



Queensland Floods Commission of Inquiry
Ref. Doc 1694714 (v2)

Declaration in response to a Requirement to Provide a Statement to the Commission

I, PAUL ANDREW FAHEY, of ■ Dawn Fraser Avenue, Sydney Olympic Park, in the State of New South Wales, General Manager – General Insurance, do solemnly sincerely and truly affirm and declare that the taking of any oath is objectionable to me and I do also solemnly sincerely and truly affirm and declare that:

(a) the information in the **Statement to Commission of Inquiry** annexed hereto as Appendix A and dated 12 September 2011 provided by me on behalf of CommInsure to the Queensland Floods Commission of Inquiry pursuant to its Requirement dated 5 September 2011 (as amended on 12 September 2011) has been prepared on the basis of searches of CommInsure's business records and databases and enquiries of staff between 5 September 2011 and 12 September 2011;

(b) that information is true to the best of my knowledge, information and belief;

and I make this solemn declaration conscientiously believing it to be true and by virtue of the provisions of the Oaths Act 1867.

Declared at Sydney, in the State of New South Wales on 12 September 2011 before me:

ROBERT WINSTON HIDER

Solicitor of the Supreme Court
of New South Wales

PAUL ANDREW FAHEY

APPENDIX A

Queensland Floods Commission of Inquiry

Reference no. 1694714

Response to Requirement to Provide a Statement to Commission of Inquiry

RESPONSE OF PAUL ANDREW FAHEY

On behalf of

COMMONWEALTH INSURANCE LIMITED t/as 'COMMINSURE'

ABN 96 067 524 216

AFSL 235030

12 September 2011

In this response all references to 'CommInsure' or 'CIL' are references to Commonwealth Insurance Limited. Commonwealth Insurance Limited is a wholly owned subsidiary of the Commonwealth Bank of Australia.

My full name is PAUL ANDREW FAHEY.

I refer to the Requirement to Provide a Statement to the Commission of Inquiry issued by the Queensland Floods Commission of Inquiry dated 5 September 2011, as amended by a further Requirement dated 12 September 2011 ('the Requirement').

I am the General Manager – General Insurance for Commonwealth Insurance Limited (CommInsure).

To enable me to respond to the Requirement, I have caused searches to be made upon CommInsure's business records, including a number of databases (for example, policy administration and complaints workflow systems). I have also requested certain information to enable responses to address the specific issues which are raised by the Requirement.

It is on this basis that I have prepared this response to the Requirement on behalf of CommInsure.

As agreed with the Commission, a response to Questions 12, 13, 17, 18, 24, 26, 30, 32 and 36 will be provided in a further response on or by 23 September 2011.

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Response of PAUL ANDREW FAHEY.....
Witnessed by ROBERT WINSTON HIDE
Date of Statement: 12th September 2011.....

1. Please name the relevant home and/or contents policy or policies.

Response 1:

The name of CommInsure's household insurance policy is CommInsure Home Insurance.

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Response of PAUL ANDREW FAHEY.....
Witnessed by ROBERT WINSTON HIDE
Date of Statement: 12th September 2011.....

- | |
|--|
| <p>2. Did more than one version of the policy or policies exist? If so:</p> <p>2.1. Please identify each different version of the policy or policies by reference to the dates for which they subsisted as relevant policies.</p> <p>2.2. How did staff of the CommInsure identify the correct version of a policyholder's policy and ensure that the correct version of the policy was used in all dealings with a policyholder and his or her claim?</p> |
|--|

Response 2:

Yes.

Response 2.1:

Two versions of the CommInsure Home Insurance policy were in use during the period December 2010 to January 2011.

Version 1:

For policies that were purchased as new business or renewed on or prior to 31 March 2010 and were current at the date of the relevant event, the CommInsure Home Insurance policy comprised of:

- Product Disclosure Statement dated 8 May 2007; and
- Supplementary Product Disclosure Statement dated 1 January 2009.

Version 2:

For policies that were purchased as new business or renewed on or after 1 April 2010 and were current at the date of the relevant event, the CommInsure Home Insurance policy comprised of:

- Product Disclosure Statement dated 8 May 2007; and
- Supplementary Product Disclosure Statement dated 1 April 2010.

Response 2.2:

CommInsure staff identify the correct version of a policyholder's policy by reference to CommInsure's policy administration system. This system displays the relevant version of the policy documentation held by a customer by reference to:

- the relevant policy commencement and end dates; and in the event of a claim,
- the date of incident for which the claim is made.

Response of PAUL ANDREW FAHEY.....
Witnessed by ROBERT WINSTON HIDE
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3. For each version of the policy or policies:
 - 3.1. What were the terms of cover relevant to damage caused by weather of the kind experienced at the time of the Queensland floods? How were these terms defined?
 - 3.2. (If not covered by sub-paragraph 3.1 above) Was flood cover included? How was the term 'flood' defined?
 - 3.3. What exclusions or conditions applied to a claim?
 - 3.4. What were Commlnsure's obligations in processing and assessing claims?

Response 3.1:

This question has been interpreted to relate to the terms describing the relevant insured event contained in the Commlnsure Home Insurance policy wording.

The following information sets out the out the terms describing the insured events and definitions relevant to damage caused by the weather experienced at the time of the Queensland floods during December 2010 and January 2011:

Flash flooding Definition – extract from p16 PDS 8/5/07:

Version 1 & 2 (Refer to Response 2.1)	flash flooding	The overflow of any lake, river, creek, stormwater channel, canal or any other watercourse (whether natural, altered or man made), caused by a storm, where the flooding occurs within 24 consecutive hours of the storm having commenced.
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Insured event – refer p22 PDS 8/5/07:

Flash flooding

You are covered for flash flooding as defined on page 16.

You are not covered for damage:

- to pontoons, jetties and similar structures; or
- for the first 48 hours of this policy unless:
 - this policy is replacing another home insurance policy without a gap in cover or change in sum insured; or
 - you have entered into a contract to purchase or lease the insured address.

The maximum amount we will pay is limited to:

- 15% of the nominated sum insured, where the building is insured by this policy; and
- 25% of the contents sum insured, where contents are insured by this policy.

Response of PAUL ANDREW FAHEY.....

Witnessed by ROBERT WINSTON HIDE.....

Date of Statement: 12th September 20.....

Storm

Version 1

(Refer to
Response 2.1)

Definition – refer p17 PDS 8/5/07:

storm

- A violent wind (including cyclones), sometimes combined with thunder, heavy falls of rain, hail or snow; or
- Thunderstorms or hailstorms, sometimes accompanied by heavy falls of rain or snow.

It is not persistent bad weather or heavy or persistent rain by itself.

Insured event – refer p22 PDS 8/5/07:

Storm

You are covered for loss or damage as a result of storm.

You are not covered for storm damage to:

- retaining walls, paths, driveways, landscaping or any other loose surfaces;
- any exterior textile shade covering unless installed in the last three years by a professional company specialising in the installation of that type of outdoor textile covering;
- swimming pool and spa covers, or plastic or vinyl pool liners;
- the building or contents as a result of water, wind or hail entering the building due to a defect, structural or design fault that you knew about or should have reasonably known about;
- the building or contents if water enters the building through an opening made for an alteration, extension, renovation or repair; or
- the building or contents for the first 48 hours of this policy unless:
 - this policy is replacing another home insurance policy without a gap in cover or change in sum insured; or
 - you have entered into a contract to purchase or lease the insured address.

You are not covered for the cost of removing tree stumps or any part of a tree that has not fallen or caused damage to the insured building or contents.

Response of PAUL ANDREW FAHEY.....
Witnessed by ROBERT WINSTON HIDER
Date of Statement: 12th September 2011.....

Storm

Definition – refer p17 PDS 8/5/07:

Version 2
*(Refer to
Response 2.1)*

storm

- A violent wind (including cyclones), sometimes combined with thunder, heavy falls of rain, hail or snow; or
- Thunderstorms or hailstorms, sometimes accompanied by heavy falls of rain or snow.

It is not persistent bad weather or heavy or persistent rain by itself.

Insured event – refer p22 PDS 8/5/07

Storm

You are covered for loss or damage as a result of storm.

You are not covered for storm damage to:

- retaining walls, paths, driveways, landscaping or any other loose surfaces;
- any exterior textile shade covering unless installed in the last three years by a professional company specialising in the installation of that type of outdoor textile covering;
- swimming pool and spa covers, or plastic or vinyl pool liners;
- the building or contents as a result of water, wind or hail entering the building due to a defect, structural or design fault that you knew about or should have reasonably known about;
- the building or contents if water enters the building through an opening made for an alteration, extension, renovation or repair; or
- the building or contents for the first 48 hours of this policy unless:
 - this policy is replacing another home insurance policy without a gap in cover or change in sum insured; or
 - you have entered into a contract to purchase or lease the insured address.

You are not covered for the cost of removing tree stumps or any part of a tree that has not fallen or caused damage to the insured building or contents.

As amended by p1 SPDS 1/4/10:

3. Page 22 – ‘Storm. You are not covered for storm damage to:’, replace the 5th bullet point with:

- the building or contents where the water, wind or hail has entered the building through an opening not created by the storm; or
-

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Response 3.2:

Flood is excluded from cover under the CommInsure Home Insurance policy.

The following table sets out the terms of the CommInsure Home Insurance policy which relate to the definition of and exclusion of cover for flood.

Flood	Definition – refer p16 PDS 8/5/07:
Version 1 & 2 <i>(Refer to Response 2.1)</i>	flood The inundation of normally dry land by water which has overflowed, escaped or been released from a lake, river, creek, storm water channel, canal or any other watercourse whether natural, altered or man made. Unless the damage is caused by flash flooding, this policy does not cover flood.
	Exclusion – refer p18 PDS 8/5/07:
	General exclusions – apply to the overall policy Unless included in additional cover, we will not cover loss, damage or legal liability caused by: <ul style="list-style-type: none">• flood unless it is flash flooding;

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Response 3.3:

The conditions and exclusions are set out in the PDS and relevant SPDS and apply to claims as expressed in the relevant documents (subject to any special conditions imposed in respect of a particular insured risk).

Generally, the PDS discloses that the Commlnsure Home Insurance policy does not cover everything, as extracted below:

How this policy works – refer p4 PDS 8/5/07:

The policy does not cover everything. There are exclusions and limits on what we pay:

1. There are general exclusions which apply to the overall policy.
2. There are limits on the amount we will cover for certain contents items. These are called contents with a maximum limit.
3. There are contents items which have limits but you can list them on your policy schedule for a higher value. These are called special limit items.
4. There are exclusions that are specific to the insured events and benefits.

During the period December 2010 to January 2011, for losses assessed as the result of a flash flooding event, Commlnsure waived the policy limits as described in the policy – refer to Response 3.1 – namely 15% of the nominated building sum insured and 25% of the contents sum insured. Payments for flash flooding claims were made up to the nominated sums insured for both building and contents losses.

Response 3.4:

This question is interpreted to refer to Commlnsure’s obligations as a general insurance provider and to the sections of the policy wording which relate to the making of a claim.

The obligations in respect of processing and assessing claims are derived from a range of sources:

- Legislation (for example the *Insurance Contracts Act 1984 [CTH]*);
- The General Insurance Code of Practice;
- Commlnsure Home Insurance policy terms and conditions.

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Specific policy terms and conditions relating to processing and assessing claims are described most relevantly as follows:

- The description of the relevant insured event under 'Events you are covered for' – refer to pages 21-24 PDS 8/5/07 (for Version 2, refer also to the SPDS 1/4/11);
- 'Making a Claim' – refer to pages 43-49 PDS 8/5/07 (for Version 2, refer also to the SPDS 1/4/11).

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Witnessed by ROBERT WINSTON HIDER.....
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4. Please provide a pro forma copy of each of the policies referred to in answer to the questions at paragraphs 1–3 above.

Response 4:

The following documents which have been provided in electronic (PDF) format:

Document Title	Filename
Commlnsure Home Insurance Product Disclosure Statement – 8 May 2007	CIL0881_CIL410_pds_080507.pdf
Commlnsure Home Insurance Supplementary Product Disclosure Statement – 1 January 2009	CIL1332_SPDS_010109.pdf
Commlnsure Home Insurance Supplementary Product Disclosure Statement – 1 April 2010	CIL1202_SPDS010410.pdf

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5. Did Commlnsure establish any special processes or procedures in order to manage claims handling?

Response 5:

In accordance with Australian Prudential Regulation Authority (APRA) prudential management obligations Commlnsure maintains a catastrophe event response plan:

- The General Insurance Services Catastrophe Event Response Plan (Response Plan) was activated in respect of 3 catastrophe events arising from the Queensland Floods between December 2010 and January 2011:

Event Description	Date Range
QLD Events (including events throughout Greater Queensland)	25 Dec to 14 Jan
Brisbane	11 Jan to 14 Jan
Toowoomba (including the Lockyer Valley)	10 Jan to 11 Jan

- Claims registered in relation to the catastrophe events identified above were coded to enable identification as catastrophe-related claims.
- A specialist event team was allocated to manage the claims which were identified as flood, storm or flash flood claims.
- All flood claims in respect of Home Buildings cover were allocated to an assessor (internal or external) or to preferred builders.
- Internal assessors from interstate were redirected from existing work to the Queensland floods.

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6. What changes, if any, were made to staffing levels in order to deal with the volume of claims Commlnsure received? Were staffing levels found to be adequate to deal with the volume of claims? What training, if any, was given to staff of Commlnsure involved in processing, assessing and deciding claims relating to the Queensland floods?

Response 6:

In accordance with the Response Plan, Commlnsure considered the adequacy of staff levels on a continuous basis during the period December 2010 to January 2011 and beyond.

Additional staff from other departments within Commlnsure and from Commlnsure's sister life insurance company were reassigned to assist in registering and providing initial claims services to manage the volume of claims received.

Significant overtime loads for Commlnsure's claims management staff were approved throughout weekdays and on weekends, including:

- Weeknight overtime for up to 13 staff per night for the first 4 – 6 weeks from early January 2011 and continued as required through to July 2011;
- Weekend overtime for approximately 12 staff per week for the first 4 – 6 weeks from early January 2011 and continued as required through to July 2011;
- Five 'Super Saturday' events for approximately 60 staff between January 2011 and August 2011.

Given the frequent occurrence of catastrophic weather events throughout the Eastern States of Australia and in Western Australia during the period December 2010 to March 2011, Commlnsure's overall staffing levels were increased to respond to the extraordinary volume of claims received. These events culminated in a claims workload not previously experienced by Commlnsure.

During January 2011 and beyond additional staff continued to be recruited. Staff were recruited in roles including:

- Registration consultants;
- Case Managers;
- Internal Assessors.

Staff reassigned from other departments were trained to a level of competency appropriate to support their temporary reassignment and having regard to the specific tasks they are assigned to perform.

Staff recruited from external sources were subject to normal induction training requirements to achieve competency in respect of the role to which they have been assigned.

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7. How could and did policyholders lodge claims? If claims were lodged by telephone, did policyholders do so by calling a free call number accessible by landline and mobile phone?

Response 7:

CommInsure policyholders are encouraged to lodge claims by telephoning 13 24 20 as soon as possible. The number is a free-call number and is accessible from landline and mobile telephones.

Additionally, CommInsure policyholders can lodge claims via the web-based forms at: [https://secure.comminsure.com.au/HomeAndContents/Claims/ClaimApplication PE.aspx](https://secure.comminsure.com.au/HomeAndContents/Claims/ClaimApplication_PE.aspx)

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Response of PAUL ANDREW FAHEY.....
Witnessed by ROBERT WINSTON HIDER.....
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8. Were there any cases in which CommInsure made contact with a policyholder before the policyholder contacted CommInsure (whether to make a claim or otherwise)? If so, for what purpose?

Response 8:

CommInsure is not aware of any cases in which CommInsure made contact with a policyholder prior to a claim being lodged for damage to their home as a result of the floods in Queensland between December 2010 and January 2011.

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Response of PAUL ANDREW FAHEY.....
Witnessed by ROBERT WINSTON HIDER.....
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9. What information was given to policyholders in their first communication with a representative of CommInsure? In particular, what information was given to policyholders (whether voluntarily or in response to queries from policyholders) about:
- 9.1. The terms of the cover provided by their policy;
 - 9.2. Making a claim (both as to how a policyholder could make a claim and whether a policyholder should make a claim); and
 - 9.3. What to do with damaged property?
- If the information given to policyholders varied according to the location of the insured property, please outline the variations. Please provide a copy of any and all instructions and/or scripts given to telephone operators.

Response 9:

CommInsure interprets this question to refer to the first communication between a policyholder and a representative of CommInsure following the happening of an event for which the policyholder wishes to make a claim under their CommInsure Home Insurance policy.

CommInsure notes the following general aspects of the claims registration process:

- Any notification of an event or loss received from a CommInsure Home Insurance policyholder is registered as a claim;
- In the event that a person who has contacted CommInsure intending to notify of an event or loss cannot be identified as a CommInsure policyholder against CommInsure's policy administration system, it is not possible to create a claim record. CommInsure's standard process in these cases is to explain to the person that no policy record can be identified. If the person is dissatisfied, the person is escalated to the complaints handling process for resolution.

