware, crystal, crockery or china while they are being used, cleaned or carried by hand
- a tenant or their visitors or their visitors pets, **unless:**
 - we agree to cover the incident as described under 'Loss or damage by a tenant or their visitors'.
- landslide or subsidence, **unless:**

- we agree to cover the incident as described under 'Landslide or subsidence'.

- water entering your buildings:
 - through an opening made for any building, renovation or repair work
 - because of a structural defect, faulty design or faulty workmanship when your buildings were constructed.
- a tenant or their visitors or their visitors pets, scratching, denting, chipping, rubbing, scuffing or chafing any surface.

Liability cover exclusions

We will not cover any:

- personal injury to you, or any member of your family who normally lives with you, or anyone else who normally lives with you
- personal injury to any person you employ where that injury arises from their employment with you
- loss or damage to property that belongs to you, or is under your control, or any member of your family who normally lives, with you, or anyone else that normally lives with you
- loss or damage to property that belongs to any person you employ where that loss or damage arises from their employment with you
- penalties, fines or awards of aggravated, exemplary or punitive damages made against you
- liability, cost or expense that arises or results from, or is in any way connected with, asbestos, whether directly or indirectly.

We will not cover any liability as a result of, or arising from:

- any alterations, repairs, renovations or additions to your buildings that cost more than \$75,000 (inclusive of GST)
- any alterations, servicing, repairing or any additions to lifts, escalators or hoists, **including:**
 - anything that is part of a lift, escalator or hoist.
- any disease that is transmitted by you, or any member of your family who normally lives with you
- any business, profession, trade or occupation carried out by you, **unless:**
 - the liability is as a result of, or arising from, you managing the buildings and their surrounds.
- any agreement or contract you enter into, **however:**
 - if you would have been liable without the agreement or contract, we will pay for that liability.

We will not cover any liability as a result of, or arising from:

- the use of a motor vehicle, motorcycle, mini-bike, caravan, trailer, aircraft or watercraft, **however:**
 - we will cover liability that arises from ride-on mowers.
- servicing, repairing or maintaining any vehicle
- the erection or demolition of buildings
- vibration or interference with the support of the land, buildings or other property
- the discharge, release or escape of any pollutants
- the removal, neutralising or cleaning up of pollutants
- any act of libel or slander.

General exclusions

We will not cover any loss or damage, or liability as a result of, or arising from:

- any incident that does not occur within your period of insurance
- landslide or subsidence, **unless:**
 - we agree to cover the incident as described under 'Landslide or subsidence'.
- mildew, atmospheric or climatic conditions
- damage to a heating element, **however:**
 - we will pay for any loss or damage as a result of damage to a heating element.
- deliberate or intentional acts by you, or anyone acting for you, to cause loss, damage or injury
- storm surge
- erosion, the action of the sea, tidal wave or high water, **unless:**
 - the loss or damage is the result of a tsunami.

We do not cover:

- any loss, damage, liability, injury or death caused by, arising from, occasioned by or through or in consequence directly or indirectly of war, invasion, acts of foreign enemy, hostilities (whether war be declared or not), civil war, insurrection, rebellion, revolution or military or usurped power
- any loss, damage, liability, injury, or death caused by, or arising or resulting from, the lawful seizure, confiscation, nationalisation, requisition, or destruction of, or damage to, your rental property or anything else covered by this policy by any law enforcement agency, government authority or someone with the legal authority to do this
- any loss, damage, liability, injury, death, cost or expense directly or indirectly caused by, contributed to by, resulting from or arising out of or in connection with:
 - an act of terrorism, regardless of any other cause or event contributing concurrently or in any other sequence to the loss, or
 - any action taken to control, prevent, suppress, retaliate against, or respond to an act of terrorism
- mechanical, structural, electrical, hydraulic, or electronic breakdown or failure unless the breakdown or failure results in loss or damage to insured property. This exclusion does not apply to an electric motor burning out
- loss, damage, liability, claim, cost or expense directly or indirectly caused or contributed to by:
 - errors or omissions involving access to, processing of, use of or operation of any computer system or any unavailability or failure to access, process, use or operate any computer system, or
 - any unauthorised, malicious or criminal act (or any threat or hoax of this) involving access to, processing of, use of or operation of any computer system,

provided that this exclusion will not apply to physical loss or damage directly caused by an incident or event we cover you for under this policy except if caused by vandalism or a malicious act, or a deliberate, or intentional act. For example, we will not cover you if your rental property's security system cannot be used because of a cyber attack, but we will cover you for loss or damage from theft from your rental property as covered under this policy after your rental property's security system is impacted by a cyber attack

- loss, damage, liability, claim, cost or expense directly or indirectly caused or contributed to by loss of use, reduction in functionality, repair, replacement, restoration or reproduction of any data including the value of any data
- consequential loss except if specifically covered under this policy. This means we will not pay for direct or indirect financial or economic loss, for example loss of use or enjoyment, loss of profits or depreciation
- seepage, pollution or contamination, or any loss, damage, liability, injury, death, cost, expense, fines, penalties, punitive or exemplary damages caused by, arising from or in connection with any seepage, pollution or contamination. This exclusion does not apply to 'Drug contamination' cover
- any loss, damage, injury or death arising from or directly or indirectly caused by, contributed to by, resulting from or in connection with a communicable disease, or the fear or threat (whether actual or perceived) of a communicable disease
- loss, damage, liability, injury or death caused by or arising from any nuclear, radioactive, biological or chemical material or the use, handling, transportation or storage of such material.

