

Specialists in
Landlord Insurance



terri **scheer**

Product
Disclosure
Statement
and Landlord
Preferred
Policy

Terri Scheer Insurance Pty Ltd

PRODUCT DISCLOSURE STATEMENT

AND

LANDLORD PREFERRED POLICY

About This Booklet

Product Disclosure Statement (PDS)

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

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.

You will still need to read the policy for a full description of the policy terms, conditions, limits and definitions.

About Terri Scheer

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

The founder, Terri Scheer, designed landlords insurance in 1990. The Company is unique in that it is the only insurance intermediary in Australia to specialise solely in landlord insurance.

Terri Scheer Insurance Pty Ltd provides personalised training within the confines of the financial services provisions of the Corporations Act for real estate agents in the area of general insurance information and claims handling, to ensure the best possible results for landlords.

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

Welcome to Vero

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

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

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

Date of preparation: 27 June 2008

Date effective: 1 July 2008

Number: MKT171(06/2008)

Insurer

Vero Insurance Limited ABN 48 005 297 807, AFS Licence No. 283059 is the insurer and issuer of the insurance policy and is the issuer of this PDS.

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

How you contact us

You may contact Vero by calling:

- the telephone number shown on your schedule;
- your insurance adviser; or
- 1300 794 133

or alternatively by writing to us at:

Vero Insurance Limited
Locked Bag 9000
Chatswood NSW 2057

Significant benefits and features

The Policy offers six covers including cover for the contents and cover for the building. We believe the most significant benefits of this insurance Policy are that it protects:

- (a) your financial investment in your property that you have rented to tenants.
 - The contents consists of your household goods and appliances, furnishings, curtains, carpets, rugs, internal blinds, light fittings, manchester and linen, plus above ground pools and portable spas.
 - The building must be used principally and primarily as a residential building and includes domestic fixtures and fittings such as built in air-conditioners, plumbed-in dish washers, structural domestic improvements such as paths and your proportion of the fencing, fixed floor coverings (but not carpets), tennis courts and underground services such as plumbing and sewerage.
- (b) you for your legal liability as the landlord and owner of the property, to third parties if they claim against you for compensation or expenses which you become legally liable to pay for:
 - death or bodily injury to other people
 - the loss of or damage to property.

- (c) you for loss of rent and legal expenses associated with the rental of the property such as:
- when your property becomes untenable due to malicious damage or suicide
 - when a tenant absconds and has not complied with the lease obligations
 - default of rent payment when a court has issued an order against the tenant
 - when there is prevention of access to the property
 - when there is a death of a sole tenant
 - when there is a failure to surrender vacant possession
 - when a court awards a tenant release from a lease above the bond due to hardship.

The amounts payable vary and are based on a number of weeks with the maximum weekly recoverable rent of \$1,000 unless otherwise agreed and an additional premium paid. You should examine carefully the details of the cover as shown under section 1 of the Policy Wording included in this document.

Legal expenses up to \$5,000 will be paid as long as they have been incurred with our consent and are for the purpose of reducing a claim. We also pay, if you have an agreement to do so, up to \$500 in any one year, for representation costs owed to your property manager who represents you in court but excluding disbursements incurred by the property manager on your behalf.

- (d) you for the Professional Fees that are reasonably and necessarily incurred as the result of a taxation audit, only in relation to the insured property, conducted by Commonwealth authorities such as the Australian Tax Office (ATO) or State or Territory Authorities revenue offices. The maximum that we pay is \$1,000 per event and \$2,000 during any one period of insurance (\$500 per Audit for Audits relating to Goods and Services Tax returns or Record Keeping Audits).

- (e) Domestic Workers Compensation (WA Only).

The Policy provides cover for your:

Contents

There is cover for damage to your contents caused by a range of events such as accidental loss or damage and fire, explosion, lightning, earthquake, riot and civil commotion, water damage, leakage of oil, glass breakage, impact, storm and rainwater but excluding some associated risks such as flood.

We also cover malicious damage and theft of your contents carried out by your tenants or their family or your tenant's guests.

For the specific details of cover please read the Policy wording included in this document.

Building

There is cover for damage to your building caused by accidental loss or damage excluding a range of events such as flood, fire, explosion, lightning, earthquake, riot and civil commotion, water damage, leakage of oil, glass breakage, impact, storm and rainwater.

We also cover malicious damage and theft from your building carried out by your tenants or their family or your tenant's guests.

For the specific details of cover please read the Policy Terms and Conditions included in this document.

Maximum amount claimable under Contents and Building

The maximum combined amount payable during any one period of insurance for a claim under Section 2 – 'Contents' and Section 3 – 'Building' is \$45,000 or the sum insured shown in the Policy Schedule.

Maximum amount payable for your liability to others

The maximum amount payable for any one claim or series of claims arising out of any one occurrence is \$20,000,000.

Maximum amount payable for your loss of rent:

The maximum amount recoverable for any one loss of rent claim is dependent upon the cause of the rent loss and the weekly rent payable by the tenant. Refer to Section 1 of the Policy wording for specific details of amounts payable in the event of rent loss.

Refer to the Claims section of the Policy for further information on proving your financial loss.

How benefits are provided

After calculating the amount we will pay for a claim, we will either:

- use it to pay for repair or replacement of your contents or building;
- pay the person to whom you are legally liable; or
- pay you.

The Policy does not cover certain things

Claims may be refused in certain circumstances. Further, this insurance is only available to landlords whose property is managed by a licensed real estate agent or on site property manager.

Please refer to the Policy Wording contained in this document for full details of the terms and conditions of cover and exclusions.

The amount of any claim may be reduced

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

- (a) where an excess applies. An excess is the amount you must pay towards a claim. In Queensland, the excess for Loss of Rent claims is \$180. In other States and Territories of Australia there is no excess for Loss of Rent claims.
 - Excesses for Malicious Damages are applied per claim, the amount dependent upon which State within Australia your property is located,

- Excesses for Accidental Damage are applied per event, the amount dependent upon which State within Australia your property is located but where a claim involves at least two occurrences, the excess shall be capped at 2 excesses per claim.
- No excess is applied to Tax Audit or Legal Liability claims.
- An excess of \$200 applies for claims directly or indirectly caused by Earthquake.
- All other claims will have a \$100 excess applied.

