

Product Disclosure Statement and EBM RentCoverShortTerm Policy

About this booklet

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

Part A – Product Disclosure Statement (PDS)

Part A of this booklet contains a Product Disclosure Statement (PDS). The PDS is designed to assist you to make informed choices about your insurance needs. It 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).

The PDS also contains information about costs, our dispute resolution system, your cooling off rights and other relevant information, including other rights, terms, conditions and obligations attaching to this product. Please read Parts A and B of this booklet 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 forms part 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 the 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 , EBM

About EBM

Elkington Bishop Molineaux Insurance Brokers Pty Limited (EBM) ABN 31 009 179 640, Australian Financial Services Licence No. 246986 has entered into an agreement with QBE to develop financial services products and services that are distributed by EBM and its agents.

About QBE

QBE Insurance (Australia) Limited is a member of the QBE Insurance Group (ASX: QBE). QBE Insurance Group is Australia's largest international general insurance and reinsurance group, and one of the top 25 insurers and reinsurers worldwide. The company has been operating in Australia since 1886 and continues to provide industry-leading insurance solutions that are focused on the needs of intermediaries and their clients.

QBE is a household name in Australian insurance, backed by sizeable assets, and well known as a strong and financially secure organisation.
Date of preparation: 6 June 2007

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QM885-0607

PART A – PRODUCT DISCLOSURE STATEMENT (PDS) FOR HOME AND CONTENTS INSURED EVENTS POLICY

Insurer

The Policy is underwritten by QBE Insurance (Australia) Limited, ABN 78 003 191 035, AFS Licence No. 239545 of 82 Pitt Street, Sydney.

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

Significant benefits and features

We believe the most significant benefits of this insurance Policy are that it protects:

- (a) your financial investment in your holiday home and contents on a New for Old basis if they are lost or damaged due to an insured event. You can choose to cover your home, your contents, or both under this Policy.
- (b) you for your legal liability to third parties if they claim against you for compensation or expenses which you become legally liable to pay for:
 - the death of, or bodily injury to, any person

- the loss of, or damage to, property.

- (c) deliberate damage by tenants, tenant's visitors or family.

The Policy provides:

- (a) Cover for your holiday home and contents up to their sums insured at the site, during the period of insurance, caused directly by any of the following insured events:

- fire or explosion
- storm or rainwater (but not flood)

'flood' means the inundation of normally dry land by water from any watercourse, lake, canal, dam or reservoir

- lightning or thunderbolt
- earthquake
- theft
- malicious acts
- riot or civil commotion
- bursting, leaking, discharging or overflowing of fixed basins, shower bases or other fixed apparatus, fixed tanks or fixed pipes used to hold or carry liquid of any kind
- impact
- breakage of fixed glass, shower base, sink, bath, lavatory pan or cistern if the building is insured, or of any glass forming part of an item of furniture or domestic telephones, if the contents are insured
- fusion of an electric motor
- deliberate damage by tenants, tenants' visitors or family

- (b) Legal liability cover for \$20,000,000 which includes liability for you or any member of your family in respect of ownership or occupancy of your home where your home is insured under this Policy, or where your home is a strata title residence and your contents are insured under this Policy.

This Policy also provides the following additional benefits:

- (a) fees incurred directly in relation to repair or replacement of your home
- (b) removal of debris
- (c) if this Policy insures your home, we insure your extra costs of reinstatement necessary to meet the requirements of any statutory authority in connection with rebuilding or repairing your home
- (d) loss of rent for the nominated sum insured or actual loss incurred where your home is so damaged by the insured event that it cannot be lived in or let to tenants

The Policy does not cover certain things

Claims may be refused in certain circumstances. Please refer to the Home and Contents Insured Events Policy Terms and Conditions which follows this PDS for full details of the terms and conditions of cover and exclusions.

The Policy will not cover loss or damage:

- (a) intentionally caused by you or a member of your family or a person acting with your consent or the consent of a member of your family
- (b) resulting from or caused by:
 - inherent defects, structural defects, faulty workmanship, faulty design or any gradual process
 - wear, tear, rust, corrosion, depreciation or gradual deterioration, mildew, mould or algae
 - any consequential loss other than that specifically provided by this Policy
 - erosion, subsidence, landslide or earth movement other than as a direct result of some insured events
 - storm or wind damage to fences, gates or retaining walls if they are not made of steel, brick, concrete, masonry or stone (except in Queensland and Western Australia)
 - water entering the home through an opening made for the purpose of alterations, additions, renovations or repair
 - flood
 - the action of the sea, high water, tidal wave, tsunami.

The Policy will not insure you or your family against liabilities arising from:

- (a) any agreement, unless liability would have attached to you or your family if that agreement did not exist

- (b) death or bodily injury to you or to any person who normally lives with you
- (c) damage to property belonging to you or any person who normally lives with you or to your or their employees
- (d) the ownership, custody, or use of any lift, aerial device or aircraft (except model aircraft or toy kites), aircraft landing area, boat exceeding 4 meters in length (except canoes, surfboards, surf skis or sailboards) or motorised water craft in excess of 10 horsepower
- (e) the conduct of any activity carried on by you or your family for reward except letting the home
- (f) directly or indirectly, out of or in connection with the actual or alleged use or presence of asbestos
- (g) building work, construction or demolition of a building, including the home if the value of the work exceeds \$50,000
- (h) the ownership or use of any motor vehicle other than the cover given by the 'Additional benefit – Motor Vehicle Liability'.

The Policy will not insure you or your family against fines, penalties, or punitive, aggravated, multiple or exemplary damages.

These are only some of the events that are not covered by this insurance. Please read the Home and Contents Insured Events Policy Terms and Conditions which follows this PDS for full details of all relevant Policy exclusions.

The amount of any claim made against the Policy may be reduced

- (a) where an excess applies (any applicable excess will be shown in your Policy Schedule). A \$200 excess applies to earthquake claims (unless a greater excess is shown on your schedule).
- (b) where you have not requested the insured value of any item to be specified in the Policy and where the value of that item exceeds any applicable sum insured sub limit. This Policy covers your contents at the site
- (c) where the claim is for fusion and we apply depreciation because of the age of the motor
- (d) Where the claim is for any floor and wall coverings, blinds, curtains or any painting that is over 20 years old, depreciation is applied.
- (e) where you do not comply with a condition of this Policy and this contributes to any loss or damage
- (f) in relation to damage caused by the tenant loss of rent or legal expenses, by the balance of the bond monies, deposit or booking fees remaining after deducting clean up costs or other expenses you are legally entitled to deduct from the bond monies, deposit or booking fee.

You should refer to the General Conditions in Part B of this document for full details of all the General Conditions.

Some General Conditions include:

- you must tell us about changes that increase the risk of this insurance
- you must tell us as soon as possible if circumstances occur, or if changes or alterations are intended or made which increase the risk of loss, damage or injury
- we may agree to insure your home and contents only if certain specified burglary protection devices are installed. The required devices, if any, will be noted on your Policy Schedule
- you must take reasonable care to:
 - protect and maintain the property insured under this Policy
 - prevent damage or injury to others or their property
 - minimise the cost of any claim under this Policy, or
 - comply with all statutory obligations and by-laws or regulations relating to the safety of person or property.

If you do not, we will not pay for loss, damage, liability or injury to which this failure to take reasonable care contributes.

