



Statutory Declaration of  
James Bruce Merchant  
Regarding CGU Insurance  
General Claims Handling

**QFCI**

Date:

6/10/11

Jm

Exhibit Number:

742

**Oaths Act 1867**

**Statutory Declaration**

**QUEENSLAND  
TO WIT**

I James Bruce Merchant, care of CGU [REDACTED] William Street Melbourne in the State of Victoria do solemnly and sincerely declare that:

- 1 I am employed by Insurance Australia Group Limited (IAG) as National Claims Manager for CGU Insurance.
- 2 I provide this declaration in relation to the request by Commissioner Justice C E Holmes to Insurance Australia Group Limited dated 2 September 2011 in relation to the Queensland Floods Commission of Inquiry (Commissioner's request). Exhibited to this statement and marked "Annexure 1" is a copy of the letter from Commissioner Justice C E Holmes to Insurance Australia Group Limited dated 2 September 2011.
- 3 My response to the Commissioner's request is also made having regard to the further correspondence from Jayne Moynihan, executive director of Queensland Floods Commission of Inquiry to DLA Piper Australia dated 5 September 2011 and 12 September 2011 (further correspondence). Attached to this Statutory Declaration and marked "Annexure 2" are copies of the further correspondence from Ms Moynihan to DLA Piper Australia dated 5 September 2011.

**Background**

- 4 I have been employed by Insurance Australia Group Limited for approximately 16 months since May 2010.
- 5 Prior to commencing employment for Insurance Australia Group Limited I have been employed in the following:
  - 5.1 July 2010 – current: National Manager, Claims (CGU);
  - 5.2 May 2010 – June 2010: Claims Manager, Personal Lines (CGU);
  - 5.3 September 2009 – March 2010: Executive Manager, Personal Insurance Home Claims Project (Suncorp);
  - 5.4 January 2008 – August 2009: Executive Manager, Operational Services (AAMI);
  - 5.5 August 2004 – December 2007: Home Product Manager, Victoria (AAMI);
  - 5.6 January 2004 – July 2004: General Manager, Queensland (AAMI);
  - 5.7 December 2002 – January 2004: Motor Claims Services Manager, Victoria (AAMI);
  - 5.8 January 2000 – November 2002: General Manager, All States Auto (AAMI); and
  - 5.9 June 1995 – December 2000: State Manager, Tasmania (AAMI).
- 6 CGU, through IAG, has made submissions in relation to the following inquiries concerning the Queensland Floods which we seek for this Commission to have regard to:
  - 6.1 Submission dated 31 March 2011 to the Commission of Inquiry into the Queensland Floods;



- 6.2 Supplementary submission dated 10 June 2011 to the Commission of Inquiry into the Queensland Floods;
- 6.3 Submission to the Natural Disaster Insurance Review dated 14 July 2011<sup>1</sup>;
- 6.4 Submission to the 2011 House of Representatives' Inquiry into the Operation of the Insurance Industry during Disaster Events<sup>2</sup>.

**Response to Commissioner's Requests**

- 7 Exhibited to this statement and marked "Annexure 3" is my response to the specific questions raised in the Commissioner's requests.
- 8 Exhibited to this statement and marked "Annexure 4" to "Annexure 14" are the documents relevant to my response to the Commissioner's requests.

and I make this solemn declaration conscientiously believing the same to be true and by virtue of the provisions of the *Oaths Act 1867* (Qld).

Signature of declarant

Taken and declared before me at Melbourne this

day of September 2011

**DLA Piper Australia**  
140 William Street, Melbourne  
An Australian Legal Practitioner within the  
meaning of the Legal Profession Act 2004

<sup>1</sup> This submission can be viewed at  
[http://www.ndir.gov.au/content/submissions/issues\\_paper\\_submissions/Insurance\\_Australia\\_Group\\_\(IAG\).pdf](http://www.ndir.gov.au/content/submissions/issues_paper_submissions/Insurance_Australia_Group_(IAG).pdf)

<sup>2</sup> This submission can be viewed at <http://www.aph.gov.au/house/committee/spla/insurance/submissions.htm> (see submission 38)



## **Annexure 1**

Our ref: Doc 1894581

2 September 2011

  
Managing Director and CEO of Insurance Australia Group Limited

### REQUIREMENT TO PROVIDE STATEMENT TO COMMISSION OF INQUIRY

I, Justice Catherine E Holmes, Commissioner of Inquiry, pursuant to section 5(1)(d) of the *Commissions of Inquiry Act 1950* (Qld), require Mr Michael Wilkins to provide a written statement, under oath or affirmation, to the Queensland Floods Commission of Inquiry, which addresses the topics and exhibits the documents listed below:

#### Insurance policies

The following questions relate to CGU's household insurance policies which applied at the time of the Queensland floods (December 2010 and January 2011):

1. Please name the relevant home and/or contents policy or policies.
2. Did more than one version of the policy or policies exist? If so:
  - 2.1. Please identify each different version of the policy or policies by reference to the dates for which they subsisted as the relevant policy.
  - 2.2. How did staff of the CGU 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?
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 1.3.1 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 CGU's obligations in processing and assessing claims?
4. Please provide a pro forma copy of each of the policies referred to in answer to the questions at paragraphs 1-3 above.

## Insurance claims

The following questions relate to household insurance claims made as a result of the events comprising the Queensland floods (in December 2010 and January 2011):

5. Did CGU establish any special processes or procedures in order to manage claims handling?
6. What changes, if any, were made to staffing levels in order to deal with the volume of claims CGU received? Were staffing levels found to be adequate to deal with the volume of claims? What training, if any, was given to staff of CGU involved in processing, assessing and deciding claims relating to the Queensland floods?
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?
8. Were there any cases in which CGU made contact with a policyholder before the policyholder contacted CGU (whether to make a claim or otherwise)? If so, for what purpose?
9. What information was given to policyholders in their first communication with a representative of CGU? 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 or scripts given to telephone operators.
10. How did a representative of CGU giving information to a policyholder about matters of the kind referred to at sub-paragraphs 9.1–9.3 (whether voluntarily or in response to queries from a policyholder) ensure that the information provided to the policyholder was accurate and based on the correct version of his or her policy?
11. What information was a policyholder required or asked to give CGU for the purposes of assessing the policyholder's claim? If the information which a policyholder was asked or required to give, varied according to the location of the insured property, please outline the variations.
12. Please outline each step, and by whom each step was taken, in the process by which claims were 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 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 the CGU engaged hydrology experts, what did CGU 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 CGU 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 reports. If the second and 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.
13. If any of the processes outlined in answer to questions in paragraph 12 above varied according to the location of the insured property, please set out the variations.
14. Was any advice other than hydrology reports and reports of loss adjusters/assessors obtained and relied upon in determining claims? If so, please identify the nature of the advice.
15. Were policyholders advised of all information CGU 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?
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?
17. Were any difficulties encountered in processing, assessing and deciding claims? In particular, did any factors cause delays in this process?
18. How does the volume of claims CGU received, and the timeliness with which they have been decided, compare with (a) 'business as usual' and (b) other recent natural disasters?
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 CGU monitor whether those standards are adhered to?
20. Was the position adopted by a reinsurer communicated to policyholders at any stage? If so, why?
21. By what means did or do representatives of CGU 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?
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 CGU? If by telephone, could or can policyholders contact CGU 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?
23. Are all telephone calls between policyholders and representatives of CGU recorded? Were all telephone calls between policyholders and representatives of CGU which took place in December 2010 and January 2011 recorded?
24. How has CGU responded to requests for copies of recordings or transcripts of telephone calls between policyholders and representatives of CGU?
  - 24.1. Have copies of any 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?

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?
26. Please outline each step, and by whom each step was or is taken, in the process which CGU 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.
27. Were policyholders advised of all information upon which CGU relied in determining their complaints/disputes? If so, was this advice given voluntarily or only if requested?
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?
29. Please provide copies of all written responses by CGU to all complaints and/or 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 and/or dispute to which the response relates is set out.
30. Has CGU received any complaint relating to inappropriate, insensitive or offensive conduct by a representative or agent of CGU toward, or about, a policyholder? If so:
  - 30.1. How many such complaints have been received?
  - 30.2. What did or does each complaint relate to?
  - 30.3. What steps were or have been taken in respect of each complaint?
31. Has CGU received any complaint, or dealt with any dispute, in the internal dispute resolution process, relating to:
  - 31.1. Misrepresentation made by a representative of CGU to a policyholder at the point of sale as to the existence or extent of flood cover under a policy bought by the policyholder; or
  - 31.2. Failure on the part of a representative of CGU to adequately inform a policyholder that a policy bought by the policyholder excluded flood cover?
32. If CGU has received complaints, or dealt with any dispute, of the kinds referred to in sub-paragraphs 31.1 and 31.2:
  - 32.1. How many of each kind has it received?
  - 32.2. Please outline the steps taken in investigating and responding to such complaints.
33. Is the CGU involved, or has CGU been involved, in any matter with the Financial Ombudsman Service? If so:
  - 33.1. How many?

33.2. Please identify the cause(s) of the disputes.

34. Please outline the process involved after a claim was or is accepted in order to get insured property repaired or restored or otherwise settle the claim. What information or steps did or does CGU require of policyholders in this process?
35. Has CGU 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 each matter which the policyholder was required to keep confidential.

#### Reforms

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


In addressing these matters, [REDACTED] is to:

- provide all information in his possession and identify the source or sources of that information;
- make commentary and provide opinions he is qualified to give as to the appropriateness of particular actions or decisions and the basis of that commentary or opinion.

Mr [REDACTED] may also address any other topic relevant to Term of Reference (b) (the performance of private insurers in meeting their claims responsibilities) in the statement, if he wishes.

The statement is to be provided to the Queensland Floods Commission of Inquiry by close of business, Friday, 9 September 2011.

The statement can be provided by post, email or by arranging delivery to the Commission by emailing [info@floodcommission.qld.gov.au](mailto:info@floodcommission.qld.gov.au).



Commissioner  
Justice Q E Holmes



## **Annexure 2**



Our ref: 1694874

5 September 2011

Ms Alison Haly  
Partner  
DLA Piper Australia  
GPO Box 7804  
WATERFRONT PLACE QLD 4001

By email: [REDACTED]

Dear Ms Haly

**NRMA and CGU – Requirement to Mr [REDACTED] issued 2 September 2011**

I refer to paragraphs 3.2, 12.3.5, 13 and 29 of the Requirement issued by email to Mr Michael Wilkins on 2 September 2011 (document number 1694579 and document number 1694581).

Paragraph 3.2 incorrectly refers to a sub-paragraph 1.3.1. It should refer to sub-paragraph 3.1.

Paragraph 12.3.5 requires [REDACTED] to exhibit to his statement copies of hydrology reports for 'general areas or regions'. The Commissioner has qualified this part of the Requirement as follows: if any such report is publicly available, [REDACTED] need not exhibit a copy of it to his statement; however, his statement should identify the report (as paragraph 12.3.5 requires) and where the report can be located. Similarly, [REDACTED] need not produce any report which has already been provided to the Commission. In any such case, [REDACTED] statement should identify the report and provide sufficient details to enable the Commission to locate the report.

In paragraph 13, the term 'processes' in the phrase 'processes outlined in answer to questions in paragraph 12 above' should be read as also including 'information relied upon'. That is, paragraph 13 should be read as –

'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.'

In paragraph 29, the references to 'all complaints and/or disputes' and 'complaint and/or dispute' should be read as 'all complaints/disputes' and 'complaint/dispute'. Paragraph 29 is directed at final decisions made in the internal dispute resolution process, in response to complaints or disputes (however categorised).

Please contact Mr Lachlan Zangari on telephone [REDACTED] or Ms Kyla Hayden on telephone [REDACTED] should you have any queries.

Yours sincerely

[REDACTED]

Jahe Moynihan  
Executive Director

Encl.

Our ref: 1706032

12 September 2011

Ms Alison Haly  
Partner  
DLA Piper Australia  
GPO Box 7804  
WATERFRONT PLACE QLD 4001

Dear Ms Haly

**NRMA and CGU – Requirements Issued 2 September 2011 (Doc 1694579 & Doc 1694581)**

I refer to:

1. the Requirements issued to [REDACTED] on 2 September 2011 (Doc 1694579 and Doc 1694581) concerning NRMA and CGU;
2. your correspondence dated 8 September 2011 requesting an extension of the return dates for the above Requirements;
3. Mr Lachlan Zangari's email to you, sent on Friday, 9 September 2011, at 3:22 pm; and
4. Ms Kyla Hayden's email to you, sent on Friday, 9 September 2011, at 7:06 pm.

I confirm Mr Zangari's advice that the Commission is willing to receive the statements to be provided in response to the above Requirements by 12 noon, Friday, 16 September 2011.

Secondly, as foreshadowed in Ms Hayden's email, please find enclosed addendum Requirements, directed to Mr Andy Cornish and Mr Peter Harmer respectively, containing an amended paragraph 27 and five additional paragraphs (paragraphs 37 to 41).

By way of explanation:

1. Paragraph 37 should be read in conjunction with paragraphs 9 and 10 of the original Requirements;
2. Paragraphs 38 and 39 should be read in conjunction with paragraphs 28–29 of the original Requirements; and
3. Paragraphs 40 and 41 are self-explanatory questions.

Please contact Mr Lachlan Zangari on telephone [REDACTED] or Ms Kyla Hayden on telephone [REDACTED] should you have any queries.

Thank you for your assistance.

Yours sincerely

[REDACTED]

Jane Moynihan  
Executive Director

Encl.

Our ref: Doc 1705109

12 September 2011

Mr Andy Cornish  
Chief Executive Officer  
NRMA Insurance  
c/o Ms Alison Haly  
Partner, DLA Piper Australia  
GPO Box 7804  
WATERFRONT PLACE QLD 4001

#### REQUIREMENT TO PROVIDE STATEMENT TO COMMISSION OF INQUIRY

I, Justice Catherine E Holmes, Commissioner of Inquiry, pursuant to section 5(1)(d) of the *Commissions of Inquiry Act 1950* (Qld), require Mr Andy Cornish, chief executive officer, NRMA Insurance to provide a written statement, under oath or affirmation, to the Queensland Floods Commission of Inquiry, which addresses the topics and exhibits the documents listed below:

#### Insurance claims

The following questions relate to household insurance claims made as a result of the events comprising the Queensland floods (in December 2010 and January 2011):

27. Were policyholders advised of all information upon which NRMA Insurance relied in determining their complaints/disputes? 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:
- 27.1 What was the nature of the information?
  - 27.2 Why was it not provided?
37. Is NRMA Insurance aware of any instances of staff of NRMA Insurance having given incorrect advice in response to queries from policyholders about the terms of their cover, or about their claim?
38. Were written responses given in response to all complaints/disputes?

39. Were policyholders kept informed of the progress of their complaints/disputes in accordance with the General Insurance Code of Practice? How did/does NRMA Insurance monitor whether the standards for providing information on progress of disputes was/is adhered to?

40. Has NRMA Insurance 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.

41. Is NRMA Insurance or has NRMA Insurance been the subject of any investigation by the Financial Ombudsman Service (other than disputes referred to in paragraph 33 of the original Requirement dated 2 September 2011) or any other regulatory body about the manner in which NRMA Insurance has dealt with claims relating to the Queensland floods?

In addressing these matters, Mr Cornish is to:

- provide all information in his possession and identify the source or sources of that information;
- make commentary and provide opinions he is qualified to give as to the appropriateness of particular actions or decisions and the basis of that commentary or opinion.

Mr Cornish may also address any other topic relevant to Term of Reference (b) (the performance of private insurers in meeting their claims responsibilities) in the statement, if he wishes.

The statement is to be provided to the Queensland Floods Commission of Inquiry by 12 noon, Friday, 16 September 2011.

The statement can be provided by post, email or by arranging delivery to the Commission by emailing [info@floodcommission.qld.gov.au](mailto:info@floodcommission.qld.gov.au).



Commissioner  
Justice C E Holmes

Our ref: Doc 1706118

12 September 2011

Mr Peter Harmer  
Chief Executive Officer  
CGU Insurance  
c/o Ms Alison Haly  
Partner, DLA Piper Australia  
GPO Box 7804  
WATERFRONT PLACE QLD 4001

#### REQUIREMENT TO PROVIDE STATEMENT TO COMMISSION OF INQUIRY

I, Justice Catherine E Holmes, Commissioner of Inquiry, pursuant to section 5(1)(d) of the *Commissions of Inquiry Act 1950* (Qld), require Mr Peter Harmer, chief executive officer, CGU Insurance, to provide a written statement, under oath or affirmation, to the Queensland Floods Commission of Inquiry, which addresses the topics and exhibits the documents listed below:

#### Insurance claims

The following questions relate to household insurance claims made as a result of the events comprising the Queensland floods (in December 2010 and January 2011):

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

27.1 What was the nature of the information?

27.2 Why was it not provided?

37. Is CGU aware of any instances of staff of CGU having given incorrect advice in response to queries from policyholders about the terms of their cover, or about their claim?

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

39. Were policyholders kept informed of the progress of their complaints/disputes in accordance with the General Insurance Code of Practice? How did/does RACQ monitor whether the standards for providing information on progress of disputes was/is adhered to?

40. Has CGU 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.

41. Is CGU or has CGU been the subject of any investigation by the Financial Ombudsman Service (other than disputes referred to in paragraph 33 of the original Requirement dated 2 September 2011) or any other regulatory body about the manner in which CGU has dealt with claims relating to the Queensland floods?

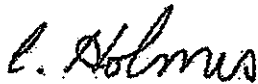
In addressing these matters, Mr Peter Harmer is to:

- provide all information in his possession and identify the source or sources of that information;
- make commentary and provide opinions he is qualified to give as to the appropriateness of particular actions or decisions and the basis of that commentary or opinion.

Mr Peter Harmer may also address any other topic relevant to Term of Reference (b) (the performance of private insurers in meeting their claims responsibilities) in the statement, if he wishes.

The statement is to be provided to the Queensland Floods Commission of Inquiry by 12 noon, Friday, 16 September 2011.

The statement can be provided by post, email or by arranging delivery to the Commission by emailing [info@floodcommission.qld.gov.au](mailto:info@floodcommission.qld.gov.au).



Commissioner  
Justice C. E. Holmes



## **Annexure 3**



## **Annexure 4**

# CLASSIC HOME INSURANCE

## PRODUCT DISCLOSURE STATEMENT AND POLICY

Preparation date: 30/3/2004

Insurer:

CGU Insurance Limited  
ABN 27 004 478 371  
AFS Licence No. 238291



## ***Supplementary Product Disclosure Statement***

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This Supplementary Product Disclosure Statement (Supplementary PDS) is dated 30 April 2008 and will apply to policies taken out, or with a renewal effective date, on or after 30 April 2008.

The information in this Supplementary PDS updates and should be read with the last Product Disclosure Statement you received for the policy specified in your policy schedule (PDS) and any other applicable Supplementary PDS.

## ***Changes to your PDS***

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The Corporations Act 2001 now requires the terms and conditions of an insurance policy (that are not part of the policy schedule) to be in the PDS for that policy. This Supplementary PDS amends your PDS to meet this requirement.

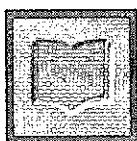
Your PDS booklet contains your policy terms and conditions or policy wording in a separate section or part or under a separate heading. The PDS is amended, and should now be read so that the policy terms and conditions or policy wording, that is included in your PDS booklet, is part of the PDS.

Any statement in your PDS to the effect that the policy terms or conditions, or policy wording, is not part of the PDS, is deleted.

If you have any questions, or would like another copy of the PDS, please contact your business advisor or call us on the contact telephone number on your schedule.

# Welcome To The Security Of CGU Insurance

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**THIS BOOKLET IS  
IMPORTANT**

## **Important information**

Cover for Section 1 Buildings and Contents and Section 2 Valuable Items, insurance is provided by CGU Insurance Limited Australian Business Number 27 004 478 371 Australian Financial Services Licence No. 238291.

Cover for Section 3 Workers' Compensation, insurance is provided by:

- Insurance Australia Limited trading as CGU Workers Compensation ABN 11 000 016 722 if your situation is in Western Australia, Tasmania, Northern Territory or Australian Capital Territory.

## **Product Disclosure Statement**

This Product Disclosure Statement (PDS) contains important information required under the Financial Services Reform Act 2001 and only applies to Section 1 Buildings and Contents commencing on page 12 of the policy and Section 2 Valuable Items commencing on page 24 of the policy. To assist you to locate specific items in the policy wording, a table of contents is provided on page 6 and an index is provided at the back of this booklet.

## **Introduction**

### **Who is the insurer**

CGU Insurance Limited is the insurer of the insurance policy. Our Australian Business Number is 27 004 478 371. Our Australian Financial Services Licence Number is 238291. In this booklet the insurer is called 'we', 'us' or 'our'.

## **How to contact us**

You may contact us by any of the following ways:

- In person at any CGU Insurance office.
- By telephone on 13 15 32.
- By writing to us at CGU Insurance, GPO Box 9902 in your capital city.
- By email on our website [www.cgu.com.au](http://www.cgu.com.au).

## **The purpose of this PDS**

This PDS has been prepared to assist you in understanding the insurance policy and making an informed choice about your insurance requirements. This PDS sets out the significant features of the insurance policy including its benefits, risks and information about how the insurance premium is calculated. You still need to read the policy wording which commences on page 8 for a full description of the terms, conditions and limitations of the insurance policy.

## **General Insurance Code of Practice**

CGU Insurance proudly supports the General Insurance Code of Practice. The purpose of the Code is to raise the standards of practice and service in the general insurance industry. Details about the Code are shown in the policy wording under 'General Insurance Code of Practice' on page 9. Brochures on the Code are available from your nearest CGU Insurance office.

## **Your cooling-off period**

We will refund all premium paid for cover under the insurance policy if you request cancellation of the insurance policy within 21 days of its commencement. To do this, you must advise us in writing and return the schedule to your nearest CGU Insurance office. You will not receive a refund if you have made a claim under the insurance policy. Details about the cooling-off period are shown in the policy wording under 'Money Back Guarantee' on page 9.

## **What to do if you have a dispute**

If you have a concern about the insurance policy, our decision on your claim, our service or the service of our authorised representatives, loss adjusters or investigators, you may access our internal dispute resolution process. To do so, please contact your nearest CGU Insurance office.

In the event we are unable to resolve your concern through our internal dispute resolution process, you may then request the matter be reviewed by the Financial Ombudsman Service. This is a free service available to you by calling 1300 78 08 08. The scheme is administered by the Financial Ombudsman Service (FOS). Details about the dispute resolution system are shown in the policy wording under 'Our service commitment' on page 32.

## **Your privacy**

We treat your personal information with care. We will not release your personal information to anyone else other than another insurer, an insurance reference service or as permitted or required by law. In the event of a claim, we may disclose information to and/or collect additional information about you from investigators or legal advisers. Details about your privacy are shown in the policy wording under 'The way we handle your personal information' on page 30.

## **Your duty of disclosure**

We rely upon the information you provide to us when you apply for insurance, and when you renew, change or reinstate your policy. You must tell us anything that you know, or should know, that could affect our decision to insure you and/or the terms on which we insure you.

Details about disclosure information are shown in the policy wording under 'What you need to tell us' on page 10 and 'What you do NOT need to tell us' on page 10.

## **How to apply for insurance**

Complete our application form. If we accept your application for insurance, you will receive a schedule that sets out details of the insurance you have taken out.

## **How to make a claim**

To make a claim, please contact your nearest CGU Insurance office, or call 13 15 32 when something happens that you believe you can claim for. Details about making a claim are shown in the policy wording under 'What you must do when you make a claim' on page 31, 'What you must NOT do when you make a claim' on page 31 and 'You give us your rights to claim from anyone else' on page 31.

## **Taxation information**

CGU Insurance shows all taxes and charges as separate items on all schedules (e.g. stamp duty and the Goods and Services Tax). Details about the Goods and Services Tax are shown in the policy wording under 'How the Goods and Services Tax affects your claim' on page 30.