We will not be liable to provide any cover, pay any claim or provide any benefit under this policy (including any refund of premium), to the extent that such cover, claim, benefit or refund may contravene or expose us to any sanction, prohibition or restriction under United Nations resolutions or any trade or economic sanctions, laws or regulations of any country.

Your responsibilities to us

Your responsibilities when you are insured with us

When you take out a policy with us or make a claim, you have certain responsibilities that are set out in this section. These responsibilities also apply to any person that is covered by your policy.

If you don't meet your responsibilities, we may refuse to pay your claim or reduce what we pay for your claim. We may also decide to cancel your policy.

You must tell us if:

- your buildings will be unoccupied for a continuous period of 90 days or more
- any changes have been made to:
 - the address or location where your buildings or contents are insured
 - the use of your buildings
 - your buildings due to renovation, extensions or demolition
 - the people who are insured under this policy
 - the sums insured for your buildings or contents.
- any people who are insured under the policy have:
 - been convicted of any criminal offence
 - made a claim that is not true under this policy or another insurance policy.
- there are any changes in circumstances during the period of insurance.

If you tell us about any of these things, we may charge an additional premium, change the cover of your policy, impose special conditions, or cancel your policy.

It is important for you to know that we may make changes to this policy as a result of a change in your information. When there is a change, we will inform you.

In addition, you must also:

- be truthful and frank in any statement you make in connection with your policy
- pay your premium, including paying instalments regularly
- take reasonable precautions to avoid a claim being made
- take reasonable steps to ensure that you or anyone acting on your behalf obeys all relevant laws
- follow the conditions of this policy
- not make a fraudulent claim under this insurance policy or any other policy.

We understand that in some circumstances you may not be able to meet your responsibilities for reasons that are beyond your control. For example, if you are seriously injured and you cannot provide us with information to help us process your claim. You may also experience personal circumstances which could impact a claim under this policy. For example, mental health conditions, or the conduct of others such as acts of violence or intimidation. If this happens, you or any other insured should speak to us about your situation so we can consider how best we can help.

Your responsibilities when you are making a claim

When you make a claim you must meet a number of responsibilities.

You must:

- be truthful and frank in any statement you make in connection with a claim
- take safe and reasonable steps to prevent any further loss, damage or liability occurring
- inform the Police as soon as possible if your buildings or contents suffer loss or damage as a result of theft or attempted theft, vandalism or a malicious act
- keep all damaged buildings or contents so we can inspect them at a reasonable time and place we choose
- use reasonable efforts to give us any information or assistance we require to investigate and process your claim
- not pay or promise to pay for a claim, or admit responsibility for a claim.

You should not repair or replace any damaged buildings or contents without our consent.

You should seek our agreement before incurring any out-of-pocket expenses to ensure you will be able to claim those costs back on your policy. If you do not obtain our agreement first, we will only pay the reasonable costs. Refer to the 'How we settle a buildings claim' and 'How we settle a contents claim' sections of this document for information in relation to what are reasonable costs.

In addition, you also give us your rights to claim from anyone else:

- if you have a right to claim from anyone else for an incident covered by us, you give us your rights to make that claim, to conduct, defend or settle any legal action and to act in your name – you must not do anything unreasonable which prevents us from doing this and you must give us all the information and cooperation that we reasonably require in connection with the conduct of proceedings. We will act reasonably in exercising our discretion in the conduct and defence of any legal proceedings and in the settlement of any claim while we conduct any recovery action. We will keep you reasonably informed and updated with the progress of proceedings.

We will only request information or co-operation that is relevant to our entitlement to make a claim against anyone else, or conduct, defend or settle any legal action, and we will tell you why it is needed.

If you do not meet your responsibilities

If you do not meet your responsibilities, we may refuse or reduce a claim, cancel your policy, or do both. The course of action we take when you fail to meet your responsibilities will be considered in each circumstance based on what impact or effect your failure to comply caused or contributed to the claim or our decision to issue your policy.

If we cancel your policy, we will advise you in writing.

Extra help

We understand that there are circumstances in which you may need additional or alternative support or assistance. The General Insurance Code of Practice provides some examples and includes your physical or mental health, family or financial situation, cultural background or disability. If you are comfortable, please call and tell us about your situation and we will work with you to arrange support. Further information about the support we provide, including our Family and Domestic Violence policy, can be found on our website: cgu.com.au

Our commitment to you

The General Insurance Code of Practice

We proudly support the General Insurance Code of Practice (Code). The purpose of the Code is to raise the standards of practice and service in the general insurance industry. The objectives of the Code are:

- to commit us to high standards of service
- to promote better, more-informed relations between us and you
- to maintain and promote trust and confidence in the general insurance industry
- to provide fair and effective mechanisms for resolving complaints you make about us, **and**
- to promote continuous improvement of the general insurance industry through education and training.