Relevant to claims arising from weather-related events, CommInsure's standard process to register a claim requires the following information to be obtained to create a claim case record:

- Date of incident
- Date reported
- Contact telephone (AM/PM)
- Contact name
- Cause type
- Short description of incident
- Location of incident
- Damaged items

Response of PAUL ANDREW FAHEY.....
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During the period December 2010 and January 2011 and relevant to the Queensland Floods, CommInsure issued the following information to its claims representatives:

- Advise the policyholder:
 - CommInsure will lodge all claims for consideration and review each claim individually on its own merit; and
 - The relevant policy wording for the relevant policy event (eg. storm, flash flood, flood);
- For potential flash flooding or flooding claims, advise the policyholder that:
 - CommInsure will appoint assessors and/or hydrologists to provide reporting to enable CommInsure to determine whether the relevant event was a flash flood or a flood; and
 - CommInsure is not in a position to determine claim outcomes until relevant reports are received.
- Temporary accommodation and emergency payments are available on an ex-gratia basis for policyholders making flash flood or flood claims regardless of claims outcomes.
- In cases where a claim for flash flood or flood has already been lodged, and a subsequent storm, flash flood or flood event occurs, the policyholder should lodge a second claim. The second claim will be assessed on its own merits, according to the policy definitions and any relevant assessor or hydrology reports.

CommInsure issued the following information to its claims representatives concerning the removal of wet or damaged property:

- If policyholders have experienced above floor inundation, policyholders may wish to lift and dispose of affected carpets for hygiene purposes.
- If carpet is removed, we request that policyholders keep a small sample size for assessment if required;
- If damaged contents are removed, we request that policyholders list and photograph the removed contents.

Response of PAUL ANDREW FAHEY.....
Witnessed by ROBERT WINSTON HIDER.....
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10. How did a representative of CommInsure giving information to a policyholder (whether voluntarily or response to queries from a policy holder) about matters of the kind referred to at sub-paragraphs 9.1– 9.3, or any other matter concerning the policy holder's policy or claim, ensure that the information provided to the policyholder was accurate and based on the correct version of his or her policy?

Response 10:

CommInsure staff identify the correct version of a policyholder's policy by reference to CommInsure's policy administration system. This system displays the relevant version of the policy documentation held by a customer by reference to:

- the relevant policy commencement and end dates; and in the event of a claim,
- the date of incident for which the claim is made.

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Response of PAUL ANDREW FAHEY.....
Witnessed by ROBERT WINSTON HIDE.....
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11. What information was a policyholder required or asked to give Commlnsure for the purposes of assessing the policyholder’s claim? If the information which a policyholder was required or asked to give, varied according to the location of the insured property, please outline the variations.

Response 11:

The following information extracted from Commlnsure’s Home Insurance claims management procedures sets out Commlnsure’s standard process relating to information required from a policyholder for a flash flooding claim:

Procedure

What is required for a Flash Flooding claim

To be able to proceed with this claim, you will need documentation which confirms the following:

- What has been damaged?
- When did this damage occur?
- What caused this damage?
- Where did the damage occur?
- Where did the water come from originally?

Refer to the claims Q & A for further information captured at registration of the claim.

Each claim is different and you may be able to confirm the above information from a range of different sources. This may include:

- Our preferred supplier(s) providing a report/quote confirming the above information
- Our preferred assessors
- Hydrologists reports
- The customers supplier(s) providing a report/quote confirming the above information
- A quote for repairs or replacement of the damages with supporting photographs showing details of the damages
- Verbal information from the customer with supporting quotes and photographs
- Verbal confirmation from suppliers of their professional opinion into the circumstances

You may wish to obtain one or a combination of any of the above pieces of information to be able to determine if the claim will be accepted and therefore be able to progress the claim.

Required information would include:

- Depending on the extent of the claim, an Assessment report
- Report confirming where the flash flooding started, what caused it and when did it occur
- A preferred builders report confirming the extent and cause of damage; or
- A preferred consultants report confirming cause and scope of works
- Itemised quote(s) for repairs and / or replacements
- Photographs of the damages
- Schedule of loss for contents items

NOTE: Refer to the assessor guidelines for specific guidelines as to when to appoint an assessor. Also refer to the BOB tool regarding selecting a preferred supplier.

Response of PAUL ANDREW FAHEY.....

Witnessed by ROBERT WINSTON HIDER.....

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Procedure

What needs to be considered for a Flash Flooding claim to be accepted

Details of the insured event Flash Flooding are located on page 22 of the CommInsure Home Insurance Product Disclosure Statement. There are a few key requirements which need to be considered prior to a claim being accepted for Flash Flooding. They are:

- a. The damage has been caused due to Flash Flooding as defined in the PDS on page 16
- b. The damage has not happened in the first 48 hours of the policy being taken out
- c. Check the general policy exclusions (located on page 18 – 19 of the PDS). If an exclusion applies to the circumstances of the claim, then it will not be accepted.

We will not pay for:

- a. Damage resulting from a flash flood within the first 48 hours of the policy (PDS on page 22)
- b. Pontoons, jetties or similar structures
- c. Cover is limited to 15% of the building sum insured and 25% of the contents sum insured, where they are covered by this policy
- d. Check the general policy exclusions (located on page 18 – 19 of the PDS). If an exclusion applies to the circumstances of the claim, then it will not be accepted.

For every piece of information received regarding the claim whether it is written or verbal, the above factors need to be considered.

Additional aspects of Flash Flooding claims

Flash flooding type claims have the capacity to cause extensive damage and as such, create a dwelling that is unable to be occupied. In these times, it is extremely important we consider the clients situation and circumstances. The client may have no contents items at all, and nowhere to live.

This may give rise to the following aspects of the claim requiring immediate attention:

- Alternate accommodation – Refer to page 25 of the PDS for details about alternative accommodation coverage
- Emergency payments – As the client may have been left with very little, an emergency payment may need to be made to them so as they can obtain essential items and pay for emergency accommodation. Refer to your Team Leader if you believe the claim situation requires an emergency payment to be authorised.

It is noted that during the period December 2010 to January 2011, for losses assessed as the result of a flash flooding event, CommInsure waived the policy limits as described in the policy – refer to Response 3.1 – namely 15% of the nominated building sum insured and 25% of the contents sum insured. Payments for flash flooding claims were made up to the nominated sums insured for both building and contents losses.

CommInsure assessors use the following checklists when performing assessments relating to flash flood or flood events – refer overleaf:

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Internal assessor questionnaire:

1. Take photographs of the property, buildings, home etc, particularly those that show maximum level of water inundation.
2. Attach a Google Map showing relative position of property to a watercourse
3. Photos that identify any nearby watercourse and that indicate directional flow of floodwater
4. Check with insured as to whether there was any and what damage caused by water through the roof or by overflowing gutters and that date and time of that event.
5. What type of house is on the property – low set, highset, double storey, split level, etc?
6. Is the house on stumps or slab-on-ground?
7. Approximately how high is the habitable floor level above surrounding ground level?
8. Is the ground level at the house higher than the street level?
9. What date and time was the rain heaviest?
10. What time did the heavy rain stop?
11. When did the property get inundated (date)?
12. What time did the inundation of the property (yard) commence?
13. What time did water come into the house, garage, shed, etc?
14. What date and time did the water level in the property peak?
15. How long did it take for the water to rise?
16. How long did it take for the water to disperse?
17. At its peak, how deep was the water inside the house, garage, shed, etc?
18. At its peak, how deep was the water in the yard?
19. Which direction did the water come into the property?
20. Was the water inundating the property 'clean' or 'dirty'?
21. Did you receive any warning that the property may flood? If so what was the warning and what did you do?
22. Were you forced to evacuate the property?
23. Did you leave of your own accord?
24. What time did you leave the property?
25. Was anything done to protect the property or belongings? Approximate value of property saved \$
26. How long have you lived at the property?
27. Have you ever experienced water in the property before? If so how and when?
28. Was there any (and if so what) damage caused by rainwater through the roof or by overflowing gutters?
29. Do your contents need storage?

Response of PAUL ANDREW FAHEY.....

Witnessed by ROBERT WINSTON HIDE.....

Date of Statement: 12th September 201.....

External assessor questionnaire:

The assessor to ask the insured the questions as those below, but in addition MUST do the following;

	CHECK
1. Take photographs of the property, buildings, home etc , particularly those that show maximum level of water inundation.	
2. Attach a Google Map showing relative position of property to a watercourse	
3. Photos that identify any nearby watercourse and that indicate directional flow of floodwater	
4. Check with insured as to whether there was any and what damage caused by water through the roof or by overflowing gutters and that date and time of that event.	
a) What type of house is on the property – low set, highset, double storey, split level, etc ?	
b) Is the house on stumps or slab-on-ground?	
c) Approximately how high is the habitable floor level above surrounding ground level?	
d) Is the ground level at the house higher than the street level?	
e) What date and time was the rain heaviest ?	
f) What time did the heavy rain stop?	
g) When did the property get inundated (date)?	
h) What time did the inundation of the property (yard) commence?	
i) What time did water come into the house, garage, shed, etc ?	
j) What date and time did the water level in the property peak?	
k) At its peak, how deep was the water inside the house, garage, shed, etc ?	
l) At its peak, how deep was the water in the yard?	
m) Which direction did the water come into the property?	
n) Was the water inundating the property 'clean' or 'dirty'?	
o) Was there any and if so what damage caused by rainwater through the roof or by overflowing gutters ?	

Response of PAUL ANDREW FAHEY.....
 Witnessed by ROBERT WINSTON HIDER
 Date of Statement: 12th September 2011.....

12. Please outline each step, and by whom each step was or is taken, in the process by which claims were or are processed, assessed and determined. Please also outline the information relied upon in determining claims. In particular:
 - 12.1. Were site assessments/inspections carried out? If so:
 - 12.1.1. Were they carried out for every claim or some claims? If the latter, in how many cases were site assessments/inspections carried out?
 - 12.1.2. At what stage of the claims handling process were site assessments/inspections carried out?
 - 12.1.3. Who conducted the site assessments/inspections? What instructions, written or oral, were they given?
 - 12.2. Were any claims declined without site assessments/inspections having been carried out? If so:
 - 12.2.1. In how many cases?
 - 12.2.2. To which areas did the claims relate?
 - 12.2.3. Why were site assessments/inspections not carried out in those cases?
 - 12.2.4. What information was relied upon to determine whether those claims would be accepted or declined?
 - 12.3. Please outline all hydrology information obtained and used/relied upon in determining claims and explain:
 - 12.3.1. Who provided the hydrology information? If CommInsure engaged hydrology experts, what did CommInsure brief the hydrology experts to do? What instructions, written or oral, were provided to the hydrology experts? Please provide copies of any written instructions.
 - 12.3.2. How did CommInsure ensure that the hydrology information addressed the relevant terms of the applicable policies? In particular, how did hydrology reports relied upon define the terms 'flood' and 'flash flood'?
 - 12.3.3. When the hydrology information was received.
 - 12.3.4. When investigations upon which the information was based were conducted.
 - 12.3.5. Whether the hydrology information related to general areas or regions or specific sites or both. If the first, please identify the areas or regions and provide copies of the information/reports. If the second or third:
 - 12.3.5.1. At what stage of the claims handling process was hydrology information for specific sites requested and obtained?
 - 12.3.5.2. What determined whether hydrology information for a specific site was requested?
 - 12.3.6. If the nature of the hydrology information varied according to the location of insured property, please set out the variations.

Response of PAUL ANDREW FAHEY.....
Witnessed by ROBERT WINSTON HIDER.....
Date of Statement: 12th September 2011.....

Response 12:

As agreed with the Commission, a response to Question 12 will be provided in a further response on or by 23 September 2011.

The remainder of this page is intentionally left blank.

Response of PAUL ANDREW FAHEY.....
Witnessed by ROBERT WINSTON HIDE.....
Date of Statement: 12th September 2011.....

13. If any of the processes, or information relied upon, outlined in answer to questions in paragraph 12 above varied according to the location of the insured property, please set out the variations.

Response 13:

As agreed with the Commission, a response to Question 13 will be provided in a further response on or by 23 September 2011.

The remainder of this page is intentionally left blank.

Response of PAUL ANDREW FAHEY.....
Witnessed by ROBERT WINSTON HIDER.....
Date of Statement: 12th September 2011.....

14. Was any advice other than hydrology information/reports and reports of loss adjustors/assessors obtained and relied upon in determining claims? If so, please identify the nature of the advice.

Response 14:

CommInsure's standard claims management process requires that appropriate technical advice is obtained to assist in the determination of relevant issues as and when they may arise in particular claims. In respect to claims involving building damage or contents loss due to weather events, relevant advice may be commonly obtained from:

- Building consultants or engineers; or
- Suppliers of contents items relevant to the losses sustained.

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Response of PAUL ANDREW FAHEY.....
Witnessed by ROBERT WINSTON HIDE
Date of Statement: 12th September 2011.....

15. Were policyholders advised of all information CommInsure relied upon in determining their claims? If so, was this advice given voluntarily or only if requested? If any piece of information was not provided or withheld for any period of time:

15.1. What was the nature of the information?

15.2. Why was it not provided?

Response 15:

In accordance with the General Insurance Code of Practice (GICP), CommInsure's standard process in respect of determining claims is to communicate all information CommInsure relied upon in determining a claim.

In circumstances where claims are accepted, the policyholder is made aware of information CommInsure has relied on in accepting their claim during the claims assessment process. This information may be communicated in the following circumstances:

- Assessors or relevant consultants engaged by CommInsure discuss the claim directly with the policyholder (or their nominated representative) and outcomes are frequently advised to the policyholder directly as a result of these discussions; or
- Claims case managers discuss the claim directly with the policyholder and outcomes are advised directly to the policyholder during these discussions.

In circumstances where claims are denied, the policyholder is made aware of information CommInsure has relied on in denying their claim in two ways. CommInsure's Home Insurance claims management procedure requires that:

- In all cases, the policyholder is telephoned by CommInsure to notify them of the claim outcome and explain the reasons for the decision;
- Further, in all cases a letter explaining the denial of the claim is forwarded to the policyholder. CommInsure's procedure requires that all information that has contributed to the decision being made is explained in the letter.

The following information is extracted from CommInsure's Home Insurance claims management procedure:

Response of PAUL ANDREW FAHEY.....
Witnessed by ROBERT WINSTON HIDE
Date of Statement: 12th September 2011.....

Draft a denial letter to be sent to the insured

You will need to draft a denial letter which, when approved, will be sent to the insured. The denial letter needs to state what evidence or facts have been gathered, and how that has then determined the claim to be denied.

Ensure the denial letter includes:

- Specific reference to the insured's policy
- Specific reference to the CommInsure Home Insurance Product Disclosure Statement
- Specific reference to facts that have been obtained and verified which have led to the decision being a claim denial
- Give reference how facts obtained are referenced to the PDS and customers policy
- All information that has contributed to the decision being made
- All reports or evidence are attached that have been used in determining the decision on the claim
- Information about our complaints handling procedures in the Internal Dispute Resolution pamphlet

NOTE: Check with your Team Leader, Technical Manager, and other team members for a denial template for the insured event or exclusion you are denying the claim under. This will assist in demonstrating how to format the letter and what areas need to be included in the letter.

During the Queensland Floods, where area-wide hydrology evidence was relied on to deny a claim, CommInsure initially telephoned policyholders to advise of the intention to deny the claim and explain the reasons including the relevant hydrology evidence.

In cases where area-wide hydrology evidence was relied on and the policyholder accepted the outcome, the relevant excerpt from the hydrology report covering their location was provided in the claim denial letter.

In cases where the policyholder did not accept the outcome of the claim, CommInsure arranged a property-specific hydrology assessment to be undertaken in respect of their property. In the event that the property-specific assessment led to a consequent denial, the property-specific report was provided to the policyholder with the denial letter.

Response 15.1:

Not applicable.

Response 15.2:

Not applicable.

Response of PAUL ANDREW FAHEY.....
Witnessed by ROBERT WINSTON HIDE.....
Date of Statement: 12th September 2011.....

16. Were policyholders given copies of all documents relied upon in determining their claims? If any document was not provided, or withheld for any period of time:
- 16.1. What was the nature of the document?
 - 16.2. Why was it not provided?

Response 16:

ComInsure's response to this question is contained in the response to Question 15 (above).

The remainder of this page is intentionally left blank.

Response of PAUL ANDREW FAHEY.....
Witnessed by ROBERT WINSTON HIDER.....
Date of Statement: 12th September 2011.....

17. Were any difficulties encountered in processing, assessing and deciding claims? In particular, did any factors cause delays in this process?

Response 17:

As agreed with the Commission, a response to Question 17 will be provided in a further response on or by 23 September 2011.

The remainder of this page is intentionally left blank.

Response of PAUL ANDREW FAHEY.....
Witnessed by ROBERT WINSTON HIDE.....
Date of Statement: 12th September 2011.....

18. How does the volume of claims CommInsure received, and the timeliness with which they have been decided, compare with (a) 'business as usual' and (b) other recent natural disasters?

Response 18:

As agreed with the Commission, a response to Question 18 will be provided in a further response on or by 23 September 2011.

The remainder of this page is intentionally left blank.

Response of PAUL ANDREW FAHEY.....
Witnessed by ROBERT WINSTON HIDER.....
Date of Statement: 12th September 2011.....

19. Were policyholders kept informed, or have they been kept informed, of the progress of their claims in accordance with the standards stipulated in the General Insurance Code of Practice? How did or does CommInsure monitor whether those standards are adhered to?