## **Significant features and benefits**

- 24-hour emergency 'Home Support' hotline.
- Accidental Damage cover.
- New for old cover for contents.
- New for old cover for buildings.
- \$20 million liability insurance Australia-wide (worldwide for 90 consecutive days).
- Valuable items are covered under contents.
- No loss sharing penalty for under insurance.
- Pay-by-the-month instalment option.

With each cover selected, a range of additional benefits is included. These benefits are shown in the policy wording under 'Additional things we will pay for when you have insured your buildings' on pages 13 and 14, and 'Additional things we will pay for when you have insured your contents' on pages 14, 15 and 16, and page 21.

## Exclusions

Our insurance is designed to provide protection for you in the event of something happening which has been insured against.

Under some circumstances, this policy will not provide any insurance cover to you. For example, we do not pay for loss or damage caused by:

- Erosion.
- Flood.
- Rust, corrosion, gradual deterioration, depreciation, wear or tear.
- A defect in an item, faulty workmanship, structural defects or faulty design.
- Malicious damage or vandalism by tenants.

This lists some of the events that are not covered by this insurance, and for full details of all relevant policy exclusions, you should read the policy wording and make yourself aware of all the exclusions that apply.

In the policy wording we state 'What are buildings' on page 16, 'What are contents' on pages 17 and 18, and 'What are valuable items' on page 24, we also state 'What are NOT buildings' on page 17, 'What are NOT contents' on page 18, and 'What are NOT valuable items' on page 24. In the policy wording we show when cover is not provided under 'When we will NOT pay' on pages 22 and 25, and 'What Section 1 and Section 2 of the policy do NOT cover' on page 27. It is important that you are aware of these exclusions and so you should read them.

There are things that you must do in order for your insurance cover to apply. For example, you must pay the premium. In the policy wording we show what you need to do under 'What you are required to do for us' on page 29.

## Significant risks

### Adequate sum insured

In the event of a major loss, your sum insured should be sufficient to allow for replacement of your property.

### Policy limits

Limits do apply to some items. For example, we will pay additional costs required to comply with government or local authority bylaws as shown on page 19. These costs do not extend the sum insured and will not be paid if the sum insured is insufficient to meet the total costs involved in rebuilding or repairing your buildings. You should read the policy wording so that you are aware of limits that may be applicable to you.

### Disclosure

You have certain disclosure obligations that you need to comply with. Failure to comply with these obligations may have consequences in terms of both your insurance cover or in the event that you make a claim. Your disclosure obligations and the consequences of not complying with these obligations are outlined in the policy wording under 'What you need to tell us' on page 10 and 'What will happen if you do not tell us' on page 10.

### **Excesses**

If you make a claim under the policy, you may be required to pay one or more excesses. The descriptions of these excesses and the circumstances in which they are applied are shown in the policy wording under 'Policy excess' on page 19. The amount of each excess will be shown on your schedule other than the earthquake excess which is shown on page 19 of the policy wording.

In most instances you can select at the time of your enquiry or application for insurance the amount of policy excess you wish to pay should you have a claim provided it is equal to or higher than the minimum excess we apply to this policy. When you select a higher policy excess amount we will normally reduce the amount of premium we charge you.

In some instances we will impose the amount of policy excess you will need to pay should you have a claim. In deciding to impose a policy excess we take into consideration a number of factors in setting the amount of the policy excess. These include factors relating to the type of property being insured, where the property is located, and the type of construction of the property and your previous insurance and claims history. At the time of your enquiry or application for insurance, the amount of the policy excess will be advised to you.

### **Costs**

The premium payable by you will be shown on your schedule.

The key factors that influence the premium calculation are reflected in the questions asked, and information sought, at the time of your enquiry or application for home insurance. These include factors relating to the type of property being insured, where the property is located, the type of construction of the property and your previous insurance and claims history.

Premiums are subject to Commonwealth and state taxes and/or charges. These include the Goods and Services Tax and stamp duty. The amount of these taxes and/or charges will be shown on your schedule.

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*An index is provided at the back of this booklet to assist you to locate specific items.*

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## CLASSIC HOME INSURANCE POLICY

Please read this policy before you apply for insurance.

This policy sets out the terms, conditions and limits that apply for the insurance we offer to you. If we accept your application for insurance, you will receive a schedule that sets out details of the insurance you have taken out.

Our agreement with you is made up of your application, this insurance policy, the schedules and endorsements we send to you. Endorsements are notices we send to confirm any change to your insurance.

Keep this insurance policy in a safe place. You may want to refer to it from time to time.

We recommend that you keep receipts for major items you purchase.

If you need more information about this insurance policy, please contact your insurance adviser. We are happy to give you personal attention and service in relation to this or any other insurance enquiry.

## **CGU Insurance Triple Guarantee**

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

### **Service Guarantee**

We will provide you with the highest standards of service.

### **Fair Dealing Guarantee**

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

### **Money Back Guarantee**

You have 21 days after you receive your numbered policy schedule to be sure you have the cover you require. If it is not the cover you require, you can cancel the policy. To do this, you must advise us in writing and return the schedule to your nearest CGU Insurance office. You will receive a full refund of the premium paid, providing nothing has occurred for which a claim is payable under the policy.

## **General Insurance Code Of Practice**

CGU Insurance proudly supports the **General Insurance Code of Practice**.

The purpose of the Code is to raise the standards of practice and service in the general insurance industry.

The Code aims to improve:

- The quality, comprehension and accuracy of policy documents and other information provided to consumers.
- Employee and representative training and supervision.
- Claims handling and dispute resolution.

Brochures on the Code are available from your nearest CGU Insurance office.



## YOUR POLICY

### What you need to tell us

You must tell us anything that you know, or should know, could affect our decision to insure you and/or the terms on which we insure you. You must do this when you apply for a policy, renew your policy or when you change or reinstate your policy. When we ask you specific questions, you must answer these questions truthfully and in a way that a reasonable person in the circumstances would answer them. It is important that every person who will be insured by the policy answers all questions in this way. These requirements are part of the Insurance Contracts Act 1984.

### What you do NOT need to tell us

You do not need to tell us anything that:

- ☐ Reduces our risk.
- ☐ Is of common knowledge.
- ☐ We know, or as an insurer should know.
- ☐ We indicate that we do not want to know.

### What will happen if you do not tell us

If you withhold relevant information or you do not answer our questions in the way we have described, we can reduce the amount we pay you for your claim, or we can cancel your policy. If your failure to tell us is fraudulent, or your answers are untruthful, we can treat your policy as if it never existed.

### When you are insured

Your insurance begins when we accept your application. The commencement date of your insurance will be shown on the schedule we will send you.

We will not cover your buildings and your contents for a period of 48 hours from the time of the commencement of your insurance for damage or loss caused by:

- ☐ bushfire or grassfire; or
- ☐ a named cyclone.

We will provide cover however if:

- ☐ This insurance commences directly after another insurance policy covering the same property expired without a break in cover.
- ☐ You have entered into a contract of sale to purchase the property.
- ☐ You have entered into a contract to lease the property.

The insurance applies for the period for which you have paid us (or agreed to pay us) the premium. You may pay your premium by cash, cheque or credit card. If your cheque or credit card is dishonoured by your financial institution, you are not insured.

You can also pay your premium by instalments direct from a financial institution account or from your credit card. You cannot make a claim under this policy

if you owed us more than one month's premium when the event you want to claim for happened.

If you pay your premium by instalments and you are more than one month behind, we can cancel your policy without notice.

If you have a total loss, we shall deduct the instalments for the remaining period of insurance from the amount we pay you.

### Who is insured under this policy

The person whose name is set out in the schedule is insured. The following people are also insured, as long as they normally live with that person named in the schedule.

- That person's partner.
- Unmarried children of that person.
- Unmarried children of that person's partner.
- That person's parents.
- That person's partner's parents.

In this policy all these people are called "you" or "your".

### Who is the insurer

CGU Insurance Limited is the insurer under Section 1 Buildings and Contents and Section 2 Valuable Items. Our Australian Business Number is 27 004 478 371. Our Australian Financial Services Licence Number is 238291.

Insurance Australia Limited trading as CGU Workers Compensation is the insurer under Section 3 Workers' Compensation if your situation is in Western Australia, Tasmania, Northern Territory or Australian Capital Territory. Our Australian Business Number is 11 000 016 722.

In this policy the insurer is called "we", "us" or "our".

### Words that have a special meaning

In this policy there are words that have a special meaning. These words are listed below. If the meaning of a word is not shown below, we tell you on what page the meaning is printed. Wherever a word with a special meaning is printed in this policy, it will be shown in **bold print**.

<b>Buildings</b>	This is on page 16 under "What are buildings".
<b>Contents</b>	This is on pages 17 and 18 under "What are contents".
<b>Excess</b>	This is the amount of money you will pay if you have a claim. We will reduce the amount we pay you by the excess. The amount of your excess is shown on your schedule and the earthquake excess is shown on page 19.
<b>Schedule</b>	This is the document we give you which sets out the details of your insurance cover. You receive a schedule when you first take out your insurance and again when the policy is renewed or changed.
<b>Situation</b>	This is the place where the building and/or contents are located. We will show this place on all schedules we give you.
<b>Valuable items</b>	This is on page 24 under "What are valuable items".

## Section 1

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## BUILDINGS AND CONTENTS

### What is insured

Your **buildings** and/or **contents** as set out in the **schedule** is insured if they are destroyed, lost or damaged. They are insured only if you own them, or are liable for them.

If you only insure **buildings**, the cover provided for destruction, loss or damage does not apply to **contents**.

If you only insure **contents**, the cover provided for destruction, loss or damage does not apply to **buildings**.

Your **buildings** and **contents** are insured while at your **situation**. Cover for your **contents** while away from your **situation** is not provided unless we say so.

We will cover your **buildings** and **contents** for any accidental damage or accidental loss including that caused by:

- landslide or subsidence but only if it occurs within 72 hours after one of the following:
  - storm, rainwater or wind.
  - earthquake.
  - explosion.
  - liquid that escapes from a fixed pipe or something attached to a pipe, fixed gutter, fixed tank or a drain.

This cover also applies to gates, fences or retaining walls that are attached to, and are part of, the structure of the **buildings**.

- storm, rainwater or wind. This includes storm, rainwater or wind damage to:
  - gates, fences or walls that are attached to, and are part of, the structure of the **buildings**.
  - gates, fences or walls that are not attached to, and are not part of, the structure of the **buildings** but only for any section of a gate, fence or wall made of brick, stone, metal or frame-supported corrugated fibrous material. The frame supporting the corrugated fibrous material must be made of brick, stone or metal.
  - gates, fences or walls that are not attached to, and are not part of the structure of, the **buildings** which are made of timber. We will only pay for gates, fences or walls 15 years old or less.
  - free-standing fences that do not have a supporting frame but only if these fences are made from corrugated fibrous material. These fences must have been installed and constructed according to the manufacturer's specifications.

We will not pay for storm, rainwater or wind damage to shade cloth, swimming pool covers including solar covers, plastic liners for swimming pools.

- electric motor burning out. If an electric motor burns out, we will repair, reinstate or replace it. We decide which one we will do.

We will not cover your **buildings** and **contents** for any accidental damage or accidental loss caused by:

- landslide or subsidence except as described on page 12.
- settling, shrinkage or any movement of earth.
- erosion.
- water entering the **buildings** through an opening made for any building, renovation or repair work.
- water entering the **buildings** because of a structural defect, faulty design or faulty workmanship when the **buildings** were constructed.
- flood.

Flood is when water from a river, creek, lake, reservoir, dam or navigable canal overflows onto normally dry land. Water that escapes from an irrigation canal is not flood.

- rust, corrosion, gradual deterioration, depreciation, wear or tear.
- rats, mice or insects.
- roots from trees, plants, shrubs or grass.
- any process of cleaning involving the use of chemicals other than domestic household chemicals.
- a defect in an item, faulty workmanship, structural defects or faulty design.
- breakage of mirrors, glassware, crystal, crockery or china while they are being used, cleaned or carried by hand.
- malicious damage or vandalism that is done by a tenant.
- theft from any part of the **buildings** which you share with another person who is not insured under this policy.
- theft by a tenant.
- deliberate or intentional acts that are done by a tenant.
- mechanical or electrical breakdown other than an electric motor burning out. We will pay for any resultant damage following mechanical or electrical breakdown.

### **Additional things we will pay for when you have insured your buildings**

The following will be paid in addition to the sum insured. These will be paid when they relate to damage or loss from accidental damage or accidental loss.

- We will pay the amount that your **buildings** could be rented out for each week if you had not had a loss. We will pay this amount for up to 24 months. The most we will pay is 10% of your **buildings** sum insured.  
We will only pay for this when your **buildings** are unable to be lived in after damage or loss has occurred.
- We will pay your legal costs to discharge your mortgage if your claim is for a total loss.  
We will pay the reasonable costs of demolishing and removing any **buildings** debris when damage or loss occurs. We will pay up to 10% of your **buildings** sum insured.
- We will pay the reasonable costs of architects, surveyors and legal fees when damage or loss occurs. We will pay up to 10% of your **buildings** sum insured.
- We will pay to make modifications to your **buildings** if you are injured as a result of accidental damage or accidental loss to your **buildings**. We will only pay for modifications if the injury causes permanent paraplegia or permanent quadriplegia. The most we will pay is \$10,000.
- If a key to an external door lock of your **buildings**, or a key to an external window lock of your **buildings**, is stolen or lost, we will pay the reasonable and necessary costs of replacing the external lock, key or cylinder with a similar item. We decide which one we will do.
- If any trees, plants, shrubs or lawns are:
  - stolen, or
  - burnt, or
  - maliciously damaged, or
  - damaged by a vehicle,
 we will pay to replace the trees, plants, shrubs or lawns. The most we will pay is \$10,000 in any one period of insurance.
- If you have a loss, we will increase your sum insured by the amount the Consumer Price Index (all groups) has increased since you took out your policy or last renewed it.
- You are fully insured again for your **buildings** for the amount shown in your **schedule** following a claim. This does not apply when your claim is for a total loss as your cover for **buildings** will end then.

### **Additional things we will pay for when you have insured your contents**

The following will be paid in addition to the sum insured. These will be paid when they relate to damage or loss from accidental damage or accidental loss.

- If any of your credit cards are misused after they are stolen, we will pay up to \$5,000 in total to the financial institutions that issued them. We will only pay if you complied with the terms on which the credit cards were issued.
- We will pay the reasonable costs of alternate accommodation that you may incur after you have had a loss. We will also pay the reasonable costs you may incur to board your pets after you have had a loss.

We will pay this amount for up to 24 months. The most we will pay is 10% of your **contents** sum insured. We will only pay for this when your **buildings** are unable to be lived in after damage or loss has occurred.

We will reduce this payment, or stop paying you if:

- we pay you for rent following damage to the **buildings**, or
  - you receive any payment for rent or accommodation from another source, or
  - you do not need to pay for alternate accommodation.
- If guests or visitors to your home bring their own possessions with them, we will regard those possessions as belonging to you. The most we will pay is \$5,000 if these possessions are lost or damaged. We will not pay if these possessions are already insured.
- If employees working at your home bring their own possessions with them, we will regard those possessions as belonging to you. We will only pay if the employees are doing domestic work for you. The most we will pay is \$5,000 if these possessions are lost or damaged. We will not pay if these possessions are already insured.
- If a key to an external door lock of your **buildings**, or a key to an external window lock of your **buildings**, is stolen or lost, we will pay the reasonable and necessary costs of replacing the external lock, key or cylinder with a similar item. We decide which one we will do.
- We will pay the reasonable costs of removing any **contents** debris when damage or loss occurs. We will pay up to 10% of your **contents** sum insured.
- We will pay the reasonable costs you have to pay a security firm to attend your home in response to your monitored burglar alarm system.

We will only pay these costs when there is:

- a burglary, or
- an attempted burglary.

We will not pay these costs when there is:

- a false alarm, or
- no evidence of an attempted burglary.

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

- If you have a loss, we will increase your sum insured by the amount the Consumer Price Index (all groups) has increased since you took out your policy or last renewed it. This increase does not apply to any special contents you have insured.
- You are fully insured again for your **contents** for the amount shown in your **schedule** following a claim. This does not apply when your claim is for a total loss as your cover for **contents** will end then.

The following will be paid in addition to the sum insured.

- We will pay to reinstate, reproduce or restore your documents if they are damaged while contained in the **buildings** or in a bank vault. This includes the information contained on the documents. The most we will pay is \$10,000.
- We will pay for the fees that you must pay to an accountant. We will pay these fees when your personal financial affairs are audited by the Federal Commissioner of Taxation. You must advise us of any such audit.

We will only pay claims notified to us during the period of insurance shown on your most recent **schedule**. The most we will pay during any one period of insurance is \$5,000.

We will not pay claims for:

- any audit that relates to a criminal prosecution.
- fees where the final assessment of your taxable income for the period being audited is 20% higher than your original declaration.
- fees for work performed outside the time limits allowed by the Federal Commissioner of Taxation.
- any fines, penalties or adjustments of taxation.

■ We will pay for veterinary expenses if your pet is injured as a result of a road accident. The most we will pay is \$500.

■ We will pay legal costs and expenses you are liable to pay following legal proceedings brought by you, or against you, in Australia. You must advise us of any legal proceedings brought by you, or against you. We will only pay claims notified to us during the period of insurance shown on your most recent **schedule**. We will only pay the legal costs and expenses incurred with our consent. The most we will pay during any one period of insurance is \$5,000.

We will not pay legal costs and expenses relating to:

- spouse or partner disputes including, but not limited to, divorce, child maintenance, or custody and property disputes.
- claims for death, bodily injury to, or disease of, any person.
- claims where cover is available by a standard form of motor vehicle, homeowners or householders, motor cycle, caravan or boat insurance.
- any criminal charge or prosecution brought against you.
- any road traffic offence or boating offence committed by you.
- any matter arising out of your business or profession.
- any matter arising out of any insurance cover required by legislation.
- any award of damages made against you.
- any penalties, fines or awards of aggravated, exemplary or punitive damages made against you.

## **What are buildings**

- Residential buildings you live in including any professional offices or surgeries in those building.
- Domestic outbuildings.
- Fixed coverings to walls, floors and ceilings. These do not include fixed carpets, curtains or internal blinds.
- Services, which include the supply of electricity, water, etc.
- Items built in, or fixed to, or on, the buildings.
- Blinds or awnings on the outside of the buildings.
- Anything permanently built, permanently constructed or permanently installed on your property for domestic purposes.

## What are NOT buildings

- Property that a tenant is liable for under the terms of a rental agreement.
- Plants, shrubs, trees or grass.

## What are contents

- Household goods that are not used for earning income.
- Goods that you use for earning your income while they are at your **situation**. You would normally receive a taxation deduction for these. We will pay up to \$5,000 in total for these items. This does not include office and surgery equipment.
- Office and surgery equipment that you use for earning your income while it is at your **situation**. You would normally receive a taxation deduction for these. We will pay up to \$20,000 in total for these items. This includes **valuable items** able to be powered by battery as listed on page 24. We will pay up to \$10,000 per item for any **valuable item** able to be powered by battery unless it is listed as a special **valuable item**.
- Carpets, curtains and internal blinds.
- Furniture and furnishings that are not built in.
- Portable domestic appliances that are not built in.
- Swimming pools, saunas and spas that are not permanently installed.
- Accessories for any swimming pools, saunas or spas.
- Clothing and personal effects.
- **Valuable items** - see page 24 for "What are valuable items". We will pay up to \$10,000 for any one item, pair, set, collection or system. The most we will pay for **valuable items** is 20% of your **contents** sum insured.
- Items thinly covered with gold or silver that are not jewellery or watches.
- Paintings and prints, tapestries, Persian or similar rugs, antiques and any other works of art. We will pay up to \$25,000 for any one item.
- Projectors and screens.
- Equipment for developing and enlarging photographs.
- Processed film, slides and prints. We will only pay the value of these items as unprocessed material, and the cost of processing them. However, if they were processed when you purchased them, we will pay the cost of replacement. We will not pay the costs of recreating any event.
- Tapes, cassettes, cartridges and discs, including computer software. We will only pay the value of these items when blank unless they were pre-recorded when you purchased them.
- Money and negotiable documents. We will pay up to \$5,000 in total for these.
- Accessories and spare parts for motor vehicles, motor cycles, mini bikes, caravans, trailers and watercraft. We will not pay if the accessories and spare parts are in, or on, motor vehicles, motor cycles, mini bikes, caravans, trailers or watercraft. We will pay up to \$5,000 in total for these items.

- Landlords' fixtures and fittings that you are liable for under the terms of a rental agreement. We will not cover these fixtures and fittings if the Body Corporate has them insured.
- Fixtures and fittings that you have installed for your own use if you are a tenant, or the owner of a strata title unit. We will not cover these fixtures and fittings if the Body Corporate has them insured.
- Watercraft less than 4 metres long which are not powered by a motor, or are powered by a motor less than 10hp. The most we will pay is \$5,000.
- Unregistered motorised golf buggies, ride-on mowers and wheelchairs.
- Surfboards, sailboards or surf skis.
- Special contents which are listed on your schedule.

### **What are NOT contents**

- Unset precious and semi-precious stones.
- Plants and trees growing outdoors. This does not include plants and trees growing in pots or tubs.
- Animals, including birds and fish.
- Pedal cycles while they are used for racing or pacemaking.
- Motor vehicles, motor cycles, mini bikes, caravans, trailers or aircraft other than model or toy aircraft.
- Watercraft more than 4 metres long.
- Watercraft less than 4 metres long that are powered by a motor of more than 10hp.
- Jet skis.

### **Cover for contents away from your situation**

Your **contents** are insured while they are away from your situation, anywhere in the world.

Your **contents** are not insured if they:

- are on the way to, or from, or in, commercial storage.
- have been away from your **situation** for more than a continuous period of 90 days, other than sporting equipment that is stored within a clubroom.
- are in transit during a permanent removal.
- have been removed permanently from your **situation**, without our permission.

The following items of **contents** are not covered while away from your **situation**:

- accessories and spare parts for motor vehicles, motor cycles, mini bikes, caravans, trailers and watercraft.
- goods that you use for earning your income.
- office and surgery equipment that you use for earning your income.



## PAYING CLAIMS

### Policy excess

For each **buildings** or **contents** claim, we will reduce the amount we pay you for your claim by the **excess**. The amount of your **excess** is shown on your **schedule**.

Your **excess** will be increased by \$250 for any claim for damage or loss arising from an earthquake. This damage or loss must occur within 72 hours of the earthquake.

When a claim is paid for damage to, or loss of, **buildings** and **contents**, the **excess** amount will only be taken off once.

When a claim is paid under only "Additional things we will pay for when you have insured your buildings" or "Additional things we will pay for when you have insured your contents", your **excess** will not apply.

### The most we will pay for your buildings or contents

The most we will pay for any claim for **buildings** or **contents** is the sum insured shown on your **schedule**. This does not apply to amounts payable under "Additional things we will pay for when you have insured your buildings" or "Additional things we will pay for when you have insured your contents".

### How we pay a claim for your buildings

When damage or loss occurs to your **buildings**, we will pay the cost of rebuilding your **buildings** or repairing the damaged portions to the same condition as when they were new.

We will also pay any additional costs required for your **buildings** to comply with government or local authority bylaws. We will not pay these additional costs if you were required to comply with these bylaws, and had not done so, before the damage or loss occurred.

Rebuilding or repairing your **buildings** must commence within six months of the damage or loss occurring. If it does not commence within six months, we will do one of the following:

- reinstate or repair the **buildings** to the condition they were in just before the damage or loss occurred, or
- pay you the cost of reinstating or repairing the **buildings** to the condition they were in just before the damage or loss occurred, or
- pay you the value of the land and **buildings** just before the damage or loss occurred. We will reduce this payment by the value of your land and **buildings** after the damage or loss occurred.

We decide which one we will do.