The Code Governance Committee is an independent body that monitors and enforces insurers' compliance with the Code.

Our commitment to you

We have adopted and support the Code and are committed to complying with it.

Please contact us if you would like more information about the Code or the Code Governance Committee.

See **back cover** for contact details ►

Our guarantee

Our guarantee assures you of quality insurance and service at all times.

Fair dealing guarantee

We will meet any claims covered by your policy fairly and promptly.

Money back guarantee

If you change your mind, we provide a cooling-off period which lets you cancel your policy within 21 days with a full refund of your premium. However, your cooling-off period no longer applies if you make a claim within this time.

Service guarantee

We will provide you with the highest standard of service.

How CGU protects your privacy

We use information provided by our customers to allow us to offer our products and services. This means we may need to collect your personal information, and sometimes sensitive information about you as well (for example, health information for travel insurance). We will collect this information directly from you where possible, but there may be occasions when we collect this information from someone else.

CGU will only use your information for the purposes for which it was collected, other related purposes and as permitted or required by law. You may choose not to give us your information, but this may affect our ability to provide you with insurance cover.

We may share this information with companies within our group, government and law enforcement bodies if required by law and others who provide services to us or on our behalf, some of which may be located outside of Australia.

For more details on how we collect, store, use and disclose your information, please read our Privacy Policy located at cgu.com.au/privacy. Alternatively, contact us at privacy@cgu.com.au or 13 15 32 and we will send you a copy. We recommend that you obtain a copy of this policy and read it carefully.

By applying for, using or renewing any of our products or services, or providing us with your information, you agree to this information being collected, held, used and disclosed as set out in this policy.

Our Privacy Policy also contains information about how you can access and seek correction of your information, complain about a breach of the privacy law, and how we will deal with your complaint.

How to take out insurance

How to apply for insurance

1. **If you are taking out a policy with us for the first time, contact us or your insurance adviser, or apply online at cgu.com.au You can also send correspondence to GPO Box 9902, in your capital city**

If we agree to insure you, we will send you a schedule setting out the details of your policy.

2. **Pay your premium**

See **Your premium**, page 11 ►
See **Your responsibilities when you are insured with us**, pages 8–9 ◀

How to renew your insurance

1. **If you already have a policy with us, we may send you an offer to renew your insurance before your current policy expires**

We will send you an updated schedule and quote a premium based on the information contained in your current policy.

If you have any questions, contact us or your insurance adviser.

2. **Review the proposed policy and premium we offer**

If you paid your last premium by instalments, we will continue to deduct payments from your nominated account. If you paid your last premium in one lump sum, we must receive your payment by the due date, otherwise your buildings or contents will not be insured.

3. **Pay your premium**

See **Your premium**, on page 11 ►

How to cancel your policy

1. **If you want to cancel your policy, contact us or your insurance adviser**

We may need your request in writing. If you cancel your policy before it ends, we will refund an amount for the unused premium.

How to change your policy

1. **Contact us or your insurance adviser to change or vary your policy**

You may want to make certain changes to your policy, or notify us of changes to the information you have given us.

You will be sent an endorsement schedule that includes any changes or variations you have requested and we have agreed to, and any special conditions we may have applied to that agreement.

2. Check the changes

3. Pay your premium if it has increased

We will tell you if your premium has increased. If you pay your premium by instalments, we will adjust your instalments and continue to deduct the new amount from your nominated account. If you pay your premium in one lump sum, we must receive your additional payment within one month.

If we make the change before you pay any additional premium, then you must pay the additional premium by the date we tell you it is due or we may remove the change from your policy. If we cannot remove the change and maintain cover, we may cancel your policy.

Your premium

1. How we calculate your premium

We will base your premium on the type of cover you have chosen, including any options that you have added, your sum insured, the excess, the type, location, construction and age of your buildings or contents, the level of security you have, your previous insurance and claims history, and any special conditions that we have applied.

Your premium, including any discounts you may be eligible for, are subject to minimum premiums. We consider the minimum amount we are prepared to sell the policy for and may adjust your premium to ensure it does not fall below the minimum amount. Any discounts will be applied to your policy, only to the extent any minimum premium is not reached. This means that any discount you may be eligible for may be reduced. When we determine your premium on renewal, we may also limit any increases or decreases in your premium by considering factors such as your previous year's premium amount.

Premiums are also subject to Commonwealth and state taxes and/or charges. These include the Goods and Services Tax and stamp duty.

Your premium, including any taxes and charges, will be listed on your schedule.

2. How to pay your premium

You can pay your premium in one lump sum, or by instalments.

If you pay your premium in one lump sum, you can pay by cash, cheque or credit card.

If you pay your premium by instalments, you can pay by credit card or by direct debit from a financial institution.

3. Interest on unallocated premium

If we are unable to issue your insurance when we receive your application, we are required to hold your Premium in a trust account on your behalf until your insurance can be issued. We will retain any interest payable by our bank to meet, among other things, bank fees and other bank costs we incur in operating the account.