Applicable excesses will be shown in your Policy Schedule

- (b) when there is a claim for fusion and we apply depreciation because of the age of the motor
- (c) by the balance of any bond monies remaining after subtracting any allowable re-letting expenses in respect of any loss of rent, damage to contents and / or building claim caused by the tenant
- (d) if you do not comply with any Policy condition.

General Condition

You should refer to the General Policy Conditions in the Policy Wording contained in this document for full details of all the General Conditions.

Some General conditions are:

- you must not make a false claim or cause loss or damage deliberately or we may refuse or reduce the amount we will pay or even cancel the Policy or take legal action against you
- you must advise us if the property is unoccupied otherwise you may have no cover for the contents and building
- you must not admit a claim or settle or defend a claim without our prior agreement
- you must take reasonable care to avoid injury to tenants and others and ensure the building and contents have no defects that may cause injury

- you must tell us about changes that increase the risk of this insurance, such as when you undertake major renovations or the property falls into a state of disrepair
- we accept any advice or action by your property manager as having been made by you

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 Tax Invoice.

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 factor has a significant impact on the calculation of your premium:

- the geographical location of the building.

Premium payments are made annually by your Managing Agent. If you prefer to pay the premium direct yourself, please contact your local Terri Scheer office.

Important information

It is important that you;

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

Duty of Disclosure

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

What you must tell us

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

However your duty does not require you to disclose anything;

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

Your general duty applies to renewals and changes

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

Your general duty is limited for new policies

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

Who needs to tell us

It is important that you understand you are disclosing to us and answering our questions for yourself and anyone else you want to be covered by the policy.

If you do not tell us

If you do not answer our questions honestly or do not properly disclose to us, we may reduce or refuse to pay a claim or may cancel the policy. If you act fraudulently in answering our questions or not disclosing to us, we may refuse to pay a claim or treat the policy as never having existed.

We respect your privacy

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

Purpose of Collection

We collect personal information (this is information or an opinion about an individual whose identity is apparent or can reasonably be ascertained and which relates to a natural living person) from or about you, for the purpose of:

- providing insurance services to you,
- evaluating your application for insurance,
- evaluating any request for amendment to any insurance provided,
- issuing, administering and managing the insurance services following acceptance of an application, and
- investigating and, if covered, managing claims made in relation to any insurance you have with us or other companies within the group.

The personal information collected can be used or disclosed by us for a secondary purpose related to those purposes listed above, but only if you would reasonably expect us to use or disclose the information for this secondary purpose.

However for sensitive information, the secondary purpose must be directly related to the purposes listed above.

Disclosure

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

- other companies within the group
- your insurance intermediary or our agent,
- Government bodies, loss assessors, claim investigators, reinsurers, other insurance companies, mailing houses, claims reference providers, legal and other professional advisers, and other service providers, hospitals, medical and health professionals.

Consequences if information is not provided

If you do not provide us with the information we need, we will be unable to consider your application for insurance cover, administer your policy or manage any claim made under your policy.

Access

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

Vero Insurance Limited, Locked Bag 9000, Chatswood NSW 2057

In some circumstances we may not agree to allow you access to some or all of the personal information we hold, such as when it is unlawful to give it to you. In such cases we will give you reasons for our decision.

The General Insurance Code of Practice

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

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

How to make a claim

Please contact Terri Scheer Insurance Pty Ltd 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 the Policy Wording contained in this booklet.

How we resolve your complaints

Resolving your complaints

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

You can tell us by phone, in writing or in person. If you tell us in writing it will help if you send us the full details of your complaint together with any supporting document and an explanation of what you want us to do. If you would like to come in to talk to us face to face, please call and we will arrange an appointment for a meeting.

What we will do to resolve your complaint

When you first let us know about your complaint or concern the person trying to resolve your complaint will listen to you, consider the facts and contact you to resolve your complaint as soon as possible, usually within 24 hours.

If you are not satisfied with the person's decision on your complaint, then it will be referred to the relevant Operations Manager, who will contact you within 5 working days. If you are not satisfied with the Operational Manager's decision, then it will be referred to our General Manager (or their delegate). We will send you our final decision within 15 working days from the date you first made your complaint.

What if you are not satisfied with our decision?

We expect our procedures will deal fairly and promptly with your complaint. However, if you are not satisfied with our final decision you can take your complaint to the Financial Ombudsman Service Limited (FOS).

This is an independent body and its services are free to you. We agree to accept the FOS's decision. You can still take legal action if you disagree with the FOS's decision.

You must contact the FOS within 3 months of receiving our final decision. You can phone the FOS from anywhere in Australia on 1300 78 08 08 or write to them at:

Financial Ombudsman Service Limited
GPO Box 3
Melbourne Vic 3001
info@fos.org.au

Cooling Off

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

In addition, if you varied your policy and added a section, you have the right to cancel that section within 30 days of the date it was added ("additional cooling off period") unless you make a claim under that section within the additional cooling off period. If it is cancelled in this time, we will return the amount you have paid for that section.

To cancel at other times, please see "Cancelling you policy" in your policy wording.

LANDLORD PREFERRED POLICY

Index

Words with special meanings	20-24
Section 1: Rent & Legal Expenses	25-29
Section 2: Contents	29-34
Conditions applicable to Section 2	34
Additional Benefits applicable to Section 2	34-35
Section 3: Building Limited Cover	35-36
What 'Building' does not include	36
What the building is covered for	37-38
What we will pay - Building	38-39
Conditions applicable to Section 3	39
Section 4: Liability to Others	39-40
What you are NOT covered for in Section 4	
- Exclusions	40-41
Section 5: Tax Audit Insurance	
Words with special meanings	42-44
What you are covered for	45
Conditions applicable to Section 5	46
Claims applicable to Section 5	47-48
What you are not covered for in Section 5	48-50
Section 6: Workers Compensation (WA Only)	51
What you must pay if you make a claim - Excess	51
When you are not covered	
- General Exclusions applying to this Policy	52-54
General conditions	55-56
Change of circumstances during Period of Insurance	56
Fraudulent claims and deliberate damage	57
Uninhabited properties	57-58
Other general obligations	58
Advice to your property manager	58
Actions by your property manager	58
Contribution/other insurance	58-59
Arrears	59
Residential Lease Agreement	59
Market conditions	59
Bond monies	59-60
Claims	60-62

Insurer

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

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

General Terms and Conditions

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

Providing proof

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

- receipts or other confirmation of purchase, and
- valuations, photographs, warranties, instruction manuals and the like.

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, postal order, credit card or BPay.