We will pay for the damaged portions of fixed coverings to walls, floors and ceilings only in the room, hall or passage where the damage occurred.

We will try to match any material used to repair the **buildings** with the original materials. If we cannot, we will use the nearest equivalent available to the original materials. We will not pay any costs for replacing undamaged property.

If the damage was caused by liquid that escaped from a bath, basin, sauna, spa, shower base or shower wall we will pay the costs to repair the **buildings**. We will not pay the costs to repair or replace the bath, basin, sauna, spa, shower base or shower wall.

### **How we pay a claim for your contents**

When damage or loss occurs to any **contents** item we will do one of the following:

- replace the property with the nearest equivalent new property, or
- repair the property to the condition it was in when new, or
- pay you the cost of replacement or repair.

We decide which one we will do.

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

When an item is part of a pair, set, system or collection, we will only pay for the value of the item itself. The most we will pay is the value that the item has as a proportion of the combined pair, set, system or collection. We will only pay the cost of replacing the item even though the pair, set, system or collection to which it belongs is less valuable because it is incomplete.

## Section 1

---



## LIABILITY

We will pay the amount you are liable to pay following an accident if your liability arises from any of the circumstances shown below. The accident that results in the claim must occur during the period of insurance. We also pay any legal costs you have to pay in relation to the accident. This includes costs awarded against you. The most we will pay, including costs, for any single accident, or series of accidents arising out of the same event, is the amount shown in your **schedule**.

### When we will pay

- If you have insured your **buildings**, we will pay the amount you have to pay as owner or occupier of your **buildings**.
- If you have insured your **contents** and live in a rented building, we will pay the amount you have to pay as owner of your **contents**, or occupier of the building.
- If you have insured your **contents** and you own part of a building that has been subdivided, we will pay the amount you have to pay as owner of your **contents** or occupier of your part of the building. We will not pay for an accident that happens in any common areas of the building.
- If you have insured your **contents**, we will pay the amount you have to pay for any accident that happens:
  - anywhere in Australia,
  - anywhere in Australia in connection with your position as a committee member of a sporting or social club. We will not pay if you receive more than \$1,000 per year for holding the position,
  - anywhere in the world. Cover away from Australia is limited to 90 consecutive days and starts from the time you leave Australia.

This does not include the amount you have to pay because you are the owner or occupier of your **buildings**.

- If you have insured your **contents**, we will pay for any accident that happens anywhere in Australia arising out of the use of watercraft. We will only pay if the watercraft is less than 4 metres long and is not powered by a motor, or is powered by a motor less than 10hp. This does not include jet skis.

### Additional things we will pay for when you have insured your contents

We will pay the amount you are liable to pay following an alleged or actual act or omission. We will only pay for your liability in connection with your position as a committee member of a sporting or social club. We will not pay if you receive more than \$1,000 per year for holding this position.

Any claim made against you must occur within the period of insurance stated in the **schedule**. The most we will pay, including costs, during any one period of insurance is \$10,000.

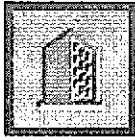
## When we will NOT pay

We will not pay claims arising from:

- penalties, fines or awards of aggravated, exemplary or punitive damages made against you.
- use of a motor vehicle, motor cycle, mini bike, aircraft or watercraft, other than:
  - unregistered motorised golf buggies, ride-on mowers and wheelchairs.
  - model or toy aircraft.
  - a surfboard, sailboard or surf skis,
  - watercraft that are described on page 21.
- use of a caravan or trailer when the caravan or trailer is attached to a motor vehicle or motor cycle.
- personal injury to you, or any member of your family who normally lives with you, or any other person who normally lives with you.
- personal injury to any person you employ and that injury arises from their employment with you.
- damage to or loss of property that belongs to you, or any member of your family who normally lives with you, or any other person who normally lives with you.
- damage to or loss of property that belongs to any person you employ and that damage or loss arises from their employment with you.
- damage to or loss of property that is in the control of you, or any member of your family who normally lives with you, or any other person who normally lives with you.
- any disease that is transmitted by you, or any member of your family who normally lives with you.
- any business, profession, trade or occupation carried on by you. This does not include being a committee member of a sporting or social club provided that you do not receive more than \$1,000 per year for holding this position.
- alterations, repairs, renovations or additions to your **buildings** that cost more than \$50,000.
- any agreement or contract you enter into. We will pay for your liability if you would have been liable without the agreement or contract.
- the use, removal of or exposure to any asbestos product or products containing asbestos.
- gaining a personal profit or advantage that is illegal.
- a conflict of duty or interest.
- any act or omission that is dishonest, fraudulent, criminal, wilful or malicious.
- any loss that can be reimbursed by your sporting or social club.
- any alleged or actual act or omission committed, or alleged to have been committed, prior to the commencement of the policy.

## Section 1

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### STRATA TITLE MORTGAGEE PROTECTION

This section of the policy only applies when your **schedule** shows that you have requested cover for mortgagee protection. It applies when you own part of a building that has been subdivided, usually into strata title units, and you have a mortgage on that part of the building.

We will cover the part of the building that you own for damage or loss on the same basis as set out in Section 1 - Buildings and Contents.

We will pay up to the amount you owe on your mortgage but no more than the sum insured shown on your **schedule**. We will pay this to your mortgagee when you are required to pay your mortgage in full following a loss. We will only pay this when the body corporate has not insured the buildings, or it has not insured the buildings for damage that you can claim for under this policy.

## Section 2

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### VALUABLE ITEMS

This section of the policy only applies when your **schedule** shows that you have requested cover for **valuable items**.

#### What are valuable items

- Jewellery and watches.
- Items that contain gold or silver.
- Furs.
- Collections of stamps, money or medals.
- Items able to be powered by battery as listed:
  - cassette players
  - compact disc players
  - electronic diaries
  - mobile or portable phones
  - portable computers
  - radios
  - record players
  - tape recorders
  - televisions
  - video recorders or cameras.
- Equipment for taking photographs, including accessories and unprocessed film. These are not covered while they are being used:
  - underwater, or
  - to earn your income.
- Sporting equipment designed to be used in a leisure activity that involves some element of physical activity or competition. This does not include pedal cycles. Sporting equipment is not covered while it is being used.
- Special valuable items which are listed on your **schedule**.

#### What are NOT valuable items

- Unset precious and semi-precious stones.
- Items thinly covered with gold or silver.
- Motor vehicles, motor cycles, mini bikes, caravans, trailers, aircraft or accessories or spare parts of any of these items.
- Watercraft more than 4 metres long.
- Watercraft less than 4 metres long that are powered by a motor of more than 10hp.

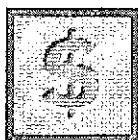
## **When we will pay**

Your **valuable items** are insured for any accidental damage or accidental loss anywhere in the world.

## **When we will NOT pay**

We will not pay if the accidental damage or accidental loss is caused by the following:

- rust, corrosion, gradual deterioration, depreciation, wear or tear.
- a defect in the item.
- rats, mice or insects.
- processes of cleaning involving the use of chemicals other than domestic household chemicals.
- mechanical or electrical breakdown other than an electric motor burning out. We will pay for any resultant damage following mechanical or electrical breakdown.



## PAYING CLAIMS

### How we pay a claim for a valuable item

When damage or loss occurs to a **valuable item** we will do one of the following:

- replace the item with the nearest equivalent new item, or
- repair the item to the condition it was in when new, or
- pay you the cost of replacement or repair.

We decide which one we will do, unless the **valuable item** is to be replaced, then we will allow you to select to be paid the value of the **valuable item**.

When a **valuable item** is part of a pair, set, system or collection, we will only pay the value of the item itself. The most we will pay is the value that the item has as a proportion of the combined pair, set, system or collection. We will only pay the cost of replacing the item even though the pair, set, system or collection to which it belongs is less valuable because it is incomplete.

We will reduce any payment for damage to, or loss of, an item under this section by the amount we pay you for the same item under your **contents** insurance.

### Limit for valuable items

The most we will pay for any one item, pair, set, collection or system is \$10,000.

You can insure items, pairs, sets, collections or systems that are worth more than the above limit for their actual value as "special valuable" items. To do this you must advise us and the items will be listed on your **schedule**. The most we will pay in total for all **valuable items** is the amount shown in your **schedule**.

## ***What Section 1 And Section 2 Of The Policy Do NOT Cover***

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We will not pay for claims for loss, damage or liability arising from:

- war or warlike activity. War does not have to be declared. We do not provide cover for theft following this.
- hostilities, rebellion, insurrection or revolution. We do not provide cover for theft following these events.
- contamination by chemical and/or biological agents, which results from an act of terrorism. Terrorism is any act which may, or may not, involve the use of, or threat of, force or violence where the purpose of the act is to further a political, religious, ideological aim or to intimidate or influence a government (whether lawfully constituted or not) or any section of the public.
- lawful destruction or confiscation of your property.
- anything nuclear or radioactive.
- damage to a heating element. We will pay for any resultant damage following damage to a heating element.
- mildew, atmospheric or climatic conditions.
- damage, loss or injury that you or anyone acting for you deliberately caused.
- flood, storm surge, the action of the sea, tidal wave, high water, tsunami or erosion.
- landslide or subsidence except as detailed on page 12.
- any event that does not occur within the period of insurance.
- failure or inability of any item, equipment or computer software to recognise correctly, to interpret correctly or to process correctly any date, or to function correctly beyond any time when that item, equipment or computer software has not recognised, interpreted or processed correctly any date. We will pay for any resultant loss or damage that is covered by this policy, other than resultant loss or damage to any frozen food, computer equipment or computer software.

## Section 3

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### WORKERS' COMPENSATION

This section of the policy only applies when your **schedule** shows that you have requested cover for Workers' Compensation.

If you have employees, in some circumstances Workers' Compensation cover is compulsory. If you are unsure, check with your local Workers' Compensation Authority.

We will pay the amount you are liable to pay if a person you employ is injured while working for you. We will only pay if the person is doing domestic work for you. We will not pay if the person is working for you in your business, profession, trade or occupation.

The amount we will pay is subject to the relevant workers' compensation legislation in your state or territory.

Please refer to page 11 under 'Who is the insurer'.



## IMPORTANT INFORMATION

### **When your insurance cover does NOT apply**

Your insurance for your **buildings, contents** and **valuable items** will not apply if, for a continuous period of 90 days or more, no one has lived at your **situation**.

You can ask us to provide cover if no one is going to be living at your **situation** for more than 90 days. If we agree to provide cover we will advise you in writing.

### **You cannot give your rights away**

You cannot give anyone else an interest in this policy without our written consent.

### **What you are required to do for us**

- You must pay us the premium for this insurance.
- You must tell us as soon as possible of anything that changes the facts or circumstances relating to your insurance.
- You must take reasonable precautions to prevent anything which could result in a claim under this policy.
- You must make sure that anyone doing anything on your behalf obeys all laws.
- You must comply with the conditions of this policy.

### **Cancelling your policy before the due date**

You can cancel this policy at any time. To do this you must ask us in writing. The policy will end when we receive your request.

We can cancel this policy if you do any of the following:

- make a misleading statement to us when you apply for your insurance.
- fail to tell us anything you should tell us when you apply for this policy, renew this policy and when you change or reinstate this policy.
- fail to comply with the conditions of this policy.
- fail to pay the premium for this insurance.
- are not fair and open in your dealings with us.
- make a claim during the period of this policy that is not true. The claim does not have to be under this policy and can be with us or another insurance company.

We may cancel this policy if there is a change in the circumstances of the risk during the period of insurance.

If we cancel this policy we will advise you in writing. To do this, a notice will be delivered to you or posted to you.

### **Return of premium if your policy is cancelled before the due date**

If your policy is cancelled before the due date:

- we will keep the premium for the period that the policy was in force.
- we will return to you the premium for the period from the date the policy ended to the due date of the policy.

### **How the Goods and Services Tax affects your claim**

Where we make a payment under this policy for the acquisition of goods, services or other supply, we will reduce the amount of the payment by the amount of any input tax credit that you are, or will be, or would have been entitled to under A New Tax System (Goods and Services Tax) Act 1999 in relation to that acquisition, whether or not that acquisition is actually made.

Where we make a payment under this policy as compensation instead of payment for the acquisition of goods, services or other supply, we will reduce the amount of the payment by the amount of any input tax credit that you would have been entitled to under A New Tax System (Goods and Services Tax) Act 1999 had the payment been applied to acquire such goods, services or other supply.

### **The law that applies to this policy**

Any disputes arising from this policy will be determined by the courts, and in accordance with the laws, of the state or territory of Australia where this policy is issued.

Please contact your nearest CGU Insurance office when something happens that you believe you can claim for.

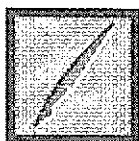
### **The way we handle your personal information**

We collect personal information from you for the purpose of providing you with insurance products, services, and processing and assessing claims.

You can choose not to provide this information, however, we may not be able to process your requests.

We may disclose information we hold about you to other insurers, an insurance reference service or as required by law. In the event of a claim, we may disclose information to and/or collect additional information about you from investigators or legal advisors.

If you wish to update or access the information we hold about you, contact us.



## HOW TO MAKE A CLAIM

### **What you must do when you make a claim**

You must make your claim as soon as possible after you suffer a loss. If you do not make it within 30 days, we may reduce what we pay you by an amount to take account of any disadvantage we suffer by the delay.

You must also:

- take all reasonable steps to stop any further loss from occurring.
- advise the nearest police station if your property is lost or stolen, vandalised or maliciously damaged. We may ask you to give us a written report from the police.
- keep the property that has been damaged so we can inspect it.
- tell us about any prosecution or inquest that may be held.
- send us any document relating to your claim within 72 hours of you receiving the document.

### **What you must NOT do when you make a claim**

You must not do any of the following:

- repair or replace any damaged property without our consent.
- pay, promise to pay, or offer payment, or admit responsibility for a claim.

### **You give us your rights to claim from anyone else**

If you have a right to claim against someone else for a claim you made under this policy, you give us your rights to make that claim. You also give us your rights to conduct, defend or settle any legal action and to act in your name.

You must not do anything which prevents us from doing this and you must give us all the information and co-operation that we require.



## OUR SERVICE COMMITMENT

CGU Insurance is proud of its service standards and supports the General Insurance Code of Practice. In an unlikely event that you are not satisfied with the way in which we have dealt with you, as part of our commitment to customer service, we have an internal dispute resolution process in place to deal with any complaint you may have.

If you are not satisfied with any of the following, please contact your nearest CGU Insurance office.

- ☐ One of our products.
- ☐ Our service.
- ☐ The service of our authorised representatives, loss adjusters or investigators.
- ☐ Our decision on your claim.

Our staff will help you in any way they can. If they are unable to satisfy you, they will refer the matter to the appropriate manager who will immediately deal with the matter. If the manager cannot resolve the matter, the manager will escalate the matter to our internal dispute resolution staff.

Our internal dispute resolution staff will review the matter and will try to reach a satisfactory outcome. Once their review has been completed, they will advise you of our final decision within 15 working days. If they need longer, they will contact you and explain the reasons why. Our internal dispute resolution process is a free service to you.

If you do not agree with our final decision, the matter may be reviewed through the Financial Ombudsman Service. The scheme is administered by the Financial Services Ombudsman (FOS).

The scheme is an external body that is independent of this Company. It will investigate the matter and make its decision at no cost to you.

Brochures outlining our internal dispute resolution process are available from your nearest CGU Insurance office.

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CGU Insurance Limited  
ABN 27 004 478 371

**accidental damage**  
home insurance product  
disclosure statement and policy

# accidental damage home



Preparation date: 01/08/2006

Insurer: **CGU Insurance Limited**  
ABN 27 004 478 371  
AFS Licence No. 238291

This Product Disclosure Statement (PDS) has been designed to help you get the most out of your policy.

Use the contents pages and topic index to help find what you are looking for. Important tasks such as taking out insurance or making a claim are explained in easy to follow steps. And we have included a glossary of words with a special meaning.

When you take out an insurance policy with us, the cover we agree to provide you is set out in your current schedule, and described in this PDS, as well as any Supplementary PDS we may issue. Together, they make up the terms and conditions of your insurance contract with us. Read them carefully and store them together in a safe place.

If you need more information about this PDS, please contact us or your insurance adviser.

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## Accidental Damage Home Insurance

Accidental Damage Home Insurance covers your buildings or contents for any accidental loss or damage.

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

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

You can also add options to your policy for domestic workers' compensation, strata title mortgagee protection, or to extend your valuables cover.

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

To find out what this policy covers, see next page ►

For exclusions to this cover, see page 31 ►

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## Buildings we will cover

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

### Your buildings include

- residential buildings that you live in, including any professional offices or surgeries in those buildings
- domestic outbuildings
- fixed coverings to walls, floors and ceilings
  - these do NOT include fixed carpets, curtains or internal blinds
- infrastructure for services, including infrastructure for the supply of electricity, gas, water, internet and telephone
- items built in, fixed to, or on the buildings
- blinds or awnings on the outside of the buildings
- anything permanently built, constructed or installed on your property for domestic purposes.

### Your buildings do NOT include

- buildings that a tenant is liable for under the terms of a rental agreement
- plants, shrubs, trees or grass, **unless**
  - we are covering these under 'Trees, plants and shrubs replacement'.

*For Trees, plants and shrubs replacement, see page 23 ►*

## What we will pay for buildings

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

## Contents we will cover

We will cover household goods or personal effects not fixed or fitted to buildings that you own or are legally responsible for.

### Your contents include

- accessories and spare parts for motor vehicles, motorcycles, mini bikes, caravans, trailers and watercraft, that are not in, or on them
- items thinly covered with gold or silver that are not jewellery or watches
- carpets, curtains or internal blinds
- film, slides and prints, **however**
  - we will only pay the value of these items as unprocessed material, and the cost of processing them
  - if you purchased them already processed we will only pay their replacement value
  - we will not pay the costs of recreating any event
- tapes, cassettes, cartridges and discs, **however**
  - we will only pay the value of these items when blank unless they were pre-recorded when you purchased them
- computer software
- media purchased online, e.g. music, software, and videos
- landlords' fixtures and fittings that you are liable for under the terms of a rental agreement, **unless**
  - the body corporate or similar body has insured them
- fixtures and fittings that you have installed for your own use if you are a tenant, or the owner of a strata title unit, **unless**
  - the body corporate or similar body has insured them
- goods you use to earn an income at your home, **however**
  - goods do NOT include office and surgery equipment
- office and surgery equipment that you use to earn an income at your home
- unregistered motorised golf buggies, ride-on mowers and wheelchairs
- unregistered motorcycles or mini-bikes up to 125 cc that do not require registration by law, **unless**
  - they are being used for racing or pacemaking

Continued next page ►

continued... Contents we will cover

#### Your contents include

- money and negotiable documents
- watercraft less than 4 metres long that is not powered by a motor, or is powered by a motor less than 10hp
- valuable items as listed below
  - jewellery and watches
  - items that contain gold or silver (this does not include items thinly covered with gold or silver)
  - furs
  - collections of stamps, money or medals
  - battery-powered items as listed below
    - audio visual equipment
    - camera equipment, including accessories and unprocessed film, **unless** they are being used underwater, or to earn your income
    - electronic diaries
    - GPS
    - mobile or portable phones
    - portable computers
  - sporting equipment, unless it is being used.

You can increase the level of cover for valuable items by choosing the Other Valuables or Special Valuables option.

For a description of the Other Valuables and Special Valuables options, see pages 28-29 ►

#### Your contents do NOT include

- unset precious/semi-precious stones
- plants and trees growing outdoors, **unless**
  - they are growing in pots or tubs
- animals, including birds and fish
- pedal cycles while they are used for racing or pacemaking
- motor vehicles, caravans, trailers or aircraft other than model or toy aircraft
- registered motorcycles or mini-bikes
- unregistered motorcycles or mini-bikes over 125cc
- watercraft more than 4 metres long
- watercraft less than 4 metres long that is powered by a motor of more than 10hp
- jet skis.

## What we will pay for contents

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

THE MOST WE WILL PAY	
CONTENTS	up to the contents sum insured as listed on your schedule (inclusive of GST) in total
any content item, pair, set, collection or system of contents items	\$20,000 (inclusive of GST) per item, pair, set, collection or system
office and surgery equipment - includes all battery-powered items, see below ▼	\$10,000 (inclusive of GST) in total
goods you use for earning your income in your buildings	\$5,000 (inclusive of GST) in total
money and negotiable documents	\$1,250 (inclusive of GST) in total
watercraft less than 4 metres long that is not powered by a motor, or is powered by a motor less than 10HP	\$5,000 (inclusive of GST) in total
accessories and spare parts for motor vehicles, motorcycles, mini-bikes, caravans, trailers and watercraft	\$750 (inclusive of GST) in total
VALUABLE ITEMS INCLUDED IN CONTENTS	up to 20% of the contents sum insured as listed on your schedule, or up to \$7,500 (inclusive of GST), whichever is higher - this amount is included in your contents sum insured
any one item, pair, set, collection or system of valuables other than sporting equipment	\$2,500 (inclusive of GST) per item, pair, set, collection or system
battery-powered items	\$2,500 (inclusive of GST) per item
any one item, pair, set, collection or system of sporting equipment	\$3,000 (inclusive of GST) per item, pair, set, collection or system

Continued next page ►

continued... Contents we will cover

#### Nominating the amount we will pay for contents

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

#### Increasing the amount we will pay for contents excluding valuable items

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

#### Increasing the amount we will pay for valuables

You can increase the total amount we will pay for your valuables by adding the Other Valuables option to your policy. This amount is in addition to your contents sum insured.

You can increase the maximum amount we will pay for an individual valuable item by adding the Special Valuables option to your policy. This amount is in addition to your contents sum insured.

For a description of the *Other Valuables* and *Special Valuables* options, see pages 28–29 ►

## Where your contents are covered

Your contents are covered at your home. Your contents are also covered away from your home, anywhere in Australia and New Zealand, up to 90 consecutive days.

### Contents – at your home

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

### Contents – away from your home

We will cover your contents away from your home, anywhere in Australia and New Zealand, for loss or damage as a result of an incident we have agreed to cover.

We will NOT cover

- accessories and spare parts for motor vehicles, motorcycles, mini-bikes, caravans, trailers and watercraft
- goods you use for earning an income
- office and surgery equipment you use for earning your income while they are away from your home.

We will NOT cover your contents if they

- have been away from your home for more than 90 consecutive days, **unless**
  - the contents are sporting equipment stored within a club room
- have been removed permanently from your home by you, **unless**
  - we have agreed to cover them
- are on the way to, or from, or are in a commercial storage facility, or in transit during a permanent removal, **unless**
  - we have agreed to cover them under 'Contents in transit' or 'Contents in a commercial storage facility'.

For *Contents in transit*, and *Contents in a commercial storage facility*, see page 17 ►

## Accidental Damage cover

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

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

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

Any cover we provide is subject to exclusions.

For exclusions to this cover, see page 31 ►

## Incident cover provided under specific conditions

### Burning out of an electric motor

BUILDINGS  
CONTENTS

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

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

### Fire or explosion

BUILDINGS  
CONTENTS

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

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

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

## Landslide or subsidence

BUILDINGS  
CONTENTS

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

We will **ONLY** do this if the loss or damage occurs within 72 hours of

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

## Storm, rainwater or wind

BUILDINGS  
CONTENTS

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

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

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

We will **NOT** cover

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

continued... Incident cover provided under specific conditions

## Theft or attempted theft

BUILDINGS  
CONTENTS

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

We will NOT cover your buildings or contents for loss or damage as a result of

- theft from any part of the buildings which you share with another person who is not insured under this policy
- theft by a tenant.

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

*See also Replacing keys and repairs to, and re-coding of locks and barrels, page 21 ►*

## Water or liquid damage

BUILDINGS  
CONTENTS

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

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

- flood
- landslide or subsidence, **unless**
  - we agree to cover the incident as described under 'Landslide or subsidence'
- water entering your buildings
  - through an opening made for any building, renovation or repair work
  - because of a structural defect, faulty design or faulty workmanship when your buildings were constructed.