What happens if you don't pay on time

When you take out insurance, you need to pay your annual premium or any instalments by the due date specified on your schedule. An instalment is unpaid if it cannot be deducted from your nominated account or credit card. If your premium is overdue, we will send you a notice outlining the overdue amount and when it needs to be paid. If your premium remains unpaid after the time period specified in the notice we send, we will:

- cancel your policy for non-payment, **and**
- refuse to pay any claim for an incident occurring after the cancellation date.

If you pay by instalment, we will send you a second notice either before cancellation informing you of the effective date of cancellation, or within 14 days after cancellation confirming the effective date of cancellation.

If you need to make a claim when your policy is overdue, and before your policy has been cancelled for non-payment, we will require you to pay the overdue amount as part of the claim settlement process. Alternatively, where the settlement method allows, we can reduce the settlement payment by the overdue amount.

Your excess

If you make a claim, the excess is what you are required to contribute to the claim.

We will tell you:

- if an excess applies to your claim
- how much that excess is, **and**
- how we will collect this from you.

We can collect it from you by:

- deducting it from what we pay you, **or**
- asking the repairer or supplier to collect it from you.

If we request you pay the excess, we will tell you who to pay and may require the payment as part of the finalisation of the claim.

How to make a claim

1. Make sure you have all the information you need to support your claim

We will need:

- contact details of any other people involved in the incident, including their name, residential address and who they are insured with
- any letters, notices or court documents about the incident as soon as reasonably possible after receiving them
- the incident report number for any claims in relation to theft or attempted theft, vandalism or a malicious act:
 - the Police will provide you with this number when you report the incident to them.

2. Contact us or your insurance adviser to make a claim

You need to make your claim as soon as reasonably possible. Any delays may:

- reduce the amount that we pay, **or**
- prevent us from paying a claim.

We will give you immediate advice and assistance with your claim, 24 hours a day, 7 days a week.

We will ask you a range of questions to help us assess your claim. We may:

- ask you to provide us with proof of ownership
- need to inspect your buildings or contents
- need quotations from a repairer.

3. If you need emergency repairs

If you need to make emergency repairs, we can at your request, arrange assistance through our preferred repairers and suppliers.

To find out how we settle a claim, see next page ►

How we settle a buildings claim

1. We will decide how we will settle your claim

If your buildings suffer loss or damage, we will decide whether to:

- repair
- rebuild, **or**
- pay you the cost to repair or rebuild that part of your buildings that suffered loss or damage.

Our choice will have regard to the circumstances of your claim and consider any preference you may have.

If we decide to repair, rebuild or pay you the cost to repair or rebuild, we will:

- pay you up to the buildings sum insured, as listed on your schedule
- only repair the damaged part(s) of your buildings. We don't pay for materials to match the undamaged parts of your building to create a uniform appearance.

In the event of repairs, we will make a fair and reasonable attempt to match the repairs to undamaged areas, using the closest match available. If you are not satisfied with the closest match, you are able to:
 - pay the extra cost of repairing undamaged areas to achieve a matching appearance, or
 - we will pay you what it would have cost us to repair the damaged area provided that cost is available to or actionable by you.
- repair or pay you the costs to repair your buildings if the damage was caused by water or liquid that escaped from a bath, basin, sauna, spa, shower base or shower wall, **however:**
 - we will not pay the costs to repair or replace the bath, basin, sauna, spa, shower base or shower wall.

When we settle your claim, the law that will apply is the law of the state or territory where the loss, damage or liability occurred.

How we calculate the amount if we choose to pay you

If your building is repairable, in some circumstances we will choose to settle your claim by deciding to pay you. We will pay you the reasonable costs of what it would cost us provided that cost is available to or actionable by you.

What are some examples of when we do this?

- when you decide not to repair or rebuild your rental property
- if you don't start repairing or rebuilding your rental property within 6 months of the loss or damage, or within any longer period we agree to in writing
- if not all the damage to your building is covered by this policy – you can find examples of these under 'Exclusions to your cover' in this policy
- your building may have had some damage that existed prior to the event you are claiming for
- your building cannot be repaired until other work that is required to be done by you is completed, **or**
- when it is the only way to settle your claim.

Calculation of the amount

- we may ask you to obtain a quote or we will obtain a quote for the repairs from our builder or repairer
- if we obtain the quote we will provide you with details of the work that has been included:
 - this will be detailed in the quote, **or**
 - for larger claims we may include a scope of works.
- we will confirm that the builder who has provided the quote is prepared to undertake the work – provided you have completed any work that is required to be done by you first
- the amount we will pay you will not be more than the buildings sum insured.

2. You must pay any excess that applies

If you make a claim, you will need to pay any excesses that apply as part of the finalisation of your claim.

The amount of your excess is shown on your schedule.

If you are claiming for any loss or damage that occurs as a result of:

- an earthquake or tsunami, you will need to pay an additional excess of \$250.

The loss or damage must occur within 72 hours of the earthquake occurring.

If an excess applies, we will tell you how much it is, and who to pay the excess to.

If we choose to pay you, we may deduct the amount of excess from the amount we settle your claim for.

When a claim is made for what we identify as one or more separate incidents, a separate excess will apply for each separate incident we have identified.

For **excesses that may apply**, see your current schedule

3. If you are entitled to use bond money

We will reduce the amount we will pay for loss or damage to your buildings or contents by any bond money that you are entitled to use to pay for or reduce the cost of any loss or damage.