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.

Goods and Services Tax (GST)

This section of the policy deals with:

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

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

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

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

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

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

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

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

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

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 just one Section of the Policy, we will describe their special meaning in that Section.

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

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

Arrears	The rent which was not paid in full by the due date.
Bond monies	Those monies paid by the tenant and held as security against damage or outstanding rent.
Building	Building is defined in Section 3: Building; of this Policy.
Contents	Contents is defined in Section 2: Contents of this Policy.
Excess	The first amount of any claim which you contribute. We will deduct the amount of the excess before the application of the maximum sum insured limits. The excess must be paid by you and is not considered a re-letting expense to be deducted from the bond.
Fixed Term Lease	A contract for a specific time agreed upon at the beginning of the tenancy (e.g. six or twelve months).
Flood	The inundation of normally dry land by water from any watercourse, lake, canal, dam or reservoir.
In-ground swimming pool	A pool which has most of its water volume below the average ground level.
Lease Agreement	The contract in place between Landlord and Tenant to rent the residential premises as per the Act in your state or territory. This can be either, fixed term, periodical or continuation of lease agreement.
Legal expenses	The expenses incurred by the appointment of a solicitor/lawyer, with our prior approval and for the purpose of minimising the claim
Malicious damage	Deliberate and wilful damage caused by any person(s), excluding the landlord or someone acting under the express consent of the landlord or the landlord's family, committed on the property, but does not mean damage caused by untidy, unclean or unhygienic living habits, lack of care, failure to control children, domestic pets, scratching, denting or chipping.

Maximum amount	The maximum we will pay (inclusive of all legal expenses) for any one occurrence arising from an insured event.
Occurrence	Includes continuous or repeated exposure to substantially the same general conditions. We regard all death, bodily injury or loss of or damage to property arising from one original source or cause as one occurrence.
Open air	<ul style="list-style-type: none"> ● In or under any part of the site which is NOT fully enclosed by walls and a roof, such as a veranda, carport, gazebo or outdoor living area within the land boundaries. ● In or on a motor vehicle, motor cycle, trailer or caravan, whether those vehicles are locked or not. <p>“Open air” does not mean in common or shared areas of home units, flats, villas and the like.</p>
Period of insurance	The period shown on the Policy Schedule.
Periodic/ Continuation of Lease	An agreement (written, verbal or implied) for an indefinite period until it is lawfully terminated by either party or by the relevant governing body.
Policy Schedule	The schedule of insurance, or any endorsement schedule we give you.
Property	The residential property and its contents owned by you, for use by the tenant, at the situation set out in the Policy Schedule.
Property Manager	The real estate management company named in the Policy Schedule acting as the manager of your property who has arranged this insurance on your behalf.
Rainwater	Rain which falls naturally from the sky. It includes rainwater run-off over the surface of the land but NOT flood.
Re-letting expenses	Re-letting expenses as specified in the current lease agreement for your property that the tenant is responsible for.

Rent	Rent applying under the lease at the time of loss or damage.
Situation	The address at which the property is located.
Storm	Violent wind, cyclone or tornado which may also include rain, hail or snow.
Storm surge	A rise in the sea level due to the meteorological conditions above the predicted astronomical tide level of a particular day.
Tenant	The person or persons named in the current lease to rent the property.
Tenant's family	These people if they normally reside in the property - the tenant's spouse (legal or de-facto), or partner, parents, parents- in-law, siblings or siblings of the tenant's spouse, children or the children of the tenant's spouse.
Tenantable	The property could be reasonably and safely re-let in its current condition without adversely affecting the amount of rent being sought.
Tsunami	A sea wave caused by a disturbance of the ocean floor or by seismic movement.
Uninhabited	That in the 90 day period before loss or damage occurred, NO person resided in the insured building overnight on at least one occasion.
Untenantable	The property manager could not reasonably attempt to re-let the property until loss or damage, either claimable under this Policy or allowable as re-letting expenses using bond monies, has been repaired, replaced or reinstated but does not include periods of elective maintenance or improvement.
Watercraft	Any vessel, machine or object designed to be used on or in water.

You, Your	The person(s), companies or firms named on the current Policy Schedule as the 'Insured'.
Your Family	Any member of your family who lives permanently with you, including your partner.

Section 1: Rent and Legal Expenses

What you are covered for

If any of the following events occur during the period of insurance, we will pay your loss of rent applicable for the property on the basis set out under the heading 'How much we will pay' for the following events:

(a) where your property becomes untenable for a minimum period of 7 days:

- because of loss or damage to your building and/or contents, caused by the insured event of malicious damage, and/or
- because of murder or suicide, or attempted murder or suicide at the property

for a period of up to 52 weeks, or until your property becomes tenable, whichever is the lesser, allowing within this period, two weeks to re-let, or

- if your contents ONLY have been damaged by any of the other insured events covered by Section 2 of this Policy:
 - for a period of up to 6 weeks or until your property becomes tenable, whichever is the lesser

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

(b) due to your tenant absconding from the property:

The loss of rent will be calculated from the day following the date that the tenant was paid up to, through to whichever of the following events occurs first:-

- a period of 6 weeks from the date that the tenant was paid up to;
- the property is re-let,
- the tenant's lease expires,

- the policy limit is reached.

We will not pay more than you would be legally entitled to recover from the tenant due to non compliance with their lease requirements.

- (c) due to default of payment of rent by the tenant:

The loss of rent claim will be calculated from the day following the date that the tenant was paid up to, through to whichever of the following events occurs first:-

- a period of 15 weeks from the date that the tenant was paid up to, if a court/tribunal order for the termination of the tenants lease has been issued,
- a period of 6 weeks from the date that the tenant was paid up to, if the tenant vacates under a termination notice as issued by the property manager,
- the property is re-let,
- the tenant's lease expires,
- the policy limit is reached.

We will not pay more than you would be legally entitled to recover from the tenant due to non compliance with their lease requirements.

- (d) due to prevention of access:

- to your property following damage to it or other property in its immediate vicinity caused by an insured event covered by Section 2 of this Policy, for a period of up to 52 weeks or until your property becomes accessible, whichever is the lesser.

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

- (e) due to failure to surrender vacant possession:

- to your property where the tenant has refused to pay rent and has resisted all attempts by you or your property manager to gain vacant possession following

service of the Court/Bailiff/Tribunal order for possession or eviction for a period of up to 28 weeks.