Response 19:

CommInsure's standard claims management processes are designed to comply with the General Insurance Code of Practice (GICP).

Following the occurrence of catastrophe events, due to the high volumes of claims submitted both within CommInsure and the wider industry, it is at times not possible to meet all GICP timeframe requirements. This principle is recognised within the GICP. Factors that influence the recovery timeframes following a catastrophe event include:

- The nature and duration of the catastrophe event;
- The geographical area affected by the catastrophe event;
- The occurrence of other catastrophe events within simultaneous timeframes;
- The destruction of, or damage to, public access infrastructure such as roads;
- The supply of external claims assessors or relevant expertise required to undertake the assessment process;
- The supply of building services labour and materials.

CommInsure has deployed its best efforts to meet all GICP timeframes in respect of claims lodged by policyholders following the Queensland floods experienced between December 2010 and January 2011. At times, it has not been possible to meet timeframes in all cases at all times.

CommInsure monitors its adherence to GICP timeframes by the use of a claim workflow diary system.

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Response of PAUL ANDREW FAHEY.....
Witnessed by ROBERT WINSTON HIDE.....
Date of Statement: 12th September 2011.....

20. Was the position adopted by a reinsurer communicated to policyholders at any stage?
If so, why?

Response 20:

To the best of CommInsure's knowledge the position adopted by a reinsurer was not communicated to policyholders at any stage.

Staff engaged in the claims assessment and management process are not authorised to discuss matters relating to CommInsure's reinsurance arrangements.

The remainder of this page is intentionally left blank.

Response of PAUL ANDREW FAHEY.....
Witnessed by ROBERT WINSTON HIDE.....
Date of Statement: 12th September 2011.....

21. By what means did or do representatives of CommInsure contact policyholders (for example, by mail, email, landline, mobile phone)? By what means were policyholders whose claims have been determined, informed of the outcome of their claims? Were all policyholders whose claims have been determined, informed of the outcome of their claims in writing?

Response 21:

CommInsure's representatives may contact policyholders by the following means:

- Telephone (including landline and mobile);
- Email;
- Postal mail;
- Facsimile;
- In person.

CommInsure's policyholders may nominate their preferred method of contact.

When advising a policyholder of the outcome of an accepted claim, CommInsure will most frequently contact the policyholder by telephone. An accepted claim may also be communicated by the alternative means such as the policyholder's preferred method of contact or in person.

When advising a policyholder of the outcome of a claim denial, in all cases CommInsure will make attempts to contact the policyholder by telephone prior to sending a denial letter to the policyholder's nominated mailing address.

The remainder of this page is intentionally left blank.

Response of PAUL ANDREW FAHEY.....
Witnessed by ROBERT WINSTON HIDER.....
Date of Statement: 12th September 2011.....

22. By what means could or can policyholders find out about the progress of their claims or otherwise discuss their claims with a representative of CommInsure? If by telephone, could or can policyholders contact CommInsure by calling a free call number accessible by landline and mobile phone? Could or can a policyholder contact the person responsible for handling his or her claim directly?

Response 22:

CommInsure policyholders are encouraged to contact CommInsure by telephoning 13 24 20 (freecall). Calls to this line are accessible to mobile and landline telephones.

In the majority of circumstances CommInsure policyholders' enquiries can be dealt with by more than one particular staff member. In circumstances where specific interactions have occurred which necessitate a specific staff member to be contacted by a policyholder, CommInsure policyholders can request transfer to the relevant staff member.

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Response of PAUL ANDREW FAHEY.....
Witnessed by ROBERT WINSTON HIDER.....
Date of Statement: 12th September 2011.....

23. Are all telephone calls between policyholders and representatives of Commlnsure recorded? Were all telephone calls between policyholders and representatives of Commlnsure which took place in December 2010 and January 2011 recorded?

Response 23:

All telephone calls between Commlnsure's claims case managers and policyholders are recorded as a matter of policy.

Circumstances in which calls between Commlnsure claims staff and policyholders are not recorded are limited to:

- Where the policyholder has specifically requested the call not be recorded;
- Telephone interactions at team-leader level or higher where telephone recording is not configured or available or manually activated;
- Any instances of technical interruption to Commlnsure's telephone recording systems.

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Response of PAUL ANDREW FAHEY.....
Witnessed by ROBERT WINSTON HIDE.....
Date of Statement: 12th September 2011.....

24. How has CommInsure responded to requests for copies of recordings or transcripts of telephone calls between policyholders and representatives of CommInsure?
- 24.1. Have any copies of recordings/transcripts been provided to policyholders (or their legal representatives) in response to such requests? If so, in how many cases?
- 24.2. Have any such requests been refused or not responded to? If so:
- 24.2.1. In how many cases?
- 24.2.2. In the case of requests that have been refused – why have such requests been refused?

Response 24:

As agreed with the Commission, a response to Question 24 will be provided in a further response on or by 23 September 2011.

The remainder of this page is intentionally left blank.

Response of PAUL ANDREW FAHEY.....
Witnessed by ROBERT WINSTON HIDE.....
Date of Statement: 12th September 2011.....

25. In what circumstances were policyholders advised of their entitlement to make a complaint or request a review of a decision through the internal dispute resolution process?

Response 25:

Commlnsure adopts complaints handling processes as required by the General Insurance Code of Practice (GICP) and the Australian Securities and Investments Commission Regulatory Guide 165.

Policyholders are advised of their entitlement to make a complaint, and how to make a complaint, in the Commlnsure Home Insurance PDS. Additionally, information relating to Commlnsure's complaints handling processes is available on the internet at <http://www.commbank.com.au/contact-us/compliments-complaints/default.aspx>, including e-form lodgement facilities.

During interactions with Commlnsure representatives, Commlnsure's complaints handling processes require that policyholders are advised of their entitlement to make a complaint:

- When the policyholder expresses dissatisfaction related to Commlnsure products or services or the complaints handling process itself, and where a response is explicitly or implicitly expected;
- In the case of denied claims, at the time of the denial being communicated to the policyholder and in the claim denial letter.

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Response of PAUL ANDREW FAHEY...
Witnessed by ROBERT WINSTON HID...
Date of Statement: 12th September 2011.....

26. Please outline each step, and by whom each step was or is taken, in the process which CommInsure employed or has employed in responding to complaints and/or disputes in the internal dispute resolution process. Please also outline the information considered and relied upon in determining complaints/or disputes.

Response 26:

As agreed with the Commission, a response to Question 26 will be provided in a further response on or by 23 September 2011.

The remainder of this page is intentionally left blank.

Response of PAUL ANDREW FAHEY.....
Witnessed by ROBERT WINSTON HIDE
Date of Statement: 12th September 2011.....

27. Were policyholders advised of all information upon which CommInsure relied in determining their complaints/disputes?

If so:

27.1. Was this advice given voluntarily or only if requested?

27.2. What was the nature of the information provided?

If not:

27.3 Why was the information not provided?

Response 27:

In accordance with the General Insurance Code of Practice (GICP), CommInsure's standard process in respect of determining complaint and dispute outcomes is to communicate all information CommInsure relied upon in determining the complaint or dispute.

In the event that a complaint is determined in favour of CommInsure, the policyholder is advised of the reasons for the outcome and information that CommInsure has relied on in determining that outcome. The policyholder is also provided with information relating to the next step in the complaint process.

It is CommInsure's practice to provide this information voluntarily. During the complaint phase the information may be communicated in a telephone discussion, however during the internal dispute phase of the process, the information is provided both in a telephone discussion and in conjunction with the written final internal dispute response.

In the majority of disputes relevant to the Queensland Floods between December 2010 and January 2011, the nature of the information related to hydrology reports. Depending upon the specific circumstances of the claim, other information such as an assessor's report or a builder's report may have also been supplied.

CommInsure is not aware of any disputes in which information was not provided.

Response of PAUL ANDREW FAHEY.....
Witnessed by ROBERT WINSTON HIDE
Date of Statement: 12th September 2011.....

28. Were policyholders given copies of all information relied upon in determining their complaints/disputes? If any information was not provided, or withheld for any period of time:
- 28.1. What was the nature of the information?
 - 28.2. Why was it not provided?

Response 28 (including Responses 28.1 & 28.2):

CommInsure's response to this question is contained in the response to Question 27 (above).

The remainder of this page is intentionally left blank.

Response of PAUL ANDREW FAHEY.....
Witnessed by ROBERT WINSTON HIDER.....
Date of Statement: 12th September 2011.....

29. Were written responses given in response to all complaints/disputes?

Response 29:

CommInsure's standard complaints handling process has been designed to comply with the General Insurance Code of Practice (GICP).

The outcome of complaints determined during the complaint handling phase may be communicated to the policyholder by telephone or may be in writing – for example, where a written response has been requested by the policyholder.

The outcome of all disputes are communicated in writing in the form of a final response letter in accordance with GICP obligations.

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Response of PAUL ANDREW FAHEY.....
Witnessed by ROBERT WINSTON HIDE
Date of Statement: 12th September 2011.....

30. Please provide copies of all written responses by CommInsure to all complaints/disputes (final decision letters). For each written response (final decision letter), please attach a copy of the correspondence in which the substance of the complaint/dispute to which the response relates, is set out.

Response 30:

As agreed with the Commission, a response to Question 30 will be provided in a further response on or by 23 September 2011.

The remainder of this page is intentionally left blank.

Response of PAUL ANDREW FAHEY 
Witnessed by ROBERT WINSTON H 
Date of Statement: 12th September 2011.....

31. Were policy holders kept informed of the progress of their complaint/dispute in accordance with the General Insurance Code of Practice? How did/does Commlnsure monitor whether the standard for providing information on progress of the dispute is adhered to?

Response 31:

Relevant to complaints and disputes arising from the Queensland floods between December 2010 and January 2011, Commlnsure adhered to its General Insurance Code of Practice (GICP) obligations in respect of complaints handling.

Daily Compliance reports are used to track each individual complaint or dispute case against GICP timeframe obligations.

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Response of PAUL ANDREW FAHEY.....
Witnessed by ROBERT WINSTON HIDER.....
Date of Statement: 12th September 2011.....

32. Has CommInsure received any complaint relating to inappropriate, insensitive or offensive conduct by a representative or agent of CommInsure toward, or about, a policyholder? If so:
- 32.1. How many such complaints have been received?
 - 32.2. What did or does each complaint relate to?
 - 32.3. What steps were or have been taken in respect of each complaint?

Response 32:

As agreed with the Commission, a response to Question 32 will be provided in a further response on or by 23 September 2011.

The remainder of this page is intentionally left blank.

Response of PAUL ANDREW FAHEY.....
Witnessed by ROBERT WINSTON HIDE.....
Date of Statement: 12th September 2011.....

33. Has CommInsure received any complaint, or dealt with any dispute, in the internal dispute resolution process, relating to:
- 33.1. Misrepresentation made by a representative of CommInsure to a policyholder at the point of sale as to the existence or extent of flood cover under a policy purchased by the policyholder; or
 - 33.2. Failure on the part of a representative of CommInsure to adequately inform a policyholder that a policy purchased by the policyholder excluded flood cover?

Response 33.1:

Yes.

Response 33.2:

Yes.

The remainder of this page is intentionally left blank.

Response of PAUL ANDREW FAHEY.....
Witnessed by ROBERT WINSTON HIDER.....
Date of Statement: 12th September 2011.....

34. If CommInsure has received complaints, or dealt with any dispute, of the kinds referred to in sub-paragraphs 33.1 and 33.2:
- 34.1. How many of each kind has it received?
 - 34.2. Please outline the steps taken in investigating and responding to such complaints/disputes.

Response 34.1:

In relation to household claims arising from the Queensland floods during the period December 2010 to January 2011, CommInsure received the following number of complaints:

- In respect of Question 33.1 10
- In respect of Question 33.2 8

Response 34.2:

The specific facts and circumstances of each complaint of this nature are investigated in accordance with CommInsure's standard approach to complaint resolution. Additional investigative steps undertaken in cases of this nature are set out below:

- If the policy was sold through a call centre, reviews are undertaken to obtain access to the relevant telephone call recording made at policy inception to verify the information provided, questions asked and responses provided. In the event that a telephone call recording is not available, contact is made with the person who made the initial sale of the policy to confirm the sales process followed, including the questions that were asked at policy inception.
- If the policy was sold in-person then contact is made with the person who made the initial sale of the policy to confirm the sales process followed, including the questions that were asked at policy inception. For some matters, Statutory Declarations were obtained to support their practice of selling CommInsure Home Insurance policies.
- Evidence is also obtained to identify when renewal documentation and PDS or SPDS documents were sent to the policyholder and to confirm that documentation has been mailed to the correct mailing address nominated by the relevant policyholder.

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Response of PAUL ANDREW FAHEY.....
Witnessed by ROBERT WINSTON HIDER..
Date of Statement: 12th September 2011.....



35. Is the CommInsure involved, or has CommInsure been involved, in any matter with the Financial Ombudsman Service? If so:
- 35.1. How many?
 - 35.2. Please identify the cause(s) of the disputes.

Response 35:

Yes.

Response 35.1:

42 cases have been referred for external dispute resolution with the Financial Ombudsman Service.

Response 35.2:

The causes of disputes referred to the Financial Ombudsman Service are summarised as follows:

Claims handling (including determinations)	31
Service issues (including delay)	9
Misrepresentation	2

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Response of PAUL ANDREW FAHEY.....
Witnessed by ROBERT WINSTON HIDER.....
Date of Statement: 12th September 2011.....

36. Please outline all steps involved in the process after a claim was or is accepted in order to get the insured property repaired or restored or to otherwise settle the claim. What information or steps did or does CommInsure require of policyholders in this process?

Response 36:

As agreed with the Commission, a response to Question 36 will be provided in a further response on or by 23 September 2011.

The remainder of this page is intentionally left blank.

Response of PAUL ANDREW FAHEY.....
Witnessed by ROBERT WINSTON HIDER
Date of Statement: 12th September 2011

37. Has CommInsure entered into any confidentiality agreement with any policyholder or otherwise required, advised or suggested to, any policyholder to keep matters concerning his or her claim confidential, whether before or after settlement of the claim? If so, please identify the nature of each matter which the policyholder was required to keep confidential.

Response 37:

In certain cases where a cash settlement is agreed between CommInsure and a policyholder, CommInsure may require a Deed of Release to be executed by the policyholder. The Deed of Release may contain a clause relating to confidentiality as set out below:

8.3 Confidentiality and public announcements

- (a) **(Confidentiality):** This deed is confidential.
- (b) **(Keep confidential):** Subject to clause 8.3(c), each party must keep the terms of this deed confidential and not themselves nor through their servants, agents or employees directly or indirectly disclose its terms or express any opinion they might hold about those terms.
- (c) **(Exceptions):** A party may make any disclosure in relation to this deed:
 - (i) to a professional adviser, financial adviser, banker, financier or auditor if that other person is obliged to keep the information confidential;
 - (ii) to comply with any applicable law, or any requirement of any regulatory body (including any relevant stock exchange);
 - (iii) to enforce its rights or to defend any claim or action under this deed; or
 - (iv) if the information has come into the public domain through no fault of that party.

CIL may also disclose the terms of this deed to the Financial Ombudsman Service, any of its employees or any related body corporate to whom it is necessary to disclose such information.

The remainder of this page is intentionally left blank.

Response of PAUL ANDREW FAHEY.....
Witnessed by ROBERT WINSTON HIDER..
Date of Statement: 12th September 2011



38. Is CommInsure aware of any instances of staff of CommInsure having given incorrect advice in response to queries from policyholders?

Response 38:

CommInsure has interpreted this question subject to clarification guidance received from the Commission by email of 7 September 2011 (12.24PM, via Mr Lachlan Zangari) and the further Requirement issued on 12 September 2011.

CommInsure is not aware of any instances of staff providing incorrect advice in response to queries from policyholders in respect of their claim.

The remainder of this page is intentionally left blank.

Response of PAUL ANDREW FAHEY.....
Witnessed by ROBERT WINSTON HIDE
Date of Statement: 12th September 2011.....

39. Has CommInsure made any public statement, or commented in any public forum, about any individual policyholder (or an advocate for a policyholder)? If so, please provide copies of the statements or comments.

Response 39:

CommInsure has not made any public statement or commented in any public forum about an individual policyholder or a policyholder's advocate.

The remainder of this page is intentionally left blank.

Response of PAUL ANDREW FAHEY.....
Witnessed by ROBERT WINSTON HIDE
Date of Statement: 12th September 2011.....

40. Is Commlnsure or has Commlnsure been the subject of any investigation by the Financial Ombudsman Service (other than disputes referred to in paragraph 35) or any other regulatory body about the manner in which Commlnsure has dealt with claims relating to the Queensland floods?

Question 40:

Commlnsure has not been the subject of any investigation by the Financial Ombudsman Service *of* *or* any other regulatory body about the manner in which Commlnsure has dealt with claims relating to the Queensland floods.



The remainder of this page is intentionally left blank.

Response of PAUL ANDREW FAHEY.....
Witnessed by ROBERT WINSTON HIDER
Date of Statement: 12th September 2011.....



41. Should any changes be made to the General Insurance Code of Practice?

Response 41:

CommInsure has participated in periodic reviews of the General Insurance Code of Practice (GICP) conducted by the Insurance Council of Australia (ICA) and continues to participate in ongoing ICA Committees concerned with the code.