4. If we decide to repair or rebuild your buildings and your current schedule shows 'including replacement benefit'

We will repair or rebuild the part of your buildings that suffered the loss or damage to a condition as close as possible to when new, but not better.

If we rebuild your buildings, we will also pay the amount that you need to pay to ensure your buildings comply with government legislation and local authority bylaws, **unless:**

- you were required to pay these amounts before the loss or damage occurred, and you did not do so, **however:**
 - if the cost of repairing the damage is less than 50 per cent of the cost of rebuilding your buildings, we will only pay for the additional costs for the damaged portions.

If the rebuilding or repair is limited by government legislation or local authority bylaws that reduce the floor area of your buildings, we will:

- pay the actual cost of rebuilding or repairing the reduced floor area of your buildings
- pay the difference between the actual costs of rebuilding or repairing the reduced floor area of your buildings and the estimated costs of rebuilding or repairing your buildings had the limit not applied
- pay you what the value of the land was just before the loss or damage occurred, after deducting the value of your land after the loss or damage occurred and any amount that you receive as compensation for the loss, **however:**
 - the most we will pay is the unused portion of your sum insured.

You can choose your own repairer or tradesman or we can help you find one.

If we authorise repairs, we will deal directly with the repairer or tradesman about payment.

5. If we decide to repair or rebuild your buildings and your current schedule does not show 'including replacement benefit'

We will:

- repair your buildings to the condition they were in just before the loss or damage occurred
- pay you the cost of repairing your buildings to the condition they were in just before the loss or damage occurred, **or**
- pay you what the value of the land and your buildings was just before the loss or damage occurred, after deducting the value of your land and buildings after the loss or damage occurred.

6. After we agree to settle a claim

The repair or rebuilding work on your buildings must start within six months of the loss or damage occurring, otherwise we will not pay any additional costs caused by any delay caused by you or any builder or supplier you engage or appoint for the repair or rebuilding work.

If the work does not commence in this period, we will do one of the following:

- repair your buildings to the condition they were in just before the loss or damage occurred
- pay you the cost of repairing your buildings to the condition they were in just before the loss or damage occurred, **or**
- pay you what the value of the land and your buildings was just before the loss or damage occurred, after deducting the value of your land and buildings after the loss or damage occurred.

7. If your building is a total loss

We will pay you the sum insured for your buildings, as listed on your schedule, after deducting:

- any excess
- any unpaid premium, **and**
- any input tax credit you would have been entitled to under *A New Tax System (Goods and Services Tax) Act 1999* if you had paid to repair or rebuild your buildings.

If we pay you the sum insured, then your policy comes to an end, subject to any continuing liability cover and no refund of your premium is due.

How we settle a contents claim

1. We will decide how we will settle your claim

If your contents suffer loss or damage, we will decide whether to:

- repair an item
- replace an item, **or**
- pay you the cost to repair or replace the item.

Our choice will have regard to the circumstances of your claim and consider any preference you may have.

If we do we will pay up to:

- the contents sum insured, as listed on your schedule, **and**
- the maximum amount per item, set, pair, collection or system.

If the item is part of a pair, set, collection or system, we will only cover the value of the item itself, **however:**

- the most we will pay is the value of the item as a proportion of the combined pair, set, collection or system, **or**
- we will pay you the cost to replace the entire pair, set, collection or system or replace the entire pair, set, collection or system if it is completely inoperable because of the loss or damage to a single item which cannot be replaced or a single replacement item does not complete the pair, set, collection or system to make it operational.

How we calculate the amount if we choose to pay you

In some circumstances we will choose to settle your claim by deciding to pay you. We will pay you the reasonable costs of what it would cost us to repair or replace the items provided the cost is available to or actionable by you.

What are some examples of when we do this?

This may occur when the other settlement types under 'We will decide how we will settle your claim' are unable to be used or when it is the only way to settle your claim.

Calculation of the amount

If we choose to settle your contents claim by paying you the reasonable cost to repair or replace the items, we will calculate this amount in the following way.

- If it was based on the cost to replace the item included as part of your claim:
 - we will agree with you the appropriate replacement item to settle your claim
 - we may ask you to obtain a quote or we will obtain a quote from our supplier to replace the item and supply it to you
 - we will use the quoted amount as the basis of the settlement
 - the amount we pay you will not be more than contents sum insured in total and the maximum amount per item, set, pair, collection or system, as relevant.
- If it was based on the cost to repair the item included as part of your claim:
 - we will agree with you the repairs covered by your policy that are required to settle your claim
 - we will obtain a quote from our supplier or repairer to repair the item for you
 - the quote will include the details of the repairs required
 - we will use the quoted amount as the basis of the settlement
 - the amount we pay you will not be more than contents sum insured in total and the maximum amount per item, set, pair, collection or system, as relevant.

To find out **what we will pay**, see page 2 ◀

2. You must pay any excess that applies

If you make a claim, you will need to pay any excesses that apply as part of the finalisation of your claim.

If you are claiming for any loss or damage that occurs as a result of an earthquake or tsunami, you will need to pay an additional excess of \$250.