- (f) due to the death of the tenant under a sole tenancy:
 - for a period of up to 15 weeks or until the property is re-let, whichever is the earlier.
- (g) due to a court awarding a tenant a release from lease obligations over and above the bond due to hardship:
 - for a period of up to 4 weeks or until the property is re-let, whichever is the earlier.

Additional benefits applicable to Section 1

Your legal expenses

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

Representation costs

If we have accepted a claim for an event covered under 'What you are covered for', we will pay up to \$500 during any one period of insurance for the costs you incur as a result of your Property Manager representing you in court or a tribunal for the purpose of obtaining a court order against the tenant. However, these costs do not extend to disbursements incurred by the Property Manager on your behalf, such as court or tribunal filing, lodgement or application fees and nor does it cover any costs owed to the Property Manager for assisting you with preparing an insurance claim.

How Much We Will Pay

The maximum weekly rent recoverable under this policy is \$1,000 or the weekly amount shown for rent in your Policy Schedule, whichever is greater.

Section 1 does not cover any alternate accommodation costs for the tenant as a result of the property becoming untenable or otherwise.

Basis on which claims are paid

When a claim is paid for rent and/or legal expenses it will be reduced by the balance of any bond monies remaining after subtracting any allowable re-letting expenses.

Allowable re-letting expenses are those costs that the tenant can be held liable for as per their tenancy agreement and the relevant Act. These costs include but are not limited to:-

- General cleaning, carpet cleaning, rubbish removal, water usage, pro-rata letting fees, advertising and minor repairs the cost of which falls below policy excesses.

Costs of this nature that exceed the bond amount are not claimable from this policy.

If the property is situated in Queensland, when a claim is paid for rent and/or legal expenses you are not required to pay any proportion of the bond monies to a claim under this Policy. However, in Queensland an excess applies for absconding and defaulting tenant claims under (b) and (c) of 'What you are covered for' above.

Conditions applicable to Section 1

Failure to issue Vacate/Breach Notices

If you or your property manager fail to issue and act on vacate/breach notices as provided for under the Act, then we will not pay you under this Policy for arrears that have accrued up to the time the tenant departs the property.

Reasonable steps to repair and re-let

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

Claims for more than one Insured Event

Where a claim is possible under more than one of the events (a) to (g) (see pages 25-27) you may only claim under one of those events.

Section 2: Contents

What 'Contents' means

Contents means:

- (a) household goods and appliances, household furnishings, curtains, carpets, rugs, internal blinds, light fittings, manchester and linen
- (b) above ground pools and portable spas (including their fixed accessories) as defined in the property condition report or inventory, owned by you (or for which you are legally responsible) and that you provide specifically for the use of the tenant
- (c) for strata titled buildings this also means: temporary wall, floor and ceiling covers and any fixture or structural improvement servicing a particular lot which the body corporate or similar is not required by law to insure.

What 'Contents' does NOT include:

- anything included in the definition of Building in Section 3 of this Policy
- computers, electronic data, computer tapes, or disks
- photographic equipment, images on films, negatives or photographs, memory cards, video tapes and DVD's
- tools of trade, commercial or retail stock
- pets, animals, birds, reptiles or insects
- plants, hedges, trees or shrubs, except those in pots or tubs
- soil or bark (mulch), gravel, stones, shale or clay on or in paths, gardens, driveways or tennis courts
- any property which is illegally in your possession

- clothing, jewellery, furs, watches or other personal effects
- cash, coins, transaction cards or any other negotiable instruments
- unset precious stones
- antiques (except furniture)
- gold or silver objects or materials made of, covered by or containing gold or silver
- sporting goods or equipment
- stamps, coins or medals
- wills, share certificates, manuscripts, plans and documents of any kind
- pictures or works of art valued at more than \$200 each item
- hand woven rugs or hand woven carpets
- watercraft, bicycles, vehicles of any type (including, wheel chairs, motor vehicles, trailers, caravans, motorised toys, motor cycles, all-terrain vehicles), aircraft, or contents stored in any of these
- accessories or spare parts of watercraft, bicycles, vehicles of any type (including wheel chairs, motor vehicles, trailers, caravans, motorised toys, motor cycles, all-terrain vehicles) or aircraft
- property whilst in storage in the residence or stored anywhere else in Australia
- goods contained within the property which are owned by you but not intended by you to be used by the tenant.

What the contents are covered for

We cover your contents while they are inside the property for loss or damage which occurs during the period of insurance and is caused by any of the following insured events:

- (a) accidental loss or damage
- (b) fire or explosion

- (c) lightning striking the property and power surge damage caused by lightning striking power supplies away from the property, but only when you can show us reasonable meteorological evidence that lightning was the most likely cause of the power surge
- (d) earthquake, but NOT tidal wave or tsunami
- (e) riot or civil commotion
- (f) malicious damage carried out by persons including your tenants or their family or your tenant's guests
- (g) theft, or damage due to theft, carried out by persons including your tenants or their family or your tenant's guests. Theft, or damage due to theft, carried out by the landlord or any persons acting for the landlord is excluded
- (h) water damage, caused by bursting, leaking or overflowing of water from:
 - rainwater pipes, roof guttering and drains
 - water tanks, aquariums and hot water systems
 - roads, pathways, gutters, and
 - other parts of the property which are designed to contain or carry water or liquid, such as sinks, basins, baths, cisterns and washing machines, BUT excluding loss or damage caused as a result of the gradual escape of liquid over a period of time or damage caused by the porous condition of any tiles, grout or sealant

For the purpose of this event, effluent or soil mixed with leaking water will be regarded as water damage.

- (i) leakage of oil from any heater
- (j) accidental breakage of glass in free standing furniture such as table tops, dressing table mirrors, wall units
- (k) impact by:
 - motor vehicles or watercraft
 - aircraft, space debris or satellites
 - falling trees and branches, and

- TV antennas, TV dishes or radio masts.

But we will NOT pay for:

- damage caused by tree lopping or felling carried out by you or at your request, or
- removal of the fallen tree or branch except where damage has occurred

(i) storm and rainwater, but there is NO cover for loss or damage:

- caused by flood (see the definition of flood)
- caused by the action of the sea, high water, high tide, storm surge, tidal wave or tsunami
- due to erosion, subsidence, landslide, mudslide, expansion or contraction of the earth, any other earth movement or underground water
- caused by wind, rainwater, hail or snow penetrating into your building as a result of faulty design of your building or faulty workmanship in its construction
- caused by wind, rainwater, hail or snow penetrating into your building, UNLESS it enters as a result of structural damage made by the storm
- to swimming pool or spa covers or liners
- due to rust, corrosion, wear, tear or gradual deterioration
- resulting from your failure, or failure by your property manager, to maintain the property in a good state of repair or failure to fix damage or deterioration
- due to a defect that you or your property manager were aware of or should reasonably have been aware of. Under NO circumstances will we pay the cost of rectifying the defect itself.