Significant risks

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 A of this document) and the Policy Terms and Conditions (Part B of this document) carefully. Please ask EBM if you are unsure about any aspect of this product.

Your sum insured may not be adequate

The Policy provides replacement or reinstatement conditions for home and contents which means that claims are settled without contribution for age, depreciation or wear and tear. It is important that the sums insured you select cover the cost of replacing your home and contents on a new for old basis. The sums insured that you select must make allowance for structural improvements (such as sheds, pergolas, and fencing), GST and any

additional benefits that are included in the sum insured (for example; costs of removal of debris, architects fees).

It is important that you read the sub-limits in the Terms and Conditions for items such as works of art, antiques, office furniture or equipment and collections (see "Contents where a maximum limit applies"). If you have an item or a group of items that will cost more than the sub-limit to replace, then you will need to nominate that item to ensure that it is covered for more than the sub-limit.

Over-insurance

If your home or contents are damaged beyond economic repair, we will pay no more than the reasonable cost of replacement when new even if you have insured for an amount greater than the reasonable cost of replacement when new. Therefore, there is no benefit to you in over-insuring your property.

Overdue premium

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

If you pay an annual premium and you have not paid by the due date or your payment is dishonoured, or, if you pay your premium by instalments and your first instalment payment is dishonoured, this Policy will not operate and there will be no cover.

If you pay your premium by instalments and any instalment remains unpaid for:

- 14 days or more we may refuse to pay any claim
- 1 month or more we may cancel this Policy.

For more detailed information regarding payment options refer to the section headed 'How you can pay your premium' in Part B (Terms and Conditions).

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. The following factors have a significant impact on the calculation of your premium:

Home and Contents	<ul style="list-style-type: none"> • geographic location • sum(s) insured • the construction material of the home. • whether or not the home has an alarm
Loss of Rent	<ul style="list-style-type: none"> • rental income

Premium payments can be made annually or by instalments. You should arrange your method of payment through EBM. A quote for premium may be obtained from EBM.

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 and 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 whom 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

Privacy legislation regulates the way private sector organisations can collect, use, keep secure and disclose personal information. We are bound by the Privacy Act 1988 (Cth.), when collecting and handling your personal information. QBE has developed a privacy policy which explains what sort of personal information we hold about you and what we do with it.

We will only collect personal information from or about you for the purpose of assessing your application for insurance and administering your insurance policy, including any claims you make. We will only use and disclose your personal information for a purpose you would reasonably expect.

We may need to disclose personal information to our reinsurers, (who may be located overseas), insurance intermediaries, insurance reference bureaux, credit reference agencies, our advisers and those involved in the claims handling process (including assessors and investigators), for the purposes of assisting us and them in providing relevant services and products, or for the purposes of litigation. We may disclose personal information to people listed as co-insured on your policy and to family members or agents authorised by you. We may also disclose information to organisations which conduct customer service surveys on our behalf. We will request your consent to any other purpose.

By providing your personal information to us, you consent to us making these disclosures. Without your personal information we may not be able to issue insurance cover to you or process your claim.

You also have the opportunity to find out what personal information we hold about you and, when necessary, correct any errors in this information. Generally we will do this without restriction or charge. For further information about our Privacy Policy or to access or correct your personal information, please contact The Compliance Manager, QBE Insurance (Australia) Limited, GPO Box 82 Sydney NSW 2001. Telephone: (02) 9375-4656, Fax: (02) 8275-9022 or Email: compliance.manager@qbe.com

The General Insurance Code of Practice

QBE Insurance (Australia) Limited is a signatory to the General Insurance Code of Practice. The Code aims to:

- promote more informed relations between insurers and their customers; and
- improve consumer confidence in the general insurance industry;
- provide better mechanisms for the resolution of complaints and disputes between insurers and their customers; and
- commit insurers and the professionals they rely upon to higher standards of customer service.

How to make a claim

Please contact EBM to make a claim. We will only accept responsibility for repairs or payments to third parties under a claim where you have told us about them beforehand and we have accepted your 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.

We have a Complaints and Dispute Resolution Procedure which undertakes to provide an answer to your complaint within 15 working days.

If you would like to make a complaint or access our internal dispute resolution service please contact your nearest QBE office and ask to speak to a dispute resolution specialist.

If you are not happy with our answer, or we have taken more than 15 working days to respond, you may take your complaint to the Insurance Ombudsman Service (IOS), an ASIC approved external dispute resolution body.

The IOS resolves certain insurance disputes between consumers and insurers and will provide an independent review at no cost to you. QBE is bound by the determination of the IOS but the determination is not binding on you.

We will provide the contact telephone number and address of the IOS office upon request.

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 other limits of insurance cover shown on your Policy documentation are GST inclusive.
- 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 may 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 EBM.
- 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 named as the insured.

How we may cancel this Policy

- We may cancel this Policy in any of the circumstances permitted by law by informing you in writing.
- We 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.

Cooling-off information

If you want to return your insurance after your decision to buy it, you may cancel it and receive a full refund. To do this you may notify EBM electronically or in writing within 21 days from the date the Policy commenced.

This cooling-off right does not apply if you have made or are entitled to make a claim. Even after the cooling-off period ends, you still have cancellation rights however EBM may deduct certain amounts from any refund for administration costs or any non-refundable taxes.

PART B – POLICY TERMS AND CONDITIONS FOR HOME AND CONTENTS INSURED EVENTS POLICY

Insurer

The Policy is underwritten by QBE Insurance (Australia) Limited, ABN 78 003 191 035, AFS Licence No. 239545 of 82 Pitt Street, Sydney.

Our agreement with you

This Policy is a legal contract between you and us. You pay us the premium, and we provide you with the cover you have chosen as set out in the Policy, occurring during the period of insurance shown on your Policy Schedule or any renewal period.

The excesses set out in the section headed 'What you must pay if you make a claim – Excess' apply to all claims except where otherwise stated. The amount of any excess that applies to your Policy will be shown on your Policy Schedule.

The exclusions in the section(s) headed 'When you are not covered' and conditions in the section headed 'General Conditions' apply to all types of cover.

Your Policy

Your Home and Contents Insured Events Policy consists of Part B (Terms and Conditions) of this booklet and the Policy Schedule we give you.

Please read your Policy carefully, and satisfy yourself that it provides the cover you require.

If you want more information about any part of your Policy, please ask us, or EBM.

The address and telephone number of your QBE branch are on your Policy Schedule.

You should keep your Policy Booklet and Policy Schedule together in a safe and convenient place for future reference.

Providing proof

So that your claim can be assessed quickly you should keep the following:

- receipts or other confirmation of purchase, and
- valuations.

We may ask you for these if you make a claim. You must be able to prove to us that you have suffered a loss that is covered by this Policy before we will pay you for it.

Other party's interests

You must tell us of the interests of all parties (e.g. financiers, owners, lessors) who will be covered by this insurance. We will protect their interests only if you have told us about them and we have noted them on your Policy Schedule.

How you can pay your premium

You can pay your premium:

- in one annual payment by cash, cheque, credit card or EFTPOS, or
- in monthly instalments by direct debit from your credit card or from your account with your financial institution.

Paying your annual premium

You must pay your annual premium by the due date. If we do not receive your premium by this date or your payment is dishonoured this Policy will not operate and there will be no cover.