We will NOT cover the cost of repairing the item that caused the escape of water or liquid.

*For Landslide or subsidence, see page 13 ◀*

## Additional cover included in this insurance

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

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

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

Any cover we provide is subject to exclusions.

*For exclusions to this cover, see page 31 ►*

## Accounting fees for a tax audit

CONTENTS

If your personal financial affairs are audited by the Federal Commissioner of Taxation, we will cover any accountant's fees that you must pay as a result, up to \$5,000 (inclusive of GST) during your period of insurance.

You must advise us of any such audit.

We will NOT cover claims for

- any audit that relates to a criminal prosecution
- fees where the final assessment of your taxable income for the period being audited is 20 per cent higher than your original declaration
- fees for work performed outside the time limits allowed by the Federal Commissioner of Taxation
- any fines, penalties or adjustments of taxation.

continued... Additional cover included in this insurance

## Alternative accommodation

### BUILDINGS

### CONTENTS

If your buildings or contents suffer loss or damage and you are unable to live in your home as a result, we will cover the costs of alternative accommodation for up to 12 months.

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

If you have buildings insurance we will

- pay an amount that is equal to the weekly rental value of your buildings before the incident occurred
- pay the reasonable costs of alternative accommodation for your pets

up to 10 per cent of the buildings sum insured, as listed on your schedule.

We will NOT cover this, or we will reduce the amount we pay if

- you receive any payment for rent from another source
- you do not need to pay for alternative accommodation.

If you have contents insurance, we will pay the reasonable costs of alternative accommodation, up to 10 per cent of the contents sum insured, as listed on your schedule.

We will NOT cover this, or we will reduce the amount we pay if

- we have paid you for rent following loss or damage to your buildings
- you receive any payment for rent or accommodation from another source
- you do not need to pay for alternative accommodation.

## Contents in a commercial storage facility

### CONTENTS

We will cover your contents for loss or damage whilst they are in a commercial storage facility in Australia up to the total contents sum insured, as listed on your schedule.

You must tell us that your contents are in a commercial storage facility before they are put into storage and we must have agreed to cover them.

If we agree to cover your contents in a commercial storage facility, it will be listed on your schedule.

We will ONLY cover your contents if the loss or damage occurs as a result of an incident we have agreed to cover.

We will NOT cover jewellery, money or negotiable documents.

## Contents in transit

### CONTENTS

We will cover your contents for loss or damage whilst they are being transported by a vehicle to your home, or to a commercial storage facility within Australia, up to \$10,000 (inclusive of GST) during your period of insurance.

We will ONLY cover your contents if there is a theft following violent or forcible entry, or loss or damage occurs as a result of fire, collision or overturning of the vehicle that is transporting your contents.

We will NOT cover loss or damage

- to glassware, crystal, crockery, mirrors or china, or
- caused by denting, scratching, chipping or bruising.

continued... Additional cover included in this insurance

## Credit card and transaction card misuse

CONTENTS

If your credit cards or financial transaction cards are

- misused after they are lost or stolen, or
- fraudulently used on the internet

we will pay the financial institutions that issued them, up to \$5,000 (inclusive of GST).

We will **ONLY** cover this if you have complied with the terms on which the credit cards or financial transaction cards were issued.

## Debris removal and demolishing

BUILDINGS  
CONTENTS

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

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

## Document damage

CONTENTS

If documents kept in your home or in a bank vault suffer loss or damage, we will cover the costs to reproduce or restore them, up to \$1,000 (inclusive of GST).

This includes the costs to reproduce or restore the information contained on the documents.

## Employees' belongings

CONTENTS

If your employees' belongings suffer loss or damage, we will cover the cost to repair or replace them, up to \$5,000 (inclusive of GST).

We will **ONLY** cover your employees' belongings if the loss or damage occurs

- as a result of an incident we have agreed to cover
- while your employees are working at your home, and
- while your employees are doing domestic work for you.

We will **NOT** cover contents that are already insured under another policy by someone other than you.

*For Guests' or visitors' belongings, see below ▼*

## Funeral expenses

CONTENTS

If you, or any member of your family dies, we will cover the funeral costs, up to \$10,000 (inclusive of GST).

The death must occur

- as a result of an incident we have agreed to cover
- within 12 months of the incident, and
- as a result of an incident that occurred at your home.

## Guests' or visitors' belongings

CONTENTS

If contents belonging to your guests or visitors suffer loss or damage, we will cover the cost to repair or replace them, up to \$5,000 (inclusive of GST).

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

We will **NOT** cover contents that are already insured under another policy by someone other than you.

continued... Additional cover included in this insurance

## Legal costs in Australia

### CONTENTS

We will cover any legal costs you are liable to pay following legal proceedings brought by you or against you, up to \$5,000 (inclusive of GST).

We will **ONLY** cover legal costs and expenses that

- occur during your current period of insurance
- you tell us about during your current period of insurance, and
- we have agreed to cover.

We will **ONLY** pay this once during your period of insurance.

We will **NOT** cover legal costs and expenses relating to

- spouse or partner disputes including, but not limited to, divorce, custody, child maintenance, or property disputes
- claims for death, bodily injury to, or disease of, any person
- claims where cover is available by a standard form of motor vehicle, home owners or householders, motorcycle, caravan or boat insurance
- any criminal charge or prosecution brought against you
- any road traffic offence or boating offence committed by you
- any matter arising out of your business or profession
- any matter arising out of any insurance cover required by legislation
- any award of damages against you
- any penalties, fines or awards of aggravated, exemplary or punitive damages made against you.

## Modifications to your buildings

### BUILDINGS

If you are injured as a result of loss or damage to your buildings, and the injuries lead to permanent paraplegia or quadriplegia, we will cover the cost of modifications to your buildings so you can live in them, up to \$10,000 (inclusive of GST).

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

## Mortgagee discharge costs

### BUILDINGS

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

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

## Rebuilding fees

### BUILDINGS

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

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

## Replacing keys and repairs to, and re-coding of locks and barrels

### BUILDINGS

### CONTENTS

If a key to an external door or window lock of your buildings is stolen or lost, we will cover the reasonable costs to replace your keys and repair and re-code your locks and barrels.

The theft or loss of the keys must occur as a result of an incident we have agreed to cover.

The theft must be reported to the Police.

continued... Additional cover included in this insurance

## Sale of your home

BUILDINGS

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

- the contract settlement date
- the purchaser insures the home, or
- the purchaser becomes liable for damage to the home

whichever happens first.

This cover will stop immediately if

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

## Security firm to monitor your home

CONTENTS

If your monitored burglar alarm system is set off as a result of a theft or an attempted theft, we will cover the costs of a security firm to attend your home, up to \$1,000 (inclusive of GST).

We must agree to cover the theft or attempted theft.

We will NOT cover this when there is

- a false alarm, or
- no evidence of an attempted burglary.

## Storage costs

CONTENTS

If the buildings you live in suffer loss or damage and you are unable to live in them as a result, we will cover the reasonable costs to remove and store your contents for up to 12 months.

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

We will also cover your contents while they are in storage.

## Sum insured

BUILDINGS  
CONTENTS

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

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

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

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

See also *Liability cover* – when your buildings are a total loss, page 26 ►

## Trees, plants and shrubs replacement

BUILDINGS

We will cover the cost to replace any trees, plants or shrubs that are stolen, burnt, maliciously damaged, or damaged by a vehicle, up to \$1,500 (inclusive of GST) during your period of insurance.

We will NOT cover loss or damage to a lawn.

## Veterinary expenses

CONTENTS

If your pet is injured as a result of a road accident, we will cover the veterinary expenses, up to \$500 (inclusive of GST).

## Liability cover included in this insurance

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

We will also cover claims in connection with your position as a committee member during your period of insurance.

Any cover we provide is subject to exclusions.

For exclusions to this cover, see page 31 ►

### Liability cover – general

BUILDINGS  
CONTENTS

We will cover liability claims up to \$20,000,000 (including GST) for any incident listed below.

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

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

If you have insured your contents and live in a rental building, we will cover you for the amount you have to pay as owner of your contents, or occupier of the building.

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

Continued ►

continued...  
Liability cover  
– general

BUILDINGS

CONTENTS

If you have insured your contents, other valuables or special valuables, we will cover you for the amount you have to pay for any incident that happens

- anywhere in Australia
- anywhere in Australia in connection with your position as a committee member of a sporting or social club, **however**
  - we will NOT pay if you receive more than \$1,000 per year for holding that position
- anywhere in the world for 90 consecutive days, starting from the time you leave Australia.

We will NOT cover you for any amount you have to pay as owner or occupier of your buildings.

If you have insured your contents, we will cover you for any amounts you have to pay for any incident that happens anywhere in Australia arising out of the use of

- a watercraft that is less than 4 metres long and is not powered by a motor, or is powered by a motor less than 10 hp, **unless**
  - the watercraft is a jet ski
- unregistered motorcycles or mini-bikes up to 125 cc, which do not require registration by law, **unless**
  - they are being used for racing or pacemaking.

Continued next page ►

continued... Liability cover included in this insurance

### Liability cover – when your buildings are a total loss

BUILDINGS

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

This cover will stop immediately if

- construction commences at the home
- you sell the land, or
- you take out a new buildings insurance policy for the home.

### Liability cover – for committee members

CONTENTS

We will pay for claims made against you for an alleged or actual act or omission during any one period of insurance.

We will ONLY pay for your liability in connection with your position as a committee member of a sporting or social club. The most we will pay, including legal costs, is \$10,000 (inclusive of GST) during any one period of insurance.

We will not cover you if you receive more than \$1,000 per year for holding this position.

This cover does not apply to liability claims for loss or damage to someone else's property, or death or bodily injury to other people.

## Optional cover you can add to your policy

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

Any cover we provide is subject to exclusions.

For exclusions to this cover, see page 31 ►

### Domestic Workers' Compensation

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

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

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

The cover only applies to employees doing domestic work for your household and will not cover any person that is working for you in your business, profession, trade or occupation or if you are a landlord.

An excess may apply to this option.

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

## Other Valuables

With this option you can nominate an overall amount we will pay for accidental loss or damage to your valuables

- anywhere in Australia and New Zealand, and
- anywhere in the world for up to 90 consecutive days from the time you leave Australia without listing them individually.

### Valuable items we cover are listed below

- jewellery and watches
- items that contain gold or silver (this does not include items thinly covered with gold or silver)
- furs
- collections of stamps, money or medals
- battery-powered items as listed below
  - audio visual equipment
  - camera equipment, including accessories and unprocessed film, unless they are being used underwater, or to earn your income
  - electronic diaries
  - GPS
  - mobile or portable phones
  - portable computers
- sporting equipment, unless it is being used.

### Your valuable items do not include

- unset precious/semi-precious stones
- items thinly covered with gold or silver
- motor vehicles, motorcycles, mini-bikes, caravans, trailers or aircraft or accessories, or spare parts of any of these items
- watercraft more than four metres long
- watercraft less than four metres long that is powered by a motor of more than 10 hp.

The most we will pay for this option is the amount you nominate, as listed on your schedule under 'Other Valuables'.

Continued ►

## continued... Other valuables

There are also set maximum amounts that we will pay when you make a claim.

VALUABLES	THE MOST WE WILL PAY
any one item, pair, set, collection or system of valuables other than sporting equipment	\$2,500 (inclusive of GST) per item, pair, set, collection or system
battery-powered items	\$2,500 (inclusive of GST) per item
any one item, pair, set, collection or system of sporting equipment	\$3,000 (inclusive of GST) per item, pair, set, collection or system

This option is

- not available for office and surgery equipment
- only available for contents policies.

No excesses apply to this option.

## Special Valuables

With this option you can nominate an individual amount we will pay for accidental loss or damage to any one item, pair, set, collection or system of valuables

- anywhere in Australia and New Zealand, and
- anywhere in the world for up to 90 consecutive days from the time you leave Australia.

The most we will pay for this option is the individual amount you nominate, as listed on your schedule under 'Special Valuables'.

This option is

- not available for office and surgery equipment
- only available for contents policies.

No excesses apply to this option.

For a list of valuable items we cover, and a list of items we do not include as valuables, see *Other Valuables*, page 28 ◀

continued... Optional cover that can be added to your policy

## Strata Title Mortgagee Protection

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

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

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

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

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

We will ONLY pay this when the body corporate

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

This option is available

- for contents policies, or
- as a stand alone policy.

An excess may apply to this option.

Accidental Damage cover, Additional cover and Strata Title Mortgagee Protection exclusions

32

Other Valuables and Special Valuables cover exclusions

33

Liability cover exclusions

33-34

General exclusions

35-36

## Exclusions to your cover

Any cover we provide is subject to the following exclusions.

### Accidental Damage cover, Additional cover and Strata Title Mortgagee Protection exclusions

- We will NOT cover any loss or damage as a result of, or caused by
- settling, shrinkage or any movement of earth
  - erosion, rust, corrosion, gradual deterioration, depreciation, wear or tear
  - rats, mice or insects
  - roots from trees, plants, shrubs or grass
  - any process of cleaning involving the use of chemicals other than domestic household chemicals
  - a defect in an item, structural defects, or faulty workmanship or design
  - breakage of mirrors, glassware, crystal, crockery or china while they are being used, cleaned or carried by hand
  - malicious damage or vandalism by a tenant
  - deliberate or intentional acts by a tenant
  - theft by a tenant
  - theft from any part of the buildings which you share with another person who is not insured under this policy
  - mechanical or electrical breakdown other than an electric motor burning out, **unless**
    - the breakdown results in loss or damage to your buildings or contents
  - flood
  - landslide or subsidence, **unless**
    - we agree to cover the incident as described under 'Landslide or subsidence'
  - water entering your buildings
    - through an opening made for any building, renovation or repair work
    - because of a structural defect, faulty design or faulty workmanship when your buildings were constructed.

### Other Valuables and Special Valuables cover exclusions

- We will NOT cover any loss or damage as a result of, or caused by
- rust, corrosion, gradual deterioration, depreciation, wear or tear
  - a defect in an item
  - rats, mice or insects
  - any process or cleaning involving the use of chemicals other than domestic household chemicals
  - mechanical or electrical breakdown other than an electric motor burning out, **unless**
    - the breakdown results in loss or damage to your buildings or contents.

### Liability cover exclusions

- We will NOT cover any
- personal injury to you, or any member of your family who normally lives with you, or anyone else who normally lives with you
  - personal injury to any person you employ where that injury arises from their employment with you
  - loss or damage to property that belongs to you, or is under your control, or any member of your family who normally lives with you, or anyone else that normally lives with you
  - loss or damage to property that belongs to any person you employ where that loss or damage arises from their employment with you
  - penalties, fines or awards of aggravated, exemplary or punitive damages made against you
  - loss that can be reimbursed by your sporting or social club.

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

- any alterations, repairs, renovations or additions to your buildings that cost more than \$75,000 (inclusive of GST)
- any personal profit or advantage that is illegal.

Continued next page ►

continued... Exclusions to your cover

continued...  
Liability cover  
exclusions

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

- any disease that is transmitted by you, or any member of your family who normally lives with you
- any business, profession, trade or occupation carried out by you, **unless**
  - the liability is as a result of, or arising from, you acting as a committee member of a sporting or social club and you receive no more than \$1,000 per year for holding this position
- any agreement or contract you enter into, **however**
  - if you would have been liable without the agreement or contract, we will pay for that liability
- the use, removal of, or exposure to any asbestos product or products containing asbestos
- a conflict of duty or interest
- any act or omission that is dishonest, fraudulent, criminal, wilful or malicious
- any alleged or actual act or omission committed, or alleged to have been committed, prior to the commencement of the policy
- the use of a caravan or trailer when the caravan or trailer is attached to a motor vehicle or motorcycle
- the use of a motor vehicle, motorcycle, mini-bike, aircraft or watercraft, however we will cover liability that arises from
  - unregistered motorised golf buggies, ride-on mowers and wheelchairs
  - model or toy aircraft
  - surfboard, sail board or surf skis
  - a watercraft that is less than 4 metres long and is not powered by a motor, or is powered by a motor less than 10 hp
- unregistered motorcycles or mini-bikes up to 125 cc that do not require registration by law, **unless** they are being used for racing or pacemaking.

General  
exclusions

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

- any incident that does not occur within your period of insurance
- landslide or subsidence, **unless**
  - we agree to cover the incident as described under 'Landslide or subsidence'
- war or warlike activity, **however**
  - war does not need to be declared
- hostilities, rebellion, insurrection or revolution
- contamination by chemical and/or biological agents, which results from an act of terrorism
- lawful destruction or confiscation of your property
- anything nuclear or radioactive
- mildew, atmospheric or climatic conditions
- damage to a heating element, **however**
  - we will pay for any loss or damage as a result of damage to a heating element
- failure or inability of any item, equipment or computer software to recognise correctly, to interpret correctly or to process correctly any date, or to function correctly beyond any time when that item, equipment or computer software has not recognised, interpreted or processed correctly any date, **unless**
  - it results in loss or damage to your buildings or contents that is covered under this policy. This does not include resultant loss or damage to any frozen food, computer equipment or computer software.

Continued next page ►

continued... Exclusions to your cover

continued...  
General  
exclusions

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

- deliberate or intentional acts by you, or anyone acting for you, to cause loss, damage or injury
- flood or storm surge
- erosion, the action of the sea, tidal wave or high water, unless  
– the loss or damage is the result of a tsunami.

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## Your duty of disclosure

When you take out, renew, or change or vary a policy, or when you make a claim, you have a duty to answer our questions truthfully and provide us with any information that could affect our decision to insure you, or the terms of your policy. This is called your 'duty of disclosure'.

### What you must tell us when you apply to take out this policy

When applying to take out insurance we will ask you certain questions. When answering these questions, you must be honest, and you have a duty under the *Insurance Contracts Act 1984* to tell us anything

- known to you, and
- which a reasonable person in the circumstances would include in answer to any question.

We will use your answers to help us decide whether to insure you and anyone else under this policy, and on what terms.

### Who you are answering the questions for

It is important that you understand you are answering the questions in this way on behalf of yourself and anyone else that you want to be covered by the policy.

### If you do not answer our questions in this way

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

### Renewal, variation, reinstatement or extension of your policy

When your policy is renewed, varied, reinstated or extended you have a duty, under the *Insurance Contracts Act 1984*, to tell us anything that you

- know, or
- could reasonably be expected to know, and is relevant to our decision whether to accept the risk of insurance and, if so, on what terms.

Your duty does not require disclosure of anything that

- diminishes the risk to be undertaken by us
- is of common knowledge
- we know or, in the ordinary course of business, ought to know, or
- is a matter that we indicate your duty has been waived by us.

### If you do not comply with your duty of disclosure

If you fail to comply with your duty of disclosure, we may be entitled to reduce our liability under the policy in respect of a claim, or we may cancel the policy, or do both.

If your non-disclosure is fraudulent, we may also have the option of avoiding the contract from its beginning.

## Your responsibilities when you are insured with us

In addition to your duty of disclosure, there are other responsibilities that you must meet when you are insured with us.

### You must tell us if

- your buildings will be unoccupied for a continuous period of 60 days or more
- any changes have been made to
  - the address or location where your buildings or contents are insured
  - the use of your buildings
  - your buildings due to renovation, extensions or demolition
  - the people who are insured under this policy
  - the sums insured to your buildings or contents
- any people who are insured under the policy have
  - been convicted of any criminal offence
  - made a claim that is not true under this policy or another insurance policy
- there are any changes in circumstances during the period of insurance.

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

In addition, you must also

- be truthful and frank in any statement you make in connection with your policy
- pay your premium, including paying instalments regularly
- take reasonable precautions to avoid a claim being made
- obey all laws and make sure anyone acting on your behalf obeys all laws
- follow the conditions of this policy

Continued next page ►

continued... Your responsibilities when you are insured

- not make a fraudulent claim under this insurance policy or any other policy.

## Your responsibilities when you are making a claim

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

### You must

- be truthful and frank in any statement you make in connection with a claim
- take safe and reasonable steps to prevent any further loss, damage or liability occurring
- inform the Police as soon as possible if your buildings or contents suffer loss or damage as a result of theft or attempted theft, vandalism or a malicious act
- keep all damaged buildings or contents so we can inspect them if required
- give us any information or assistance we require to investigate and process your claim
- not pay or promise to pay for a claim, or admit responsibility for a claim
- not repair or replace any damaged buildings or contents without our consent.

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

- if you have a right to claim from anyone else for an incident covered by us, you give us your rights to make that claim, to conduct, defend or settle any legal action and to act in your name – *you must not do anything which prevents us from doing this and you must give us all the information and cooperation that we require.*

## If you do not meet your responsibilities

If you do not meet your responsibilities, we may refuse or reduce a claim, cancel your policy, or do both. If we cancel your policy we will advise you in writing.

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## The General Insurance Code of Practice

The purpose of the Code is to raise the standards of practice and service in the general insurance industry.

### The objectives of the Code are

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

### Our commitment to you

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

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

See back cover for contact details ►

## Our Guarantee

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

### Fair Dealing Guarantee

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

### Money Back Guarantee

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

### Service Guarantee

We will provide you with the highest standard of service.

## How we handle your personal information

We are committed to handling your personal information in accordance with the *Privacy Act*.

We need to collect, use and disclose your personal information in order to consider your application and to provide the cover you have chosen.

You can choose not to give us some or all of your personal information, but this may affect our ability to provide you with cover.

### When you provide your personal information to us

You acknowledge and consent to us collecting and using your information to

- consider your insurance application and any subsequent application for insurance
- underwrite and price any policy issued by us or our related entities
- calculate and offer discounts
- issue you with a policy
- administer the policy, and
- investigate, assess and pay any claim made by or against you.

For these purposes, you acknowledge and consent to us collecting your personal information from, and disclosing it on a confidential basis to your intermediary\* or the third party who you have been dealing with in respect to this insurance policy and who referred you to us, other insurers, our related entities, insurance reference bureaus, law enforcement agencies, investigators and recovery agents, lawyers, any credit provider that has security over your property, assessors, repairers, suppliers retained by us to supply goods and services, advisers, and/or the agent of any of these.

\*The intermediary is a company or individual through which you purchased this insurance, or the company named on the inside front cover of this booklet.

Continued next page ►

continued... How we handle your personal information

**When you provide personal information to us about another person**

You must be authorised to do so, and you must inform that person, unless informing them would pose a serious threat to the life or health of any individual

- who we are
- how we use and disclose their information, and
- that they can gain access to that information.

**Privacy of your personal information - for marketing purposes**

In order to enhance its relationship with you, your intermediary may use your personal information that you have provided us to offer you other products and services, which may be of benefit to you.

**When you provide your personal information to us - for marketing purposes**

You acknowledge and consent to your personal information being used on a confidential basis by us or your intermediary to contact you by mail, phone, or email to provide you information on offers, products and services or for planning, market research and product development.

In using your personal information for these marketing purposes, we and your intermediary may use and disclose your personal information to offer you our or your intermediary's products and services directly, or to any other organisation to carry out the above marketing purposes on our or your intermediary's behalf. However

- CGU Insurance Ltd (CGU Insurance) and your intermediary will not use your information in this way if you have already told CGU Insurance or your intermediary not to
- you must inform CGU Insurance or your intermediary if you do not want your personal information disclosed or used for these marketing purposes.

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## How to apply for insurance

- ① If you are taking out a policy with us for the first time, contact us or your insurance adviser, or apply on line at [www.cgu.com.au](http://www.cgu.com.au). You can also send correspondence to GPO Box 9902, in your capital city

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

- ② Pay your premium

See *Your premium*, page 48 ►

See *Your responsibilities when you are insured with us*, page 39 ◀

## How to renew your insurance

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

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

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

- ② Review the proposed policy and premium we offer

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

- ③ Pay your premium

See *Your premium*, page 48 ►

## How to cancel your policy

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

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

## How to change your policy

- ① Contact us or your insurance adviser to change or vary your policy

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

- ② Check the changes

- ③ Pay your premium if it has increased

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

## If you move to a new home

- ① If you have buildings insurance and you move permanently to a new home within Australia

The cover for your original home will end and we will refund any unused premium to you. We will provide you with temporary cover for 14 days at your new home.