What we will pay - Contents

When loss or damage is covered under this Policy we may choose to:

- replace contents with new items of the same replacement value
- repair contents using new materials, or
- pay you the replacement value or repair cost.

It is our choice, but if you ask and we agree to pay you the amount it would cost to repair or replace up to the indemnity value. Also, we will only pay the indemnity value for any contents that are over 20 years old.

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

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

Special conditions

The following special conditions apply to carpets, curtains, furniture coverings, manchester and linen:

For carpets and curtains:

- we will only pay for repair or replacement of damaged carpet or curtains in the room, hallway or passageway where damage occurs.

For furniture coverings:

If the covering of an item of furniture cannot be repaired or replaced (or repairs have been unsuccessful) we will pay you the replacement cost of the furniture (less an allowance for depreciation if the furniture is over 19 years old or less than 25% of the covering is damaged).

If the covering of an item of furniture cannot successfully be repaired or replaced and it forms part of a set (or suite), we will treat the entire set as a total loss and pay you the replacement cost of the set (less an allowance for depreciation if the furniture is over 19 years old or less than 25% of the covering of the item is damaged). If we do this, the set becomes our property.

For manchester and linen:

- we will pay you the indemnity value.

Conditions applicable to Section 2

When your contents are damaged by the tenant you must apply bond monies to reduce the loss, after deducting re-letting expenses and rental arrears. We will then settle your claim subject to Policy coverage and the excess applicable.

We will not pay for loss or damage to contents items that could have, but were not, deducted from the bond prior to making a refund to the tenant.

Limit of Amount Payable

The maximum combined amount we will pay under Section 2: 'Contents', and Section 3: 'Building', during any one period of insurance is \$45,000 or the sum insured shown in the Policy Schedule.

Additional benefits applicable to Section 2

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

Fusion

We will pay up to \$2,000 for the cost to repair or replace any motor in a household electrical machine or appliance, but only if:

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

We will not pay for the costs:

- to replace fuses or protective devices, contact switches or relays, lighting or heating elements, starter switches, other parts where sparking or arcing occurs during their ordinary use

- for damage to mechanical parts of any description, or
- of hiring a replacement appliance or machine

However, you must contribute towards the cost of replacement parts where the age of the motor is 5 years or more. The contribution will be on a reducing balance of 8% of the cost of the replacement parts for each year of age from new.

Your contribution indicated above is in addition to the excess applicable under this section of the Policy.

We will NOT pay for:

- any electrical appliance or component which is NOT an electric motor,
- mechanical parts which do NOT carry an electric current such as a pump,
- loss or damage to computer software or data stored on a computer,
- lighting or heating elements, fuses or switches of any kind,
- damage to swimming pools, spas or their water as a result of fusion,
- any amount recoverable under a manufacturer's guarantee or warranty.

Contents in the open air at the situation

We will cover contents in the open air within the boundary of the property, but only as a result of defined events (f) 'malicious damage', or (g) 'theft'. We do not pay any more than a total of \$1,000 for contents in the open air.

Section 3: Building (limited cover)

What 'Building' means

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

- (a) domestic fixtures and fittings such as, built in air conditioners and heaters, plumbed-in dishwashers, garbage disposal systems
- (b) structural domestic improvements such as paths, driveways, garden borders, your proportion of fencing, in-ground swimming pools and spas (including attachments which fit into their filter systems), awnings, pergolas, TV antenna, satellite dishes and letter boxes
- (c) fixed floor coverings, such as linoleum, floor tiles and parquetry but NOT carpets
- (d) tennis courts and inclinators
- (e) underground services such as plumbing, sewerage, water and electrical.

What 'Building' does NOT include:

'Building' does not include:

- common property if the building is part of a strata title or any property that is insured by the body corporate, whether or not that property is contained within your unit or lot and whether or not any excess applies to the strata title insurance,
- carpets or carpet underlay (these are insured under contents),
- plants, hedges, trees or shrubs,
- soil or bark (mulch) in gardens,
- above-ground swimming pools,
- contents as defined in Section 2 of this Policy,
- any jetty or other marine structure,
- caravans trailers or vehicles of any kind, or
- gravel, stones, shale, or soil on paths, driveways or tennis courts.

What the building is covered for

The building is insured for loss or damage which occurs during the period of insurance and is caused by the following insured events:

- (a) accidental loss or damage caused by the tenants, their family or their guests, but only to the extent that it is not also directly or indirectly caused by a specified event that is excluded below
- (b) malicious damage, carried out by your tenants or their family or your tenant's guests
- (c) theft, or damage due to theft, carried out by your tenants or their family or your tenant's guests, but only to the extent that it is not also directly or indirectly caused by a specified event that is excluded below.

The following specified events are excluded:

- fire or explosion,
- lightning striking,
- earthquake,
- riot or civil commotion,
- water damage, caused by bursting, leaking or overflowing of water from:
 - rainwater pipes, roof guttering and drains,
 - water tanks, aquariums and hot water systems,
 - roads, pathways, gutters, and
 - other parts of the property which are designed to contain or carry water or liquid, such as sinks, basins, baths, cisterns and washing machines.

For the purpose of this event, effluent or soil mixed with leaking water will be regarded as water damage

- leakage of oil from any heater,
- accidental breakage of fixed glass, shower base, basin, sink, bath, lavatory pan or cistern,

- impact by:
 - motor vehicles or watercraft,
 - aircraft, space debris or satellites,
 - falling trees and branches, and
 - TV antennas, TV dishes or radio masts
- storm, rainwater or flood,
- action of the sea, high water, high tide, storm surge, tidal wave or tsunami,
- erosion, subsidence, landslide, mudslide, expansion or contraction of the earth, any other earth movement or underground water,
- wind, rainwater, hail or snow penetrating into your building as a result of faulty design of your building or faulty workmanship in its construction,
- rust, corrosion, wear, tear or gradual deterioration.