Preventing our right of recovery

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

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

When you are:

- not registered for GST, the maximum amount we pay is the sum insured or the other limits of insurance cover including GST.
- registered for GST, the maximum amount we pay is the sum insured or the other limits of insurance cover less any Input Tax Credit to which you are entitled or would be entitled if you made a relevant acquisition. In these circumstances, the Input Tax Credit may be claimable through your Business Activity Statement (BAS).

You must advise us of your correct Australian Business Number & Taxable Percentage. Any GST liability arising from your incorrect advice is payable by you.

Where the settlement of your claim is less than the sum insured or the other limits of insurance cover, we will only pay an amount for GST (less your entitlement for Input Tax Credit) applicable to the settlement. This means that if these amounts are not sufficient to cover your loss, we will only pay the GST relating to our settlement of the claim.

We will (where relevant) pay you on your claim by reference to the GST exclusive amount of any supply made by any business of yours which is relevant to your claim.

GST, Input Tax Credit, Business Activity Statement (BAS) and Acquisition have the same meaning as given to those expressions in A New Tax System (Goods and Services Tax) Act 1999 and related legislation as amended from time to time.

Taxable Percentage is your entitlement to an Input Tax Credit on your premium as a percentage of the total GST on that premium.

Words with special meanings

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

Word or Expression	Meaning
Period of insurance	The period shown on the Policy Schedule.
Policy Schedule	The Schedule of Insurance or any endorsement schedule we give you.
Site	The address shown on your Policy Schedule where your home is located or your contents are kept.
We, our, us	QBE Insurance (Australia) Limited, ABN 78 003 191 035
You, your	The person(s), companies or firms named on the current Policy Schedule as the 'Insured'.
Your family	Any member of your family who lives permanently with you, including your partner.

Cover for your home & contents

This part of the policy contains the following four sections:

- Section 1: What 'Home' and 'Contents' mean
- Section 2: Cover for your Home & Contents – Insured Events
- Section 3: Cover for your Loss of Rental Income
- Section 4: Cover for your Legal Liability
- Section 5: Taxation Audit

Section 1: What 'Home' and 'Contents' mean

Home

Your Policy Schedule indicates whether your home is insured and the sum insured.

What 'home' means

Your 'home' is the house, duplex, home unit, villa, townhouse, flat or apartment at the site shown on your Policy Schedule, used by you or your tenants for holiday accommodation or for other 'temporary residential accommodation'.

What 'temporary residential accommodation' means

'Temporary residential accommodation' means short term accommodation for periods ranging from 1 day to 6 months at a time provided that such accommodation is not subject to any Tenancy agreement (other than for holiday letting or similar short term purposes).

Periods greater than 6 months must be specifically agreed to in writing by us.

'Home' includes the following:

- outbuildings, fixtures and structural improvements including in-ground swimming pools, tennis courts, in-ground spas, saunas, jetties and pontoons all of which are used for domestic purposes
- fixed light fittings, fixed wall coverings, fixed ceiling coverings and fixed floor coverings
- services (whether underground or not) that are your property or which you are liable to repair or replace or pay the cost of their repair or replacement
- landscaping, paved pathways and paved driveways, retaining walls, fences and gates entirely or partly on the site.

What 'home' does not mean

'Home' does not include:

- (a) carpets (whether fixed or not), curtains or internal blinds unless you regularly lease out the home on an unfurnished basis
- (b) earth or gravel pathways or driveways or other unpaved surfaces
- (c) a hotel, motel, nursing home, boarding house, buildings of flats, strata title unit or caravan (whether fixed to the site or not)
- (d) any building used for any business or trade, except a dwelling used principally as a place of residential accommodation
- (e) a building in the course of construction
- (f) a building in the course of being demolished, or that is vacant pending demolition
- (g) a temporary building or structure
- (h) trees, shrubs and any other plant life including grass or lawns, or soil, sand, gravel, bark or mulch.

Contents

Your Policy Schedule indicates whether your contents are insured and the sums insured.

The total contents sum insured consists of:

- a sum insured for unspecified contents, and
- a sum insured for specified contents.

Specified contents are items of particular value that you have individually listed as specified items and that are listed on the Policy Schedule under 'Contents, specified items'.

What 'contents' means

'Contents' means, items (a) to (e) below, while they are at the site, and which belong to you or your family or for whose loss or damage you or your family are legally liable. Contents are:

- (a) household goods (including carpets whether fixed or not)
- (b) articles of special value which you have listed on the Policy Schedule under 'Contents specified items'
- (c) if you live in a strata title building, the internal paintwork, wallpaper and any fixture or structural improvement within or attached to that residence which the Body Corporate is not required by law to insure
- (d) garden equipment if it does not require registration:
- (e) office furniture and equipment.

What 'contents' does not mean

'Contents' does not include:

- (a) fish, birds or animals of any description
- (b) trees, shrubs and any other plant life including grass or lawns, or soil, bark or mulch (other than pot plants)
- (c) any caravan or trailer, watercraft or bicycles,
- (d) motorised vehicles other than that listed in point (d) under the heading 'What contents means'
- (e) aircraft or their accessories
- (f) accessories or spare parts, keys or remote locking or alarm devices of motor vehicles (including motorcycles and motor scooters), caravans, trailers, aircraft or watercraft while they are in or on the motor vehicle, caravan, trailer, aircraft or watercraft
- (g) photographic and video equipment, film, negatives photographs, musical instruments or musical equipment, or any sporting equipment
- (h) antiques (other than furniture), carpets or rugs that are made by hand
- (i) any type of mobile telephones, MP3 or MP4 players or any similar devices, computers of any type – including laptops, notebooks, palmtops, Personal Digital Assistants (PDAs) electronic diaries, electronic notebooks, pocket Personal Computers, - other than non-portable computer games consoles,
- (j) electronic data, or any computer media such as discs or tapes - other than computer games for non-portable computer game consoles.
- (k) any property:
 - illegally in your possession
 - stored in a dangerous and illegal way, or
 - any equipment connected with growing or creating any illegal substance
- (l) commercial or retail trade stock
- (m) your home or any part of your home.
- (n) jewellery, gold or silver articles, furs, watches, clothing, stamps coins or medals, documents or any personal effects.
- (o) cash, coins and negotiables.
'Negotiables' means treasury notes, savings certificates, stamps, money orders, gift certificates and any other negotiable instruments

Section 2: Cover for your Home & Contents – Insured Events

What you are insured against, and what you are NOT

You are insured for loss or damage to your home, contents or both, caused directly by any of the 'insured events' which occur at the site set out in the left column of the following table (except to the extent indicated in the right column of the table). Whether you have selected cover for your home, contents or both is shown on your Policy Schedule.

There are also some limits and exclusions described under 'How we will pay' and 'When you are not covered', which you must read.