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Response of PAUL ANDREW FAHEY.....

Witnessed by ROBERT WINSTON HIDEP.....

Date of Statement: 12th September 201.....

CommInsure Home Insurance

Product Disclosure Statement (PDS)
Dated 08/05/2007



CommInsure



This Product Disclosure Statement is an important document. If you have difficulty reading or understanding English, please use an interpreter to explain it to you before entering into a policy with us.

Questa dichiarazione informativa formale del prodotto è un documento importante. Se ha difficoltà a leggere o capire l'inglese, la preghiamo di rivolgersi ad un interprete che possa spiegarle il suo contenuto prima di avviare una polizza con noi.

Esta Declaración de Divulgación del Producto (Product Disclosure Statement - PDS) es un documento importante. Si tiene dificultad para leer o entender el idioma inglés le rogamos utilice los servicios de un intérprete para que le explique su contenido antes de adquirir una de nuestras pólizas.

本产品披露声明(PDS)为重要文件。如果您不能流畅地阅读或理解英文版本，则在与我们签订保单之前，务必请译员为您翻译或解释。

本產品揭示聲明(PDS)乃重要文件。若您在閱讀或理解英語時發生困難，請在簽署我們的契約前聘用傳譯員，為您解釋文件內容。

بعد بيان عدم الكشف عن المنتج من الوثائق باللغة الأهمية. لذا يرجى. قبل الشروع في أية إجراءات رسمية معنا. الاستعانة بمترجم لغة إنجليزية لمساعدتك في قراءة وفهم النص الإنجليزي عند الحاجة إلى ذلك.

Αυτή η Δήλωση Γνωστοποίησης Προϊόντων (PDS) είναι ένα σημαντικό έγγραφο. Εάν αντιμετωπίζετε δυσκολία στο να διαβάσετε ή να κατανοείτε Αγγλικά, παρακαλούμε χρησιμοποιήστε διερμηνέα να σας το εξηγήσει προτού συνάψετε σύμβαση μαζί μας.

Bản Kê Khai Sản Phẩm (Product Disclosure Statement - PDS) này là một tài liệu quan trọng. Nếu quý vị gặp khó khăn khi đọc hoặc hiểu tiếng Anh, vui lòng đề nghị một thông dịch viên giải thích cho quý vị trước khi tham gia vào một đơn bảo hiểm cùng chúng tôi.

Important information

This information is provided by Commlnsure, a registered business name of Commonwealth Insurance Limited ABN 96 067 524 216, AFSL 235030 (CIL). CIL is a wholly owned subsidiary of Commonwealth Bank of Australia ABN 48 123 123 124 and is the insurer for this policy (refer to page 4). Commonwealth Bank of Australia and its related entities are jointly referred to in this PDS as the Commonwealth Bank Group.

In NSW, the insurer for Domestic Workers Compensation is CIL. In the ACT, TAS and WA, CIL offers Domestic Workers Compensation insurance as an agent for Allianz Australia Insurance Limited ABN 15 000 122 850 (Allianz) who is the insurer.

The Commonwealth Bank Group (other than CIL) does not guarantee the obligations or performance of CIL or Allianz or the products they offer. In this PDS where we refer to 'Commlnsure', 'us', 'we' and 'our' we mean CIL.

The information provided in this PDS has been provided only in accordance with Australian laws and may not satisfy the laws of other countries. The products and services described in this PDS are not available in countries or to residents of countries where it is unlawful to provide the information included in this PDS or where it is unlawful to offer the products or services. All references to monetary amounts in the PDS are references to Australian dollars.

The information in this PDS will help you to:

- (a) decide whether this policy will meet your needs; and
- (b) compare this policy with other policies you may be considering.

The information in this PDS does not take into account your individual objectives, financial situation or needs. You should consider the appropriateness of this information to your circumstances before making any decision about this policy.

You can contact us by:

- calling our Customer Service Centre on **13 24 23**
- visiting **commlnsure.com.au**
- writing to us at PO Box 315, Silverwater, NSW 2128
- faxing our Customer Service Centre on **1300 901 218**
- emailing us at **contactus@commlnsure.com.au**

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Getting started – things you need to know

About this booklet

This booklet is called a Product Disclosure Statement (PDS). It forms part of your policy with CommInsure. Your policy with CommInsure is made up of:

- this Product Disclosure Statement and any Supplementary Product Disclosure Statement issued in the future (PDS);
- your policy schedule; and
- any special conditions that we send to you.

How this policy works

CommInsure Home Insurance offers quality cover with the flexibility to add optional extra cover or to remove certain covers that you don't feel you need and so reduce your premium. There is a Residential Home Package and an Investment Home Package for landlords. You can choose to have building cover, contents cover or both. Cover for personal valuables is also available under the Residential Home Package.

If you decide to take out CommInsure Home Insurance, we will send you a policy schedule which will detail:

- the cover type and options you have selected;
- the dates when cover under the policy commences and finishes. The period between and including these dates is called the period of insurance; and
- any special conditions we have applied to the policy.

In some circumstances special conditions will be sent separately to the policy schedule.

This policy provides cover for:

- the insured events listed on pages 21 to 24, unless you have chosen to remove the optional events of theft, accidental glass breakage or fusion and power surge;
- the optional cover you can add to your policy by paying extra premium as described on pages 26 and 32 for the Residential Home Package, or pages 39 to 40 for the Investment Home Package; and
- the features which are standard with the policy and listed on pages 25, 26, 30 and 31 for the Residential Home Package, and pages 35, 36, 38 and 39 for the Investment Home Package.

The policy does not cover everything. There are exclusions and limits on what we pay:

1. There are general exclusions which apply to the overall policy.
2. There are limits on the amount we will cover for certain contents items. These are called contents with a maximum limit.
3. There are contents items which have limits but you can list them on your policy schedule for a higher value. These are called special limit items.
4. There are exclusions that are specific to the insured events and benefits.

It is important to remember that when we refer to 'you' or 'your' in this PDS, we mean the person or persons named as the policyholder on your current policy schedule.

If more than one person is named on your current policy schedule, we are referring to all of those people jointly. This means that we will treat an act, statement or omission by any one of the people listed on your policy schedule as an act, statement or omission by all of the people listed on your policy schedule. Your policy operates as a joint policy issued as a single policy to all policyholders on your policy schedule. For example, you may be affected if your spouse incorrectly completes the application for insurance.

It is also important to read the entire PDS to make sure you have the cover you want. For example, storm damage is one of the insured events covered under this policy and one of the general exclusions is wear and tear and lack of maintenance including rust, corrosion and deterioration. If rain water entered your building through a rusted hole in your roof, then any resulting water damage would not be covered as it was not solely caused by an insured event (storm damage), but also by a general exclusion (wear and tear and lack of maintenance) as a result of the pre-existing hole in the roof. The water would not have entered if the hole had not been there.

Similarly, unless damage is caused by flash flooding, this policy does not cover flood damage. This means that if storm damage occurs at the same time as flood damage which cannot be classified as damage from flash flooding, this policy will not provide cover for any damage caused by both the storm and flood.

Your total premium

The total premium is made up of the basic premium we charge (including any discounts) and government charges, taxes and levies. Listed below are some of the factors we may use to calculate your basic premium. Your premium will also depend on the type of cover and optional extras you choose to add or remove.

Factors we may use to calculate your basic premium include:

- the date of birth of the oldest policyholder;
- the location and general details of the building;
- the construction type (for example exterior wall type);
- what the building is used for (for example weekender, shopfront);
- who lives in the building (for example owner or renter);
- the nominated sum insured;
- the excess chosen;
- the cover taken out, including any optional covers;
- the length of time you have been a policyholder with Commlinsure; and
- the security measures installed on the building.

Getting started – things you need to know

Paying for your insurance

You can request to pay your insurance in the following ways:

Method	Monthly	Annually
Direct debit from a bank account (bank charges may apply)	✓	✓
Credit card direct debit	✓	✓
Cash or cheque at a Commonwealth Bank branch	✗	✓
Cheque by mail to CommInsure	✗	✓
BPAY®	✗	✓
Telephone and Internet banking	✗	✓

If you pay your total premium by monthly instalment and any instalment remains unpaid for one calendar month or more:

- you will not be able to claim under the policy (if the loss or damage occurs one calendar month or more after non-payment); and
- we may cancel the policy, effective one calendar month after the date the last payment was due, once we have given you notice of your failure to pay the premium.



Words with special meanings

Some words or phrases are used often throughout this PDS and they have special meaning(s) in relation to the policy. A glossary of these special words and their meanings appears on pages 14 to 17.

Cooling-off period

If you are not completely satisfied that the policy meets your needs and you haven't made a claim, you can cancel it within 14 days of receiving your policy schedule or 19 days from the date the policy was issued (whichever is earlier) and we will refund your total premium, less any non-refundable government charges.

Sales guarantee

If the cover type (building, contents, personal valuables) and the cover options or extra cover described in the policy you receive when you first take out the insurance or when you renew the policy is different from what you intended, we will honour a claim based on your intended cover. The claim must fall within the terms and conditions of the policy. The sales guarantee applies for 14 days from receiving your policy schedule or 19 days from the date the policy or renewal was issued (whichever is earlier). After this date, we will only pay claims based on the cover selected as detailed on your policy schedule. Please make sure that you have exactly the type of cover you want within this period and contact us if it doesn't match the cover you intended to have.

The sales guarantee will not apply for the first 48 hours of this policy for bushfire, storm or flash flooding claims except as detailed for those insured events.

When to take out your policy

If you are buying a house, you may need to take out building cover before the purchase is actually completed. The states and territories have different laws about when the purchaser takes responsibility for the building. In some, it is from when contracts are exchanged. In others, it is when the purchase is completed or when the purchaser takes possession. You should check the situation in your state or territory.

Cancelling your policy

As well as being able to cancel your policy under the cooling-off period, you can also contact us if you need to cancel your policy at any other time.

We will refund any unused portion of the total premium, or monthly instalment if you pay by monthly instalments, less any non-refundable government charges. We may apply a cancellation fee of \$20. If the amount of the unused portion minus the cancellation fee is \$5 or less, we will not issue a refund. If the amount of the unused portion minus the cancellation fee means you owe CommInsure an amount of \$5 or less, you will not be required to pay this amount.

Getting started – things you need to know

Should we, in accordance with the Insurance Contracts Act 1984, wish to cancel your policy or decline to offer you a renewal of your policy as a result of your failure to comply with your requirements under this policy at any time, we will provide you with a written notice. That written notice will be either delivered personally or mailed to the last address you provided to us. If we cancel your policy in this way, the total premium will be refunded on the following basis:

- if you have paid your total premium in advance, we will refund any unused portion of the total premium to you; or
- if you pay by instalments, you will not receive a refund.

Changes to the PDS

The information in this PDS is up to date as at the date stated on the cover but is subject to change from time to time. Where a change is materially adverse, we will notify existing policyholders in writing. We may also issue a new PDS or supplementary PDS for new policyholders. Where a change of information is not materially adverse, we will not notify existing policyholders or issue a new PDS or supplementary PDS for new policyholders. However, you will be able to find the information about any change by calling **13 24 23** between 8am and 8pm (Sydney time), seven days a week. You can also find the changes on our web site at **comminsure.com.au**. If you ask us to, we will send you (without charge) a paper copy of the information.

GST

All amounts stated are inclusive of GST.

Privacy

We collect personal information (including policyholders' full names, addresses and contact details) so that we may administer our customer relationships and provide customers with the products and services they request as well as enabling members of the Commonwealth Bank Group to provide you information on their products and services. If we have your email or mobile phone details members of the Commonwealth Bank Group may provide information to you on their products and services electronically. Please note that this may include contact by Short Messaging System (SMS). The law can also require us to collect personal information.

Where it is necessary to do so, we also collect information on individuals such as company directors and officers (where the company is a policyholder) as well as policyholders' agents and persons dealing with us on a 'one-off' basis.

We may take steps to verify the information we collect; for example, a birth certificate provided as identification may be verified with records held by the Registry of Births, Deaths and Marriages to protect against impersonation.

If you provide us with incomplete or inaccurate information, we may not be able to provide you with the products or services you are seeking or we may reduce or refuse

to pay a claim or cancel your policy (see page 11 for more details). Your personal information may be accessed by the Commonwealth Bank Group staff in other countries if that becomes necessary for transactional reasons or to enhance our relationship with you.

We are permitted by the Privacy Act to disclose personal information to other members of the Commonwealth Bank Group. This enables the Group to have an integrated view of its customers.

Other disclosures

We may communicate personal information to:

- brokers and agents who refer your business to us;
- any person acting on your behalf, including your financial adviser, solicitor or accountant, executor, administrator, trustee, guardian or attorney;
- insurance reference agencies, other insurers, a lender if your insurance policy relates to credit provided by that lender, claims assessors, building specialists, investigators, trades persons and suppliers from whom we order goods on your behalf; and
- organisations, including overseas organisations, to whom we outsource certain functions.

Answers to our questions will be printed on the policy schedule which is available to all policyholders.

In all circumstances where our contractors, agents and outsourced service providers become aware of personal information, confidentiality arrangements apply. Personal information may only be used by our agents, contractors and outsourced service providers for our purposes.

We may be allowed or obliged to disclose information by law; for example, under Court Orders or Statutory Notices pursuant to taxation or social security laws.

You may (subject to permitted exceptions) access your personal information by contacting:

Customer Relations Department
Commonwealth Bank Group
GPO Box 41
Sydney NSW 2001

Customer Relations
Telephone **1800 805 605**
Facsimile **1800 028 542**

We may charge you for providing access.

We may change our privacy and information handling practices from time to time. For further information on our privacy and information handling practices, please refer to the Commonwealth Bank Group Privacy Policy Statement, which is available through commbank.com.au or upon request from any Commonwealth Bank branch.

Getting started – things you need to know

Code of Practice

CommInsure supports the General Insurance Code of Practice of 2005 developed by the Insurance Council of Australia (the Code). The Code aims to: promote better, more informed relations between insurers and their customers and commit insurers and the professionals they rely upon to higher standards of customer service.

A focus of the Code is to establish minimum standards for the handling of claims. These standards include:

1. Within ten business days of receiving a claim, make a decision on the claim or if further information is required;
 - advise the detailed information required to make a decision on the claim;
 - appoint a loss adjuster if necessary; and
 - provide an initial estimate of the time required to make a decision on the claim;
2. Updates on progress of the claim to be provided at least every 20 business days;
3. When all necessary information has been provided a decision will be made whether to accept or deny the claim and the customer is to be notified of the decision within ten business days; and

4. If the time frames mentioned above are not practical then reasonable alternative times are to be agreed with the customer.

We have an obligation under the Code to monitor how we are meeting these standards. To find out more about the Code go to the CommInsure web site **comminsure.com.au**.



Your responsibilities

You have some important responsibilities both before you take out CommInsure Home Insurance and once your insurance policy has commenced.

You must answer questions honestly and accurately

When we agree to insure you, vary your policy, renew, or pay your claim, our decision relies on the accuracy of the information you provide. When answering questions, you must be honest, accurate and tell us everything that you, and a reasonable person in the circumstances, would include in your answer. We may reduce or refuse to pay a claim, or cancel the policy, if you have not answered our questions in this way. It is also important that you understand you are answering the questions for yourself and anyone else who is to be covered by your policy.

Choose the right type of cover

You can choose either building or contents cover, or both. You can also choose to have personal valuables cover for items such as jewellery, briefcases, clothing and other personal items usually carried or worn by you.

Make sure you have the right amount of cover

Many people do not have the right sum insured. If you are underinsured you may not have enough insurance to cover your claim and you will have to pay the shortfall.

For building cover, the sum insured nominated should be the total cost of rebuilding including demolition costs, architect and engineers' fees, and all structural improvements at the insured address such as pools, driveways and patios.

For contents cover, the sum insured nominated should be sufficient to meet the cost of replacing all contents items in today's dollars. For example, it can include furniture, appliances, clothes, toys, ornaments, kitchenware and cutlery. See pages 27 and 37 for a more comprehensive list of items.

CommInsure has tools to help you calculate the correct amount of insurance. Visit **comminsure.com.au** for an online calculator or contact us by visiting any Commonwealth Bank Branch or by calling on **13 24 23**.

We will automatically index your sum insured to help it keep pace with inflation and the rising costs of construction. If you have building cover, make sure you update your nominated sum insured when you make changes such as renovations, a new deck or swimming pool. If you have contents cover, you should update your sum insured when you buy or acquire new furniture, appliances or other household items. Your annual renewal is a good reminder to review your level of cover.

Your responsibilities

Intentionally understating your building sum insured could result in us limiting your cover to the nominated sum insured in the event of a claim, or at our option, charging you the correct premium. See page 45 for full details of Total Building Replacement Cover.

Let us know if you are doing any construction work

If you have building cover, you must let us know as soon as possible about any structural improvements, alterations or other renovations you plan to make to the building or at the insured address. We will advise you of any special conditions that we may apply to your policy while the work is being conducted or once the work is completed. These conditions will be listed on your policy schedule or may be advised to you in separate correspondence. If you don't tell us about these changes, we may reduce or deny any claim you make or cancel your policy.