The loss or damage must occur within 72 hours of the earthquake occurring.

If an excess applies, we will tell you how much it is and who to pay the excess to.

If we choose to pay you, we may deduct the amount of excess from the amount we settle your claim for.

If a claim is made for what we identify as one or more separate incidents, a separate excess will apply for each separate incident we have identified.

For the type and amount of **excess** that may apply, see your current schedule

3. If you are entitled to use bond money

We will reduce the amount we will pay for loss or damage to your buildings or contents by any bond money that you are entitled to use to pay for or reduce the cost of any loss or damage.

4. If we decide to repair your contents

When damage or loss occurs to:

- any item that consists solely of fabric
- carpet which is 10 years old or more, **or**
- any other contents item that is 15 years old or more,

we will repair the damaged item to a condition it was in before the loss or damage occurred.

If loss or damage occurs to any other contents item, we will repair the damaged item to the condition it was when new.

If the item we are repairing is part of a pair, set, collection or system, we will only cover the part of the pair, set, collection or system that was damaged.

Where the loss or damage to an item that forms part of a pair, set, collection or system results in the pair, set, collection or system being completely inoperable, or any replacement part or article is not compatible to enable operation with the remaining item/s in the pair, set, collection or system, then we will replace the entire pair, set, collection or system.

5. If we decide to replace your contents

When damage or loss occurs to:

- any item that consists solely of fabric
- carpet which is 10 years old or more, **or**
- any other contents item that is 15 years old or more

we will replace the item with an item of the same condition. The replacement item will not be better than the item replaced.

When loss or damage occurs to any other contents item, we will replace the item with the nearest equivalent new item.

We will only replace wall, floor and ceiling coverings, including carpets, internal blinds and curtains, in the room, hall or passage where the loss or damage occurred.

We will not pay to re-carpet adjoining rooms, or your entire rental property.

We will only pay the cost of replacing the item even though the pair, set, collection or system to which it belongs is less valuable because it is incomplete.

Where the loss or damage to an item that forms part of a pair, set, collection or system results in the pair, set, collection or system being completely inoperable, or any replacement part or article does not function to enable operation with the remaining item/s in the pair, set, collection or system, then we will pay you the cost to replace the entire pair, set, collection or system.

Any salvage becomes our property.

6. If we decide to pay you the cost to repair or replace your contents

When damage or loss occurs to:

- any item that consists solely of fabric
- carpet which is 10 years old or more, **or**
- any other contents item that is 15 years old or more,

our payment will be reduced to allow for wear, tear and depreciation.

When loss or damage occurs to any other contents item, we will pay you the cost to repair or replace it.

We will pay you the fair and reasonable costs to repair or replace your contents as described in Steps 1, 3 and 4, after deducting:

- any excess, **and**
- any input tax credit you would have been entitled to under *A New Tax System (Goods and Services Tax) Act 1999* if you had paid to repair or replace your contents.

We will only pay the cost of replacing an item that is part of a pair, set, collection or system, even though the pair, set, collection or system to which it belongs is less valuable because it is incomplete.

Where the loss or damage to an item that forms part of a pair, set, collection or system results in the pair, set, collection or system being completely inoperable, or any replacement part or article is not compatible to enable operation with the remaining item/s in the pair, set, collection or system, then we will pay you the cost to replace the entire pair, set, collection or system.

Any salvage becomes our property.

How we settle a loss of rent claim

1. If we decide to pay your loss of rent claim

We will pay you loss of rent equal to the weekly amount as stated on your rental agreement or periodic tenancy agreement for up to 12 months.

The most we will pay is up to the sum insured as listed on your schedule.

2. If we decide to pay your death of a sole tenant or tenant hardship claim

We will pay you up to four weeks rent.

The most we will pay is \$2,000 (inclusive of GST).

3. You must pay any excess that applies.

If you make a claim, you will need to pay any excess that applies as part of the finalisation of your claim.

The amount of your excess is shown on your schedule.

When a claim is made for what we identify as one or more separate incidents, a separate excess will apply for each separate incident we have identified.

How we settle a rent default claim

1. If we decide to pay your rent default claim

We will pay you the rent default up to \$15,000 (inclusive of GST). We will calculate the rent default based on:

- the weekly amount your rental property is leased for under your rental agreement or periodic tenancy agreement
- the number of weeks in rent default.

2. You must pay any excess that applies

If you make a claim, you will need to pay any excess that applies to your building or contents as part of the finalisation of your claim

The amount of your excess is shown on your schedule.

3. If you are entitled to use bond money

We will pay you the cost of the rent default and any legal expenses. We will reduce this amount by the amount of any bond money remaining after deducting any allowable re-letting expenses and any other costs or expenses you are legally entitled to.

How we settle a theft by a tenant claim

1. If we decide to pay your theft by a tenant claim

Refer to:

- How we settle a buildings claim on pages **12–13**
- How we settle a contents claim on pages **13–15**.

2. You must pay any excess that applies

If you make a claim, you will need to pay any excess that applies as part of the finalisation of your claim. The amount of your excess is shown on your schedule.

When a claim is made for what we identify as one or more separate incidents, a separate excess will apply for each separate incident we have identified.