You are insured against loss or damage caused directly by the following insured events	But not
(a) Fire or explosion	Loss or damage to any item caused by scorching, melting, or charring without flames.
(b) Storm (including cyclone or hurricane) and/or rain, which may be accompanied by snow, sleet or hail	<ul style="list-style-type: none"> • flood 'flood' means the inundation of normally dry land by water from any watercourse, lake, canal, dam or reservoir • the action of the sea, high water, tidal wave, tsunami 'tsunami' means a sea wave caused by a disturbance of the ocean floor or by seismic movement • water seeping through a wall or floor • mildew, mould, algae • atmospheric or climatic conditions other than storm • water entering the home through an opening made for the purpose of alterations, additions, renovations or repair • More than \$2,000 for damage to contents in the open air; but this \$2,000 limit does not apply to spas or above-ground swimming pools that are full. 'Open air' is restricted to the site and includes non lockable structures and non lockable parts of the home. 'Open air' also means in or on a motor vehicle, motor cycle, trailer or caravan, at the site whether those vehicles are locked or not. An above-ground swimming pool means one that has most of its water volume above the average ground level of the ground that the pool occupies.
(c) Lightning or thunderbolt	Loss or damage caused by fluctuations in the power supply, unless there is evidence that the damage was caused by a lightning strike.
(d) Earthquake All destruction or damage occurring within a period of 48 hours of the earthquake is regarded as the one insured event.	The first \$200 for earthquake damage, or the excess amount shown on your Policy Schedule, whichever is greater.
(e) Theft	More than \$1,000 in total for any theft of contents in the open air.
(f) Malicious acts	Loss or damage intentionally caused by you or your family

<p>(g) Loss or damage by tenants arising from an intentional or deliberate act by the tenant or by guests of the tenant or by people invited by the tenant</p>	<ul style="list-style-type: none"> • damage occurring during or as a result of any maintenance, repairs or attempted repairs carried out by the tenant or anyone acting on their behalf; • damage caused by the failure of your tenant to control their children; • damage caused by pets belonging to your tenant; • scratching, denting, chipping, rubbing or chaffing. • the cost of cleaning, redecorating, painting or wall papering unless the tenant has caused actual damage to the structure or contents of the building which makes it necessary to do so. • any poor housekeeping or unhygienic living habits.
<p>(h) Riot or civil commotion</p>	
<p>(i) Bursting, leaking, discharging or overflowing of fixed basins, shower bases, or other fixed apparatus, fixed tanks or fixed pipes used to hold or carry liquid of any kind. Water suddenly escaping from a waterbed or aquarium. If we accept a claim because damage has occurred as a direct result of the liquid escaping, we will also pay the reasonable costs of locating the cause of the damage, and the costs of reinstating the property damaged or disturbed in the course of work.</p>	<p>Loss or damage which:</p> <ul style="list-style-type: none"> • occurs gradually over time • results from water escaping from a shower base not fitted with a tray or water proof membrane • is caused by the porous condition of any tiles, grouting or sealant. <p>We will not pay for repair or replacement of the apparatus, tank or pipe itself.</p>
<p>(j) Impact by:</p> <ul style="list-style-type: none"> • a vehicle, an aircraft or a waterborne craft • space debris or debris from an aircraft, rocket or satellite • an animal • a falling tree or part of a tree • a mast or a television or radio aerial that has broken or collapsed <p>'Impact' means a collision of 2 or more objects</p>	<p>Loss or damage caused by:</p> <ul style="list-style-type: none"> • an animal kept at the site • felling or lopping trees at the site • rodents, vermin, wildlife, birds or insects gnawing, chewing, pecking, clawing, scratching or in any way polluting or contaminating your home or contents.
<p>(k) Breakage of:</p> <ul style="list-style-type: none"> • any fixed glass, shower base, basin, sink, bath, lavatory pan or cistern if this Policy insures the home • glass forming part of an item of furniture, or, domestic telephones, if this Policy insures the contents. 	<p>Damage to any property other than the broken glass (except for window tinting or shatter-proofing) or shower base, basin, sink, lavatory pan, cistern or telephone.</p> <p>Any item that is chipped or scratched prior to the breakage.</p> <p>Any item where the only damage is chipping or scratching or the breakage does not extend through the entire thickness.</p> <p>Glass in a picture frame or clock.</p> <p>Glass in television sets, radios, VDUs (Visual Display Units) or any other computer or electrical equipment.</p> <p>Glassware, crystal or ornaments.</p>

<p>(l) Fusion of an electric motor: Fusion is the process of fusing or melting together of the windings of an electric motor following damage to their insulating material as a result of overheating caused by an electric current. We will pay the cost of rewinding the motor, or at our option, replacing it. For refrigerators and air conditioning units, we pay for the replacement of refrigerant gas and refrigerant driers, only if replacement of the refrigerant gas or drier is made necessary because of the fusion. You will have to contribute towards the total cost of repair or replacement including labour charges as follows:</p> <ul style="list-style-type: none"> • motors up to 10 years from the date of purchase when new or rewinding - no contribution • for each additional year - 20% per year. In no case will your contribution exceed 90% after applying the excess. 	<p>Motors more than 15 years from the date of purchase when new or more than 15 years from the date of rewinding. The cost of repair or replacement of additional parts or service items, including worn or broken bearings or switches. Lighting elements (for example, light bulbs or fluorescent tubes) or heating elements, solenoids, fuses or protective devices (for example a fuse or circuit breaker). Electrical contact points where sparking or arcing occurs during ordinary use. Leakage of refrigerant gas and maintenance of refrigerant driers. The cost of retrieving, removing or replacing the pump section of pool or pressure pumps or the cost of retrieving submersible pumps or their driving motors. Electronic controllers or other electronics.</p>
<p>(m) Accidental damage Accidental Damage means sudden unforeseen, unexpected and unintended loss or damage by an identifiable event which is not otherwise excluded by this Policy</p>	<p>Loss or damage caused by any of the Insured Events (a) to (l) above, or any exclusion listed under "But not" above in this section or in the section, "When you are not covered".</p> <p>Misplacement or failure to locate any item or any unexplained disappearance of any item</p> <p>Any loss of or damage to electronic data - For the purposes of this exclusion, electronic data means any facts, concepts and/ or information converted to a form usable for communications and/or displays and/or distribution and/or processing by electronic and/or electromechanical data processing and/or electronically controlled equipment which includes but is not limited to programs and/or software and/or other coded instructions for such equipment.</p> <p>Any damage caused by any malfunction, virus, trojan horse, worm or computer hacking or similar attack</p> <p>Mechanical, electronic or electrical breakdown of any kind other than fusion of an electronic motor</p> <p>Any loss or damage to:</p> <ul style="list-style-type: none"> - computer games or computer game consoles - swimming pool or spa liners or covers, - any contents lost or damaged outside the home

How we will pay

Home

(a) At our option we:

- repair the home, or
- replace the home to a condition substantially the same as, but not better than when new, or
- pay the reasonable cost of its repair or replacement to a condition substantially the same as when new, or
- pay up to the sum insured shown on your Policy Schedule.

If your home is damaged beyond economic repair, we will pay no more than the reasonable cost of replacement when new even if you have insured for an amount greater than the reasonable cost of replacement when new. When we pay your claim for your home being damaged beyond economic repair, the Policy is exhausted and comes to an end.

(b) You may choose to have the home replaced at another site, but we do not pay more than the sum insured.

(c) If your home is damaged beyond economic repair and you do not commence rebuilding within 6 months of the damage occurring, (or any other period which we agree with you in writing) you may have to pay any increase in cost caused by your delay.

(d) If part of a home is damaged by an insured event and we agree to pay your claim, we pay only for the part or parts of the home that actually sustained damage. We do not pay to replace any undamaged materials.

However, if:

- it is impossible to acquire new material to replace the damaged material that reasonably matches the undamaged portion to a similar extent as immediately prior to the damage occurring, and
- the amount of damaged material that cannot be matched to the undamaged material is more than 40% of the total material that would have to be replaced if all the matching damaged and undamaged material was replaced,

then we will replace both the damaged and undamaged material.