If you would like to continue to insure your buildings with us, contact us or your insurance adviser as soon as possible.

We will advise you if there are any changes to your premium or the terms of your insurance.

- ② If you have contents insurance and you move permanently to a new home within Australia

We will cover your contents at both your original home and your new home for 14 days, starting from the date you start moving your contents to your new home.

You must tell us that you are permanently moving your contents to a new home within 14 days from the day you first start to move.

We will advise you if there are any changes to your premium or the terms of your insurance.

## Your premium

### ① How we calculate your premium

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

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

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

### ② How to pay your premium

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

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

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

We may cancel your policy if

- you do not pay your premium
- your cheque or credit card is dishonoured by your financial institution, or
- you pay your premium by instalments and you are more than one month behind.

We may refuse to pay a claim if

- you pay by instalments and at least one instalment of the premium has remained unpaid for a period of at least 14 days.

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## How to make a claim

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

We will need

- contact details of any other people involved in the incident, including their name, current residential address and who they are insured with
- any letters, notices or court documents about the incident within 72 hours of receiving them
- the incident report number for any claims in relation to theft or attempted theft, vandalism or a malicious act
  - the Police will provide you with this number when you report the incident to them.

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

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

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

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

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

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

- ③ If you need emergency repairs

If you need to make emergency repairs, we will arrange assistance through our preferred repairers and suppliers.

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

## How we settle a buildings claim

- ① We will decide how we will settle your claim

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

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

If we do, we will

- pay you up to the buildings sum insured, as listed on your schedule
- only repair, rebuild or pay you for the part or parts of the building that actually sustained loss or damage, including damaged portions of fixed coverings to walls floors and ceilings only in the room, hall or passage where the damage occurred
- try to match any material used to repair your buildings with the original materials or nearest equivalent available to the original materials
- repair or pay you the costs to repair your buildings if the loss or damage was caused by water or liquid that escaped from a bath, basin, sauna, spa, shower base or shower wall, **however**
  - we will NOT pay the costs to repair or replace the bath, basin, sauna, spa, shower base or shower wall.

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

- ② You must pay any excess that applies

If you make a claim, you will need to pay any excesses that apply.

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

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

For the excess that may apply, see your current schedule ►

Continued next page ►

continued... How we settle a buildings claim

You must pay any excess to us, or to the builder – we will tell you who to pay the excess to.

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

③ If we decide to repair or rebuild your buildings and your current schedule shows 'including replacement benefit'

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

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

- you were required to pay these amounts before the loss or damage occurred, and you did not do so.

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

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

④ If we decide to repair or rebuild your buildings and your current schedule does not show 'including replacement benefit'

We will

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

Continued ►

⑤ After we agree to settle a claim

The repair or rebuilding work on your buildings must start within six months of the loss or damage occurring, otherwise you will have to pay any increase in cost caused by the delay.

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

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

⑥ If your building is a total loss

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

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

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

See also *Liability cover – when your buildings are a total loss*, page 26 ◀

## How we settle a contents or valuable items claim

### ① We will decide how we will settle your claim

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

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

If we do, we will pay up to

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

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

- the most we will pay is the value of the item as a proportion of the combined pair, set, collection or system.

To find out what we will pay, see page 9 ◀

### ② You must pay an excess that applies

If you make a claim, you will need to pay any excesses that apply.

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

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

You must pay any excess to us, or to the supplier or repairer – we will tell you who to pay the excess to.

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

For the excess that may apply, see your current schedule ▶

Continued ▶

### ③ If we decide to repair your contents or valuable items

We will repair the damaged item to the condition it was when new.

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

### ④ If we decide to replace your contents or valuable items

We will replace the item with the nearest equivalent new item.

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

We will **NOT** pay to re-carpet adjoining rooms, or your entire home.

Any salvage becomes our property.

### ⑤ If we decide to pay you the cost to repair or replace your contents or valuable items

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

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

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

Any salvage becomes our property.

### ⑥ If we decide to settle a claim

We will reduce any payment for damage to, or loss of, an Other Valuables or Special Valuables item by the amount we pay you for the same item under contents cover.

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## How to resolve a complaint or dispute

### ① Talk to us first

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

See back cover for  
contact details ►

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

### ② Seek a review

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

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

### ③ Seek an external review

You are entitled to seek an external review of the decision. The dispute resolution area will provide you or your insurance adviser with information about the options available to you, such as referring you to the external dispute resolution scheme administered by the Financial Ombudsman Service (FOS).

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

See back cover for  
contact details ►

**accidental loss or damage**

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

**endorsement schedule**

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

**excess**

the amount you pay when you make a claim on your policy. The amount and type of excess that may apply to your policy is shown on your current schedule and in this PDS.

**fixtures and fittings**

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

**flood**

the covering of normally dry land by water escaping or released from the normal confines of a watercourse or lake, whether or not it is altered or modified. Flood also includes water escaping from the confines of any reservoir, channel, canal or dam.

**goods you use for earning your income**

stock and tools of trade. You would normally receive a tax deduction for these items. They do not include office and surgery equipment.

**incident**

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

**malicious act**

an act done with intent and without your consent.

**office and surgery equipment**

items that are normally needed in an office or surgery that you use for earning your income in your own business. You would normally receive a tax deduction for these items. They do not include tools of trade.

**period of insurance**

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

**pet**

a domestic animal that you keep in your home or at your home.

**premium**

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

**schedule**

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

**special conditions**

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

**sporting equipment**

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

**strata title**

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

**sum insured**

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

**Supplementary Product Disclosure Statement (SPDS)**

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

**terrorism**

any act which may involve the use of, or threat of, force, violence or biological or chemical warfare, or nuclear pollution or contamination or explosion where the purpose of the act is to further a political, religious, ideological aim, or to intimidate or influence a government or any section of the public.

**total loss**

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

**unoccupied home**

a home that no-one has lived in for 60 consecutive days or more.

**us, we and our**

refers to:  
CGU Insurance Limited  
ABN 27 004 478 371

**you and your**

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

If more than one person is named as the insured, we will treat a statement, act, omission or claim by any one of these people as a statement, act, omission or claim by them all.

If you are making a claim, 'you' also includes your domestic partner, you or your partner's unmarried children, and you or your partner's parents who normally live with you.

**your buildings**

buildings that you own or are legally responsible for.

**your contents**

contents that you own or are legally responsible for.

**your home**

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

**your policy**

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

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



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#### **The insurer – Domestic Workers' Compensation**

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

This booklet contains information about CGU's insurance products and services. The information was current at the date of preparation. More information about CGU's products and services, and up-to-date information may be available by calling 13 15 32 or visiting [cgu.com.au](http://cgu.com.au). We will also give you a free paper copy of any updates if you request them. If it becomes necessary, we will issue a supplementary or replacement pbs.

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GPO Box 9902  
in your capital city

**Enquiries tel:** 131 532

**Website:** [www.cgu.com.au](http://www.cgu.com.au)



Insurer  
**CGU Insurance Limited**  
ABN 27 004 478 371  
AFS Licence No. 238291

# listed events home

## listed events

home insurance product  
disclosure statement and policy



Preparation date: 01/08/2006

Insurer: **CGU Insurance Limited**  
ABN 27 004 478 371  
AFS Licence No. 238291

This Product Disclosure Statement (PDS) has been designed to help you get the most out of your policy.

Use the contents pages and topic index to help find what you are looking for. Important tasks such as taking out insurance or making a claim are explained in easy to follow steps. And we have included a glossary of words with a special meaning.

When you take out an insurance policy with us, the cover we agree to provide you is set out in your current schedule, and described in this PDS, as well as any Supplementary PDS we may issue. Together, they make up the terms and conditions of your insurance contract with us. Read them carefully and store them together in a safe place.

If you need more information about this PDS, please contact us or your insurance adviser.

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## Listed Events Home Insurance

Listed Events Home Insurance covers your buildings or contents for loss or damage as a result of any incident listed in this PDS.

We also provide cover for a range of additional covers and your legal liability.

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

You can also add options to your policy for domestic workers' compensation, strata title mortgagee protection, or to extend your valuables cover.

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

To find out what this policy covers, see next page ►

For exclusions to this cover, see page 35 ►

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## Buildings we will cover

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

### Your buildings include

- residential buildings that you live in, including any professional offices or surgeries in those buildings
- domestic outbuildings
- fixed coverings to walls, floors and ceilings
  - these do NOT include fixed carpets, curtains or internal blinds
- infrastructure for services, including infrastructure for the supply of electricity, gas, water, internet and telephone
- items built in, fixed to, or on the buildings
- blinds or awnings on the outside of the buildings
- anything permanently built, constructed or installed on your property for domestic purposes.

### Your buildings do NOT include

- buildings that a tenant is liable for under the terms of a rental agreement
- plants, shrubs, trees or grass, **unless**
  - we are covering these under 'Trees, plants and shrubs replacement'.

*For Trees, plants and shrubs replacement, see page 27 ►*

## What we will pay for buildings

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

## Contents we will cover

We will cover household goods or personal effects not fixed or fitted to buildings that you own or are legally responsible for.

### Your contents include

- accessories and spare parts for motor vehicles, motorcycles, mini-bikes, caravans, trailers and watercraft, that are not in, or on them
- items thinly covered with gold or silver that are not jewellery or watches
- carpets, curtains or internal blinds
- film, slides and prints, **however**
  - we will only pay the value of these items as unprocessed material, and the cost of processing them
  - if you purchased them already processed we will only pay their replacement value
  - we will not pay the costs of recreating any event
- tapes, cassettes, cartridges and discs, **however**
  - we will only pay the value of these items when blank unless they were pre-recorded when you purchased them
- computer software
- media purchased online, e.g. music, software, and videos
- landlords' fixtures and fittings that you are liable for under the terms of a rental agreement, **unless**
  - the body corporate or similar body has insured them
- fixtures and fittings that you have installed for your own use if you are a tenant, or the owner of a strata title unit, **unless**
  - the body corporate or similar body has insured them
- goods you use to earn an income at your home, **however**
  - goods do NOT include office and surgery equipment
- office and surgery equipment that you use to earn an income at your home
- unregistered motorised golf buggies, ride-on mowers and wheelchairs
- unregistered motorcycles or mini-bikes up to 125 cc that do not require registration by law, **unless**
  - they are being used for racing or pacemaking

Continued next page ►

continued... Contents we will cover

#### Your contents include

- money and negotiable documents
- watercraft less than four metres long that is not powered by a motor, or is powered by a motor less than 10hp
- valuable items as listed below
  - jewellery and watches
  - items that contain gold or silver (this does not include items thinly covered with gold or silver)
  - furs
  - collections of stamps, money or medals
  - battery-powered items as listed below
    - audio visual equipment
    - camera equipment, including accessories and unprocessed film, **unless** they are being used underwater, or to earn your income
    - electronic diaries
    - GPS
    - mobile or portable phones
    - portable computers
  - sporting equipment, unless it is being used.

You can increase the level of cover for valuable items by choosing the Other Valuables or Special Valuables option.

For a description of the *Other Valuables* and *Special Valuables* options, see pages 32-33 ►

#### Your contents do not include

- unset precious/semi-precious stones
- plants and trees growing outdoors, **unless**
  - they are growing in pots or tubs
- animals, including birds and fish
- pedal cycles while they are used for racing or pacemaking
- motor vehicles, caravans, trailers or aircraft other than model or toy aircraft
- registered motorcycles or mini-bikes
- unregistered motorcycles or mini-bikes over 125cc
- watercraft more than four metres long
- watercraft less than four metres long that is powered by a motor of more than 10hp
- jet skis.

## What we will pay for contents

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

THE MOST WE WILL PAY	
CONTENTS	up to the contents sum insured as listed on your schedule (inclusive of GST) in total
any content item, pair, set, collection or system of contents items	\$20,000 (inclusive of GST) per item, pair, set, collection or system
office and surgery equipment - includes all battery-powered items, see below ▼	\$10,000 (inclusive of GST) in total
goods you use for earning your income in your buildings	\$5,000 (inclusive of GST) in total
money and negotiable documents	\$750 (inclusive of GST) in total
watercraft less than 4 metres long that is not powered by a motor, or is powered by a motor less than 10HP	\$5,000 (inclusive of GST) in total
accessories and spare parts for motor vehicles, motorcycles, mini-bikes, caravans, trailers and watercraft	\$750 (inclusive of GST) in total
VALUABLE ITEMS INCLUDED IN CONTENTS	up to 20% of the contents sum insured as listed on your schedule, or up to \$5,000 (inclusive of GST), whichever is higher - this amount is included in your contents sum insured
any one item, pair, set, collection or system of valuables other than sporting equipment	\$2,500 (inclusive of GST) per item, pair, set, collection or system
battery-powered items	\$2,500 (inclusive of GST) per item
any one item, pair, set, collection or system of sporting equipment	\$3,000 (inclusive of GST) per item, pair, set, collection or system

Continued next page ►

continued... What we will pay for contents

#### **Nominating the amount we will pay for contents**

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

#### **Increasing the amount we will pay for contents excluding valuable items**

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

#### **Increasing the amount we will pay for valuables**

You can increase the total amount we will pay for your valuables by adding the Other Valuables option to your policy. This amount is in addition to your contents sum insured.

You can increase the maximum amount we will pay for an individual valuable item by adding the Special Valuables option to your policy. This amount is in addition to your contents sum insured.

## Where your contents are covered

Your contents are covered at your home. Your contents are also covered away from your home, anywhere in Australia.

### **Contents – at your home – at your home in the open air**

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

If your contents are at your home in the open air (not in a building that is fully enclosed) and they suffer loss or damage as a result of

- storm, rainwater or wind, or
- theft or attempted theft

the most we will pay is up to \$2,000 (inclusive of GST) in total. This limit does not apply to swimming pools, saunas or spas, or their accessories.

### **Contents – away from your home**

We will cover your contents away from your home, anywhere in Australia up to 90 consecutive days, for loss or damage as a result of an incident we have agreed to cover.

We will **ONLY** cover your contents for loss or damage as a result of storm, rainwater, wind or impact by a vehicle if they are

- in a residential building, boarding house, motel, hotel, club, nursing home, or hospital where you are staying, or
- sporting equipment stored within a club room.

We will **NOT** cover

- accessories and spare parts for motor vehicles, motorcycles, mini-bikes, caravans, trailers and watercraft
- goods you use for earning an income
- office and surgery equipment you use for earning your income while they are away from your home.

We will **NOT** cover your contents

- for theft while they are away from your home, **unless**
  - they are sporting equipment locked in a clubroom
- for loss or damage as a result of storm, rainwater, wind, or impact by a vehicle if they are in a tent, vehicle, caravan, trailer, aircraft, or watercraft
- if they have been away from your home for more than 90 consecutive days, **unless**
  - the contents are sporting equipment stored within a club room
- if they have been removed permanently from your home by you, **unless**
  - we have agreed to cover them
- if they are on the way to, or from, or are in a commercial storage facility, or in transit during a permanent removal, **unless**
  - we have agreed to cover them under 'Contents in transit' or 'Contents in a commercial storage facility'.

# Listed Events cover

We will cover your buildings or contents for loss or damage as a result of the incidents listed on the following pages.

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

Any cover we provide is subject to exclusions.

For exclusions to this cover, see page 35 ►

## Accidental breakage

BUILDINGS  
CONTENTS

We will cover your buildings or contents for loss or damage when an item is chipped or fractured through its entire thickness.

If you have insured your buildings we will cover any

- fixed glass in your buildings, including – any window tinting or shatter proofing material attached to the glass
- fixed shower bases, basins, sinks, spas, baths and toilets.

If you have insured your contents we will cover any

- mirrors, glassware, crystal, crockery, **unless**
  - they are damaged while being used, cleaned or carried by hand
- glass in furniture, **however**
  - we will not cover glass that is part of a television, or a computer screen or monitor.

If you have insured your contents and live in a rental building, we will cover accidental breakage of fixed shower bases, basins, sinks, spas, baths and toilets, **however**

- this only applies when your rental agreement makes you responsible for these items.

## Burglary or break-in

BUILDINGS  
CONTENTS

We will cover your buildings or contents for loss or damage as a result of a burglary or break-in, or an attempted burglary or break-in.

We will NOT cover loss or damage as a result of a burglary or break-in by a tenant.

The burglary or break-in, or attempted burglary or break-in, must be reported to the Police.

## Burning out of an electric motor

BUILDINGS  
CONTENTS

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

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

## Deliberate or intentional acts

BUILDINGS  
CONTENTS

We will cover your buildings or contents for loss or damage as a result of a deliberate and intentional act.

We will NOT cover loss or damage as result of a deliberate or intentional act by a tenant.

## Earthquake or tsunami

BUILDINGS  
CONTENTS

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

You must pay an additional excess of \$250.

We will only cover loss or damage as a result of an earthquake if the loss or damage occurs within 72 hours of the earthquake.

continued... Incident cover

Fire or explosion

BUILDINGS  
CONTENTS

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

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

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

Impact damage

BUILDINGS  
CONTENTS

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

We will **ONLY** cover loss or damage caused by the impact of

- an aircraft, spacecraft or satellite, or  
- anything dropped from them
- a falling television or radio antenna mast or dish
- vehicles or watercraft
- an animal or bird that is not kept at your home, **unless**
  - the loss or damage is caused by any animal or bird eating, chewing, clawing or pecking
- a falling tree or part of a tree, **unless**
  - the damage is caused when you, or someone else acting on your behalf, cuts down or removes branches from a tree.

We also pay the cost of removing and disposing of the fallen tree or parts.

Landslide or subsidence

BUILDINGS  
CONTENTS

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

We will **ONLY** do this if the loss or damage occurs within 72 hours of

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

Lightning or thunderbolt

BUILDINGS  
CONTENTS

We will cover your buildings or contents for loss or damage as a result of a lightning or thunderbolt.

Riots or civil commotion

BUILDINGS  
CONTENTS

We will cover your buildings or contents for loss or damage as a result of riots, civil commotion, or industrial or political disturbances.

continued... Incident cover

Storm,  
rainwater  
or wind

BUILDINGS  
CONTENTS

- We will cover your buildings or contents for loss or damage as a result of storm, rainwater or wind.
- We will NOT cover loss or damage caused by a named cyclone within 48 hours of the start date of your policy, **unless**
- you took out your insurance with us immediately after another insurance policy covering the same buildings or contents expired, without a break in cover
  - you took out your insurance with us immediately after the risk passed to you as purchaser of your buildings
  - you took out your insurance with us immediately after you signed a lease contract for your buildings.
- We will NOT cover
- swimming pool covers, **including**
    - solar covers and plastic liners
  - water entering your buildings
    - through an opening made for any building, renovation or repair work
    - because of a structural defect, faulty design or faulty workmanship when your buildings were constructed
  - free-standing fences made of corrugated fibrous material that do not have a supporting frame, **unless**
    - they have been installed and constructed according to the manufacturer's specifications
  - free-standing gates, fences or walls that are made of timber and are more than 15 years old.

Theft or  
attempted  
theft

BUILDINGS  
CONTENTS

- We will cover your buildings or contents for loss or damage as a result of theft or attempted theft.
- We will **ONLY** cover theft of money or negotiable documents when force is used by someone to enter your buildings.
- We will NOT cover your buildings or contents for loss or damage as a result of
- theft from any part of the buildings which you share with another person who is not insured under this policy
  - theft by a tenant.
- The theft or attempted theft must be reported to the Police.

Vandalism  
or a  
malicious  
act

BUILDINGS  
CONTENTS

- We will cover your buildings or contents for loss or damage as a result of vandalism or a malicious act.
- We will NOT cover loss or damage as a result of vandalism or a malicious act by a tenant.

Water  
or liquid  
damage

BUILDINGS  
CONTENTS

- We will cover your buildings or contents for loss or damage caused by water or liquid. We will also cover the cost of finding where the water or liquid escaped from, including the cost of repairing any damage that occurs while looking for the cause.
- We will **ONLY** cover loss or damage as a result of water or liquid escaping from
- a fixed pipe or an object attached to a pipe, fixed gutter, fixed tank or a drain
  - a bath, basin, sauna, spa, shower base or shower wall, sink, toilet or tiled floor that has drainage holes
  - a washing machine or dishwasher
  - an aquarium
  - a waterbed.
- We will NOT cover the cost of repairing the item that caused the escape of water or liquid escaped from.

## Additional cover included in this insurance

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

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

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

Any cover we provide is subject to exclusions.

For exclusions to this cover, see page 35 ►

### Accounting fees for a tax audit

#### CONTENTS

If your personal financial affairs are audited by the Federal Commissioner of Taxation, we will cover any accountant's fees that you must pay as a result, up to \$5,000 (inclusive of GST) during your period of insurance.

You must advise us of any such audit.

We will NOT cover claims for

- any audit that relates to a criminal prosecution
- fees where the final assessment of your taxable income for the period being audited is 20 per cent higher than your original declaration
- fees for work performed outside the time limits allowed by the Federal Commissioner of Taxation
- any fines, penalties or adjustments of taxation.

## Alternative accommodation

#### BUILDINGS

#### CONTENTS

If your buildings or contents suffer loss or damage and you are unable to live in your home as a result, we will cover the costs of alternative accommodation for up to 12 months.

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

If you have buildings insurance we will

- pay an amount that is equal to the weekly rental value of your buildings before the incident occurred
- pay the reasonable costs of alternative accommodation for your pets

up to 10 per cent of the buildings sum insured, as listed on your schedule.

We will NOT cover this, or we will reduce the amount we pay if

- you receive any payment for rent from another source
- you do not need to pay for alternative accommodation.

If you have contents insurance, we will pay the reasonable costs of alternative accommodation, up to 10 per cent of the contents sum insured, as listed on your schedule.

We will NOT cover this, or we will reduce the amount we pay if

- we have paid you for rent following loss or damage to your buildings
- you receive any payment for rent or accommodation from another source
- you do not need to pay for alternative accommodation.

continued... Additional cover included in this insurance

## Contents in a commercial storage facility

### CONTENTS

We will cover your contents for loss or damage whilst they are in a commercial storage facility in Australia up to the total contents sum insured, as listed on your schedule.

You must tell us that your contents are in a commercial storage facility before they are put into storage and we must have agreed to cover them.

If we agree to cover your contents in a commercial storage facility, it will be listed on your schedule.

We will **ONLY** cover your contents if the loss or damage occurs as a result of an incident we have agreed to cover.

We will **NOT** cover jewellery, money or negotiable documents.

## Contents in transit

### CONTENTS

We will cover your contents for loss or damage whilst they are being transported by a vehicle to your home, or to a commercial storage facility within Australia, up to \$10,000 (inclusive of GST) during your period of insurance.

We will **ONLY** cover your contents if there is a theft following violent or forceable entry, or loss or damage occurs as a result of fire, collision or overturning of the vehicle that is transporting your contents.

We will **NOT** cover loss or damage

- to glassware, crystal, crockery, mirrors or china, **or**
- caused by denting, scratching, chipping or bruising.

## Credit card and transaction card misuse

### CONTENTS

If your credit cards or financial transaction cards are

- misused after they are stolen, **or**
  - fraudulently used on the internet
- we will pay the financial institutions that issued them, up to \$5,000 (inclusive of GST).

We will **ONLY** cover this if you have complied with the terms on which the credit cards or financial transaction cards were issued.

## Debris removal and demolishing

### BUILDINGS

### CONTENTS

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

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

## Document damage

### CONTENTS

If documents kept in your home or in a bank vault suffer loss or damage, we will cover the costs to reproduce or restore them, up to \$1,000 (inclusive of GST).

This includes the costs to reproduce or restore the information contained on the documents.

continued... Additional cover included in this insurance

Employees' belongings

CONTENTS

If your employees' belongings suffer loss or damage, we will cover the cost to repair or replace them, up to \$5,000 (inclusive of GST).  
We will ONLY cover your employees' belongings if the loss or damage occurs

- as a result of an incident we have agreed to cover
- while your employees are working at your home, and
- while your employees are doing domestic work for you.