Claim payment examples

These Claim payment examples show you how a claim settlement may be calculated based on some practical scenarios. Any actual claim settlement amount will depend upon the facts of each case. For the purpose of the scenarios you are not registered for GST.

Claim Example 1	
Cover type	Building Insurance
Buildings sum insured	\$250,000
Excess	\$250
Loss or damage	Storm damage to your roof.
How we settle your claim	<ul style="list-style-type: none"> We arrange for a builder to repair your roof for \$4,000 We pay the builder \$3,750 We ask you to pay the builder the \$250 excess.

Claim Example 2	
Cover type	Building and Contents Insurance and loss of rent
Building sum insured	\$300,000
Contents sum insured	\$50,000
Loss of rent sum insured	\$15,000
Excess	\$250
Loss or damage	<p>Your buildings and contents are partially destroyed by fire.</p> <p>We agree that your tenant is unable to live in your buildings and you suffer loss of rent.</p>
How we settle your claim	<ul style="list-style-type: none"> We choose to pay you directly for the damage We pay you \$25,750 as follows Building repairs \$15,000 Content replacement \$5,000 Loss of rent \$6,000 Less excess \$250 Total \$25,750.

Claim Example 3	
Cover type	Rent default and theft by a tenant
Excess	\$650 = \$250 (standard) plus \$400 (additional)
Loss	Tenant stops paying you rent.
How we settle your claim	<ul style="list-style-type: none"> We assess your rent default at \$5,000 Less applicable excess \$650 We settle your claim for \$4,350.

Claim Example 4	
Cover type	Liability
Loss or damage	Liability to pay for damages for personal injury to a third party
How we settle your claim	<ul style="list-style-type: none"> We pay the legal costs of \$10,000 We pay the medical expenses incurred by the third party of \$22,000.

How to resolve a complaint or dispute

1. Talk to us first

If you have a complaint, the first thing you or your insurance adviser should do is speak to a staff member in the area concerned. If your complaint relates specifically to a claim, speak with the claims officer managing your claim.

See **back cover** for contact details ►

If the staff member or claims officer are unable to resolve the matter for you, you or your insurance adviser may speak to a manager. If you are not satisfied with the decision, you can go to step 2.

2. Seek a review

If the matter is still not resolved, the manager will refer you or your insurance adviser to the relevant internal dispute resolution area who will conduct a review of your dispute.

If you are still not satisfied with the decision, you can go to step 3.

3. Seek an external review

You are entitled to seek an external review of the decision. The dispute resolution area will provide you or your insurance adviser with information about the options available to you, such as referring you to the external dispute resolution scheme administered by the Australian Financial Complaints Authority (AFCA). The AFCA is contactable on 1800 931 678 (free call).

Further information about the complaint or dispute resolution procedures is available by contacting us.

See **back cover** for contact details ►

Financial Claims Scheme

You may be entitled to payment under the Financial Claims Scheme in the event that Insurance Australia Limited trading as CGU Insurance becomes insolvent. Access to the scheme is subject to eligibility criteria. Information about the scheme can be obtained from <http://www.fcs.gov.au>.

Intermediary remuneration

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

Glossary

accidental loss or damage

damage to, loss or destruction of the buildings that make up your rental property, or your contents when it is caused by an unintentional act, or an unforeseen and uncontrollable incident.

act of terrorism

includes any act, or preparation in respect of action, or threat of action designed to influence the government de jure or de facto of any nation or any political division thereof, or in pursuit of political, religious, ideological or similar purposes to intimidate the public or a section of the public of any nation by any person or group(s) of persons whether acting alone or on behalf of or in connection with any organisation(s) or government(s) de jure or de facto, and which:

- involves violence against one or more persons
- involves damage to property
- endangers life other than that of the person committing the action
- creates a risk to health or safety of the public or a section of the public, or
- is designed to interfere with or to disrupt an electronic system.

allowable re-letting expenses

re-letting expenses as specified in the current rental agreement for your property.

bond money

money paid by the tenant and held as security against damage to the property, outstanding rent or other costs. Your policy operates on the basis that your tenant has paid bond money that equals at least four weeks rent.

claim

a separate identifiable incident for which the policy provides cover. Where multiple incidents are submitted at the same time or on the same claim form, they will be treated as separate claims for the application of any policy excess or limitation.

communicable disease

any disease which can be transmitted by means of any substance or agent from any organism to another organism where:

- the substance or agent includes, but is not limited to, a virus, bacterium, parasite or other organism or any variation thereof, whether deemed living or not,
- the method of transmission, whether direct or indirect, includes but is not limited to, airborne transmission, bodily fluid transmission, transmission from or to any surface or object, solid, liquid or gas between organisms, and
- the disease, substance or agent can cause or threaten bodily injury, illness, emotional distress or damage to human health or human welfare or can cause or threaten damage to, deterioration of, loss of value of, marketability of or loss of use of property.

cryptocurrency

any form of currency that only exists in digital form.

deliberate or intentional act

a conscious or reckless act done without the owners permission.

endorsement schedule

a document that includes any information from the existing schedule that has not changed or varied, and confirms any alteration to the coverage, terms and conditions of your policy.