Example 1

There are 300 matching white, wall tiles in the bathroom. As a result of a burst pipe, 8 bathroom wall tiles are damaged. We would pay only the reasonable cost to repair or replace the 8 damaged tiles to a condition substantially the same as when new.

(In addition, we would pay for damage sustained in locating the leak under insured event (h) in the table under the heading 'What you are insured against, and what you are NOT'.)

Example 2

There are 300 superseded, matching, wall tiles in the bathroom. As a result of a burst pipe, 140 wall tiles are damaged. It is impossible to locate tiles that reasonably match the remaining 160 tiles. Over 40% of the matching wall tiles have been damaged. Therefore, we would pay the reasonable cost to repair or replace all 300 tiles (140 damaged and 160 undamaged) to a condition substantially the same as when new. We would be entitled to keep the 160 undamaged wall tiles by way of salvage. We would not pay to replace any tiles located in a room other than where the loss or damage occurred.

(e) Where materials that are required to settle a claim that we agree to pay are not commercially available in Australia, at our option, we:

- replace the material with the nearest equivalent or similar new materials available in Australia or overseas, or
- pay the cost to replace the material with the nearest equivalent or similar new materials available in Australia or overseas.

Contents

(a) At our option we:

- repair the damaged items, or
- replace the items with items substantially the same as, but not better than when new, or
- pay the reasonable cost of repair or reinstatement to a condition substantially the same as, but not better than when new, or
- pay up to the sum insured shown on your Policy Schedule.

(Please note what we will pay for floor and wall coverings, blinds, curtains or any painting in clause (f) of this section, "Contents".)

If your contents are damaged beyond economic repair, we will pay no more than the reasonable cost of replacement when new even if you have insured for an amount greater than the reasonable cost of replacement when new. When we pay your claim for all your contents being damaged beyond economic repair, the Policy is exhausted and

comes to an end. We will not pay more than the total contents sum insured for all contents lost or damaged.

(b) If we agree to pay a claim where film, photos, home movies or home videos or any similar recorded material is destroyed, we pay for the replacement with new, blank film, videos or similar (e.g. If a compact disc upon which you had photos stored is destroyed, we would replace it with a new, blank compact disc). We do not pay to reconstruct any circumstances or conditions.

(c) If we agree to pay a claim where software is lost, damaged or destroyed, we pay the cost to replace it with the nearest equivalent new software. We do not pay for any software that was acquired by you at no cost.

(d) Where an item required to settle a claim that we agree to pay is not commercially available in Australia, at our option, we:

- replace the item with the nearest equivalent or similar new item available in Australia or overseas, or
- pay the cost to replace the item with the nearest equivalent or similar new item available in Australia or overseas.

(e) The maximum we pay on the following contents items is shown in the table below. You may obtain higher limits for (i) or (ii) by having any of these items specified on your Policy Schedule. We will pay up to the amount specified for each item.

Contents where a maximum limit applies	Maximum Limit
(i) Works of art, pictures, tapestries, rugs, antique furniture, or office furniture or equipment	\$2,500 per item up to a total of \$5,000
(ii) Collections of any kind.	\$500 per collection up to a total of \$2,500
(iii) Accessories, or spare parts of motor vehicles (including motor cycles and motor scooters), caravans, trailers and watercraft NOT in or on the motor vehicle, caravan, trailer, or watercraft. We include motor vehicle keys, remote locking or alarm devices as accessories while they are not in or on the motor vehicle but we do not pay for any re-coding of devices or changing of vehicle locks.	\$250 in total
(iv) Entertainment equipment <ul style="list-style-type: none"> ▪ CDs, DVDs, and computer games for non-portable computer game consoles ▪ TVs, DVD &/or video players and recorders, set top boxes, or non-portable computer game consoles 	\$500 in total \$2,500 in total
(v) Storm damage to or theft of contents in the open air. Open air is restricted to the site and includes non lockable structures and non lockable parts of the home. Open air also means in or on a motor vehicle, motor cycle, trailer or caravan, at the site whether those vehicles are locked or not.	\$1,000 but this \$1,000 limit does not apply to spas or above-ground swimming pools that are full

Note:

Where an item could be classified under more than one of the above maximum limits, (i) through to (v), the lower or lowest limit applies. If we choose to pay to replace a specified item, we will pay no more than the amount that it would cost us to replace the item with an item substantially the same as, but not better than when new, even if you have specified the item for a higher amount, whether or not you have supplied a valuation. We have negotiated special arrangements with various suppliers to purchase items for less than retail cost. Premiums are therefore based upon us replacing items at less than retail cost.

Antique Furniture

Where we pay a claim for an item of antique furniture, and the market value of the item exceeds the cost of its replacement with a new item because of its antiquity and rarity, we will treat the market value as though it is the cost to replace the lost or damaged antique with a new item.

(f) Floor and Wall Coverings, Blinds and Curtains

For wall coverings, and carpets and other floor coverings, curtains and internal blinds, we pay only for items in the room, hall or passage where the damage occurred.

For any floor and wall coverings, blinds, curtains or any painting that is over 20 years old, we reduce the amount we pay by an allowance for wear, tear and depreciation. The depreciation deduction will be 50% of the repair or replacement cost and will be in addition to the applicable excess.

(g) Pairs and Sets

A 'pair or set' means 2 or more articles, the collective value of which exceeds the sum of their individual values.

If any item lost or damaged is part of a pair or set, we pay no more than the actual value of the item. We do not give any allowance for any special value it may have as forming part of a pair or set, or for any reduction in value of the remaining part or parts.

Section 3 : Cover for your Loss of Rental Income

If your home or contents are so damaged by an insured event that it cannot be lived in or let to tenants, we will pay your loss of rent from

1. your confirmed bookings that are cancelled due to the damage and our payment will be at the rate confirmed in the bookings
2. your inability to let the premises to any other tenants for periods not covered by the confirmed bookings and our payment will be at a rate equivalent to the average weekly rental income over the previous 12 months immediately preceding the loss

provided always that we shall not be liable to pay for more than 12 months loss of rent from the date of damage and that the rental income will cease 30 days after the premises become tenatable and provided further that our total liability under this section shall not exceed the Sum Insured shown in the Schedule for Loss of Rent.

Death of any Guest or other person

In the event of death of any person occurring at the site and as a consequence you suffer a loss of rental income, we will pay your loss of rent at the rate confirmed in the bookings at the time of death provided always that we shall not be liable to pay for more than 12 months loss of rent from the date of death and that the rental income will cease 14 days after the premises become tenatable and provided further that our total liability under this section shall not exceed the Sum Insured shown in the Schedule for Loss of Rent.

Prevention of Access

If you suffer loss of rental income as a result of prevention of access to your site due to:-

- (a) damage to other property in the vicinity of your property, which is caused by any of the insured events, we will pay for your loss of rent for the duration of that prevention of access in the same manner as if your premises had suffered that loss or damage.
- (b) failure of a Guest to vacate at the end of the contracted rental booking, we will pay for your loss of rent for the duration of that prevention of access until the premises become tenatable.

Provided that the maximum we shall pay under this Policy for all loss of rent claims shall not exceed \$50,000.

All claims under this section will be reduced by the balance of any bond monies, deposit or booking fee remaining after deducting clean up costs or any other expenses that you are legally entitled to deduct from the bond deposit or booking fee.