We will NOT cover contents that are already insured under another policy by someone other than you.

For Guests' or visitors' belongings, see next page ►

Frozen food

CONTENTS

We will cover the cost to replace the loss of any frozen food, up to \$500 (inclusive of GST), if your freezer breaks down.  
We will ONLY do this if your freezer breaks down as a result of an incident we have agreed to cover.

Funeral expenses

CONTENTS

If you, or any member of your family dies, we will cover the funeral costs, up to \$10,000 (inclusive of GST).  
The death must occur

- as a result of an incident we have agreed to cover
- within 12 months of the incident, and
- as a result of an incident that occurred at your home.

Guests' or visitors' belongings

CONTENTS

If contents belonging to your guests or visitors suffer loss or damage, we will cover the cost to repair or replace them, up to \$5,000 (inclusive of GST).  
The loss or damage must occur as a result of an incident we have agreed to cover.  
We will NOT cover contents that are already insured under another policy by someone other than you.

## Legal costs in Australia

### CONTENTS

We will cover any legal costs you are liable to pay following legal proceedings brought by you or against you, up to \$5,000 (inclusive of GST).

We will **ONLY** cover legal costs and expenses that

- occur during your current period of insurance
- you tell us about during your current period of insurance, and
- we have agreed to cover.

We will **ONLY** pay this once during your period of insurance.

We will **NOT** cover legal costs and expenses relating to

- spouse or partner disputes including, but not limited to, divorce, custody, child maintenance, or property disputes
- claims for death, bodily injury to, or disease of, any person
- claims where cover is available by a standard form of motor vehicle, home owners or householders, motorcycle, caravan or boat insurance
- any criminal charge or prosecution brought against you
- any road traffic offence or boating offence committed by you
- any matter arising out of your business or profession
- any matter arising out of any insurance cover required by legislation
- any award of damages against you
- any penalties, fines or awards of aggravated, exemplary or punitive damages made against you.

continued... Additional cover included in this insurance

## Modifications to your buildings

### BUILDINGS

If you are injured as a result of loss or damage to your buildings, and the injuries lead to permanent paraplegia or quadriplegia, we will cover the cost of modifications to your buildings so you can live in them, up to \$10,000 (inclusive of GST).

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

## Mortgagee discharge costs

### BUILDINGS

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

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

## Rebuilding fees

### BUILDINGS

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

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

## Replacing keys and repairs to, and re-coding of locks and barrels

### BUILDINGS

### CONTENTS

If a key to an external door or window lock of your buildings is stolen, we will cover the reasonable costs to replace your keys and repair and re-code your locks and barrels up to \$1,000 (inclusive of GST).

The theft or loss of the keys must occur as a result of an incident we have agreed to cover.

The theft must be reported to the Police.



## Sale of your home

BUILDINGS

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

- the contract settlement date
- the purchaser insures the home, or
- the purchaser becomes liable for damage to the home

whichever happens first.

This cover will stop immediately if

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

## Security firm to monitor your home

CONTENTS

If your monitored burglar alarm system is set off as a result of a theft or an attempted theft, we will cover the costs of a security firm to attend your home, up to \$1,000 (inclusive of GST).

We must agree to cover the theft or attempted theft.

We will NOT cover this when there is

- a false alarm, or
- no evidence of an attempted burglary.

## Storage costs

CONTENTS

If the buildings you live in suffer loss or damage and you are unable to live in them as a result, we will cover the reasonable costs to remove and store your contents for up to 12 months.

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

We will also cover your contents while they are in storage.

## Sum insured

BUILDINGS

CONTENTS

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

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

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

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

*See also Liability cover – when your buildings are a total loss, page 30 ►*

## Trees, plants and shrubs replacement

BUILDINGS

We will cover the cost to replace any trees, plants or shrubs that are stolen, burnt, maliciously damaged, or damaged by a vehicle, up to \$750 (inclusive of GST) during your period of insurance.

We will NOT cover loss or damage to a lawn.

## Veterinary expenses

CONTENTS

If your pet is injured as a result of a road accident, we will cover the veterinary expenses, up to \$500 (inclusive of GST).

# Liability cover included in this insurance

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

We will also cover claims in connection with your position as a committee member during your period of insurance.

Any cover we provide is subject to exclusions.

For exclusions to this cover, see page 35 ►

## Liability cover – general

BUILDINGS  
CONTENTS

We will cover liability claims up to \$20,000,000 (including GST) for any incident listed below.

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

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

If you have insured your contents and live in a rental building, we will cover you for the amount you have to pay as owner of your contents, or occupier of the building.

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

Continued next page ►

continued...  
Liability cover – general

BUILDINGS  
CONTENTS

If you have insured your contents, other valuables or special valuables, we will cover you for the amount you have to pay for any incident that happens

- anywhere in Australia
- anywhere in Australia in connection with your position as a committee member of a sporting or social club, **however**
  - we will NOT pay if you receive more than \$1,000 per year for holding that position
- anywhere in the world for 90 consecutive days, starting from the time you leave Australia.

We will NOT cover you for any amount you have to pay as owner or occupier of your buildings.

If you have insured your contents, we will cover you for any amounts you have to pay for any incident that happens anywhere in Australia arising out of the use of

- a watercraft that is less than 4 metres long and is not powered by a motor, or is powered by a motor less than 10hp, **unless**
  - the watercraft is a jet ski
- unregistered motorcycles or mini-bikes up to 125cc, which do not require registration by law, **unless**
  - they are being used for racing or pacemaking.

Continued next page ►

continued... Liability cover included in this insurance

### Liability cover – when your buildings are a total loss

#### BUILDINGS

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

This cover will stop immediately if

- construction commences at the home
- you sell the land, or
- you take out a new buildings insurance policy for the home.

### Liability cover – for committee members

#### CONTENTS

We will pay for claims made against you for an alleged or actual act or omission during any one period of insurance.

We will **ONLY** pay for your liability in connection with your position as a committee member of a sporting or social club. The most we will pay, including legal costs, is \$10,000 (inclusive of GST) during any one period of insurance.

We will not cover you if you receive more than \$1,000 per year for holding this position.

This cover does not apply to liability claims for loss or damage to someone else's property, or death or bodily injury to other people.

## Optional cover you can add to your policy

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

Any cover we provide is subject to exclusions.

For exclusions to this cover, see page 35 ►

### Domestic Workers' Compensation

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

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

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

The cover only applies to employees doing domestic work for your household and will not cover any person that is working for you in your business, profession, trade or occupation or if you are a landlord.

An excess may apply to this option.

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

## Other Valuables

With this option you can nominate an overall amount we will pay for accidental loss or damage to your valuables

- anywhere in Australia and New Zealand, and
- anywhere in the world for up to 90 consecutive days from the time you leave Australia without listing them individually.

### Valuable items we cover are listed below

- jewellery and watches
- items that contain gold or silver (this does not include items thinly covered with gold or silver)
- furs
- collections of stamps, money or medals
- battery-powered items as listed below
  - audio visual equipment
  - camera equipment, including accessories and unprocessed film, **unless** they are being used underwater, or to earn your income
  - electronic diaries
  - GPS
  - mobile or portable phones
  - portable computers
- sporting equipment, unless it is being used.

### Your valuable items do NOT include

- unset precious/semi-precious stones
- items thinly covered with gold or silver
- motor vehicles, motorcycles, mini-bikes, caravans, trailers or aircraft or accessories, or spare parts of any of these items
- watercraft more than four metres long
- watercraft less than four metres long that is powered by a motor of more than 10 hp.

The most we will pay for this option is the amount you nominate, as listed on your schedule under 'Other Valuables'.

Continued ►

## continued... Other valuables

There are also set maximum amounts that we will pay when you make a claim.

VALUABLES	THE MOST WE WILL PAY
any one item, pair, set, collection or system of valuables other than sporting equipment	\$2,500 (inclusive of GST) per item, pair, set, collection or system
battery-powered items	\$2,500 (inclusive of GST) per item
any one item, pair, set, collection or system of sporting equipment	\$3,000 (inclusive of GST) per item, pair, set, collection or system

This option is

- not available for office and surgery equipment
  - only available for contents policies.
- No excesses apply to this option.

## Special Valuables

With this option you can nominate an individual amount we will pay for accidental loss or damage to any one item, pair, set, collection or system of valuables

- anywhere in Australia and New Zealand, and
- anywhere in the world for up to 90 consecutive days from the time you leave Australia.

The most we will pay for this option is the individual amount you nominate, as listed on your schedule under 'Special Valuables'.

This option is

- not available for office and surgery equipment
  - only available for contents policies.
- No excesses apply to this option.

For a list of valuable items we cover, and a list of items we do not include as valuables, see *Other Valuables*, page 32 ◀

continued... Optional cover that can be added to your policy

**Strata Title Mortgagee Protection**

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

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

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

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

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

We will ONLY pay this when the body corporate

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

This option is available

- for contents policies, or
- as a stand alone policy.

An excess may apply to this option.

Listed Events cover, Additional cover and Strata Title Mortgagee Protection exclusions	36
Other Valuables and Special Valuables cover exclusions	37
Liability cover exclusions	37-39
General exclusions	39-40

## Exclusions to your cover

Any cover we provide is subject to the following exclusions.

### Listed Events cover, Additional cover and Strata Title Mortgagee Protection exclusions

- We will NOT cover any loss or damage as a result of, or caused by
- settling, shrinkage or any movement of earth
  - erosion, rust, corrosion, gradual deterioration, depreciation, wear or tear
  - rats, mice or insects
  - roots from trees, plants, shrubs or grass
  - any process of cleaning involving the use of chemicals other than domestic household chemicals
  - a defect in an item, structural defects, or faulty workmanship or design
  - breakage of mirrors, glassware, crystal, crockery or china while they are being used, cleaned or carried by hand
  - malicious damage or vandalism by a tenant
  - deliberate or intentional acts by a tenant
  - theft by a tenant
  - theft from any part of the buildings which you share with another person who is not insured under this policy
  - mechanical or electrical breakdown other than an electric motor burning out, **unless**
    - the breakdown results in loss or damage to your buildings or contents
  - flood
  - landslide or subsidence, **unless**
    - we agree to cover the incident as described under 'Landslide or subsidence'
  - water entering your buildings
    - through an opening made for any building, renovation or repair work
    - because of a structural defect, faulty design or faulty workmanship when your buildings were constructed.

### Other Valuables and Special Valuables cover exclusions

- We will NOT cover any loss or damage as a result of, or caused by
- rust, corrosion, gradual deterioration, depreciation, wear or tear
  - a defect in an item
  - rats, mice or insects
  - any process or cleaning involving the use of chemicals other than domestic household chemicals
  - mechanical or electrical breakdown other than an electric motor burning out, **unless**
    - the breakdown results in loss or damage to your buildings or contents.

### Liability cover exclusions

- We will NOT cover any
- personal injury to you, or any member of your family who normally lives with you, or anyone else who normally lives with you
  - personal injury to any person you employ where that injury arises from their employment with you
  - loss or damage to property that belongs to you or is under your control, or any member of your family who normally lives with you, or anyone else that normally lives with you
  - loss or damage to property that belongs to any person you employ where that loss or damage arises from their employment with you
  - penalties, fines or awards of aggravated, exemplary or punitive damages made against you
  - loss that can be reimbursed by your sporting or social club.

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

- any alterations, repairs, renovations or additions to your buildings that cost more than \$75,000 (inclusive of GST)
- any personal profit or advantage that is illegal.

Continued next page ►

continued... Exclusions to your cover

continued...  
Liability cover  
exclusions

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

- any disease that is transmitted by you, or any member of your family who normally lives with you
- any business, profession, trade or occupation carried out by you, **unless**
  - the liability is as a result of, or arising from, you acting as a committee member of a sporting or social club and you receive no more than \$1,000 per year for holding this position
- any agreement or contract you enter into, **however**
  - if you would have been liable without the agreement or contract, we will pay for that liability
- the use, removal of, or exposure to any asbestos product or products containing asbestos
- any act or omission that is dishonest, fraudulent, criminal, wilful or malicious
- any alleged or actual act or omission committed, or alleged to have been committed, prior to the commencement of the policy
- the use of a caravan or trailer when the caravan or trailer is attached to a motor vehicle or motorcycle
- the use of a motor vehicle, motorcycle, mini-bike, aircraft or watercraft, however we will cover liability that arises from
  - unregistered motorised golf buggies, ride-on mowers and wheelchairs.
  - model or toy aircraft
  - surfboard, sail board or surf skis
  - a watercraft that is less than 4 metres long and is not powered by a motor, or is powered by a motor less than 10 hp

Continued ►

continued...  
Liability cover  
exclusions

- unregistered motorcycles or mini-bikes up to 125 cc that do not require registration by law, **unless** they are being used for racing or pacemaking.

## General exclusions

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

- any incident that does not occur within your period of insurance
- landslide or subsidence, **unless**
  - we agree to cover the incident as described under 'Landslide or subsidence'
- war or warlike activity, **however**
  - war does not need to be declared
- hostilities, rebellion, insurrection or revolution
- contamination by chemical and/or biological agents, which results from an act of terrorism
- lawful destruction or confiscation of your property
- anything nuclear or radioactive
- mildew, atmospheric or climatic conditions
- damage to a heating element, **however**
  - we will pay for any loss or damage as a result of damage to a heating element.

Continued next page ►

continued... Exclusions to your cover

continued...  
General  
exclusions

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

- failure or inability of any item, equipment or computer software to recognise correctly, to interpret correctly or to process correctly any data, or to function correctly beyond any time when that item, equipment or computer software has not recognised, interpreted or processed correctly any data, **unless**
  - it results in loss or damage to your buildings or contents that is covered under this policy. This does not include resultant loss or damage to any frozen food, computer equipment or computer software
- deliberate or intentional acts by you, or anyone acting for you, to cause loss, damage or injury
- flood or storm surge
- erosion, the action of the sea, tidal wave or high water, **unless**
  - the loss or damage is the result of a tsunami.

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## Your duty of disclosure

When you take out, renew, or change or vary a policy, or when you make a claim, you have a duty to answer our questions truthfully and provide us with any information that could affect our decision to insure you, or the terms of your policy. This is called your 'duty of disclosure'.

### What you must tell us when you apply to take out this policy

When applying to take out insurance we will ask you certain questions. When answering these questions, you must be honest, and you have a duty under the *Insurance Contracts Act 1984* to tell us anything

- known to you, and
- which a reasonable person in the circumstances would include in answer to any question.

We will use your answers to help us decide whether to insure you and anyone else under this policy, and on what terms.

### Who you are answering the questions for

It is important that you understand you are answering the questions in this way on behalf of yourself and anyone else that you want to be covered by the policy.

### If you do not answer our questions in this way

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

### Renewal, variation, reinstatement or extension of your policy

When your policy is renewed, varied, reinstated or extended you have a duty, under the *Insurance Contracts Act 1984*, to tell us anything that you

- know, or
- could reasonably be expected to know, and is relevant to our decision whether to accept the risk of insurance and, if so, on what terms.

Your duty does not require disclosure of anything that

- diminishes the risk to be undertaken by us
- is of common knowledge
- we know or, in the ordinary course of business, ought to know, or
- is a matter that we indicate your duty has been waived by us.

Continued next page ►

### If you do not comply with your duty of disclosure

If you fail to comply with your duty of disclosure, we may be entitled to reduce our liability under the policy in respect of a claim, or we may cancel the policy, or do both.

If your non-disclosure is fraudulent, we may also have the option of avoiding the contract from its beginning.

## Your responsibilities when you are insured with us

In addition to your duty of disclosure, there are other responsibilities that you must meet when you are insured with us.

### You must tell us if

- your buildings will be unoccupied for a continuous period of 60 days or more
- any changes have been made to
  - the address or location where your buildings or contents are insured
  - the use of your buildings
  - your buildings due to renovation, extensions or demolition
  - the people who are insured under this policy
  - the sums insured to your buildings or contents
- any people who are insured under the policy have
  - been convicted of any criminal offence
  - made a claim that is not true under this policy or another insurance policy
- there are any changes in circumstances during the period of insurance.

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

In addition, you must also

- be truthful and frank in any statement you make in connection with your policy
- pay your premium, including paying instalments regularly
- take reasonable precautions to avoid a claim being made
- obey all laws and make sure anyone acting on your behalf obeys all laws
- follow the conditions of this policy

Continued next page ►

continued... Your responsibilities when you are insured

- not make a fraudulent claim under this insurance policy or any other policy.

## Your responsibilities when you are making a claim

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

**You must**

- be truthful and frank in any statement you make in connection with a claim
- take safe and reasonable steps to prevent any further loss, damage or liability occurring
- inform the Police as soon as possible if your buildings or contents suffer loss or damage as a result of theft or attempted theft, vandalism or a malicious act
- keep all damaged buildings or contents so we can inspect them if required
- give us any information or assistance we require to investigate and process your claim
- not pay or promise to pay for a claim, or admit responsibility for a claim
- not repair or replace any damaged buildings or contents without our consent.

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

- if you have a right to claim from anyone else for an incident covered by us, you give us your rights to make that claim, to conduct, defend or settle any legal action and to act in your name – *you must not do anything which prevents us from doing this and you must give us all the information and cooperation that we require.*

## If you do not meet your responsibilities

If you do not meet your responsibilities, we may refuse or reduce a claim, cancel your policy, or do both. If we cancel your policy we will advise you in writing.

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## The General Insurance Code of Practice

The purpose of the Code is to raise the standards of practice and service in the general insurance industry.

### The objectives of the Code are

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

### Our commitment to you

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

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

See back cover for contact details ►

## Our Guarantee

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

### Fair Dealing Guarantee

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

### Money Back Guarantee

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

### Service Guarantee

We will provide you with the highest standard of service.

## How we handle your personal information

We are committed to handling your personal information in accordance with the *Privacy Act*.

We need to collect, use and disclose your personal information in order to consider your application and to provide the cover you have chosen.

You can choose not to give us some or all of your personal information, but this may affect our ability to provide you with cover.

### When you provide your personal information to us

You acknowledge and consent to us collecting and using your information to

- consider your insurance application and any subsequent application for insurance
- underwrite and price any policy issued by us or our related entities
- calculate and offer discounts
- issue you with a policy
- administer the policy, and
- investigate, assess and pay any claim made by or against you.

For these purposes, you acknowledge and consent to us collecting your personal information from, and disclosing it on a confidential basis to your intermediary\* or the third party who you have been dealing with in respect to this insurance policy and who referred you to us, other insurers, our related entities, insurance reference bureaux, law enforcement agencies, investigators and recovery agents, lawyers, any credit provider that has security over your property, assessors, repairers, suppliers retained by us to supply goods and services, advisers, and/or the agent of any of these.

\*The intermediary is a company or individual through which you purchased this insurance, or the company named on the inside front cover of this booklet.

Continued next page ►

continued... How we handle your personal information

**When you provide personal information to us about another person**

You must be authorised to do so, and you must inform that person, unless informing them would pose a serious threat to the life or health of any individual

- who we are
- how we use and disclose their information, and
- that they can gain access to that information.

**Privacy of your personal information – for marketing purposes**

In order to enhance its relationship with you, your intermediary may use your personal information that you have provided us to offer you other products and services, which may be of benefit to you.

**When you provide your personal information to us – for marketing purposes**

You acknowledge and consent to your personal information being used on a confidential basis by us or your intermediary to contact you by mail, phone, or email to provide you information on offers, products and services or for planning, market research and product development.

In using your personal information for these marketing purposes, we and your intermediary may use and disclose your personal information to offer you our or your intermediary's products and services directly, or to any other organisation to carry out the above marketing purposes on our or your intermediary's behalf. However

- CGU Insurance Ltd (CGU Insurance) and your intermediary will not use your information in this way if you have already told CGU Insurance or your intermediary not to
- you must inform CGU Insurance or your intermediary if you do not want your personal information disclosed or used for these marketing purposes.

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## How to apply for insurance

- ① If you are taking out a policy with us for the first time, contact us or your insurance adviser, or apply online at [www.cgu.com.au](http://www.cgu.com.au). You can also send correspondence to GPO Box 9902, in your capital city

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

- ② Pay your premium

See *Your premium*, page 52 ►

See *Your responsibilities when you are insured with us*, page 43 ◀

## How to renew your insurance

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

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

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

- ② Review the proposed policy and premium we offer

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

- ③ Pay your premium

See *Your premium*, page 52 ►

## How to cancel your policy

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

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

## How to change your policy

- ① Contact us or your insurance adviser to change or vary your policy

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

- ② Check the changes

- ③ Pay your premium if it has increased

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

## If you move to a new home

- ① If you have buildings insurance and you move permanently to a new home within Australia

The cover for your original home will end and we will refund any unused premium to you. We will provide you with temporary cover for 14 days at your new home.

If you would like to continue to insure your buildings with us, contact us or your insurance adviser as soon as possible.

We will advise you if there are any changes to your premium or the terms of your insurance.

- ② If you have contents insurance and you move permanently to a new home within Australia

We will cover your contents at both your original home and your new home for 14 days, starting from the date you start moving your contents to your new home.

You must tell us that you are permanently moving your contents to a new home within 14 days from the day you first start to move.

We will advise you if there are any changes to your premium or the terms of your insurance.

## Your premium

### ① How we calculate your premium

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

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

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

### ② How to pay your premium

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

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

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

We may cancel your policy if

- you do not pay your premium
- your cheque or credit card is dishonoured by your financial institution, **or**
- you pay your premium by instalments and you are more than one month behind.

We may refuse to pay a claim if

- you pay by instalments and at least one instalment of the premium has remained unpaid for a period of at least 14 days.

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## How to make a claim

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

We will need

- contact details of any other people involved in the incident, including their name, current residential address and who they are insured with
- any letters, notices or court documents about the incident within 72 hours of receiving them
- the incident report number for any claims in relation to theft or attempted theft, vandalism or a malicious act
  - the Police will provide you with this number when you report the incident to them.

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

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

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

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

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

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

- ③ If you need emergency repairs

If you need to make emergency repairs, we will arrange assistance through our preferred repairers and suppliers.

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

## How we settle a buildings claim

- ① We will decide how we will settle your claim

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

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

If we do, we will

- pay you up to the buildings sum insured, as listed on your schedule
- only repair, rebuild or pay you for the part or parts of the building that actually sustained loss or damage, including damaged portions of fixed coverings to walls, floors and ceilings only in the room, hall or passage where the damage occurred.
- try to match any material used to repair your buildings with the original materials or nearest equivalent available to the original materials
- repair or pay you the costs to repair your buildings if the loss or damage was caused by water or liquid that escaped from a bath, basin, sauna, spa, shower base or shower wall, **however**
  - we will NOT pay the costs to repair or replace the bath, basin, sauna, spa, shower base or shower wall.

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

- ② You must pay any excess that applies

If you make a claim, you will need to pay any excesses that apply.

If you are claiming for any loss or damage that occurs as a result of an earthquake or tsunami, you will need to pay an additional excess of \$250. This loss or damage must occur within 72 hours of the earthquake.

For the excess that may apply, see your current schedule ►

Continued next page ►

continued... How we settle a buildings claim

You must pay any excess to us, or to the builder  
- we will tell you who to pay the excess to.

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

③ If we decide to repair or rebuild your buildings  
and your current schedule shows 'including  
replacement benefit'

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

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

- you were required to pay these amounts before the  
loss or damage occurred, and you did not do so.

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

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

④ If we decide to repair or rebuild your buildings  
and your current schedule does not show  
'including replacement benefit'

We will

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

Continued next page ►

⑤ After we agree to settle a claim

The repair or rebuilding work on your buildings  
must start within six months of the loss or damage  
occurring, otherwise you will have to pay any  
increase in cost caused by the delay.