What we will pay - Building

We will assess your claim on the basis of replacement value.

'Replacement value', for the purposes of this section means the reasonable and necessary cost of rebuilding, replacing or repairing the building to a condition which is equivalent to, but NOT more extensive than when it was new. We will only pay the cost to repair/replace the damaged section of your building.

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

We may choose to either:

- replace or repair any damaged materials with new materials, or
- pay the amount it would have cost to repair or replace.

If you ask us to pay cash in lieu of the amount it would cost to repair or replace, we will not pay you more than the indemnity value.

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

Conditions applicable to Section 3

When your building is damaged by an insured event under 'What the building is covered for' and you are entitled to use bond monies to settle or reduce the loss you must do so. In establishing the amount of any claim under this Policy section you must deduct the amount of bond monies remaining after you have deducted allowable re-letting expenses and rental arrears from the bond. We will then settle your claim subject to Policy coverage and the excess applicable.

We will not pay for loss or damage to buildings that could have been but was not, deducted from the bond prior to making a refund to the tenant.

Limit of Amount Payable

The maximum combined amount we will pay under Section 3: 'Building', and Section 2: 'Contents', during any one period of insurance is \$45,000 or the sum insured shown in the Policy Schedule.

Section 4: Liability to Others

What you are covered for

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

- (a) death or bodily injury to other people,
- (b) damage to other people's property.

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

The maximum amount includes all legal expenses:

- incurred by us

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

What you are NOT covered for in Section 4

Exclusions

We will NOT indemnify you for any claim:

- (a) in respect of death or bodily injury to you or your family
- (b) in respect of damage to property
 - owned by you, or anyone employed by you, or
 - not owned by you but in your custody care and control
- (c) for any liability to pay benefits under any domestic workers compensation or accident compensation legislation
- (d) for death of or bodily injury to anyone employed by you or someone who lives with you if the death or injury arises out of their employment
- (e) arising under the terms of any agreement unless liability would have attached to you in the absence of such agreement
- (f) caused by the ownership possession or use of any:
 - motorised or mechanically propelled vehicle or motor cycle
 - trailer or caravan
 - aircraft, aerial device or watercraft, or
 - any vehicle or craft that is required by law to be insured under a compulsory third party insurance policy or scheme at the time of any occurrence.

But this exclusion will NOT apply to any motorised garden appliance that is not required by law to be insured under a compulsory third party insurance policy or scheme at the time of any occurrence

- (g) in connection with your trade, profession or employment other than as landlord and owner of the property
- (h) arising out of alterations, renovations or building works at the property, where the cost of building or contract works, including labour and materials, exceeds \$50,000
- (i) arising out of any deliberate or intentional act by you or someone acting with your consent
- (j) arising out of any unlawful or criminal act
- (k) arising out of pregnancy or the transmission or spread of any infectious disease or virus
- (l) for any fine, penalty, punitive, exemplary, aggravated or multiple damages
- (m) arising from demolition, vibration or interference with support of land, buildings or other property
- (n) arising out of the discharge, dispersal, release or escape of smoke, vapours, soot, fumes, acid, alkalis, toxic chemicals, liquid or gasses, waste materials or other irritants, contaminants, or pollutants into or upon land, the atmosphere or any watercourse or body of water or any costs and expenses incurred in the prevention or remediation of such contamination or pollution
- (o) caused by or arising directly or indirectly, out of or in connection with the actual or alleged use or presence of asbestos.

Section 5: Tax Audit Insurance

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

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

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

What you are covered for

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

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

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

- you have sold the property and not replaced it, or
- you have sold the property and replaced it with another property and that replacement property is insured by us and this policy and Section 5 is in force in relation to that replacement property at the time of the Audit, and
- all the other above provisos apply.

How much we will pay

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

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

The maximum amount in the aggregate is limited to \$2,000.

If you have more than one residential landlord property insured, whether under the same policy or not, and those properties benefit from the cover provided by "Section 5: Tax Audit Insurance", we will not pay more than a total of \$4,000 for all residential landlord policies that you have insured with us during any one period of insurance. We will not pay any Professional Fees pertaining to any residential landlord policies that are not insured under "Section 5: Tax Audit Insurance". We will not pay any Professional Fees pertaining to any activity or part of a return not pertaining to the residential rental property insured by this policy.

Conditions

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

You must

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

Claims

What you must do

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

You must;

1. immediately give us full written details as soon as you become aware of any proposed Audit that could lead to a claim. As soon as you receive it, you must supply us with a copy of the notice from the government, government agency or authority that shows the type of Audit that they intend to conduct. Where an audit commences without notification, you must supply the following details, where possible;
 - a letter signed by you confirming that an Audit has commenced
 - date of the Auditor's first visit
 - the officer's agency, authority, position/title, full name and telephone contact details.
2. obtain our prior written approval before engaging any Professional Adviser, other than your accountant, and notify us of all fees and costs that person proposes to charge.
3. ensure that you:
 - (a) provide us with all material information as it develops in relation to your claim and the Audit in a timely manner
 - (b) take all reasonable steps to minimize costs and delay
 - (c) respond to any letters, requests and enquiries from the Auditor within the required time and where there is no required time, a reasonable time
 - (d) submit to us all accounts for Professional Fees that relate to this claim, upon conclusion of the Audit. These accounts must provide us with sufficient detail to enable us to determine the nature of the work done and the basis of calculation of any Professional Fees for which you are making a claim

4. assist us with the processing of your claim by cooperating with our, or our agent's investigation into any matters which are or may be the subject of the claim. You must also instruct your Professional Adviser to assist us at all times, providing us with documents and details in connection with the claim. This may also include the pursuit of matters with the department, body or agency which is or may be the subject of a claim under this policy.