Section 4: Cover for your Legal Liability

What you are covered against

If this Policy covers your home

If this Policy covers your home or, if the home is a strata titled residence and your contents are insured under this Policy, we insure you and any member of your family against any claim for compensation or expenses which you or the member of your family become legally liable to pay for:

- (a) the death of, or bodily injury to, any person
- (b) the loss of, or damage to, property

resulting from an occurrence during the period of insurance arising out of the ownership of the home or occupancy of the home.

We include land, trees, shrubs and other plant life on the site as part of your home.

An 'occurrence' includes continuous or repeated exposure to substantially the same general conditions. We regard all death, bodily injury or loss or damage to property arising from one original source or cause as one occurrence.

What you are NOT covered against

(applies to 'Legal Liability' and 'Additional benefits - Liability')

When we do not insure you or your family

We do not insure you or your family:

- (a) against any liability caused by or arising directly or indirectly, out of or in connection with the actual or alleged use or presence of asbestos
- (b) against fines, penalties, or punitive, aggravated, multiple or exemplary damages.

We do not insure you or your family against liabilities arising from:

- (a) any agreement, unless liability would have attached to you or your family if that agreement did not exist
- (b) death of or bodily injury to you or to any person who normally lives with you
- (c) death of or bodily injury to anyone employed by you or by someone who lives with you if the death or injury arises out of their employment
- (d) damage to property belonging to you or any person who normally lives with you or to your or their employees
- (e) any workers compensation legislation, industrial award or agreement, or statutory accident compensation scheme
- (f) the ownership, custody, or use of any lift, aerial device or aircraft (except model aircraft or toy kites), aircraft landing area, boat exceeding 4 metres in length (except canoes, surfboards, surf skis or sailboards) or motorised watercraft in excess of 10 horsepower
- (g) the conduct of any activity carried on by you or your family for reward except for letting the home for holiday or temporary residential accommodation
- (h) vibration or the weakening of, removal of or interference with support to land, buildings or other property
 - (i) building work, construction or demolition of a building, including the home if the value of the work exceeds \$50,000
 - (j) death or bodily injury to any person arising out of pregnancy or the transmission of any communicable disease by you or your family
 - (k) the ownership of land, buildings or structures other than the home.
 - (l) loss, damage or injury intentionally caused by you or a member of your family or a person acting with your consent or the consent of any member of your family
 - (m) the lawful seizure, confiscation, nationalisation or requisition of the property insured
 - (n) destruction of or damage to property by any government or public or local authority
 - (o) the ownership or use of any motor vehicle
 - (p) any act or omission that is knowingly illegal, dishonest, fraudulent, wilful, malicious or done with reckless disregard for their consequences by you, your family or a person acting with the consent of you or your family.

What we will pay

- (a) We pay up to \$20,000,000 for any one occurrence.
- (b) We do not pay more than this amount in total under all policies we have issued to you which cover the same liability.
- (c) In addition to this amount, we pay legal costs for which we have provided prior written approval.

Section 5 - Taxation Audit

Summary of Cover

This Section protects you against reasonable Professional Fees incurred by you in connection with an audit or investigation conducted by an auditor in respect to any return lodged with the Commissioner of Taxation in respect of the income derived from the home insured by this Policy. The most we will pay for all claims during any one period of insurance, per audit is \$1,000. The maximum amount in the aggregate is limited to \$2,000.

Policy Wording and Definitions

Words with special meanings

Some key words and terms used in this Section have a special meaning.

Wherever the following words or terms are used in this Section, they mean what is set out below:

Word or Term	Meaning
Audit	Any form of investigation or audit of your financial or taxation affairs that is initiated by an authorised government auditor. An audit does not include anything pertaining to <ul style="list-style-type: none"> any licence, membership, industry status compliance with any employee law the gathering of any data or information not directly part of the audit superannuation
Auditor	An officer who is authorised under Commonwealth, State or Territory legislation to carry out an Audit of your taxation, financial affairs or a Taxation Liability.
Investigation	Means a detailed in-depth inquiry.
Notice Date	When you or your representative first become aware of any actual or potential audit either verbally or in writing.
Professional Fees	Any reasonably incurred fees, costs and expenses of a practising accountant or any other professional you need to engage such as a qualified advisor, solicitor, lawyer or another professional and disbursement costs. Professional fees does not include professional fees to complete relevant returns/questionnaires or documents required by a government authority or agency that the insured party would ordinarily be required to complete and supply or costs associated with the reconstruction or rewriting of the insured party's records required for the purpose of the audit.
Return	A return that is legally required to be lodged with any government or government agency.

What you are insured against

You are insured against reasonable Professional Fees incurred by you in connection with an audit or investigation conducted by an auditor in respect to any return lodged with the Commissioner of Taxation in respect of the property insured by this policy.

We pay only if;

- The Notice Date occurred during a current Period of Insurance and this Section 5 has commenced, and
- The Audit commenced during a current Period of Insurance, and
- The Audit was notified to us during the current or previous Period of Insurance
- The Audit relates to a return lodged no more than 12 months prior to the original commencement date of this Section 5,
- The Return was lodged no more than four years before the Notice Date.

However, we will pay when this policy is not in force, subject to all the other terms, conditions and exclusions only if you have sold the property and not replaced it, or, you have sold the property and replaced it, and that replacement property is insured by us under this Section 5 when the Audit commences.

What we will pay

- The most we will pay for all claims during any one period of insurance, per audit is \$1,000
- The maximum amount in the aggregate is limited to \$2,000
- If you have more than one property (used for holiday or temporary residential accommodation) insured, whether under the same policy or not, and those properties benefit from the cover provided by "Section 5: Taxation Audit", we will not pay more than a total of \$4,000 for all HolidayLet policies that you have insured with us during any one period of insurance. We will not pay any Professional Fees pertaining to any HolidayLet policies that are not insured under "Section 5: Taxation Audit". We will not pay any professional Fees pertaining to any activity or part of a return not pertaining to the property insured by this policy.

What we will not pay

We will not indemnify You with respect to any claims under this policy arising out of or in any way connected with:

- Enquires from the Commissioner of Taxation that seek information or raise requisitions, or enquiries of any similar kind.
- Matters arising under customs legislation.
- Audits or Investigation notice of which or information as to their likely conduct was received by You or any person acting on Your behalf prior to the Period of Insurance.
- Any Audits or Investigation concerning income earned or sourced or any Professional Fees payable to persons outside Australia and its external Territories.
- Any dishonest or fraudulent act or omission committed by You or on Your behalf.
- Any oral or written statement by you or on your behalf which you know to be false or misleading in any material particular made recklessly or wilfully.
- The imposition of or the seeking to impose any tax, penalty tax, costs interest, or any fine.
- Audits or Investigations not legally requiring returns or where a required return has not been lodged.
- Any form of activity involving a review relevant to maintaining industry status, licence, membership, any form of occupational healthy and safety type compliance, similar requirements.
- Any form of activity involving a review of how the practising accountant or other professional assisting you undertakes their professional duties.
- Any form of practice or procedural audit of any of your files or those at your professional account or other professional assisting you.
- Any activity involving a government agency gathering information or data that is not part of an audit.
- Any activity involved in the familiarisation education, training, application, implementation, process or operation of any amendments or changes to existing, or the introduction of new, government or industry regulation.
- Any Mass Marketed Tax Avoidance Scheme

General Conditions - Taxation Audit

- All documents including taxation and other returns must be submitted within the time limits prescribed by all relevant statutes and regulations or as required by or on behalf of the Commission of Taxation unless You demonstrate that any failure to comply with any such time limit was not the result of your culpable delay or you have lawful justification for non compliance.
- If You or any person acting on Your behalf becomes aware of any error or deficiency in any information, return of income or other documentation furnished to the Commission of Taxation, You must notify the Commissions accordingly without delay.
- You must make full and complete disclosure of all income as required by any relevant legislation.
- All taxes must be paid by the due date or within any extension granted by the commission of Taxation.
- You must obtain our written permission and provide us with estimated costs and fees before engaging anyone other than your accountant
- You must advise us if your and /or any related entities 'total annual turnover from renting residential Premises exceeds \$200,000 in the latest financial year for cover to continue.