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

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

⑥ If your building is a total loss

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

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

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

See also *Liability cover* - when  
your buildings are a total loss,  
page 30 ◀

## How we settle a contents or valuable items claim

### ① We will decide how we will settle your claim

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

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

If we do, we will pay up to

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

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

- the most we will pay is the value of the item as a proportion of the combined pair, set, collection or system.

To find out what we will pay, see page 9 ◀

### ② You must pay an excess that applies

If you make a claim, you will need to pay any excesses that apply.

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

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

You must pay any excess to us, or to the supplier or repairer – we will tell you who to pay the excess to.

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

For the excess that may apply, see your current schedule ▶

Continued next page ▶

### ③ If we decide to repair your contents or valuable items

We will repair the damaged item to the condition it was when new.

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

### ④ If we decide to replace your contents or valuable items

We will replace the item with the nearest equivalent new item.

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

We will **NOT** pay to re-carpet adjoining rooms, or your entire home.

Any salvage becomes our property.

### ⑤ If we decide to pay you the cost to repair or replace your contents or valuable items

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

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

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

Any salvage becomes our property.

### ⑥ If we decide to settle a claim

We will reduce any payment for damage to, or loss of, an Other Valuables or Special Valuables item by the amount we pay you for the same item under contents cover.

---

## How to resolve a complaint or dispute

### ① Talk to us first

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

See back cover for  
contact details ►

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

### ② Seek a review

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

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

### ③ Seek an external review

You are entitled to seek an external review of the decision. The dispute resolution area will provide you or your insurance adviser with information about the options available to you, such as referring you to the external dispute resolution scheme administered by the Financial Ombudsman Service (FOS).

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

See back cover for  
contact details ►

**endorsement schedule**

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

**excess**

the amount you pay when you make a claim on your policy. The amount and type of excess that may apply to your policy is shown on your current schedule and in this PDS.

**fixtures and fittings**

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

**flood**

the covering of normally dry land by water escaping or released from the normal confines of a watercourse or lake, whether or not it is altered or modified. Flood also includes water escaping from the confines of any reservoir, channel, canal or dam.

**goods you use for earning your income**

stock and tools of trade. You would normally receive a tax deduction for these items. They do not include office and surgery equipment.

**incident**

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

**malicious act**

an act done with intent and without your consent.

**office and surgery equipment**

items that are normally needed in an office or surgery that you use for earning your income in your own business. You would normally receive a tax deduction for these items. They do not include tools of trade.

**period of insurance**

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

**pet**

a domestic animal that you keep in your home or at your home.

**premium**

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

**schedule**

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

**special conditions**

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

**sporting equipment**

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

**strata title**

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

**sum insured**

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

**Supplementary Product Disclosure Statement (SPDS)**

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

**terrorism**

any act which may involve the use of, or threat of, force, violence or biological or chemical warfare, or nuclear pollution or contamination or explosion where the purpose of the act is to further a political, religious, ideological aim, or to intimidate or influence a government or any section of the public.

**total loss**

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

**unoccupied home**

a home that no-one has lived in for 60 consecutive days or more.

**us, we and our**

refers to:  
CGU Insurance Limited  
ABN 27 004 478 371.

**you and your**

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

If more than one person is named as the insured, we will treat a statement, act, omission or claim by any one of these people as a statement, act, omission or claim by them all.

If you are making a claim, 'you' also includes your domestic partner, you or your partner's unmarried children, and you or your partner's parents who normally live with you.

**your buildings**

buildings that you own or are legally responsible for.

**your contents**

contents that you own or are legally responsible for.

**your contents at your home in the open air**

contents at your home that are not in a fully enclosed building (e.g. carport).

**your home**

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

**your policy**

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

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



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**The Insurer – Domestic Workers' Compensation**

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

This booklet contains information about CGU's insurance products and services. The information was current at the date of preparation. More information about CGU's products and services, and up-to-date information may be available by calling 13 15 32 or visiting [cgu.com.au](http://cgu.com.au). We will also give you a free paper copy of any updates if you request them. If it becomes necessary, we will issue a supplementary or replacement PDS.

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GPO Box 9902  
in your capital city

**Enquiries tel:** 131 532

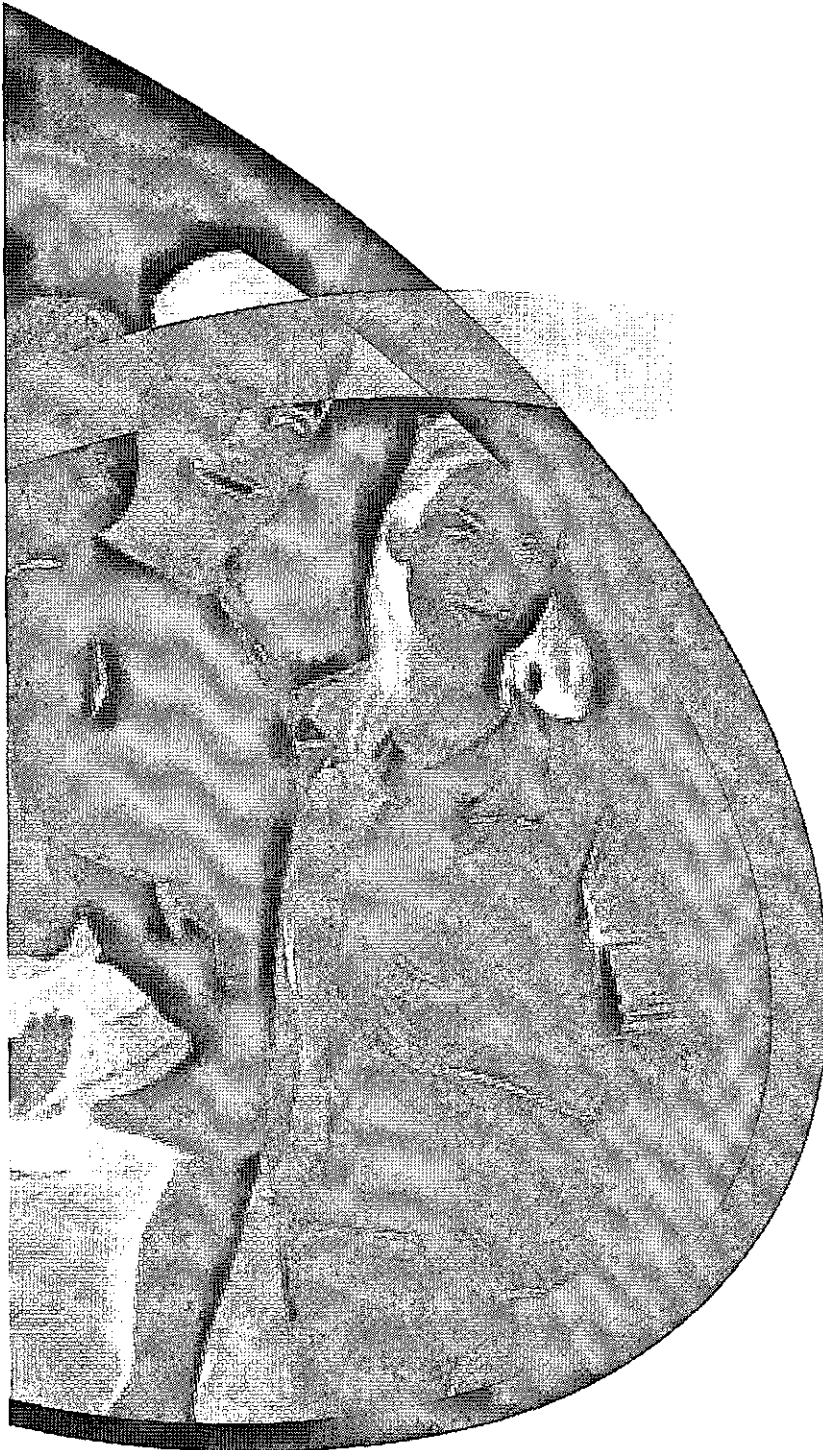
**Website:** [www.cgu.com.au](http://www.cgu.com.au)



Insurer  
**CGU Insurance Limited**  
ABN 27 004 478 371  
AFS Licence No. 238291

# fundamentals home

**fundamentals**  
home insurance product  
disclosure statement and policy



Preparation date: 27/05/2008

Insurer: **CGU Insurance Limited**  
ABN 27 004 478 371  
AFS Licence No. 238291

This Product Disclosure Statement (PDS) has been designed to help you get the most out of your policy.

Use the contents pages and topic index to help find what you are looking for. Important tasks such as taking out insurance or making a claim are explained in easy to follow steps. And we have included a glossary of words with a special meaning.

When you take out an insurance policy with us, the cover we agree to provide you is set out in your current schedule, and described in this PDS, as well as any Supplementary PDS we may issue. Together, they make up the terms and conditions of your insurance contract with us. Read them carefully and store them together in a safe place.

If you need more information about this PDS, please contact us or your insurance adviser.

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## Fundamentals Home Insurance

Fundamentals Home Insurance covers your buildings or contents for loss or damage as a result of any incident listed in this PDS.

We also provide protection for a range of additional covers and your legal liability.

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

You can also add options to your policy for domestic workers' compensation and strata title mortgagee protection.

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

To find out what this policy covers, see next page ►

For exclusions to this cover, see page 25 ►

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## Buildings we will cover

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

### Your buildings include

- residential buildings that you live in, including any professional offices or surgeries in those buildings
- domestic outbuildings
- fixed coverings to walls, floors and ceilings
  - these do NOT include fixed carpets, curtains or internal blinds
- infrastructure for services, including infrastructure for the supply of electricity, gas, water, internet and telephone
- items built in, fixed to, or on the buildings
- blinds or awnings on the outside of the buildings
- anything permanently built, constructed or installed on your property for domestic purposes.

### Your buildings do not include

- buildings that a tenant is liable for under the terms of a rental agreement
- plants, shrubs, trees or grass

## What we will pay for buildings

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

## Contents we will cover

We will cover household goods or personal effects not fixed or fitted to buildings that you own or are legally responsible for.

### Your contents include

- accessories and spare parts for motor vehicles, motorcycles, mini-bikes, caravans, trailers and watercraft, that are not in, or on them
- items thinly covered with gold or silver that are not jewellery or watches
- carpets, curtains or internal blinds
- film, slides and prints, **however**
  - we will only pay the value of these items as unprocessed material, and the cost of processing them
  - if you purchased them already processed we will only pay their replacement value
  - we will not pay the costs of recreating any event
- tapes, cassettes, cartridges and discs, **however**
  - we will only pay the value of these items when blank unless they were pre-recorded when you purchased them
- computer software
- media purchased online, e.g. music, software, and videos
- landlords' fixtures and fittings that you are liable for under the terms of a rental agreement, **unless**
  - the body corporate or similar body has insured them
- fixtures and fittings that you have installed for your own use if you are a tenant, or the owner of a strata title unit, **unless**
  - the body corporate or similar body has insured them
- office and surgery equipment that you use to earn an income at your home
- unregistered motorised golf buggies, ride-on mowers and wheelchairs
- unregistered motorcycles or mini-bikes up to 125 cc that do not require registration by law, **unless**
  - they are being used for racing or pacemaking

Continued next page ►

continued... Contents we will cover

#### Your contents include

- money and negotiable documents
- watercraft less than three metres long that are not powered by a motor
- valuable items as listed below
  - jewellery and watches
  - items that contain gold or silver (this does not include items thinly covered with gold or silver)
  - furs
  - collections of stamps, money or medals
  - battery-powered items as listed below
    - audio visual equipment
    - camera equipment, including accessories and unprocessed film, **unless** they are being used underwater, or to earn your income
    - electronic diaries
    - GPS
    - mobile or portable phones
    - portable computers
  - sporting equipment, unless it is being used.

#### Your contents do NOT include

- unset precious/semi-precious stones
- plants and trees growing outdoors, unless
  - they are growing in pots or tubs
- animals, including birds and fish
- pedal cycles while they are used for racing or pacemaking
- motor vehicles, caravans, trailers or aircraft other than model or toy aircraft
- registered motorcycles or mini-bikes
- unregistered motorcycles or mini-bikes over 125cc
- watercraft more than three metres long
- watercraft that are powered by a motor
- jet skis
- goods you use to earn an income at your home, **unless**
  - the goods are office and surgery equipment.

## What we will pay for contents

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

THE MOST WE WILL PAY	
CONTENTS	up to the contents sum insured as listed on your schedule (inclusive of GST) in total
any content item, pair, set, collection or system of contents items	\$20,000 (inclusive of GST) per item, pair, set, collection or system
office and surgery equipment - includes all battery-powered items, see below ▼	\$2,500 (inclusive of GST) in total
money and negotiable documents	\$500 (inclusive of GST) in total
watercraft less than 3 metres long that are not powered by a motor	\$5,000 (inclusive of GST) in total
accessories and spare parts for motor vehicles, motorcycles, mini-bikes, caravans, trailers and watercraft	\$500 (inclusive of GST) in total
VALUABLE ITEMS INCLUDED IN CONTENTS	up to \$2,000 (inclusive of GST), in total - this amount is included in your contents sum insured
any one item, pair, set, collection or system of valuables other than sporting equipment	\$1,000 (inclusive of GST) per item, pair, set, collection or system
battery-powered items	\$1,000 (inclusive of GST) per item
any one item, pair, set, collection or system of sporting equipment	\$1,000 (inclusive of GST) per item, pair, set, collection or system

Continued next page ►

continued... What we will pay for contents

#### Nominating the amount we will pay for contents

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

#### Increasing the amount we will pay for content items

You can increase the maximum amount we will pay for any content item, pair, set, collection or system, excluding items with maximum limits (see page 9), by nominating an amount that is higher than \$20,000. Your contents will be listed on your schedule as 'special contents'.

## Where your contents are covered

Your contents are only covered at your home.

**Contents**  
- at your home  
- at your home in the open air

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

If your contents are at your home in the open air (not in a building that is fully enclosed) and they suffer loss or damage as a result of

- storm, rainwater or wind, or
- burglary or break-in

the most we will pay is up to \$1,000 (inclusive of GST) in total. This limit does not apply to swimming pools, saunas or spas, or their accessories.

## Fundamentals cover

We will cover your buildings or contents for loss or damage as a result of the incidents listed on the following pages.

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

Any cover we provide is subject to exclusions.

For exclusions to this cover, see page 26 ►

### Accidental breakage

BUILDINGS  
CONTENTS

We will cover your buildings or contents for loss or damage when an item is chipped or fractured through its entire thickness.

If you have insured your buildings we will cover any

- fixed glass in your buildings, including  
- any window tinting or shatter proofing material attached to the glass
- fixed shower bases, basins, sinks, spas, baths and toilets.

If you have insured your contents we will cover any

- mirrors, glassware, crystal, crockery, unless  
- they are damaged while being used, cleaned or carried by hand
- glass in furniture, however  
- we will not cover glass that is part of a television, or a computer screen or monitor.

If you have insured your contents and live in a rental building, we will cover accidental breakage of fixed shower bases, basins, sinks, spas, baths and toilets, however

- this only applies when your rental agreement makes you responsible for these items.

## Burglary or break-in

BUILDINGS  
CONTENTS

We will cover your buildings or contents for loss or damage as a result of a burglary or break-in, or an attempted burglary or break-in.

We will only cover loss or damage as a result of a burglary or break-in following forcible and violent entry into your home. There must be evidence of the burglary or break-in.

We will NOT cover loss or damage as a result of a burglary or break-in by a tenant.

The burglary or break-in, or attempted burglary or break-in, must be reported to the Police.

## Deliberate or intentional acts

BUILDINGS  
CONTENTS

We will cover your buildings or contents for loss or damage as a result of a deliberate and intentional act.

We will NOT cover loss or damage as result of a deliberate or intentional act by a tenant.

## Earthquake or tsunami

BUILDINGS  
CONTENTS

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

You must pay an additional excess of \$250.

We will only cover loss or damage as a result of an earthquake if the loss or damage occurs within 72 hours of the earthquake.

continued... Incident cover

## Fire or explosion

BUILDINGS  
CONTENTS

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

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

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

## Impact damage

BUILDINGS  
CONTENTS

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

We will **ONLY** cover loss or damage caused by the impact of

- an aircraft, spacecraft or satellite, or  
- anything dropped from them
- a falling television or radio antenna mast or dish
- vehicles or watercraft
- an animal or bird that is not kept at your home, **unless**  
- the loss or damage is caused by any animal or bird eating, chewing, clawing or pecking
- a falling tree or part of a tree, **unless**  
- the damage is caused when you, or someone else acting on your behalf, cuts down or removes branches from a tree.

We also pay the cost of removing and disposing of the fallen tree or parts.

## Landslide or subsidence

BUILDINGS  
CONTENTS

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

We will **ONLY** do this if the loss or damage occurs within 72 hours of

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

## Lightning or thunderbolt

BUILDINGS  
CONTENTS

We will cover your buildings or contents for loss or damage as a result of a lightning or thunderbolt.

## Riots or civil commotion

BUILDINGS  
CONTENTS

We will cover your buildings or contents for loss or damage as a result of riots, civil commotion, or industrial or political disturbances.

continued... Incident cover

## Storm, rainwater or wind

BUILDINGS  
CONTENTS

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

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

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

We will **NOT** cover

- swimming pool covers, including
  - solar covers and plastic liners
- water entering your buildings
  - through an opening made for any building, renovation or repair work
  - because of a structural defect, faulty design or faulty workmanship when your buildings were constructed
- free-standing fences made of corrugated fibrous material that do not have a supporting frame, **unless**
  - they have been installed and constructed according to the manufacturer's specifications
- free-standing gates, fences or walls that are made of timber.

## Vandalism or a malicious act

BUILDINGS  
CONTENTS

We will cover your buildings or contents for loss or damage as a result of vandalism or a malicious act.

We will NOT cover loss or damage as a result of vandalism or a malicious act by a tenant.

## Water or liquid damage

BUILDINGS  
CONTENTS

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

We will ONLY cover loss or damage as a result of water or liquid escaping from

- a fixed pipe or an object attached to a pipe, fixed gutter, fixed tank or a drain
- a bath, basin, sauna, spa, shower base or shower wall, sink, toilet or tiled floor that has drainage holes
- a washing machine or dishwasher
- an aquarium
- a waterbed.

We will NOT cover the cost of repairing the item that caused the escape of water or liquid.

## Additional cover included in this insurance

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

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

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

Any cover we provide is subject to exclusions.

For exclusions to this cover, see page 26 ►

## Alternative accommodation

BUILDINGS  
CONTENTS

If your buildings or contents suffer loss or damage and you are unable to live in your home as a result, we will cover the costs of alternative accommodation for up to 12 months.

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

If you have buildings insurance we will

- pay an amount that is equal to the weekly rental value of your buildings before the incident occurred
- pay the reasonable costs of alternative accommodation for your pets up to 10 per cent of the buildings sum insured, as listed on your schedule.

Continued next page ►

continued... Additional cover included in this insurance

continued...  
Alternative  
accommodation

BUILDINGS

CONTENTS

We will NOT cover this, or we will reduce the amount we pay if

- you receive any payment for rent from another source
- you do not need to pay for alternative accommodation.

If you have contents insurance, we will pay the reasonable costs of alternative accommodation, up to 10 per cent of the contents sum insured, as listed on your schedule.

We will NOT cover this, or we will reduce the amount we pay if

- we have paid you for rent following loss or damage to your buildings
- you receive any payment for rent or accommodation from another source
- you do not need to pay for alternative accommodation.

Credit card  
and  
transaction  
card  
misuse

CONTENTS

If your credit cards or financial transaction cards are

- misused after they are stolen, or
  - fraudulently used on the internet
- we will pay the financial institutions that issued them, up to \$1,000 (inclusive of GST).

We will ONLY cover this if you have complied with the terms on which the credit cards or financial transaction cards were issued.

Debris  
removal  
and  
demolishing

BUILDINGS

CONTENTS

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

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

Mortgagee  
discharge  
costs

BUILDINGS

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

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

Rebuilding  
fees

BUILDINGS

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

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

## Replacing keys and repairs to, and re-coding of locks and barrels

BUILDINGS  
CONTENTS

If a key to an external door or window lock of your buildings is stolen, we will cover the reasonable costs to replace your keys and repair and re-code your locks and barrels up to \$1,000 (inclusive of GST).

The theft of the keys must occur as a result of an incident we have agreed to cover.

The theft must be reported to the Police.

## Sum insured

BUILDINGS  
CONTENTS

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

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

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

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

See also *Liability cover – when your buildings are a total loss*, page 22 ►

## Liability cover included in this insurance

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

Any cover we provide is subject to exclusions.

For exclusions to this cover, see page 27 ►

## Liability cover – general

BUILDINGS  
CONTENTS

We will cover liability claims up to \$20,000,000 (including GST) for any incident listed below.

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

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

If you have insured your contents and live in a rental building, we will cover you for the amount you have to pay as owner of your contents, or occupier of the building.

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

Continued next page ►

continued...  
**Liability cover**  
 - general

**BUILDINGS**

**CONTENTS**

If you have insured your contents we will cover you for the amount you have to pay for any incident that happens anywhere in Australia.

We will NOT cover you for any amount you have to pay as owner or occupier of your buildings.

If you have insured your contents, we will cover you for any amounts you have to pay for any incident that happens anywhere in Australia arising out of the use of

- a watercraft that is less than 3 metres long and is not powered by a motor
- unregistered motorcycles or mini-bikes up to 125 cc, which do not require registration by law, **unless**
  - they are being used for racing or pacemaking.

**Liability cover - when your buildings are a total loss**

**BUILDINGS**

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

This cover will stop immediately if

- construction commences at the home
- you sell the land, or
- you take out a new buildings insurance policy for the home.

## Optional cover you can add to your policy

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

Any cover we provide is subject to exclusions.

For exclusions to this cover, see page 26 ►

### Domestic Workers' Compensation

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

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

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

The cover only applies to employees doing domestic work for your household and will not cover any person that is working for you in your business, profession, trade or occupation or if you are a landlord.

An excess may apply to this option.

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

## Strata Title Mortgagee Protection

This option provides cover for your mortgagee following loss or damage to buildings that you own under a strata title or similar plan.

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

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

We will pay this amount to your mortgagee, however

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

We will ONLY pay this when the body corporate

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

This option is available

- as an addition to a contents policy, or
- as a stand alone policy.

Fundamentals cover, Additional cover and Strata Title Mortgagee Protection exclusions

26

Liability cover exclusions

27-28

General exclusions

28-29

## Exclusions to your cover

Any cover we provide is subject to the following exclusions.

### Fundamentals cover, Additional cover and Strata Title Mortgagee Protection exclusions

- We will NOT cover any loss or damage as a result of, or caused by
- settling, shrinkage or any movement of earth
  - erosion, rust, corrosion, gradual deterioration, depreciation, wear or tear
  - rats, mice or insects
  - roots from trees, plants, shrubs or grass
  - any process of cleaning involving the use of chemicals other than domestic household chemicals
  - a defect in an item, structural defects, or faulty workmanship or design
  - breakage of mirrors, glassware, crystal, crockery or china while they are being used, cleaned or carried by hand
  - malicious damage or vandalism by a tenant
  - deliberate or intentional acts by a tenant
  - theft by a tenant
  - theft from any part of the buildings which you share with another person who is not insured under this policy
  - mechanical or electrical breakdown
  - flood
  - landslide or subsidence, **unless**
    - we agree to cover the incident as described under 'Landslide or subsidence'
  - water entering your buildings
    - through an opening made for any building, renovation or repair work
    - because of a structural defect, faulty design or faulty workmanship when your buildings were constructed.

### Liability cover exclusions

We will NOT cover any

- personal injury to you, or any member of your family who normally lives with you, or anyone else who normally lives with you
- personal injury to any person you employ where that injury arises from their employment with you
- loss or damage to property that belongs to you or is under your control, or any member of your family who normally lives with you, or anyone else that normally lives with you
- loss or damage to property that belongs to any person you employ where that loss or damage arises from their employment with you
- penalties, fines or awards of aggravated, exemplary or punitive damages made against you

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

- any alterations, repairs, renovations or additions to your buildings that cost more than \$75,000 (inclusive of GST)
- any personal profit or advantage that is illegal.