Let us know if the building is unoccupied or untenanted

If you have the Residential Home Package, you must let us know if the building is going to be unoccupied for 60 days or more as special conditions may apply. These conditions will be listed on your policy schedule. If the building is unoccupied for more than 60 days and you haven't told us, we may reduce or deny any claim you make or cancel your policy.

If you have the Investment Home Package, you must let us know if the building is going to be untenanted for 30 days or more as special conditions may apply. These conditions will be listed on your policy schedule. If the building is untenanted for more than 30 days and you haven't told us, we may reduce or deny any claim you make or cancel your policy.

Take good care of your building and contents

Wear and tear, poor workmanship and lack of maintenance are not covered under this policy, so it is important to always maintain your building and contents in good repair and protect them by always using any security devices installed on the building.

Keep documents to help confirm ownership and value

If you ever have to make a claim, we will ask you for confirmation that you owned the item or for confirmation as to the value of the item being claimed. For contents cover, keeping a list of model and serial numbers for electrical items is very helpful. You should also keep as many receipts for other household contents as you can. When you buy furniture, a new DVD player or other contents items, file the receipts so that if you ever have to make a claim the process will be much smoother.

For building cover, keep documents, plans and receipts for building items to assist us in establishing a suitable replacement item or the appropriate scope of repairs.



Glossary of words with special meaning

accident	Something that was not intended, planned or expected and which did not occur through a malicious act.
alarm	Local or monitored burglar alarm systems that have been fitted to the building at the insured address.
building	<p>The domestic residence at the insured address.</p> <p>It includes structural improvements of a domestic nature, being:</p> <ul style="list-style-type: none">• garages or domestic outbuildings;• carports, verandas, pergolas and external structures;• walls, paths, driveways and paved terraces;• gates, masts, aerials and clothes lines;• fences (but in the case of a dividing or shared fence, only the amount the law would require you to pay for the fence);• fixtures providing services, either above or below ground, which have been connected to the building;• fixed apparatus and equipment connected to the gas, plumbing, drainage, sewerage or electrical systems;• permanently fixed swimming pools, saunas and spas, including their fixed accessories; and• exterior blinds and awnings. <p>It also includes fixtures and fittings attached to the residence, being:</p> <ul style="list-style-type: none">• stoves, dishwashers, room heaters, air conditioners, fans, light fittings or hot water services;• built-in furniture; and• fixed floor, wall and ceiling coverings other than carpets. <p>It does not include:</p> <ul style="list-style-type: none">• a strata titled unit (except for the purpose of legal liability cover for a lessee, owner or occupier of a strata title property as detailed on page 41);• a building which comprises flats (except for the purpose of legal liability cover for a lessee, owner or occupier of a strata title property as detailed on page 41);• any part of the building or insured address used for conducting a business, trade, professional services or farming activities that produce an income;

- a building in the course of construction;
- contents within the building which are not fixed;
- landscaping, trees, shrubs, hedges or other plant life except as described under the landscaping rectification costs on pages 26 and 36;
- swimming pools that are freestanding, or which can be moved from the insured address;
- temporary or mobile structures, including caravans;
- loose floor, wall or ceiling coverings which are not fixed; or
- fixed carpets.

collection	Any pair, set or other accumulation of similar objects that belong or are displayed together and would be less valuable if one of the items in the set was lost or damaged. An accumulation of recorded media (such as CDs and DVDs) is not a collection.
computer software	Any software used or designed to be used by a computer, and includes discs, computer or video games, or game controllers and accessories.
contents	<p>Items of property which are not permanently attached or fixed to the building, but which are kept at the insured address and which belong to you, or for which you are legally liable by written legal agreement.</p> <p>Where the building is a strata title property, fixtures and fittings (including built-in furniture) which are owned by you and are not otherwise insured by the owners' corporation, are also considered to be contents.</p> <p>There are three categories of contents:</p> <ol style="list-style-type: none"> 1. general contents; 2. contents with a maximum limit; and 3. special limit items. <p>All three categories have special meanings.</p>
contents with a maximum limit	These items have a maximum limit on the amount we will pay in the event of a claim. It is not possible to insure these items for a higher amount. The items and their limits are detailed on pages 28 and 38.
damage	Actual physical damage to your building, contents or personal valuables.
event	A single occurrence.
fixtures	Items that are permanently attached or fixed to the structure of the building that cannot be removed without causing damage to the building. Unless the building is strata titled, it does not mean carpets (whether fixed or not), carpet tiles, internal blinds or curtains.

Glossary of words with special meaning

flash flooding	The overflow of any lake, river, creek, stormwater channel, canal or any other watercourse (whether natural, altered or man made), caused by a storm, where the flooding occurs within 24 consecutive hours of the storm having commenced.
flood	<p>The inundation of normally dry land by water which has overflowed, escaped or been released from a lake, river, creek, storm water channel, canal or any other watercourse whether natural, altered or man made.</p> <p>Unless the damage is caused by flash flooding, this policy does not cover flood.</p>
general contents	Items which are not fixtures and which are kept at the insured address and which belong to you, or for which you are legally liable by written legal agreement. They are listed on page 27 for the Residential Home Package and 37 for the Investment Home Package. They are not contents with a maximum limit or special limit items.
home	The building and contents.
hydrostatic pressure	The pressure exerted by a fluid due to its weight.
insured address	The land at the address indicated on your current policy schedule used primarily for domestic purposes, including any other area adjoining your insured address for which a statutory authority has made you responsible. It does not include the nature strip outside your building and land or other areas that others are legally entitled to use (for example common property in a strata development or retirement village).
insured events	The events listed on pages 21 to 24.
in the open	Not contained within a fully enclosed and lockable building and within the boundaries of the insured address.
non-motorised watercraft	Watercraft powered by a paddle, oar or by the wind which are less than three metres in length.
period of insurance	The period between and including the dates indicated on your current policy schedule.
special limit items	These items have a limit on what we will pay but you can choose to insure for a higher amount by specifically listing the items on the policy schedule and the amount you want to insure it for.
specified item	A special limit item that you have specifically listed on the policy schedule.

storm	<ul style="list-style-type: none"> • A violent wind (including cyclones), sometimes combined with thunder, heavy falls of rain, hail or snow; or • Thunderstorms or hailstorms, sometimes accompanied by heavy falls of rain or snow. <p>It is not persistent bad weather or heavy or persistent rain by itself.</p>
sum insured	The amount nominated and stated on your policy schedule for your building, contents, personal valuables or specified items.
theft	Includes attempted theft, burglary and housebreaking.
total loss	<p>For building cover, the building is completely destroyed and must be completely re-built; or</p> <p>For contents cover, the amount of the claim is equal to or greater than the sum insured.</p>
total premium	The amount you pay annually for your insurance policy including any mandatory government charges. We may offer you the option of paying the total premium by regular instalments as set out on page 6.
unoccupied	<ul style="list-style-type: none"> • No-one is living at the insured address; • Someone is living at the insured address without your consent; or • You are not permanently residing at the insured address.
untenanted	<ul style="list-style-type: none"> • No tenant is permanently residing at the insured address; or • Someone is living at the insured address without your consent.
you or your	<ul style="list-style-type: none"> • The policyholder(s) named on the policy schedule; • The policyholder's spouse (legal or de facto); and • A person living at the insured address who lives with, and is a child, parent or sibling of the policyholder or the policyholder's spouse. <p>If more than one person is named as the policyholder on the policy schedule, any one of the named policyholders is authorised to act on behalf of all named policyholders in respect to this policy. An act, statement or omission by any one of the people listed on your policy schedule will be taken as an act, statement or omission by all of the people listed on your policy schedule jointly and any third party beneficiaries.</p>
we, us or our	Commonwealth Insurance Limited ABN 96 067 524 216, also referred to as CommInsure.

The policy doesn't cover everything

General exclusions – apply to the overall policy

Unless included in additional cover, we will not cover loss, damage or legal liability caused by:

- flood unless it is flash flooding;
- actions of the sea including tsunami, tidal waves and high tide;
- wear and tear and lack of maintenance, including rust, corrosion, deterioration, except in the case of escape of liquid (refer page 21), or legal liability claims;
- gradual loss or damage of any kind;
- structural defects and faulty workmanship in the construction of the building or lack of maintenance to the building and/or contents;
- intentional acts or acts committed with reckless disregard for the consequences by you, your family or a person acting with the consent of you or your family. If you are a landlord, this includes your tenants unless you have the Investment Home Package and you have paid extra to include additional cover for malicious damage or theft by tenants;
- the participation in illegal activities by you or anyone living at the insured address, unless you have the Investment Home Package and you have paid extra to include additional cover for malicious damage or theft by tenants;
- tree lopping or felling at the insured address;
- actions of trees, plants or their roots;
- toxic mould;
- erosion or earth movement including shrinkage;
- subsidence and landslide, unless it happens immediately following an earthquake or explosion;
- hydrostatic pressure;
- storage of flammable substances above statutory limits;
- vermin, rodents, termites or insects;
- the lawful seizure, confiscation, nationalisation or requisition of any part of your building or other items covered under this policy, or demolition ordered by government or public or local authorities due to a failure to obtain the necessary permits in connection with your building;
- nuclear activities and radioactivity, including the use, existence or escape of nuclear fuel, weapons, material or waste. This includes nuclear pollution and contamination;
- war, whether it is declared or not, including invasion, acts of foreign enemies, civil war, hostilities, rebellion, revolution and civil commotion. Nor are you covered for actions taken to suppress, prevent or control any of the war-like acts described in this general exclusion;
- looting, sacking or pillaging following any type of war as described above; or
- biological and chemical contamination from any cause.

Unless it is stated specifically in the policy, this policy does not provide cover for:

- consequential losses or loss of profit;
- firearms which are unlicensed, unregistered, or which are not stored in accordance with current regulations;
- gold or silver bullion, or unset precious and semi-precious gem stones;
- replacing any undamaged part of your home to achieve a finish or appearance which matches the part which has been repaired or replaced after the damage except as described in the matching benefit on pages 26 and 36;
- damage to any building or part of a building that at the time it was built, renovated or installed was not compliant with the relevant local government regulations, or the requirements of any other statutory authority;
- motor vehicles, caravans, trailers, aircraft or mechanically powered watercraft;
- motorcycles, other than unregistered motorcycles with an engine capacity of 125cc or less which are included as contents on page 28 of this policy;
- motorised self-propelled vehicles (other than motorised wheelchairs, motorised golf carts or buggies, or lawn mowers and ride-on lawn mowers);
- accessories, components or parts fitted to or being used with motor vehicles, motor cycles, caravans, trailers, aircraft, powered watercraft or motorised self-propelled vehicles;
- pets, animals or livestock;
- property which is not yours except as described on page 31 under visitors' property;
- re-recording, re-installing or replacing electronically stored data or files;
- trade goods or stock kept for display, sale or distribution, including merchandise samples;
- home office equipment or furniture, owned by an entity other than you;
- the removal of tree stumps or any part of a tree that has not fallen or caused damage to the insured building or contents;
- the amount shown on your policy schedule as the excess when a claim is made;
- any claim made for an event occurring before the policy commences or after it has expired, lapsed or is cancelled; or
- items which are simply mislaid or lost and the cause is unknown.

The policy doesn't cover everything

Unless you have selected and paid for the cover

Unless you have selected and paid for the cover this policy will not cover:

- accidental damage to the building or contents – see pages 26, 32 and 40;
- fusion and power surge – see page 24;
- accidental glass breakage – see page 23;
- loss or damage caused by theft – see page 23;
- theft and the accidental loss or damage to personal valuables – see page 33;
- compensation for domestic workers at the insured address – see page 32;
- malicious damage or theft by tenants – see page 39; or
- loss of rent should your tenant default or suddenly depart – see page 40.



Events you are covered for

The following insured events apply to both building and contents cover under the Residential and Investment Home Packages subject to the exclusions set out on pages 18 to 20 and any additional exclusions set out below.

Insured events

We will cover you for loss or damage to your building and/or contents caused by the events detailed in this section. The loss or damage must occur at the insured address.

If you only take out building cover, then the cover does not apply to your contents. If you only take out contents cover, then the cover does not apply to your building. Your policy schedule will show which type of cover you have selected.

Animal damage

You are covered for damage caused by animals entering a fully enclosed and lockable part of the building, but not if caused by those kept at the insured address or those at the insured address with the consent of the occupants. We will not cover damage to any part of the building or contents that are outside or in the open.

Earthquake

You are covered for loss or damage caused by earthquake. The excess for earthquake claims is \$500 unless a higher excess has been selected or imposed.

Escape of liquid

You are covered for escape of liquid which occurs suddenly and unexpectedly from any water main, pipe, fixed tank, road gutter, waterbed, fish tank, washing machine,

dishwasher, basin, toilet or any fixed item that is used to hold liquid. Once we have agreed to cover the loss or damage caused, then we will also pay for the reasonable exploratory costs in locating the source of the damage. We will also pay up to \$100 to repair or replace the item that caused the liquid to escape.

We will not pay for:

- damage resulting from a leaking or faulty shower base;
- damage caused by any gradual escape of liquid except where you reasonably could not be expected to be aware of the problem; or
- repairing or replacing undamaged parts of your building to match an area that has been repaired or replaced beyond the \$750 matching benefit on page 26 and 36.

Fire and explosion

You are covered for loss or damage as a result of fire or explosion. We will also pay up to \$100 to repair or replace the item that exploded if the item would have been covered under your type of cover (building or contents).

You are not covered:

- for bushfire for the first 48 hours of this policy unless:
 - this policy is replacing another home insurance policy without a gap in cover or change in sum insured, or
 - you have entered into a contract to purchase or lease the insured address;
- where there was no flame (such as scorching);

Events you are covered for

- where the fire has not escaped the normal confines of a heating or cooking appliance; or
- explosions resulting in a claim for liquid damage to the building or contents. These claims will be treated as a claim under the escape of liquid event. Please refer to page 21.

Flash flooding

You are covered for flash flooding as defined on page 16.

You are not covered for damage:

- to pontoons, jetties and similar structures; or
- for the first 48 hours of this policy unless:
 - this policy is replacing another home insurance policy without a gap in cover or change in sum insured; or
 - you have entered into a contract to purchase or lease the insured address.

The maximum amount we will pay is limited to:

- 15% of the nominated sum insured, where the building is insured by this policy; and
- 25% of the contents sum insured, where contents are insured by this policy.

Lightning

You are covered for loss or damage caused by lightning.

Riots and public disturbances

You are covered for loss or damage caused by riots and public disturbances. You will not be covered if you were involved in the riot or disturbance.

Storm

You are covered for loss or damage as a result of storm.

You are not covered for storm damage to:

- retaining walls, paths, driveways, landscaping or any other loose surfaces;
- any exterior textile shade covering unless installed in the last three years by a professional company specialising in the installation of that type of outdoor textile covering;
- swimming pool and spa covers, or plastic or vinyl pool liners;
- the building or contents as a result of water, wind or hail entering the building due to a defect, structural or design fault that you knew about or should have reasonably known about;
- the building or contents if water enters the building through an opening made for an alteration, extension, renovation or repair; or
- the building or contents for the first 48 hours of this policy unless:
 - this policy is replacing another home insurance policy without a gap in cover or change in sum insured; or
 - you have entered into a contract to purchase or lease the insured address.

You are not covered for the cost of removing tree stumps or any part of a tree that has not fallen or caused damage to the insured building or contents.

Sudden impact

You are covered for sudden impact by:

- any road or rail vehicle or any water, air or space craft;
- items or parts falling from road or rail vehicles, or air or space craft or any space debris;
- falling trees or branches; or
- broken aerials, masts, satellite dishes, communications and/or power poles.

You are not covered for:

- the cost of removing any fallen items where no claimable damage has occurred;
- the cost of removing tree stumps or any part of a tree that hasn't fallen or caused damage to the insured building or contents;
- the cost of replacing any broken aerial, mast or satellite dish;
- damage to driveways, paths and other cement or concrete surfaces caused by the weight of a vehicle; or
- impact by any object as a result of a storm which results in a claim for damage to the building or contents. These claims will be treated as a claim under the storm event. Please refer to page 22.

Vandalism and malicious damage

You will be covered for loss or damage caused by vandalism or malicious intent provided the incident has been reported to the police and, where the offender is identified, you do not prevent us from taking action against them.

If vandalism or malicious damage is caused by someone you have consented to being at the insured address, then the most we will pay is \$500 in any one claim.

Cover you can remove

You can choose to remove certain events from the policy to reduce your premium. As long as you haven't removed the following events, we will also cover loss or damage caused by:

Theft

You will be covered for loss or damage caused by theft. Unless you have requested additional malicious damage or theft by tenant cover as part of the Investment Home Package you are not covered for theft from any part of the building which is lent, let or sub-let by you to another person.

If we discounted your premium because you told us you have an alarm and it was not activated, installed or in efficient working order at the time of the theft, an additional excess of \$300 will apply.

If a theft is committed by someone you have consented to be at your insured address, then the most we will pay is \$500 for any one claim.

Accidental glass breakage

You will be covered as long as the breakage or fracture is through the entire thickness of the item. If you have building cover, this cover applies to fixed glass including ceramics forming part of your building which are:

- windows;
- skylights;

Events you are covered for

- fixed glass, ceramic or porcelain toilets, sinks and basins;
- solar panels;
- shower screens;
- cooktops and ovens;
- fixed glass in light fittings;
- glass balcony or pool fences; and
- fixed mirrors.