Additional benefits

We give you the following additional benefits. For any additional benefits to be payable, you must suffer or incur the relevant loss, liability or damage during the period of insurance.

We pay additional benefits 1 to 7 as part of the sums insured for home or contents, depending on the type of cover you have chosen:

1. Temporary Removal of your Contents

If this Policy insures your contents we will cover you for the events listed in "Section 2: Cover for your Home & Contents – Insured Events" for loss or damage to your contents whilst temporarily removed from the site specified in the schedule to any other lockable residential building(s) or dedicated contents storage facility in Australia (and in transit there and back) provided that:

- we will not cover property that has been removed for a period exceeding 180 days unless we have agreed in writing to continue cover
- we will not cover theft unless consequent upon actual forcible and violent entry into the building at the other location
- transit cover is limited to loss or damage from fire, lightning, explosion, collision or overturning of the conveying vehicle and from theft

consequent upon actual forcible and violent entry into the locked conveyance.

We do not pay for damage:

- to items of china, glass, earthenware, or similar items of a brittle nature,
- caused by scratching, denting, bruising or chipping.

We pay up to 20% of the sum insured under unspecified contents on the Policy Schedule, however the sub-limits will also apply as set out in the table under 'How we will pay - Contents' point (e).

Contents are not covered for loss or damage if you have permanently removed them from the home, other than as provided under 'Additional benefit 6 - Change of Site'.

2. Fees

If this Policy insures your home, and

- it is damaged as a result of an insured event, and
- we agree to pay a claim,

we pay any reasonable fees which we have approved and which are incurred directly in relation to repair or replacement of your home.

3. Removal of debris

If this Policy insures your home, and

- it is damaged as a result of an insured event, and
- we agree to pay a claim,

we pay the reasonable costs of demolition and removal of debris from the site to the nearest authorised facility.

If the damage is caused directly by a fallen tree that has, as a result of the insured event, become debris, we will remove the tree from the site. We will remove a standing tree or branch that formed part of the tree that caused the insured damage only if:

- (a) we agree that the remaining tree or branch is unsafe
- (b) the remaining tree or branch only became unsafe as a direct result of the insured event causing damage to the tree, and
- (c) all necessary approvals have been obtained and removal of the tree or branch would not result in a breach of any laws, by-laws, regulations or contractual obligations.

We will remove a stump that formed part of the tree that caused the insured damage only if:

- (a) all necessary approvals have been obtained and removal of the stump would not result in a breach of any laws, by-laws, regulations or contractual obligations, and
- (b) not removing the stump would interfere with repairing or replacing the damaged part of the home required to settle your claim.

If this Policy insures your contents, and

- they are damaged by an insured event, and
- we agree to pay a claim

we pay the reasonable costs of removal of contents debris from the site to the nearest authorised facility.

4. Extra costs of reinstatement

If this Policy insures your home, and it is damaged as a result of an insured event and we agree to pay a claim, we pay the extra costs necessary to meet the requirements of any statutory authority in connection with rebuilding or repairing your home at the site.

If only part of your home is damaged, we pay only the extra costs you incur in repairing that part.

We do not pay any extra costs which resulted from any notice which a statutory authority served on you before your home suffered loss or damage.

5 Replacement of locks and keys

We pay up to \$1,000 to replace/alter locks or keys, if:

- locks to your home are damaged, or
- keys to your home are stolen

by someone breaking into your home.

6. Change of site

If this Policy insures your contents and you are moving into a new home within Australia, we insure your contents at both sites for a maximum of 30 days. The maximum we pay at each site will be the proportion of the sum insured that the value of the contents at that site bears to the total value of the contents at both sites.

You must tell us of your new address within 30 days of first moving to it. If you wish to insure your contents at your new address after that 30 days we must agree to insure them at that address.

You must pay us any additional premium we ask for and comply with any conditions we impose.

7. Waiver of excess if your property is a total loss

You are not required to pay an excess if we agree to pay a claim as a result of damage that renders your home, contents or both beyond economic repair.

We pay additional benefits 8 to 11 over and above the sums insured for home or contents, depending on the type of cover you have chosen.

8. Automatic reinstatement of sum insured

This benefit applies to the sums insured for home and unspecified contents as shown on your Policy Schedule.

Following payment of a claim other than a claim for total loss the sums insured will be reinstated, unless:

- you request otherwise
- we tell you otherwise.

9. Inflation adjustment

This benefit only applies to the home sum insured as shown on your Policy Schedule.

During each period of insurance we increase the home sum insured by 0.25 of 1% of the relevant sum insured shown on your current Policy Schedule per month until the next renewal date.

10. Out of Pocket Expenses – Limit \$1,000

If we have accepted a claim for loss or damage from an insured event, we will pay the out of pocket expenses incurred by you or on your behalf for the purpose of obtaining an order against any persons for restitution of any loss or damage suffered by you.

The maximum we will pay under this extension during any one period of insurance is \$1,000.

11. Legal Expenses – Limit \$5,000

If we have accepted a claim for loss or damage from an insured event, we will pay for your legal expenses incurred with our prior written approval (which will not be unreasonably withheld) for the purpose of reducing any claim under this Policy.

The maximum we will pay under this extension during any one period of insurance is \$5,000.

What you must pay if you make a claim – Excess

'Excess' means the first amount you must contribute to any claim you make under this Policy.

We deduct the excess shown in the Policy or on the current Policy Schedule from the amount of your claim.

Where a sub-limit is applicable, the excess will be applied to the claim prior to applying the sub-limit. For example, if an antique worth \$3,500 was stolen from the home, the \$2,500 per item antique sub-limit would apply.

If a \$200 excess was applicable, this would be applied to the \$3,500 claim, rather than the \$2,500 sub-limit. Therefore, \$2,500 would be payable. If the value of the antique was \$2,000, we would pay \$1,800 – the \$2,000 claim less the \$200 excess. If the antique was worth only \$1,000, we would pay \$800 - \$1,000 less the \$200 excess.

For earthquake claims the excess is \$200, or the amount shown on your Policy Schedule, whichever is greater.

All loss, destruction or damage occurring within a period of 48 hours of the earthquake is regarded as the one event.

When you will NOT have to pay an excess

You will not have to pay an excess if we agree to pay a claim as a result of damage that renders your home, contents or both beyond economic repair.