excess

is the amount you contribute towards the cost of your claim on your policy. The amount and types of excesses that apply to your policy are shown on your schedule. The amount of your excess will be increased if you make a claim for:

- an earthquake or tsunami
- Your excess and any additional excesses will apply for what we identify as each separate identifiable incident.

fixtures and fittings

any household items or household equipment that are permanently attached to your buildings.

flood

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

- (a) any lake, or any river, creek or other natural watercourse, whether or not altered or modified; or (b) any reservoir, canal or dam.

incident

a single occurrence or a series of occurrences, including an accident or series of accidents, arising out of one event.

period of insurance

the length of time between the start date and end date of your policy, as listed on your current schedule.

periodic tenancy agreement

applies when a tenant continues to occupy the rental property, after a fixed-term rental agreement has expired, and the rental agreement does not provide for its continuation, and a:

- notice to leave
- notice of intention to leave, or
- abandonment termination notice.

has not been given by the tenant to you, or your agent, or by you, or your agent to the tenant.

The tenant is then treated as being under a periodic tenancy agreement on the same terms which applied immediately before the rental agreement ended. This does not include any term about the agreement's term.

pet

a domestic animal that you keep in your rental property or at your rental property.

premium

the total amount you pay for your insurance that includes applicable government taxes such as GST, and any duties or charges payable by you. It is shown on your current schedule. You can pay your premium annually in one lump sum, or by instalments.

rent

the amount of money paid, or payable, by the tenant to rent your rental property.

rent default

when a tenant fails to pay the agreed rent and is in breach of a written, rental agreement or periodic tenancy agreement.

rental agreement

the agreement between you or your agreement agent and the tenant. This agreement must be in writing and state:

- the term of the rental period
- the amount of rent payable to you
- the amount of the bond money that the tenant is required to pay.

schedule

your current schedule is a document outlining the details of your insurance cover. Your schedule may be called a policy, renewal or endorsement schedule.

special conditions

exclusions, restrictions or extensions to cover that are imposed on specific matters or people.

sporting equipment

equipment designed to be used in a leisure activity that involves some element of physical activity or competition, excluding pedal cycles.

strata title

title under a strata title or similar community title scheme where separate parts of the scheme building(s) have a separate legal title. Strata title usually applies to high rise apartments, townhouses, villas or duplexes.

sum insured

your nominated replacement value at today's prices for your buildings or contents. This will be listed on your schedule.

Supplementary Product Disclosure Statement (SPDS)

a separate document that updates, corrects or adds to the information contained in this PDS.

tenant

the person(s) named in the rental agreement or periodic tenancy agreement and including that person's partner, children, pets, and any other person(s) permanently living at your rental property. Any person(s) including that person's partner, children, pets and any other person(s) living at your rental property under a rental arrangement that is not a rental agreement or periodic tenancy agreement.

total loss

when we decide that it is uneconomical to repair or rebuild your buildings or contents.

unable to live in your building

we will consider your tenant is unable to live in your buildings if the loss or damage we cover has caused:

- significant interruption to water, gas, electricity, sewerage, heating or cooling connections
- significant damage requiring extensive repair, or
- an inability to use sleeping or cooking or bathroom facilities.

unoccupied rental property

a rental property that no-one has lived in for 90 consecutive days or more.

us, we and our

refers to:

Insurance Australia Limited
ABN 11 000 016 722
AFSL 227681 trading as
CGU Insurance except in
the Workers' Compensation
optional cover section,
where 'we' means Insurance
Australia Limited trading as
CGU Workers Compensation
ABN 11 000 016 722.

vandalism or a malicious act

a wrongful act motivated by malice, vindictiveness or spite with the intention of damaging the property.

you and your

the person or people named as the insured on your current schedule.

If more than one person is named as the insured, we will treat a statement, act, omission or claim by any one of these people as a statement, act, omission or claim by them all. If you are making a claim, 'you' also includes your domestic partner, you or your partner's unmarried children, and you or your partner's parents who normally live with you.

your buildings

buildings that you own or are legally responsible for.

your contents

contents that you own or are legally responsible for.

your rental property

where your buildings or contents are located.

This includes any land or other area that touches your rental property and for which any statutory authority has made you responsible, but it does not include the nature strip outside your rental property. Your rental property is located at the situation shown on your current schedule.

your policy

the contract between you and us which provides you with insurance cover in exchange for a premium. Your policy is made up of two documents:

- this Product Disclosure Statement and policy booklet (PDS) and any supplementary PDS, **plus**
- your current schedule.

The insurer – Workers' Compensation

If your rental property is in Western Australia, Tasmania or the Northern Territory, the insurer providing the Workers' Compensation optional cover is Insurance Australia Limited trading as CGU Workers Compensation, ABN 11 000 016 722.

CONTACT DETAILS

ENQUIRIES 13 24 81
CLAIMS 13 24 80

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NSW 2001

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181 William St
Melbourne
VIC 3000

BRISBANE

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WA 6005

ADELAIDE

80 Flinders St
Adelaide
SA 5000

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Insurer
Insurance Australia Limited
ABN 11 000 016 722 AFSL 227681
trading as CGU Insurance



www.millennium.com.au