What you are NOT covered for in Section 5

Exclusions

We will not indemnify you for any claim:

If a return or document, which is required to be lodged in relation to the Audit, has not been lodged

- at all, or
- properly, or
- by the due date,

in relation to an Audit conducted by or on behalf of the Australia Prudential Regulation Authority or the Australian Securities and Investment Commission;

In relation to routine enquiries or enquiries from the Auditor which are not identified as being either preliminary to, or relating to an Audit;

In relation to an Audit if, prior to the commencement of the Period of insurance, you or any person acting on your behalf:

- (a) received any notice of any proposed Audit
- (b) had information that the Audit was likely to take place
- (c) had information that would lead a reasonable person in your position, or in the position of any person acting on your behalf, to believe that an Audit was likely to take place;

for Professional Fees of persons of organizations ordinarily resident outside Australia;

Where there has been:

- (a) a dishonest or fraudulent act or omission in relation to a Return or document or in communications with the Auditor (including where any supporting documents have been falsely created, amended or collected) by you or any person acting on your behalf;
- (b) a statement whether orally or in writing by you or any person acting on your behalf which was false or misleading in a material particular and/or which was made knowingly, recklessly or negligently to an Auditor. This exclusion (b) does not apply if the false or misleading statement was made relying on representations made by the auditor, or if you did not and could not reasonably have known that the statement was false or misleading, or if the statement was made on the basis of an honest and reasonable mistake as to what the law was as a result of advice from your Professional Adviser;

If the Audit is conducted specifically for the purposes of determining if any fine, penalty or prosecution action should be imposed in connection with any act or omission by you, or in connection with any failure, act or omission arising from, or in connection with your statutory obligations;

If you, without lawful justification, refused to or failed to comply with the request made by or on behalf of the Auditor for the production of documents or the supply of information;

For any Professional Fees:

- (a) incurred more than twelve months after the commencement of the Audit, unless you can show that completion of the Audit has been delayed as a result of the conduct of the Auditor;
- (b) that were charged by someone other than a qualified Accountant who is a member of a nationally recognized accounting body, registered tax agent or tax consultant unless our prior written consent was first obtained;
- (c) for any work performed in connection with any prosecution which arises from the Audit or in connection with your culpable behaviour being assessed to be deliberate evasion or recklessness;
- (d) unless they directly pertain to the residential rental property insured by this Policy;

for any fines, penalties, interest or adjustments to tax, additional tax, duty, government impost or similar, payable under any circumstances;

If your collective annual turnover and/or any related entity in the latest financial year exceeds \$250,000;

If at the commencement of the Audit you are bankrupt within the meaning of the Bankruptcy Act 1966, or insolvent or under external administration within the meaning of the Corporation Law:

Relating to an Audit by the ATO if you fail to comply with any requirement or obligation imposed upon you by any relevant legislation if a return in relation to the Audit was not prepared or reviewed by an Accountant prior to dispatch;

If the Audit is commenced or is conducted specifically for the purposes of determining your taxation liabilities and liability to pay tax, interest, additional tax or penalty as a result of participation in any Mass Marketed Tax Avoidance Scheme (where the result of participation has resulted from an introduction, proposal or recommendation made by you);

If the Auditor imposes Culpability Penalties at a rate prescribed by the Auditor and you have no reasonably arguable case;

In relation to any Audit of any form of managed investment;

If you breach any conditions in this policy, including failing to comply with any requirement imposed by any relevant legislation or failing to do what you must do if you intend to make a claim or you make a claim.

Section 6: Domestic Workers Compensation (WA Only)

This policy provides Domestic Workers Compensation Insurance.

This cover is only applicable to risks in the State of Western Australia and where the insured is not a company and where the leasing out of residential property cannot be characterised as a trade or business. We will not provide Domestic Workers Compensation cover where you let out more than 3 dwellings.

If you employ a domestic worker, on a casual basis or otherwise, you maybe required by law to provide that person with workers compensation insurance.

Should your employee be injured in the course of their employment by you, you may be liable to compensate them.

Special Conditions applying to the whole policy

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. The amounts applicable to each section are as shown in the current Policy Schedule.

If loss or damage results from more than one insured event, then the excesses that apply under each applicable section of the Policy will apply separately and you must contribute the total of all applicable excesses.

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

Malicious damage occurring at the end of a tenancy will be considered to be one event and subject to one excess. If damage to the property has occurred and was reported during the tenancy period it may be treated as a separate claim and another excess may be applicable.

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

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

When you are not covered

General exclusions applying to this Policy

We do not insure you for:

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

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

Additional exclusions applying to all sections of this Policy

- (a) We will NOT pay a claim under any section of this Policy (unless stated otherwise) when the claim is caused by or arises directly out of:
- Flood
 - the action of the sea, high water or high tide, storm surge, tidal wave or Tsunami

- erosion, subsidence, landslide, mudslide, expansion or contraction of the earth, or any other earth movement, or underground water but this exclusion will NOT apply to the cover provided under Section 2: 'Contents' – 'What the contents are covered for', (d) earthquake and (h) water damage
- consequential loss, such as having to hire a washing machine because yours was stolen
- expropriation, lawful seizure, resumption, confiscation, nationalisation or requisition of any property by any lawfully constituted authority or persons
- any intentional act committed by you, your family or by any person acting with your express or implied consent
- rust, wear, tear, mould or mildew, oxidation, change of colour, the action of light, atmospheric conditions or vibration unless caused by an insured event
- heat damage, or scorching where there is no actual fire damage such as scorching or marking of bench tops from hot cooking pots or pans

For the purpose of this exclusion fire damage means actual ignition, heat and flames

- any property undergoing a process necessarily involving the application of heat
- damage caused by cleaning with detergents, chemicals, steam or any other cleaning agent
- damage caused by insects or vermin (such as termites, rats, or mice or wildlife) but we will pay for resulting fire damage to insured property
- poor housekeeping by your tenants or a member of your tenant's family or your tenant's guests. Poor house keeping includes costs associated with the tenants' untidy, unclean or unhygienic living habits
- any loss or damage arising out of or connected with keys being provided for the purpose of property inspections
- the tenant utilising the premises for trade, manufacturing or childcare with your knowledge and/or consent

- tree roots
 - scratching or denting unless maliciously caused
 - inherent defects, faulty workmanship, structural defects, or faulty design
 - mechanical or electrical breakdown or electrical power surge, other than the burning out of electric motors
 - the actions of domestic pets.
- (b) There is no cover for loss or damage to water in swimming pools, spas or water tanks unless maliciously caused.
- (c) We will not pay a claim under any section of this Policy from the point in time:
- your property is removed from the rental market, and ceases to become available for rental as per the landlord's written or verbal instructions to the real estate agent/property manager, or
 - if no effort is made to replace the tenant, or
 - the landlord takes over private management of the property, or
 - the landlord takes up residence in the property, or
 - the property ceases to be managed by a licensed real estate agent or on site property manager
 - your property is vacant and advertised for sale, however we will provide cover under Section 2 'Contents' and Section 4 'Liability to Others' while the property is advertised for sale and uninhabited for a maximum period of 90 days. After the property has been uninhabited for 90 days , we will not pay a claim under any section of the policy unless you have obtained our prior written agreement for cover to be provided

General Conditions

These general conditions apply to all sections of this Policy:

- your property must be managed by a Real Estate Agent or On-Site Manager;
- you must not admit fault or settle or defend a claim without our prior agreement ; and
- you must tell us about changes that increase the risk of this insurance, such as that you are having major renovations undertaken or the property falls into a state of disrepair.