When you are not covered

General exclusions applying to this Policy

This Policy excludes loss, damage, destruction, death, injury, illness, liability, cost or expense of any nature directly or indirectly caused by, contributed to by, resulting from, arising out of or in connection with any of the following, regardless of any other cause or event contributing concurrently or in any other sequence to the loss:

1. War, invasion, acts of foreign enemies, hostilities or war-like operations (whether war be declared or not), civil war, rebellion, revolution, insurrection, civil commotion assuming the proportions of or amounting to an uprising, military or usurped power, or
2. Any act(s) of Terrorism that is directly or indirectly caused by, contributed to by, or in any way involves or is connected with biological, chemical, radioactive, or nuclear pollution or contamination or explosion.

For the purpose of this exclusion, an 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, or
- involves damage to property, or
- endangers life other than that of the person committing the action, or
- 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.

3. Radioactivity or the use, existence or escape of any nuclear fuel, nuclear material, or nuclear waste or action of nuclear fission or fusion.

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

Additional exclusions applying to this Policy

These additional exclusions apply to cover for your home, contents and additional benefits.

(a) loss or damage intentionally caused by you or a member of your family or a person acting with your consent or the consent of any member of your family

(b) loss or damage resulting from or caused by:

- the lawful seizure, confiscation, nationalisation or requisition of the property insured
- destruction of or damage to property by any government or public or local authority
- the deliberate application of heat (for example, this would include where an element under or forming part of a ceramic cooktop causes damage to the cooktop)
- inherent defects, structural defects, faulty workmanship, faulty design or any gradual process
- wear, tear, rust, corrosion, depreciation or gradual deterioration
- mildew, mould, algae, atmospheric or climatic conditions (other than as described under insured event, (b) storm)
- settling, shrinkage or expansion in buildings, foundations, walls or pavements
- the removal or weakening of supports or foundations for the purpose of alterations, additions, renovations or repair
- damage to swimming pools or similar structures caused by hydrostatic pressure
- mechanical, electrical or electronic breakdown with the exception of fusion to electric motors as described under insured event (l) (under 'Section 2: Cover for your Home and Contents – Insured Events') or if a claim is payable as the result of a lightning strike under insured event (c) (under 'Section 2: Cover for your Home and Contents – Insured Events')
- loss of or damage to electronic data caused by electronic or mechanical derangement or malfunction or by a virus, or processing error
- any consequential loss other than that specifically provided by this Policy
- any process of cleaning involving the use of chemicals
- rodents, vermin, birds, wildlife or insects gnawing, biting, chewing, pecking, clawing, scratching or in any way polluting or contaminating your home or contents

For example: If a mouse was to chew through an electrical wire, which led to a fire, the damage caused directly by the fire would be covered by this Policy under insured event (a), however any damage caused by the mouse's chewing would not be covered by this Policy.

- tree roots
- erosion, subsidence, landslide or earth movement other than as a direct result of one of the following insured events (refer to items a, b, d & i, under 'What you are insured against, and what you are NOT'):
 - storm
 - earthquake

- explosion
 - escaping liquid
- and occurring no more than 72 hours after the event

- the action of the sea, high water, tidal wave, tsunami 'tsunami' means a sea wave caused by a disturbance of the ocean floor or by seismic movement.

(c) loss or damage to:

- sporting equipment while in use or play
- bicycles while they are being ridden
- items for sale on consignment.

General conditions

Application of Bond Monies or similar

Payment of any claim in relation to loss of rent or legal expenses, will be reduced by the balance of the bond monies, deposit or booking fees remaining after deducting clean up costs or other expenses you are legally entitled to deduct from the bond monies, deposit or booking fees. A claim for any loss or damage caused by the tenant is only payable once any bond monies, deposit or booking fees are first applied.

Changing your Policy

If you want to make a change to this Policy, the change becomes effective when:

- we agree to it, and
- we give you a new Policy Schedule detailing the change.

Other interests

You must not transfer any interests in this Policy without our written consent.

Any person whose interests you have told us about and we have noted on your Policy Schedule is bound by the terms of this Policy.

Cancelling your Policy

How you may cancel this Policy

- You may cancel this Policy at any time by telling us in writing that you want to cancel it.
- 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 named as the insured.

How we may cancel this Policy

- We may cancel this Policy in any of the circumstances permitted by law by informing you in writing.
- We 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.

Notices

Any notice we give you will be in writing, and it will be effective:

- if it is delivered to you personally, or
- if it is delivered or posted to your address last known to us.

It is important for you to tell us of any change of address as soon as possible.

Changes

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

Examples of circumstances where the risk of loss, damage or injury may increase include where:

- you are having renovations undertaken
- the home is left vacant or unoccupied for an indefinite period
- the home falls into a state of disrepair
- your home is opened up to the public for an exhibition or similar event (including if it is not for reward), or
- you are participating in a public exhibition (including if it is not for reward).

Salvage

We are entitled to obtain and retain any items or materials that are salvaged or recovered after you make, and we agree, to pay a claim by replacing or paying to replace any items or materials. We may sell the items or materials

and keep the proceeds. We may choose to sell the items or materials to you, if you agree to pay the market price for the items or materials.

Burglary protection

We have agreed to insure your contents in the home only if it is fitted with working locks on all external doors.

Care and maintenance

If you do not take reasonable care to:

- protect and maintain the property insured
- prevent damage or injury to others or their property
- minimise the cost of any claim under this Policy, or
- comply with all statutory obligations and by-laws or regulations relating to the safety of person or property

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

Adjustment of premium on renewal

If a claim occurs in the previous period of insurance and you do not notify us until after the premium for the current period of insurance was calculated, then you must pay any additional premium that would have been calculated had you told us about the claim on the day that the claim occurred. This condition does not affect any other rights that we have, including the rights that we have under 'Your Duty of Disclosure'

Claims

What you must do

If an event happens which may give rise to a claim you must:

- take all reasonable precautions to prevent further loss, damage or liability
- notify the police immediately if any of your property is lost, stolen, or maliciously or intentionally damaged
- tell us or EBM as soon as possible. You will be provided with a claim form and advice on the procedure to follow
- supply us with all information we require to settle or defend the claim
- notify us of any other insurance covering the same loss, damage or liability
- co-operate with us fully in any action we take if we have a right to recover any money payable under this Policy from any other person.

In an emergency outside normal business hours you may ring our emergency service on 1800 023387 for assistance. If in doubt at any time, ring us or EBM for advice.

What you must not do

You must not:

- authorise repairs to or arrange replacement of any of the property insured in connection with any claim without our consent, other than emergency repairs necessary to prevent further loss. If we agree to pay your claim, we will pay for these repairs, but you must retain all receipts.
- admit liability if an accident occurs which is likely to result in someone claiming against you.

What we do

We may take over and conduct the defence or settlement of any claim or issue legal proceedings for damages. If we do this we will do it in your name. We have full discretion in the conduct of any legal proceedings and in the settlement of any claim. You must co-operate by giving us any statements, documents or assistance we require. This may include giving evidence in any legal proceedings.

What can affect a claim

We will reduce the amount of a claim by the excess shown in the Policy Terms and Conditions or on the Policy Schedule.

We may refuse to pay a claim if you are in breach of your Duty of Disclosure or any of the conditions of this Policy, including any endorsements noted on or attached to the Policy Schedule.

We pay only once for loss or damage from the same event covered by this Policy even if it is covered under more than one section of the Policy.

We may be entitled to refuse to pay or to reduce the amount of a claim if:

- it is in any way fraudulent, or
- any fraudulent means or devices are used by you or anyone acting on your behalf to obtain any benefits under this Policy.