If you have contents cover, this cover applies to fixed glass in contents items insured under this policy and glass table tops whether fixed or unfixed.

If we accept a claim for accidental glass breakage we will also pay for the cost of repairing or replacing any other item insured under the cover you have which has been cut, torn, scratched or stained by the broken glass as a direct consequence of the accidental breakage of the item.

Cover under accidental glass breakage does not apply to:

- glasshouses or conservatories;
- fish tanks;
- glass or ceramic tiles or glass splashbacks;
- glass in electrical appliances other than cooktops and ovens;
- picture tubes or screens in televisions or computer monitors, whether LCD, plasma or any other type;
- contents items which are not glass or ceramic;
- items which are already damaged; or

- vases, ornaments, figurines, crockery, china, glass ware or crystal ware.

Fusion and power surge

You are covered where fusion and burn out of electric motors or power surge causes electrical damage to household appliances and motors. We will pay the cost of repairing or replacing the fused electric motor or damaged appliance, including the cost of service calls and labour charges.

If you have building cover, we will pay for motors and appliances which form part of your building such as air conditioners and pool filters.

For contents cover we will pay for:

- motors and appliances that are part of a general contents item; and
- replacing food that is spoilt as a result of the fusion or power surge.

We will not cover fusion or power surge of electric motors or electrical appliances that are:

- more than ten years old;
- covered by a warranty;
- used for a business, trade or profession; or
- not kept at the insured address.

We will not pay where there is no evidence acceptable to us of the fusion or power surge.

We will not cover the additional cost to remove or reinstall submerged or underground motors.

Residential Home Package

CommInsure's Residential Home Package offers three types of cover:

1. building cover;
2. contents cover; and
3. personal valuables cover.

Each type of cover can be taken separately or in combination.

Building cover

Features of building cover

Total Building Replacement Cover

You have an obligation to estimate as best you can the right sum insured amount. But what happens if you get it wrong?

Under some home insurance policies, if the sum insured amount on your policy is less than the actual cost to rebuild you would be out of pocket and need to pay the difference. But when CommInsure's Total Building Replacement Cover applies you won't have to worry about being underinsured. It covers most customers in the event of a total loss for the full replacement value of their building no matter what they have nominated as their sum insured. Page 45 details how Total Building Replacement Cover will work if you have a claim.

Legal liability cover

Please refer to the details of this cover on page 41.

Demolition and debris removal costs

Where an insured event causes damage to the building, we will pay fire extinguishment costs and for the cost to demolish any part of the building, if necessary, and removal of the debris. We will only pay costs that relate directly to the damaged part of the building. We will pay this amount in addition to the total building replacement cost.

Alternative accommodation costs

If we agree that an insured event has caused so much damage to your building that you cannot live in it, we will pay alternative accommodation costs. The amount we will pay is the amount it could have been rented for, and we will pay this amount for the period from the time the building is unable to be lived in as a result of the damage and while it is being repaired, rebuilt or replaced up to a maximum period of twelve months.

We will also pay the actual costs you incur to temporarily accommodate your pet(s), up to a maximum of \$2,500 for any one claim.

Emergency work and temporary repairs

If your building is damaged as a result of an event insured by your policy, we will pay the reasonable cost for emergency work or temporary repairs to protect your building against further loss and damage. The emergency work and repairs are limited to the building and not any contents items that may have been damaged. We will not pay to remove any part of an item or object that has not fallen or caused damage, nor will we pay to remove tree stumps.

Residential Home Package

Replacement locks or keys

If your keys are stolen from the insured address, we will pay for window, door and other locks fixed to the building that were operated by the stolen key(s), to be replaced or re-keyed.

Mortgage discharge and new title deed costs

Where damage to the building has occurred as a result of an insured event, we will pay the legal costs associated with discharging any mortgage on the building following settlement of a claim for its total loss. We will also pay for the cost of preparing new title deeds for your building if your title deeds are lost or damaged due to an insured event while they are at the insured address. We will pay these amounts in addition to the total building replacement cost.

Professional fees

Where damage to the building has occurred as a result of an insured event, we will pay architectural, engineering, surveying, legal and construction application fees in connection with repairing or rebuilding that part of the building that suffered loss or damage.

Construction materials

If you are renovating or altering the building, we will pay up to a maximum of \$1,000 in any one claim for loss or damage to construction materials that are secured in a locked area at the insured address provided they have been purchased within six months of the insured event occurring. Loose gravel, sand or soil are not construction materials for the purposes of this policy.

Landscaping rectification costs

Where fixed trees, plants or shrubs have been damaged as a result of an insured event, we will pay landscaping rectification costs of up to \$2,000 for any one claim. This includes the replacement of fixed trees, plants or shrubs which cannot be saved. We will not provide this cover for storm, escape of liquid or flash flooding, or for the theft of portable or potted trees, plants or shrubs.

Matching

Where necessary, we will pay up to \$750 in any one claim for materials to match or bring about a matching finish to the new materials used in the repair or reinstatement of any building damage.

Optional cover you can pay more to have

You can choose to add the following cover to your policy. If you have selected an option and paid the extra premium, the cover will be shown on your policy schedule.

Accidental damage

In addition to the cover provided by the insured events detailed on pages 21 to 24, the accidental damage option covers damage to the building that is caused unintentionally. We will cover the cost of repairing or replacing that part of the building which suffers physical loss or damage caused by an accident at the insured address.

The general exclusions on pages 18 and 19 apply. In addition, we will not cover damage caused by or attributable to:

- atmospheric conditions, mould, mildew or rot;
- scratching, chipping or denting; or
- any cleaning process using chemicals other than domestic household chemicals.

We do not cover accidental damage that occurs outside of the insured address.

Contents cover

Three categories of contents

Your contents are divided into three categories:

1. general contents;
2. contents with a maximum limit; and
3. special limit items that you can choose to insure for more than the limit.

1. General contents

General contents include:

- furniture and household goods;
- appliances and electrical items;
- food;
- kitchen and tableware;
- clothing, bedding, towels and other linens;
- books, toys, sporting and recreation equipment;
- gardening equipment and other tools;
- licensed or registered firearms;
- computers and computer hardware;
- cameras and video equipment;

- musical instruments;
- indoor plants;
- swimming pools which are pre-fabricated or above ground or which are freestanding; and
- swimming pool accessories which are not permanently fixed, pool liners and removable covers.

Where the building is a strata title property, fixtures and fittings (including built-in furniture and fixed wall, floor or ceiling coverings) which are owned by you and are not otherwise insured by the owners' corporation are also considered to be contents. As these items are typically building items in nature, claims will be settled as per claims for building cover described on page 45.



Residential Home Package

2. Contents with a maximum limit

If we agree to pay a contents cover claim, the most we will pay for the grouped items below is:

Item groups	The most we will pay per claim for each group of items
Cash, smart cards, phone cards, gift vouchers or any other negotiable instrument	Up to \$500 in total
Carpet and curtains	Restoration or replacement is limited to the room, passage or hallway where the damage occurred
Contents in the open	Up to \$2,000 in total for theft and flash flooding, or 10% of the contents sum insured for all other events
Business equipment in a building at the insured address	Up to \$2,000 in total
Unregistered motorcycles with an engine capacity of 125cc or less	Up to \$1,000 in total
Accessories and spare parts of motor vehicles, caravans, trailers and boats that are contained in a building at the insured address	Up to \$1,000 in total

3. Special limit items – you can choose to insure for more

Special limit items are contents items which have a limit on the amount we will pay, unless you choose to insure for a higher amount. You will need to list the item and the amount you want to insure it for. The item will then be listed on your policy schedule. It will be called a specified contents item.

Unless you request a different amount, the most we will pay for the grouped special limit items below is:

Item groups	The most we will pay per claim for each group of items
Jewellery and watches	Up to \$1,000 for each item, pair or set up to a maximum of \$4,000 in total
Stamps, stamp collections, collectors' pins, medals, uncirculated mint issue or proof coins or notes, ancient or rare coins and sovereigns, curios or objects valued as curiosities and any other collections and memorabilia of any type	Up to \$2,000 in total
Commercially recorded accumulations of CDs, DVDs, records, audio or video tapes, legal or authorised downloads of any media, games designed to be played on game consoles, computer software and discs or any other recorded media	Up to \$3,000 in total
Solid gold and silver items, but not coins, bullion, sovereigns, jewellery or watches	Up to \$2,500 in total
Pictures, prints, portraits, sculptures or artworks	Up to \$2,500 in total
Non-motorised watercraft	Up to \$1,000 in total
Alcohol, including wine accumulations	Up to \$1,000 in total
Hand-woven carpets or rugs	Up to \$2,000 in total

Residential Home Package

Features of contents cover

New for old

If any of your contents items suffer loss or damage as a result of an insured event or other cover under your policy, you will be covered on a 'new for old' basis, for their replacement or repair cost equal to their condition when new. Please refer to the full details on page 46.

Legal liability cover

Please refer to the details of this cover on page 41.

Demolition and debris removal costs

Where an insured event causes damage to contents contained in the building, we will pay fire extinguishment costs and costs to remove the debris. We will only pay costs that relate directly to the contents which are damaged or destroyed. We will pay this amount in addition to the sum insured.

Alternative accommodation costs

If you are renting and we agree that an insured event has caused the building to be unliveable and the rental agreement to be broken, we will pay alternative accommodation costs. We will pay the difference in weekly rent that is incurred if higher rent is charged for equivalent rental accommodation in the same area. We will pay this for a period which is equal to the time remaining on your lease. If you select accommodation that is not equivalent, we will limit our payment to an amount for equivalent accommodation.

We will also pay the actual costs you incur to temporarily accommodate your pet(s), up to a maximum of \$2,500 for any one claim.

Emergency work and temporary repairs

If your contents are damaged as a result of an event insured by us, we will pay the reasonable cost for emergency work or temporary repairs to protect your contents against further loss and damage. The emergency work and repairs are limited to the contents items, not any repairs to the building. We will not pay to remove any part of an item or object that has not fallen or caused the damage.

Replacement locks or keys

If you are a tenant or the owner of a strata title property or similar scheme and your keys are stolen from the insured address, we will pay for window, door and other locks fixed to the building that were operated by the stolen key(s), to be replaced or re-keyed.

Contents in transit

We will cover up to 20% of the contents sum insured for loss or damage to contents when you are moving from your home to a new permanent home within Australia and the vehicle carrying the contents is damaged or destroyed by fire or is stolen. We will not cover your contents when they are not located in the vehicle being used to transport them nor contents being professionally relocated by a removalist or other paid professional business.

Temporary removal of contents

We will cover up to 20% of the contents sum insured for loss or damage to contents as a result of an insured event when they are not at the insured address, but contained within a fully enclosed and lockable building within Australia where you are temporarily residing for 120 days or less or in a safety deposit box in a bank. We will not cover cash, and the following items will only be covered for up to \$1,000 in any one claim:

- mobile phones, PDAs, laptop and portable computers and their equipment, special limit items, specified items and tools of trade;
- contents stored in a storage facility or other premises unless stored by us in connection with a claim.

Moving within Australia

We will cover your contents in the building at both the old and new addresses for up to 14 days from the day you start moving. If cover is required for longer, separate policies will be required for each insured address.

Visitors' property

We will pay up to \$2,000 in any one claim for visitors' property that suffers loss or damage at the insured address by an insured event. We will pay for the replacement of these possessions provided that we would have paid the claim if the lost or damaged property had belonged to you. We will not pay if the items are already insured by the

owners, or for cash or other negotiable instruments. Our usual policy conditions and claim procedures will apply as if the property was owned by you.

Home office equipment and furniture

We will pay for furniture, computer or office equipment that is owned by you and used in connection with your business, trade or profession that suffers loss or damage as a result of an insured event. We will not cover:

- liability associated with the business;
- items which are not owned by you including those owned by a business entity;
- stock used for the business;
- goods kept for distribution, sale or on consignment; or
- loss arising from business interruption.

Strata title extension

Where the building is a strata title property, we will extend your contents cover to include fixtures and fittings (including built-in furniture and fixed wall, floor or ceiling coverings) which are owned by you and not considered to be building items under strata title or similar legislation. As these items are typically building items in nature, claims will be settled as per claims for building cover as described on page 45.

Residential Home Package

Optional cover you can pay more to have

You can choose to add one or more of the following covers to your policy. If you have selected an option and paid the extra premium, the cover will be shown on your policy schedule.

Accidental damage

The accidental damage option covers damage to your contents that is caused unintentionally. We will cover the cost of repairing or replacing contents items in the building which are accidentally damaged at the insured address. For contents with a maximum limit and special limit items we will pay the limits set out on pages 28 to 29. For specified items other than jewellery and watches, we will pay up to the amount listed on the policy schedule. We do not provide cover for jewellery and watches under this option.

The general exclusions on pages 18 and 19 apply. In addition, we will not cover damage caused by or attributable to:

- atmospheric conditions, mould, mildew or rot;
- scratching, chipping or denting; or
- any cleaning process using chemicals other than domestic household chemicals.

We do not cover accidental damage to:

- property used for trade or business purposes;
- clothing or accessories;
- bicycles or sporting equipment while in use;

- electronic equipment or data as a result of electronic or mechanical failure, or by virus or processing error;
- jewellery or watches (these can be insured for accidental damage under personal valuables cover); or
- damage that occurs outside of the insured address.

Domestic Workers Compensation

Domestic Workers Compensation cover provides cover for injury to domestic or similar workers such as gardeners or cleaners. If cover applies, and you have paid the additional premium, your policy schedule will show that this cover applies under the heading 'Domestic Workers Compensation'.

New South Wales

If the insured address is located in New South Wales this section applies to cover for persons who are employees or deemed employees.

This cover is provided pursuant to a statutory policy (issued under the NSW Workers Compensation legislation) and is only available in NSW.

The cover will be handled by Allianz Australia Workers Compensation (NSW) Limited ABN 17 003 087 545, under the terms and conditions of an agreement we have with Allianz as agent.

The amount payable is governed by the laws of New South Wales and the terms and conditions that apply to you are those contained in Section 159 of the Workers Compensation Act 1987 and clause 49 of the Workers Compensation Regulation 2003.

A copy of the full wording of the statutory policy will be provided to you on request.

Australian Capital Territory, Tasmania and Western Australia

If the insured address is in the Australian Capital Territory, Tasmania or Western Australia, this section applies to cover for persons who are workers or deemed workers under the relevant workers compensation legislation in the states of Tasmania and Western Australia, and the Australian Capital Territory.

The amount payable is governed by the laws of each state or territory, and the terms and conditions that apply to you are those contained in the respective legislation. A copy of the full wording of the policy can be provided to you on request.

The risk will be issued by Allianz Australia Insurance Limited (Allianz) ABN 15 000 122 850, as the approved insurer under the relevant workers compensation legislation in these jurisdictions, under the terms and conditions of an agreement we have with them as agent.

Claims procedure for Domestic Workers Compensation Insurance

If someone makes a claim for injury which happened while that person was working for you as a domestic worker, you must tell us as soon as possible.

We will advise you how to contact Allianz, who will:

- record the details of the claim and provide advice for quick medical attention for the injured worker;
- arrange for the completion of claim forms and necessary supporting documentation;
- advise you of the validity of the claim under the relevant legislation; and
- manage the claim to finalisation including medical and lost wages costs in accordance with relevant legislation.

Please note that the terms and conditions contained elsewhere in this policy do not apply to this part of the policy.

Personal valuables cover

There are many items of a personal or portable nature you usually carry or take away from home and are therefore more susceptible to accidental damage and loss rather than the listed events on pages 21 to 24. For this reason CommInsure offers personal valuables cover for a range of portable items you typically carry, wear or take away from the insured address.

This cover offers more comprehensive cover than just contents cover because it protects you against theft and the accidental loss or damage (even if the cause is unknown) of personal valuables anywhere within Australia and New Zealand. We will also cover them worldwide for the first 30 days of any overseas travel.

Residential Home Package

There are two types of cover:

1. Customised cover where you list each item you want covered and the amount you want to cover each one for; or
2. Packaged cover where you do not have to list each item, but where the most we will pay is \$750 for any one item. The maximum you can claim in any one claim can be chosen from the following levels: \$2,000, \$3,000, \$4,000, \$5,000 and \$7,500.

The items you can insure as personal valuables are:

- jewellery and watches;
- clothing;
- sunglasses and spectacles;
- portable music and video devices such as CD players, iPods, MP3 players or similar;
- cameras, video cameras and accessories;
- laptops;
- sporting equipment (but not while in use);
- camping equipment;
- bags, briefcases, luggage and wallets (but not their contents);
- baby capsules, children's car seats and prams;
- binoculars, telescopes and opera glasses; and
- portable musical instruments.

Other items may be accepted at our discretion.

We will not cover your personal valuables for loss or damage involving or as a result of:

- wear and tear, deterioration, depreciation, light, atmospheric conditions, mould, mildew or rot;
- any process of cleaning, restoration or alteration;
- moths, vermin or insects;
- electrical or mechanical breakdown or over-winding;
- scratching or denting; or
- the use of any item for business, trade, profession or income earning activity.

If you have insured an item under personal valuables cover, do not include the same item in your general contents sum insured.



Investment Home Package

If you are a landlord, Commlnsure's Investment Home Package provides quality cover for the insured events described on pages 21 to 24 and offers extra cover and options to protect you as a landlord. You can choose to have building cover, contents cover or both. The cover and options you select will be stated on your policy schedule.