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

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

We will refund any premium you have paid us along with GST, less an amount to cover the period that we have already insured you for.

How we may cancel

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

We will refund any premium you have paid us along with GST, less an amount to cover the period that we have already insured you for.

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.

Change of circumstances during Period of Insurance

If you transfer the property management of your property from one licensed real estate agent to another licensed real estate agent during the period of insurance you must notify us within 30 working days of this change.

If your property ceases to be managed by a licensed real estate agent during the period of insurance this Policy will come to an end without any notice to you, as the Policy is only available if your property is managed by a licensed real estate agent.

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

Fraudulent claims and deliberate damage

If you, or someone acting on your behalf, make a false claim or cause loss or damage deliberately, we may:

- refuse to pay a claim or reduce the amount we pay
- cancel this Policy, or
- take legal action against you.

Settling or defending your claim

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

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

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

Damaged or stolen property

You must keep any damaged property or stolen property that you recover and let us inspect it if we need to. Please remember that we take over your legal right to recover the insured property.

If you prevent our right to recover from someone else

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

Uninhabited properties

When the property is uninhabited Section 1: Loss of Rent, Section 2: Contents, Section 3: Building will not apply, unless you obtain our prior written agreement to provide the cover.

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

Other general obligations

If you do not take reasonable care to:

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

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

Advice to or from your property manager

Any notification, advice or discovery made to or by your property manager is considered to have been made to or by you.

Actions by your property manager

Any action taken or that should have been taken by your property manager is considered to be an act or omission by you.

Contribution/other insurance

If at the time of any claim under this Policy there are other insurances covering the property, then we will have the right to seek reimbursement from the other insurer(s) in respect to their proportion of any loss, damage or liability.

You must give us all information and assistance we may reasonably require.

Arrears

When the initial period of insurance commences after the beginning of the current tenancy the following condition applies:

- If, during the two calendar months prior to the commencement of the initial period of insurance, rental payments were in arrears so that a vacate/breach notice on the grounds of a breach of the agreement to pay rent could have been issued in accordance with the Act, then we will only provide cover under Section 2: Contents, (but excluding malicious damage) and Section 4: Liability to Others of this policy. However if the tenant subsequently pays all arrears of rental payments and maintains a rental payment history that does not allow for the issue of a vacate/breach notice for a period of two consecutive months following the payment of all arrears, then full policy coverage will apply from the end of that two month period or the date of the commencement of the initial period of insurance, whichever occurs last.

Residential Lease Agreement

Cover provided by this insurance is only applicable where there is a Residential Lease Agreement in place between the Landlord and Tenant. This lease agreement must fall within the guidelines of the Act.

Market Conditions

This Policy does not cover your inability to rent the premises due to adverse market conditions. This means that if none of the events in Section 1 – 'Rent and Legal Expenses' has occurred and the conditions of the rental market dictate that a vacancy period will be sustained between tenancies the Policy will not respond to that loss.

Bond Monies

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

In the event of loss or damage to your property caused by the tenant you will use the bond money to mitigate your loss. If you have

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

Claims

What you or your property manager must do

If something happens which causes loss, damage or injury which could lead to a claim, you must:

- take all reasonable precautions to prevent any further loss or damage
- inform the police immediately if property is lost, stolen or if malicious damage is suspected
- not carry out repairs, except to prevent any further loss or damage, until we have had the opportunity to examine the damage and have authorised repairs
- give us full details of any loss, damage or liability within thirty days.

Within 30 days after the loss, damage or liability you must:

- give us full written details of your claim.

You must also give us:

- any receipts, proof of ownership or quotes that we require to settle the claim
- a copy of the tenant's rental history records if the claim involves loss of rent
- any court issued documents or notices issued under the appropriate Act of your State or Territory
- copies of all property inspection reports if your claim involves malicious damage or theft, or that we request in support of any other claim
- proof of the allocation of all monies deducted from the bond as re-letting expenses

- a copy of any order issued by your appropriate State or Territory body as to the allocation of bond monies
- immediately, any court issued documents or any correspondence you receive about the claim.

If we choose to replace items you must:

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

If you do not do this

If you do not do this we may be entitled to reduce the amount payable to you or refuse to pay a claim.

Delays with repairs

We will NOT pay any increased costs or expenses which result from your unreasonable delay in carrying out repairs or replacements.

What we do

When we receive a claim from you we will:

- examine the circumstances to see if the event is insured, and
- tell you if it is covered.

If the event is covered:

- we will tell you how the claim will be assessed, examined and paid
- we will either deduct any excess from your loss or ask you to pay it to a repairer or supplier.

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

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.

Law

This Policy is governed by the law of the State or Territory in which it was issued.

Terri Scheer Insurance Pty Ltd
ABN 76 070 874 798
AFS Licence No: 218585
www.terrischeer.com.au

South Australia / Northern Territory / Tasmania
102 The Parade Norwood SA 5067
Freecall 1800 804 016
Telephone (08) 8132 3100
Facsimile (08) 8363 3811
Email tsiho@terrischeer.com.au

Western Australia
PO Box 814 Cloverdale WA 6985
Freecall 1800 853 694
Telephone (08) 9361 6822
Facsimile (08) 9361 7608
Email tsiwa@terrischeer.com.au

Victoria / Australian Capital Territory
Level 1 159a Glenferrie Road Malvern VIC 3144
Freecall 1800 609 911
Telephone (03) 9576 2533
Facsimile (03) 9576 2544
Email tsivic@terrischeer.com.au

Queensland
PO Box 1775 Sunnybank Hills QLD 4109
Freecall 1800 351 788
Telephone (07) 3216 9555
Facsimile (07) 3216 9500
Email tsiqld@terrischeer.com.au

New South Wales
PO Box 5319 Chatswood West NSW 1515
Freecall 1800 300 394
Telephone (02) 9978 9477
Facsimile (02) 9978 9577
Email tsinsw@terrischeer.com.au

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

MKT171(06/2008)