Building cover

Features of building cover

Loss of rent

We will pay the lost rent suffered as a result of an insured event for up to twelve months. The amount will be based on the average weekly rent paid by the tenants over the previous twelve months before the insured event occurred.

We will also cover you for the amount of rent you lose caused by a property within 500 metres of the insured address being so damaged as to prevent access by your tenant to the building. We will also cover situations where rent is lost because access has been prevented due to an insured event. The maximum we will pay is twelve months based on the average weekly rent paid by the tenant.

We will not cover loss of rent in any situation if the building has been untenanted for more than 30 consecutive days prior to the claim, where there is no signed tenancy agreement, or where you do not intend to rebuild or continue letting the building.

Total Building Replacement Cover

You have an obligation to estimate as best you can the right sum insured amount. But what happens if you get it wrong?

Under some home insurance policies, if the sum insured amount on your policy is less than the actual cost to rebuild you would be out of pocket and need to pay the difference. But when Commlnsure's Total Building Replacement Cover applies you won't have to worry about being underinsured. It covers most customers in the event of major loss or damage for the full replacement value of the building no matter what they have nominated as their sum insured. Page 45 details how Total Building Replacement Cover will work if you have a claim.

Legal liability cover

Please refer to the details of this cover on page 41.

Demolition and debris removal costs

Where an insured event causes damage to the building, we will pay fire extinguishment costs, for the cost to demolish any part of the building (if necessary) and removal of the debris. We will only pay costs that relate directly to the damaged part of the building. We will pay this amount in addition to the total building replacement cost.

Investment Home Package

Emergency work and temporary repairs

If your building is damaged as a result of an event insured by your policy, we will pay the reasonable cost for emergency work or temporary repairs to protect your building against further loss and damage. The emergency work and repairs are limited to the building and not any contents items that may have been damaged. We will not pay to remove any part of an item or object that has not fallen or caused the damage.

Replacement locks or keys

If the keys are stolen from the insured address, we will pay for window, door and other locks fixed to the building that were operated by the stolen key(s), to be replaced or re-keyed.

Mortgage discharge and new title deed costs

Where damage to the building has occurred as a result of an insured event, we will pay the legal costs associated with discharging any mortgage on the building following settlement of a claim for its total loss. We will also pay for the cost of preparing new title deeds for your building if your title deeds are lost or damaged due to an insured event while they are at the insured address. We will pay these amounts in addition to the total building replacement cost.

Professional fees

Where damage to the building has occurred as a result of an insured event, we will pay architectural, engineering, surveying, legal and construction application fees in connection with repairing or rebuilding that part of the building that suffered loss or damage.

Construction materials

If you are renovating or altering your building, we will pay up to a maximum of \$1,000 in any one claim for loss or damage to construction materials that are secured in a locked area at the insured address provided they have been purchased within six months of the insured event occurring. Loose gravel, sand or soil are not construction materials for the purposes of this policy.

Landscaping rectification costs

Where fixed trees, plants or shrubs have been damaged as a result of an insured event, we will pay landscaping rectification costs of up to \$2,000 for any one claim. This includes the replacement of fixed trees, plants or shrubs which cannot be saved. We will not provide this cover for storm, escape of liquid or flash flooding or for the theft of portable or potted trees, plants or shrubs.

Matching

Where necessary, we will pay up to \$750 for any one claim for materials to match or bring about a matching finish to the new materials used in the repair or reinstatement of any building damage.

Contents cover

Three categories of contents

Your contents are divided into three categories:

1. general contents;
2. contents with a maximum limit; and
3. special limit items that you can choose to insure for more than the limit.

1. General contents

General contents items are items which are owned by you which are not fixtures, at the insured address. General contents include:

- furniture and household goods;
- carpets (fixed or loose), and other loose floor coverings;
- internal blinds, curtains and soft furnishings;
- portable appliances and electrical items;
- kitchen and table ware;
- indoor plants;
- lawn mowing and garden maintenance equipment;
- swimming pools which are pre-fabricated or above ground or which are freestanding; and
- swimming pool accessories which are not permanently fixed, pool liners and removable covers.

General contents under the Investment Home Package are not:

- any item not owned by you;
- clothing, footwear and personal effects;
- jewellery, watches, unset precious and semi-precious stones;
- cash or other negotiable instruments, or documents of any kind;
- any CDs, DVDs, records or tapes;
- registered or licensed firearms, or firearms where the owner is required to be licensed;
- curios, gold, silver or antiques (other than antique furniture);
- items of common property or items located on common property;
- stock or plant used for business purposes, or any tools of trade;
- motor vehicles or motorcycles, and accessories, components or spare parts;
- any other motorised self-propelled vehicle and its accessories, components or spare parts (other than lawn mowers or ride-on lawn mowers);
- caravans or trailers, or their equipment or accessories;
- aircraft, watercraft (powered or not), or their accessories, components or spare parts;
- trees, shrubs and outdoor plants; and
- construction materials.

Where the building is a strata title property, general contents is extended to include fixtures and fittings (including built-in furniture and fixed wall, floor or ceiling coverings) which are owned by you and are not otherwise insured by the owners' corporation.



Investment Home Package

2. Contents with a maximum limit

If we agree to pay a contents cover claim, the most we will pay for the grouped items below is:

Item groups	The most we will pay per claim for each group of items
Carpet and curtains	Restoration or replacement limited to the room, passage or hallway where the damage occurred
Contents in the open	Up to \$2,000 for theft and flash flooding, or 10% of the contents sum insured for all other events

3. Special limit items – you can choose to insure for more

Special limit items are contents items which have a limit on the amount we will pay, unless you choose to insure for a higher amount.

Under the Investment Home Package, pictures, portraits, sculptures or artworks are special limit items. The most we will pay for these items is \$2,500 in total per claim. You can choose to insure these items for more than the limit of \$2,500. To do this you will need to list the item and the amount you want to insure it for. The item will then be listed on your policy schedule. It will be called a specified contents item.

Features of contents cover

Loss of rent

If your contents are contained in a building that is a strata title or similar scheme, and that building sustains loss or damage by an insured event, we will pay the lost rent suffered for up to twelve months. The amount will be based on the average weekly rent paid by the tenants over the previous twelve months before the insured event.

We will also cover you for the amount of rent you lose caused by a property within 500 metres of the insured address being so damaged as to prevent access by your tenant to the building. We will also cover situations where rent is lost because access has been prevented due to an insured event. The maximum we will pay is twelve months based on the average weekly rent paid by the tenant.

We will not cover loss of rent in any situation if the building has been untenanted for more than 30 consecutive days prior to the claim, where there is no signed tenancy agreement, or where you do not intend to rebuild or continue letting the building.

New for old

If any of your contents items suffer loss or damage as a result of an insured event or other cover under your policy, you will be covered on a 'new for old' basis for their replacement or repair cost equal to their condition when new. Please refer to the full details on page 46.

Legal liability cover

Please refer to the details of this cover on page 41.

Demolition and debris removal costs

Where an insured event causes damage to contents contained in the building, we will pay fire extinguishment costs and costs to remove the debris. We will only pay costs that relate directly to the contents which are damaged or destroyed. We will pay this amount in addition to the sum insured.

Emergency work and temporary repairs

If your contents are damaged as a result of an event insured by us, we will pay the reasonable cost for emergency work or temporary repairs to protect your contents against further loss and damage. The emergency work and repairs are limited to the contents items, not any repairs to the building. We will not pay to remove any part of an item that has not fallen or caused the damage.

Replacement locks or keys

If the building is a strata title property or similar scheme and the keys are stolen from the insured address, we will pay for window, door and other locks fixed to the building that were operated by the stolen key(s), to be replaced or re-keyed.

Strata title extension

Where the building is a strata title property, we will extend your contents cover to include fixtures and fittings (including built-in furniture and fixed wall, floor or ceiling coverings) which are owned by you and not insured by the owners' corporation. As these items are typically building items in nature, claims will be settled as per claims for buildings cover as described on page 45.

Optional cover you can pay more to have

You can enhance the Investment Home Package by choosing from the following optional extras. You must pay an additional premium for these covers.

Malicious damage or theft by tenants

You will be covered for loss or damage to your building or contents at the insured address, caused by:

- tenants of the building; or
- persons (other than you or your agent) acting with the express or implied consent of the tenants.

Malicious acts include riots or civil disturbance, theft and unapproved structural alterations to the building completed by the tenant.

You are not covered for any loss or damage arising from or as a result of:

- cleaning, redecorating, painting or wall papering if there is no other physical damage to the building;
- poor housekeeping or neglect by the tenant or any other person who resides with them at the insured address; or
- gradual damage that occurs throughout the entire tenancy period and not as a result of one event or occurrence.

You will not be covered if there is no signed tenancy agreement in force at the time of the loss or damage.

Any amounts we pay will be reduced by the rental bond if this has not already been exhausted by other tenant liabilities.

Investment Home Package

The most we will pay for claims under this cover will be based on the Total Building Replacement Cover if you have building cover or the sum insured if you have contents cover.

Loss of rent extra

This cover is available with building cover or, if the building is a strata title property or similar scheme, with contents cover. It provides cover should your tenant default on their rent payments or suddenly depart.

We will provide cover for the rent you lose due to a tenant defaulting on their rent payments for at least four consecutive weeks, until the building is re-tenanted, to a maximum of 16 weeks rent. We will also provide up to four weeks rent due to the sudden and unexpected departure of a tenant. In both situations we will pay up to \$1,500 for the legal expenses you incur to mitigate the loss. Any amounts we pay will be reduced by the rental bond if this has not already been exhausted by other tenant liabilities. Only one excess will apply if a claim is made for both the default and departure components of this cover within one tenancy period.

We will not cover loss of rent extra where there is no signed tenancy agreement, or where you do not intend to rebuild or continue letting the building.

Only one claim for default and departure can be made for any one tenancy agreement.

Accidental damage cover

In addition to the cover provided by the insured events detailed on pages 21 to 24, the accidental damage option is available with building cover. It covers damage to the building that is caused unintentionally. We will cover the cost of repairing or replacing that part of the building which suffers physical loss or damage caused by an accident at the insured address.

The general exclusions on pages 18 and 19 apply. In addition, we will not cover damage caused by or attributable to:

- atmospheric conditions, mould, mildew or rot;
- scratching, chipping or denting; or
- any cleaning process using chemicals other than domestic household chemicals.

Legal liability cover

Subject to the general exclusions to this policy (see pages 18 and 19) and the further exclusions below, if an accident occurs during the period of insurance which causes:

- death or bodily injury to someone other than you; or
- physical loss or damage to the property of someone other than you;

then:

If you have contents cover

We will pay up to \$20 million for damages, legal fees and disbursements, costs or expenses for which you are legally liable. We will cover you for accidents that happen outside the insured address within Australia. If you are a lessee, owner or occupier of a strata title property, we will also cover you for accidents that happen in the building or on the insured address for which you are legally liable as the lessee, owner or occupier of the building.

If you have building cover

We will pay up to \$20 million for damages, legal fees and disbursements, costs or expenses for which you are legally liable. We will cover you for accidents that happen in the building or on the insured address.

Limit

We will not pay more than \$20 million on all claims arising out of the same accident or related series of accidents with a common underlying cause. However, we will pay the reasonable legal costs and expenses of our lawyers acting on your behalf in addition to this amount.

Exclusions

We will not cover you for legal liabilities:

- for death or injury to you or your employees;
- for damage to your property, or to any property in your physical or legal control;
- for damage caused by rust, corrosion and deterioration except where you reasonably could not be expected to be aware of the problem;
- arising out of or as a result of any workers compensation legislation, industrial award or agreement, or statutory accident compensation scheme; or
- for any fine or penalty, or punitive or exemplary damages.

We will not cover any legal liabilities arising from or as a result of:

- the transmission, directly or indirectly, of any illness, disease or medical condition including, but not limited to, Acquired Immune Deficiency Syndrome (AIDS), AIDS Related Complex (ARC) or Human Immunodeficiency Virus (HIV);
- any business, trade or profession carried on by you, other than part-time temporary care of children as a babysitter;
- the ownership or occupation of any land or premises other than your legal liability as occupier of the building at the insured address;
- construction work on your building or insured address where the cost exceeds \$25,000 during the time the construction work is in progress;

Legal liability Cover

- the use, removal of or exposure to any asbestos product or products containing asbestos;
- vibration or the weakening or removal of, or interference with, support to land, buildings, contents or other property;
- erosion, subsidence or landslide;
- your legal liability under the provisions of any agreement you have entered into, unless you would have been liable even in the absence of such agreement;
- the use of mechanically propelled vehicles (other than lawn mowers, ride-on lawn mowers, golf buggies and motorised wheelchairs), or aircraft or aerial devices;
- the use of power-driven watercraft or any watercraft which exceeds three metres in length;
- an animal other than a domestic animal (excluding dangerous dogs, see below) kept as a pet on the insured address;
- a dog declared to be dangerous by a relevant authority;
- sporting activity, whether professional, recreational or amateur;
- your consumption of alcohol or drugs; or
- the discharge, dispersal, release or escape of pollutants from your premises into or upon land, the atmosphere or any watercourse or body of water and any costs and expenses incurred in the prevention, removal or clean-up of such pollutants unless they are caused by a sudden, identifiable, unexpected or unintended happening that takes place in its entirety at a specific time and place during the period of insurance.

Making a claim

If something happens that you think you can claim for, call us on 13 24 20 as soon as you can and we will help you work out the next steps you need to take.

Things you need to do immediately

If there has been:

- a theft;
- malicious damage or vandalism; or
- an impact by any vehicle (other than one driven by you or a family member),

report it to the police immediately. We may require copies of police reports to help process the claim.

Keep items that have been damaged. We may need to inspect them or take possession of them to help settle the claim. After settlement of a claim, you must make any damaged property available to us. If we choose not to take possession of damaged property, it remains your responsibility.

Take reasonable steps to prevent further loss or damage from occurring.

Other things you need to do

- Forward to us any correspondence from third parties in relation to the claim.
- Forward to us immediately any letters, notices or court documents that you receive in respect to a possible claim against you.
- Provide us with the reasonable proof we require in respect of expense items that are claimable under this policy.

- Provide all the information we request and provide assistance necessary for us to:
 - recover from a third party; or
 - defend a claim against you in your name and on your behalf. This could include your attendance in court.
- Tell us if any other insurance applies to the claim.
- Agree that we may, on your behalf and in your name:
 - make any claim or take any proceedings against any person;
 - take over the conduct and proceedings of any claim or proceedings against you; and/or
 - settle any such claims or proceedings.
- At our request, arrange quotes or provide reports on damaged items.
- Provide us the opportunity to inspect the building or contents before repairs commence.

Please do not:

- authorise repairs or arrange replacements without our agreement; or
- make any admissions, settle or attempt to settle or defend any claims made against you without our prior consent.

Failure to assist and cooperate

Failure to assist and cooperate with us in any of the ways described above may result in us reducing your claim (potentially to nil).

Making a claim

We will:

- work towards settling your claim, wherever possible, within five working days after we have received all the necessary information we require;
- keep you informed of progress with your claim if settlement is not possible within five working days;
- nominate repairers and suppliers;
- settle the claim on the basis of a competitive quote; and
- where we have selected and directly authorised a repairer, we will accept responsibility for the quality of workmanship and materials.

Confirmation of ownership

When you make a claim we will ask for confirmation of ownership. This will help us replace the item(s) with the closest possible match. The types of documents and items we ask for as confirmation may vary from item to item, or situation to situation. For example, it is unlikely that a receipt exists for a household appliance purchased 15 years ago. We will tell you what we need to confirm ownership in your particular situation. Reasonable documents and items to confirm ownership include:

- purchase receipts;
- warranty certificates;
- valuation certificates; and
- model and serial numbers.

These could be supported by:

- instruction manuals;
- spare parts for the item;
- original packaging;
- credit card and bank statements;
- photographs;
- receipts for previous repairs; and
- detailed description of the items.

How your excesses will be applied

The amount we will pay for your claim will be reduced by the excesses that apply to the policy, event or benefit. There are different excesses:

Selected	An amount chosen by you and shown on your policy schedule
Earthquake	\$500, unless you have selected or we have imposed an excess higher than \$500, in which case the higher excess will apply
Unsecured theft excess if an alarm is not activated at the time of a theft	\$300, in addition to any selected or imposed excess
Imposed	An amount imposed by us to support a special condition as detailed on your policy schedule. An imposed excess replaces a selected excess

The excess will be either:

- deducted from any settlement amount we send directly to you;
- deducted from the invoice we receive from the repairer, which will mean that you will be responsible for payment of the excess amount directly to the repairer; or
- required to be paid direct to us by you prior to settling the claim.

Settling building claims

The cover offered under the policy is 'Total Building Replacement Cover'. This means that if any part of the building is damaged by an insured event, you are covered for the costs which are incurred to repair or rebuild the damaged part of the building as near as possible to the condition prior to the event using only new materials. This protects you in times of major damage against your sum insured being too low.

Total Building Replacement Cover will not apply if:

- we determine the building to be in poor condition at the time of a claim. In this case, we will determine a reasonable allowance to be deducted from the claim settlement, based on the condition of the building or that part of the building that is in poor condition; or
- you intentionally understate your building sum insured. This could result in us limiting your cover to the nominated sum insured in the event of a claim, or at our option, charging you the correct premium based on the total sum insured.

We will use new construction materials available to suppliers in your region and construction methods commonly used at the time the loss or damage occurred. Where the materials are not available in your region, we will pay the reasonable cost of sourcing the materials from elsewhere in Australia. We will not pay to have materials or items remade, sourced or purchased from overseas.

We will not pay to replace undamaged parts of the building to achieve a match beyond the \$750 matching benefit detailed on pages 26 and 36.

We will pay for any additional costs which are necessary to comply with government or local authority by-laws and regulations. This does not extend to repairing, removing or disposing of undamaged areas of asbestos materials after an event.

Once we accept your claim, we will decide whether to:

- repair or rebuild the damaged portion of your building; or
- pay you the amount we determine to be the reasonable cost of repairing the damaged part of your building.

If we decide to pay you, the payment will be based on the amount we would have expected to pay if the work was authorised and completed by us, and after deducting any excess which applies to the claim.

If you choose to rebuild at a different location, the maximum amount we will pay is the amount we would have expected to pay

Making a claim

in the rebuilding or reinstatement of your building at the insured address.

After we settle a claim for loss or damage your Total Building Replacement Cover will automatically be reinstated. If, in settling a claim for a total loss we decide to pay you the reasonable cost of repairing or rebuilding your entire building, this part of the policy will end and no refund of premium will be given. If you are paying your premium by monthly instalments, you will be required to pay any remaining instalment amounts so that the full total premium has been paid. Where you repair or rebuild your building, the policy will continue.

If discount arrangements we have in place with suppliers result in us replacing or repairing any part of the building for less than the nominated sum insured or its retail value, we will not refund any premium or pay the difference.

If your building is being used as security under a mortgage, in the event of a claim, we may at our discretion pay all or part of your claim directly to the credit provider. If the credit provider fails to assist us when required or you do not advise us of the credit provider's interest at the time of a claim, we will not pay the credit provider. The credit provider is subject to the same contractual rights, conditions and exclusions as you.

Settling contents claims

If all or any items of your contents are stolen, damaged or destroyed, and the cause is an insured event, you are covered on a 'new for old' basis for their replacement or repair

cost equal to their condition when new up to the sum insured listed on the policy schedule or, in the case of contents with a maximum limit and special limit items, the limits described on pages 28, 29 or 38.

Upon acceptance of your claim, we will, at our option either:

- repair or, if necessary, replace the stolen, damaged or destroyed contents items;
- pay you the reasonable cost of repairing or, if necessary, replacing the damaged or destroyed contents items; or
- pay you the contents sum insured shown on the policy schedule or the limit applicable to the item which was current at the time the theft or damage occurred.

The amount we pay will be calculated on the basis that only new items and materials will be supplied or used in the repair or replacement of contents items.

If an original item or materials are no longer available, we will pay for the nearest equivalent to the original item, available to suppliers in your region at the time. Where the item or materials are not available in your region, we will pay the reasonable cost of sourcing the item or materials from elsewhere in Australia. We will not pay to replace undamaged contents materials or items to achieve a match. We will also not pay to have an item remade, sourced or purchased from overseas.

Unless unusual circumstances exist and we agree to do so, we will not pay you the cash equivalent for the repair or replacement of contents items. When we do agree to do so, the most we will pay as a cash settlement

for any contents item is the amount it would have cost us to replace the item or to have it repaired, after deducting any discount that may be available to us, and any excess which applies to the claim.

If discount arrangements we have in place with suppliers result in us replacing an item for less than it was insured for or its retail value, we will not refund any premium or pay the difference.

New for old does not apply if:

- we determine that any item of contents is in poor condition. An allowance will be deducted from the claim settlement based on the condition of that particular item of contents;
- we determine that any item of contents has been stored away and is no longer being used. An allowance will be deducted from the claim settlement based on the age and condition of that particular contents item which was stolen, damaged or destroyed; or
- an item is unique and irreplaceable, such as an antique. In this case you may choose to be paid the reasonable Australian market value as determined by independent valuation.

In the event of a claim for a contents item being part or parts of a pair, set or collection, we will only pay the lesser amount of:

- a reasonable proportion of the sum insured for that item; or
- the value of that part of the pair, set or collection.

Other contents which may be covered for less than full 'new for old' replacement value are listed on pages 28 and 38 of this policy under the heading 'contents with a maximum limit'.

After we pay a claim for general contents (other than a claim for a total loss of your contents), we will automatically reinstate the sum insured to the value shown on your policy schedule which was current at the date of the loss.

If we accept a claim for an amount which will either:

- totally exhaust the sum insured; or
- be sufficient to indemnify you for the total loss or damage of your contents;

then, on acceptance and confirmation of the amount to be paid, this part of this policy will be considered to have ended and no refund of the premium component for this part of the policy will be given.

If any of your contents items are being used as security under a loan, in the event of a claim, we may at our discretion pay all or part of your claim directly to the credit provider. If the credit provider fails to assist us when required or you do not advise us of the credit provider's interest at the time of a claim, we will not pay the credit provider. The credit provider is subject to the same contractual rights, conditions and exclusions as the insured.

Making a claim

Specified contents

Contents listed on your policy schedule as specified contents items will be limited to the amounts specified and listed on the policy schedule.

We may, at our option, either:

- pay you the amount specified for the particular item;
- replace the item on a 'new for old' basis with a new item, being the nearest equivalent available; or
- pay you the cost of replacement or repair;

whichever is the lesser amount.

In the event of a claim for a specified contents item being part or parts of a pair, set or collection, we will only pay the lesser amount of:

- a reasonable proportion of the sum insured for that item; or
- the value of that part of the pair, set or collection.

After we accept and settle a claim in full for the loss or damage of a specified contents item, we remove that item as a specified contents item under the policy.

If the particular item is subsequently replaced and you wish the replacement item to be insured as a specified contents item, you must tell us, and pay any additional premium we require to include the replacement item under your policy and on your policy schedule.

Automatic reinstatement of the sum insured will only apply if the item is repaired.

Settling personal valuables claims

The amount we pay will be calculated on the basis that only new items and materials will be supplied or used in the repair or replacement of personal valuable items.

If an original item or materials are no longer available, we will pay for the nearest equivalent to the original item, available to suppliers in your region at the time. Where the item or materials are not available in your region, we will pay the reasonable cost of sourcing the item or materials from elsewhere in Australia. We will not pay to replace undamaged items to achieve a match. We will also not pay to have an item remade, sourced or purchased from overseas.

Unless unusual circumstances exist and we agree to do so, we will not pay you the cash equivalent for the repair or replacement of personal valuable items. When we do agree to do so, the most we will pay as a cash settlement for any item is the amount it would have cost us to replace the item or to have it repaired, after deducting any discount that may be available to us, and any excess which applies to the claim.

If discount arrangements we have in place with suppliers result in us replacing an item for less than it was insured for or its retail value, we will not refund any premium or pay the difference.

Customised cover

Settlement for any item which appears on your policy schedule as a specified personal valuables cover item will be limited to the amount listed for the item.

We may, at our option either:

- pay you the amount listed for the item;
- replace the item on a 'new for old' basis with a new item being the nearest equivalent available;
- repair the item to a condition equal to its condition when new; or
- pay you the cost of the replacement or repair (after deducting any discount that may be available to us);

whichever is the lesser amount.

After we pay a claim for the replacement of a listed item, we remove that item from further cover under the policy.

Packaged cover

Settlement for items to which packaged cover applies will be limited to the amount shown on your policy schedule as the 'maximum cover per item' for any individual item.

The most we will pay in any one claim is the amount shown on your policy schedule as the 'limit per claim'.

We may, at our option, either:

- replace the item on a 'new for old' basis with a new item being the nearest equivalent available;
- repair the item to a condition equal to its condition when new; or
- pay you the cost of the replacement or repair;

whichever is the lesser amount.



Complaints and dispute resolution processes

We are committed to providing you with the right service. That includes doing all we can to promptly resolve any problems you may have in doing business with us.

If we fail to satisfy you:

Step 1

Please call our Customer Service Line on **13 24 23** from 8 am to 8 pm (Sydney time), 7 days a week, about general or policy matters, or if you have a problem with a claim.

If we are unable to satisfy you, our internal procedures will ensure that your complaint is referred to an appropriate person and receives prompt attention.

Step 2

If you remain dissatisfied, CommInsure has its own internal dispute resolution process.

You can access it either by calling the Customer Relations number on **1800 805 605**, or by writing to:

Customer Relations Department
Commonwealth Bank Group
GPO Box 41
Sydney NSW 2001
Telephone **1800 805 605**
Facsimile **1800 028 542**

Customer Relations has the authority to act independently in dealing with your problem and to respond to your request for resolution. Investigations are normally completed within 15 working days. If after investigation we are unable to resolve your problem, we will write to you and provide you with the reasons for our decision.

Step 3

If you are dissatisfied with the decision from our internal dispute resolution process, please let us know. Alternatively you can contact the Financial Ombudsman Service Limited (FOS) – you will need to make contact with it within three months of receiving our final decision.

You can contact the FOS by calling **1300 780 808** for the cost of a local call or by writing to:

Financial Ombudsman Service Limited (FOS)
GPO Box 3
Melbourne VIC 3001

You can also fax the FOS on **03 9613 6399** or visit the web site at **www.fos.org.au**.

Notes

Call us now on

13 24 23

www.comminsure.com.au



CommInsure Home Insurance

Supplementary Product Disclosure Statement (SPDS)

Preparation date: 1 January 2009

We have amended our Home Insurance Product Disclosure Statement (PDS) dated 08 May 2007. Details of the amendments to the PDS are set out below. Please read this SPDS together with the PDS and retain this document with the PDS. You should read all parts of the PDS and SPDS.

The policy that you will be issued with will be the policy contained in the PDS as amended by this SPDS.

This SPDS is issued by Commonwealth Insurance Limited
ABN 96 067 524 216 AFSL 235030 (CIL). CommInsure is a registered
business name of CIL.

Amendments to the PDS

On the inside of the front cover under the heading 'Important Information' remove the following text:

- "In NSW, the insurer for Domestic Workers Compensation is CIL."

On page 32 – 'Optional cover you can pay more to have', in relation to Domestic Workers Compensation remove all the current text, under the sub heading 'New South Wales' and replace text with:

- "This option is not available in New South Wales."

On page 50 – 'Complaints and dispute resolution processes' replace the current text under Step 3 with the following text:

- "If you are dissatisfied with the decision from our internal dispute resolution process, please let us know. Alternatively, you can contact the Financial Ombudsman Service Limited (FOS) – you will need to make contact with them within three months of receiving our final decision.

You can contact the FOS by calling 1300 780 808 for the cost of a local call or by writing to:

Financial Ombudsman Service Limited (FOS)

GPO Box 3

Melbourne VIC 3001

You can also fax the FOS on 03 9613 6399 or visit the web site fos.org.au"



Comminsure Home Insurance
**Supplementary
Product Disclosure
Statement (SPDS)**

Preparation date: 1 April 2010

This Supplementary Product Disclosure Statement (SPDS) details changes to the Comminsure Home Insurance Product Disclosure Statement dated 8 May 2007 (PDS). This SPDS should be read together with the PDS and kept with your other policy documents for future reference.

Additional copies of the PDS and SPDS are available at comminsure.com.au or by calling **13 24 23**.

Comminsure



Amendments to the PDS

1. On the inside of the front cover under the heading 'Important Information' remove the following text:

- In NSW, the insurer for Domestic Workers Compensation is CIL.

Note: This change took effect 01/01/09

2. Page 21 – 'Escape of liquid', replace this section with:

You are covered for loss or damage to your building and/or contents due to escape of liquid which occurs suddenly and unexpectedly from any water main, pipe, fixed tank, waterbed, washing machine, dishwasher, basin, toilet or fixed heating system. Once we have agreed to cover the loss or damage caused, we will also pay for the reasonable cost of locating the source of the damage however, we must have agreed in writing to pay this cost before you make arrangements for the exploratory work to commence.

We will not pay for:

- loss or damage resulting from:
 - a leaking or faulty shower recess or shower base;
 - water escaping from an aquarium or freestanding fish tank;
 - water escaping from a garden hose;
- loss or damage caused by any gradual escape of liquid except where you reasonably could not have been expected to be aware of the problem;
- loss or damage resulting from water escaping a stormwater channel, road gutter or canal;
- repairing or replacing undamaged parts of your building to match an area that has been repaired or replaced beyond the \$750 matching benefit on page 26 and 36;
- the cost of repairing or replacing the apparatus or pipe from which liquid escaped and caused the loss or damage; or
- exploratory or restoration costs if we have not accepted a claim under this insured event.

3. Page 22 – 'Storm. You are not covered for storm damage to:', replace the 5th bullet point with:

- the building or contents where the water, wind or hail has entered the building through an opening not created by the storm; or

4. Page 26 – ‘Accidental damage’, replace this section with:

In addition to the cover provided by the insured events detailed on pages 21 to 24, the accidental damage option covers damage to the building that is caused unintentionally. We will cover the cost of repairing or replacing that part of the building which suffers physical loss or damage caused by an accident at the insured address.

The general exclusions on pages 18 and 19 apply. In addition, we will not cover damage caused by or attributable to:

- atmospheric conditions, mould, mildew or rot;
- scratching, chipping or denting;
- any cleaning process using chemicals;
- domestic pets or animals; or
- any hand-held controls or detachable accessories for use with gaming consoles e.g. Nintendo Wii remote.

Cover under accidental damage does not apply to:

- damage that is covered under an insured event detailed on pages 21 to 24, including if the insured event has been removed from your cover; or
- damage that occurs outside the insured address.

5. Page 32 – ‘Accidental damage’, replace this section with:

The accidental damage option covers damage to your contents that is caused unintentionally. We will cover the cost of repairing or replacing contents items in the building which are accidentally damaged at the insured address. For contents with a maximum limit and special limit items we will pay the limits set out on pages 28 to 29. For specified items other than jewellery and watches, we will pay up to the amount listed on the policy schedule. We do not provide cover for jewellery and watches under this option.

The general exclusions on pages 18 and 19 apply. In addition, we will not cover damage caused by or attributable to:

- atmospheric conditions, mould, mildew or rot;
- scratching, chipping or denting;
- any cleaning process using chemicals;
- domestic pets or animals; or
- any hand-held controls or detachable accessories for use with gaming consoles e.g. Nintendo Wii remote.

We do not cover accidental damage:

- to property used for trade or business purposes;
- to clothing or accessories;
- to bicycles, firearms, fishing and sporting equipment, musical instruments or gaming consoles while in use;
- to electronic equipment or data as a result of electronic or mechanical failure, or by virus or processing error, or user error or misuse;
- to jewellery or watches (these can be insured for accidental damage under personal valuables cover); or
- that occurs outside of the insured address.

Cover under accidental damage does not apply to damage that is covered under an insured event detailed on pages 21 to 24, even if the insured event has been removed from your cover.

6. Page 32 and 33 – ‘Optional cover you can pay more to have’, in relation to Domestic Workers Compensation remove all the current text under the sub heading ‘New South Wales’ and replace text with:

- This option is not available in New South Wales.

Note: This change took effect 01/01/09

7. Page 40 – ‘Accidental damage cover’, replace this section with:

In addition to the cover provided by the insured events detailed on pages 21 to 24, the accidental damage option is available with building cover only. It covers damage to the building that is caused unintentionally. We will cover the cost of repairing or replacing that part of the building which suffers physical loss or damage caused by an accident at the insured address.

The general exclusions on pages 18 and 19 apply. In addition, we will not cover damage caused by or attributable to:

- atmospheric conditions, mould, mildew or rot;
- scratching, chipping or denting;
- any cleaning process using chemicals;
- domestic pets or animals; or
- any hand-held controls or detachable accessories for use with gaming consoles e.g. Nintendo Wii remote.

Cover under accidental damage does not apply to damage that is covered under an insured event detailed on pages 21 to 24, even if the insured event has been removed from your cover.

1. Page 44 – ‘Confirmation of ownership’, add the following text as the last sentence of this section:

If you do not provide us with the confirmation of ownership that we require, we may not pay a claim in full, or we may decide not to pay it at all.

2. Page 44 – ‘How your excesses will be applied’, replace this section with:

The amount we will pay for your claim will be reduced by the excesses that apply to the policy, event or benefit. More than one excess may apply.

There are six types of excess:

Excess Type	Description
Selected	An amount chosen by you and shown on your policy schedule
Imposed	An amount imposed by us to support a special condition as detailed on your policy schedule. An imposed excess replaces a selected excess
Earthquake	\$500, unless you have selected or we have imposed an excess higher than \$500, in which case the higher excess will apply
Accidental damage	\$500, unless we have imposed an excess higher than \$500, in which case the higher excess will apply
Fusion and power surge	\$500, unless we have imposed an excess higher than \$500, in which case the higher excess will apply
Unsecured theft excess	\$300, in addition to any selected or imposed excess. This excess is collected if an alarm is not activated at the time of a theft, and you are receiving a premium discount for the alarm

Excesses will be either:

- deducted from any settlement amount we send directly to you;
- deducted from the invoice we receive from the repairer, which will mean that you will be responsible for payment of the excess amount directly to the repairer; or
- required to be paid directly to us by you prior to settling the claim.

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