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

- any disease that is transmitted by you, or any member of your family who normally lives with you
- any business, profession, trade or occupation carried out by you.
- any agreement or contract you enter into, **however**
  - if you would have been liable without the agreement or contract, we will pay for that liability
- the use, removal of, or exposure to any asbestos product or products containing asbestos
- any act or omission that is dishonest, fraudulent, criminal, wilful or malicious

Continued next page ►

continued... Exclusions to your cover

**continued...  
Liability cover  
exclusions**

- any alleged or actual act or omission committed, or alleged to have been committed, prior to the commencement of the policy
- the use of a caravan or trailer when the caravan or trailer is attached to a motor vehicle or motorcycle
- the use of a motor vehicle, motorcycle, mini-bike, aircraft or watercraft, **however** we will cover liability that arises from
  - unregistered motorised golf buggies, ride-on mowers and wheelchairs.
  - model or toy aircraft
  - surfboard, sail board or surf skis
  - a watercraft that is less than 3 metres long and is not powered by a motor
  - unregistered motorcycles or mini-bikes up to 125 cc that do not require registration by law, **unless** they are being used for racing or pacemaking.

**General  
exclusions**

- We will NOT cover any loss or damage, or liability as a result of, or arising from
- any incident that does not occur within your period of insurance
  - landslide or subsidence, **unless**
    - we agree to cover the incident as described under 'Landslide or subsidence'
  - war or warlike activity, **however**
    - war does not need to be declared
  - hostilities, rebellion, insurrection or revolution
  - contamination by chemical and/or biological agents, which results from an act of terrorism
  - lawful destruction or confiscation of your property

Continued next page ►

continued... Exclusions to your cover

**continued...  
General  
exclusions**

- anything nuclear or radioactive
- mildew, atmospheric or climatic conditions
- damage to a heating element, **however**
  - we will pay for any loss or damage as a result of damage to a heating element.

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

- deliberate or intentional acts by you, or anyone acting for you, to cause loss, damage or injury
- flood or storm surge
- erosion, the action of the sea, tidal wave or high water, **unless**
  - the loss or damage is the result of a tsunami.

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If you do not meet your responsibilities	34

## Your duty of disclosure

When you take out, renew, change or vary a policy, or when you make a claim, you have a duty to answer our questions truthfully and provide us with any information that could affect our decision to insure you, or the terms of your policy. This is called your 'duty of disclosure'.

### What you must tell us when you apply to take out this policy

When applying to take out insurance we will ask you certain questions. When answering these questions, you must be honest, and you have a duty under the *Insurance Contracts Act 1984* to tell us anything

- known to you, and
- which a reasonable person in the circumstances would include in answer to any question.

We will use your answers to help us decide whether to insure you and anyone else under this policy, and on what terms.

### Who you are answering the questions for

It is important that you understand you are answering the questions in this way on behalf of yourself and anyone else that you want to be covered by the policy.

### If you do not answer our questions in this way

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

### Renewal, variation, reinstatement or extension of your policy

When your policy is renewed, varied, reinstated or extended you have a duty, under the *Insurance Contracts Act 1984*, to tell us anything that you

- know, or
  - could reasonably be expected to know, and
- is relevant to our decision whether to accept the risk of insurance and, if so, on what terms.
- Your duty does not require disclosure of anything that
- diminishes the risk to be undertaken by us
  - is of common knowledge
  - we know or, in the ordinary course of business, ought to know, or
  - is a matter that we indicate your duty has been waived by us.

Continued next page ►

### If you do not comply with your duty of disclosure

If you fail to comply with your duty of disclosure, we may be entitled to reduce our liability under the policy in respect of a claim, or we may cancel the policy, or do both.

If your non-disclosure is fraudulent, we may also have the option of avoiding the contract from its beginning.

## Your responsibilities when you are insured with us

In addition to your duty of disclosure, there are other responsibilities that you must meet when you are insured with us.

### You must tell us if

- your buildings will be unoccupied for a continuous period of 60 days or more
- any changes have been made to
  - the address or location where your buildings or contents are insured
  - the use of your buildings
  - your buildings due to renovation, extensions or demolition
  - the people who are insured under this policy
  - the sums insured to your buildings or contents
- any people who are insured under the policy have
  - been convicted of any criminal offence
  - made a claim that is not true under this policy or another insurance policy
- there are any changes in circumstances during the period of insurance.

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

In addition, you must also

- be truthful and frank in any statement you make in connection with your policy
- pay your premium, including paying instalments regularly
- take reasonable precautions to avoid a claim being made
- obey all laws and make sure anyone acting on your behalf obeys all laws
- follow the conditions of this policy

Continued next page ►

continued... Your responsibilities when you are insured

- not make a fraudulent claim under this insurance policy or any other policy.

## Your responsibilities when you are making a claim

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

### You must

- be truthful and frank in any statement you make in connection with a claim
- take safe and reasonable steps to prevent any further loss, damage or liability occurring
- inform the Police as soon as possible if your buildings or contents suffer loss or damage as a result of burglary, theft or attempted theft, vandalism or a malicious act
- keep all damaged buildings or contents so we can inspect them if required
- give us any information or assistance we require to investigate and process your claim
- not pay or promise to pay for a claim, or admit responsibility for a claim
- not repair or replace any damaged buildings or contents without our consent.

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

- if you have a right to claim from anyone else for an incident covered by us, you give us your rights to make that claim, to conduct, defend or settle any legal action and to act in your name – *you must not do anything which prevents us from doing this and you must give us all the information and cooperation that we require.*

## If you do not meet your responsibilities

If you do not meet your responsibilities, we may refuse or reduce a claim, cancel your policy, or do both. If we cancel your policy we will advise you in writing.

The General Insurance Code of Practice

36

Our Guarantee

36

How we handle your personal information

37-38

## The General Insurance Code of Practice

The purpose of the Code is to raise the standards of practice and service in the general insurance industry.

### The objectives of the Code are

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

### Our commitment to you

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

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

See back cover for contact details ►

## Our Guarantee

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

### Fair Dealing Guarantee

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

### Money Back Guarantee

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

### Service Guarantee

We will provide you with the highest standard of service.

## How we handle your personal information

We are committed to handling your personal information in accordance with the *Privacy Act*.

We need to collect, use and disclose your personal information in order to consider your application and to provide the cover you have chosen.

You can choose not to give us some or all of your personal information, but this may affect our ability to provide you with cover.

### When you provide your personal information to us

You acknowledge and consent to us collecting and using your information to

- consider your insurance application and any subsequent application for insurance
- underwrite and price any policy issued by us or our related entities
- calculate and offer discounts
- issue you with a policy
- administer the policy, and
- investigate, assess and pay any claim made by or against you.

For these purposes, you acknowledge and consent to us collecting your personal information from, and disclosing it on a confidential basis to your intermediary\* or the third party who you have been dealing with in respect to this insurance policy and who referred you to us, other insurers, our related entities, insurance reference bureaus, law enforcement agencies, investigators and recovery agents, lawyers, any credit provider that has security over your property, assessors, repairers, suppliers retained by us to supply goods and services, advisers, and/or the agent of any of these.

\*The intermediary is a company or individual through which you purchased this insurance, or the company named on the inside front cover of this booklet.

Continued next page ►

continued... How we handle your personal information

**When you provide personal information to us about another person**

You must be authorised to do so, and you must inform that person, unless informing them would pose a serious threat to the life or health of any individual

- who we are
- how we use and disclose their information, and
- that they can gain access to that information.

**Privacy of your personal information – for marketing purposes**

In order to enhance its relationship with you, your intermediary may use your personal information that you have provided us to offer you other products and services, which may be of benefit to you.

**When you provide your personal information to us – for marketing purposes**

You acknowledge and consent to your personal information being used on a confidential basis by us or your intermediary to contact you by mail, phone, or email to provide you information on offers, products and services or for planning, market research and product development.

In using your personal information for these marketing purposes, we and your intermediary may use and disclose your personal information to offer you our or your intermediary's products and services directly, or to any other organisation to carry out the above marketing purposes on our or your intermediary's behalf. However

- CGU Insurance Ltd (CGU Insurance) and your intermediary will not use your information in this way if you have already told CGU Insurance or your intermediary not to
- you must inform CGU Insurance or your intermediary if you do not want your personal information disclosed or used for these marketing purposes.

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## How to apply for insurance

- ① If you are taking out a policy with us for the first time, contact us or your insurance adviser, or apply online at [www.cgu.com.au](http://www.cgu.com.au). You can also send correspondence to GPO Box 9902, in your capital city

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

- ② Pay your premium

See *Your premium*, page 42 ►

See *Your responsibilities when you are insured with us*, page 33 ◀

## How to renew your insurance

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

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

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

- ② Review the proposed policy and premium we offer

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

- ③ Pay your premium

See *Your premium*, page 42 ►

## How to cancel your policy

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

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

## How to change your policy

- ① Contact us or your insurance adviser to change or vary your policy

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

- ② Check the changes

- ③ Pay your premium if it has increased

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

## If you move to a new home

- ① If you have buildings insurance and you move permanently to a new home within Australia

You must contact us or your insurance adviser if you would like to insure your buildings at your new home.

- ② If you have contents insurance and you move permanently to a new home within Australia

We will cover your contents at both your original home and your new home for 14 days, starting from the date you start moving your contents to your new home.

You must tell us that you are permanently moving your contents to a new home within 14 days from the day you first start to move.

We will advise you if there are any changes to your premium or the terms of your insurance.

## Your premium

### ① How we calculate your premium

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

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

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

### ② How to pay your premium

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

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

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

We may cancel your policy if

- you do not pay your premium
- your cheque or credit card is dishonoured by your financial institution, or
- you pay your premium by instalments and you are more than one month behind.

We may refuse to pay a claim if

- you pay by instalments and at least one instalment of the premium has remained unpaid for a period of at least 14 days.

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## How to make a claim

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

We will need

- contact details of any other people involved in the incident, including their name, current residential address and who they are insured with
- any letters, notices or court documents about the incident within 72 hours of receiving them
- the incident report number for any claims in relation to theft or attempted theft, vandalism or a malicious act
  - the Police will provide you with this number when you report the incident to them.

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

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

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

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

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

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

- ③ If you need emergency repairs

If you need to make emergency repairs, we will arrange assistance through our preferred repairers and suppliers.

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

## How we settle a buildings claim

- ① We will decide how we will settle your claim

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

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

If we do, we will

- pay you up to the buildings sum insured, as listed on your schedule
- only repair, rebuild or pay you for the part or parts of the building that actually sustained loss or damage, including damaged portions of fixed coverings to walls, floors and ceilings only in the room, hall or passage where the damage occurred.
- try to match any material used to repair your buildings with the original materials or nearest equivalent available to the original materials
- repair or pay you the costs to repair your buildings if the loss or damage was caused by water or liquid that escaped from a bath, basin, sauna, spa, shower base or shower wall, **however**
  - we will not pay the costs to repair or replace the bath, basin, sauna, spa, shower base or shower wall.

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

- ② You must pay any excess that applies

If you make a claim, you will need to pay any excesses that apply.

If you are claiming for any loss or damage that occurs as a result of an earthquake or tsunami, you will need to pay an additional excess of \$250. This loss or damage must occur within 72 hours of the earthquake.

For the excess that may apply, see your current schedule ►

Continued next page ►

continued... How we settle a buildings claim

You must pay any excess to us, or to the builder  
- we will tell you who to pay the excess to.

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

- ③ If we decide to repair or rebuild your buildings  
and your current schedule shows 'including  
replacement benefit'

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

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

- you were required to pay these amounts before the  
loss or damage occurred, and you did not do so.

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

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

- ④ If we decide to repair or rebuild your buildings  
and your current schedule does not show  
'including replacement benefit'

We will

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

Continued next page ►

- ⑤ After we agree to settle a claim

The repair or rebuilding work on your buildings  
must start within six months of the loss or damage  
occurring, otherwise you will have to pay any  
increase in cost caused by the delay.

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

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

- ⑥ If your building is a total loss

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

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

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

*See also Liability cover -- when  
your buildings are a total loss,  
page 22 ◀*

## How we settle a contents or valuable items claim

### ① We will decide how we will settle your claim

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

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

If we do, we will pay up to

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

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

- the most we will pay is the value of the item as a proportion of the combined pair, set, collection or system.

To find out what we will pay, see page 9 ◀

### ② You must pay any excess that applies

If you make a claim, you will need to pay any excesses that apply.

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

This loss or damage must occur within 72 hours of the earthquake or tsunami.

You must pay any excess to us, or to the supplier or repairer – we will tell you who to pay the excess to.

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

For the excess that may apply, see your current schedule ▶

Continued next page ▶

### ③ If we decide to repair your contents or valuable items

We will repair the damaged item to the condition it was when new.

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

### ④ If we decide to replace your contents or valuable items

We will replace the item with the nearest equivalent new item.

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

We will **NOT** pay to re-carpet adjoining rooms, or your entire home.

Any salvage becomes our property.

### ⑤ If we decide to pay you the cost to repair or replace your contents or valuable items

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

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

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

Any salvage becomes our property.

## How we settle a strata title mortgagee claim

### ① What happens if your buildings are damaged?

If your buildings suffer damage we will pay the mortgagee the cost to repair that part of your buildings that suffered damage.

The most we will pay is the amount you owe on your mortgage, but no more than the amount listed on your schedule as the sum insured for strata title mortgagee protection.

### ② If your building is a total loss

If your building is a total loss we will pay the mortgagee up to the amount you owe on your mortgage, but no more than the amount listed on your policy schedule as the sum insured for strata title mortgagee protection.

### ③ You must pay any excess that applies

If you make a claim, you will need to pay any excesses that apply.

For the excess that may apply,  
see your current schedule ►

## How to resolve a complaint or dispute

### ① Talk to us first

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

See back cover for  
contact details ►

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

### ② Seek a review

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

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

### ③ Seek an external review

You are entitled to seek an external review of the decision. The dispute resolution area will provide you or your insurance adviser with information about the options available to you, such as referring you to the external dispute resolution scheme administered by the Financial Ombudsman Service (FOS).

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

See back cover for  
contact details ►



**burglary**

- theft or any attempt at theft following actual forcible and violent entry to your buildings, or
- theft following the threat of immediate violence or violent intimidation (including armed hold-up).

**endorsement schedule**

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

**excess**

the amount you pay when you make a claim on your policy. The amount and type of excess that may apply to your policy is shown on your current schedule and in this PDS.

**fixtures and fittings**

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

**flood**

the covering of normally dry land by water escaping or released from the normal confines of a watercourse or lake, whether or not it is altered or modified. Flood also includes water escaping from the confines of any reservoir, channel, canal or dam.

**goods you use for earning your income**

stock and tools of trade. You would normally receive a tax deduction for these items. They do not include office and surgery equipment.

**incident**

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

**malicious act**

an act done with intent and without your consent.

**office and surgery equipment**

items that are normally needed in an office or surgery that you use for earning your income in your own business. You would normally receive a tax deduction for these items. They do not include tools of trade.

**period of insurance**

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

**pet**

a domestic animal that you keep in your home or at your home.

**premium**

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

**schedule**

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

**special conditions**

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

**sporting equipment**

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

**strata title**

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

**sum insured**

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

**Supplementary Product Disclosure Statement (SPDS)**

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

**terrorism**

any act which may involve the use of, or threat of, force, violence or biological or chemical warfare, or nuclear pollution or contamination or explosion where the purpose of the act is to further a political, religious, ideological aim, or to intimidate or influence a government or any section of the public.

**total loss**

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

**unoccupied home**

a home that no-one has lived in for 60 consecutive days or more.

**us, we and our**

refers to:  
CGU Insurance Limited  
ABN 27 004 478 371.

**you and your**

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

If more than one person is named as the insured, we will treat a statement, act, omission or claim by any one of these people as a statement, act, omission or claim by them all.

If you are making a claim, 'you' also includes your domestic partner, you or your partner's unmarried children, and you or your partner's parents who normally live with you.

**your buildings**

buildings that you own or are legally responsible for.

**your contents**

contents that you own or are legally responsible for.

**your contents at your home in the open air**

contents at your home that are not in a fully enclosed building (e.g. carport).

**your home**

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

**your policy**

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

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

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**The Insurer – Domestic Workers' Compensation**

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

This booklet contains information about CGU's insurance products and services. The information was current at the date of preparation. More information about CGU's products and services, and up-to-date information may be available by calling 13 15 32 or visiting [cgu.com.au](http://cgu.com.au). We will also give you a free paper copy of any updates if you request them. If it becomes necessary, we will issue a supplementary or replacement PDS. © 2008

**essentials plus**  
**home insurance**  
product disclosure  
statement  
and policy

# essentials plus home



Preparation date: 30/3/2004

Insurer:  
CGU Insurance Limited  
ABN 27 004 478 371  
AFS Licence No. 238291



## How to contact us

You may contact us by any of the following ways:

- ◆ In person at any CGU Insurance office.
- ◆ By telephone on 13 15 32.
- ◆ By writing to us at CGU Insurance, GPO Box 9902 in your capital city.
- ◆ By email on our website [www.cgu.com.au](http://www.cgu.com.au)

## The purpose of this PDS

This PDS has been prepared to assist you in understanding the insurance policy and making an informed choice about your insurance requirements. This PDS sets out the significant features of the insurance policy including its benefits, risks and information about how the insurance premium is calculated. You still need to read the policy wording which commences on page 11 for a full description of the terms, conditions and limitations of the insurance policy.

## General Insurance Code of Practice

CGU Insurance proudly supports the General Insurance Code of Practice. The purpose of the Code is to raise the standards of practice and service in the general insurance industry. Details about the Code are shown in the policy wording under 'General Insurance Code of Practice' on page 12. Brochures on the Code are available from your nearest CGU Insurance office.

## Your cooling-off period

We will refund all premium paid for cover under the insurance policy if you request cancellation of the insurance policy within 21 days of its commencement. To do this, you must advise us in writing and return the schedule to your nearest CGU Insurance office. You will not receive a refund if you have made a claim under the insurance policy. Details about the cooling-off period are shown in

the policy wording under 'Money Back Guarantee' on page 12.

## What to do if you have a dispute

If you have a concern about the insurance policy, our decision on your claim, our service or the service of our authorised representatives, loss adjusters or investigators, you may access our internal dispute resolution process. To do so, please contact your nearest CGU Insurance office. In the event we are unable to resolve your concern through our internal dispute resolution process, you may then request the matter be reviewed by the General Insurance Enquiries and Complaints Scheme. This is a free service available to you by calling 1300 78 08 08. The scheme is administered by the Insurance Enquiries and Complaints Ltd (IEC) ABN 23 062 284 888. Details about the dispute resolution system are shown in the policy wording under 'Our service commitment' on page 45.

## Your privacy

We treat your personal information with care. We will not release your personal information to anyone else other than another insurer, an insurance reference service or as permitted or required by law. In the event of a claim, we may disclose information to and/or collect additional information about you from investigators or legal advisers. Details about your privacy are shown in the policy wording under 'The way we handle your personal information' on page 42.

## Your duty of disclosure

We rely upon the information you provide to us when you apply for insurance, and when you renew, change or reinstate your policy. You must tell us anything that you know, or should know, that could affect our decision to insure you and/or the terms on which we insure you.

Details about disclosure information are shown in the policy wording under 'What you need to tell us' on page 13 and 'What you do not need to tell us' on page 13.

### How to apply for insurance

Complete our application form. If we accept your application for insurance, you will receive a schedule that sets out details of the insurance you have taken out.

### How to make a claim

To make a claim, please contact your nearest CGU Insurance office, or call 13 15 32 when something happens that you believe you can claim for. Details about making a claim are shown in the policy wording under 'What you must do when you make a claim' on page 43, 'What you must not do when you make a claim' on page 43 and 'You give us your rights to claim from anyone else' on page 44.

### Taxation information

CGU Insurance shows all taxes and charges as separate items on all schedules (e.g. stamp duty and the Goods and Services Tax). Details about the Goods and Services Tax are shown in the policy wording under 'How the Goods and Services Tax affects your claim' on pages 41 and 42.

### Significant features and benefits

- ◆ 24-hour emergency 'Home Support' hotline.
- ◆ New for old cover for most contents items up to 15 years old.
- ◆ Optional new for old cover for buildings.
- ◆ \$20 million liability insurance Australia-wide.
- ◆ Valuable items are covered under contents at the situation.
- ◆ No loss sharing penalty for under insurance.
- ◆ Pay-by-the-month instalment option.

With each cover selected, a range of additional benefits is included. These benefits are shown in the policy wording under 'Additional things we will pay for when you have insured your buildings' on page 20, and 'Additional things we will pay for when you have insured your contents' on pages 21 and 22.

### Exclusions

Our insurance is designed to provide protection for you in the event of something happening which has been insured against.

Under some circumstances, this policy will not provide any insurance cover to you. For example, we do not pay for loss or damage caused by:

- ◆ Erosion.
- ◆ Flood.
- ◆ Electric motors burning out.
- ◆ Rust, corrosion, gradual deterioration, depreciation, wear or tear.
- ◆ A defect in an item, faulty workmanship, structural defects or faulty design.
- ◆ Malicious damage or vandalism by tenants.

This lists some of the events that are not covered by this insurance, and for full details of all relevant policy exclusions you should read the policy wording and make yourself aware of all the exclusions that apply.

In the policy wording we state 'What are your buildings' on page 22, 'What are your contents' on pages 23 and 24 and 'What are valuable items' on page 34, we also state 'What are not your buildings' on page 22, 'What are not your contents' on page 25 and 'What are not valuable items' on page 35. In the policy wording we show when cover is not provided on pages 19, 31, 32 and 35, and 'What Section 1 and Section 2 of the policy do not cover' on pages 37 and 38. It is important that you are aware of these exclusions and so you should read them.

There are things that you must do in order for your insurance cover to apply. For example, you must pay the premium. In the policy wording we show what you need to do under 'What you are required to do for us' on page 40.

## Significant risks

### Cover for buildings

With building insurance you may select to insure for replacement value or market value. Replacement value provides new for old replacement cover, and market value provides as is cover.

### Adequate sum insured

In the event of a major loss, your sum insured should be sufficient to allow for replacement of your property.

### Policy limits

Limits do apply to some items. For example, we will pay additional costs required to comply with government or local authority bylaws as shown on page 28. These costs do not extend the sum insured and will not be paid if the sum insured is insufficient to meet the total costs involved in rebuilding or repairing your buildings. You should read the policy wording so that you are aware of limits that may be applicable to you.

### Disclosure

You have certain disclosure obligations that you need to comply with. Failure to comply with these obligations may have consequences in terms of both your insurance cover or in the event that you make a claim. Your disclosure obligations and the consequences of not complying with these obligations are outlined in the policy wording under 'What you need to tell us' on page 13 and 'What will happen if you do not tell us' on page 13.

## Excesses

If you make a claim under the policy, you may be required to pay one or more excesses. The descriptions of these excesses and the circumstances in which they are applied are shown in the policy wording under 'Policy excess' on page 27. The amount of each excess will be shown on your schedule other than the earthquake excess which is shown on page 27 of the policy wording.

In most instances you can select at the time of your enquiry or application for insurance the amount of policy excess you wish to pay should you have a claim. When you select a higher policy excess amount we will normally reduce the amount of premium we charge you.

In some instances we will impose the amount of policy excess you will need to pay should you have a claim. In deciding to impose a policy excess we take into consideration a number of factors in setting the amount of the policy excess. These include factors relating to the type of property being insured, where the property is located, the type of construction of the property and your previous insurance and claims history. At the time of your enquiry or application for insurance, the amount of policy excess will be advised to you.

## Costs

The premium payable by you will be shown on your schedule.

The key factors that influence the premium calculation are reflected in the questions asked, and information sought, at the time of your enquiry or application for home insurance. These include factors relating to the type of property being insured, where the property is located, the type of construction of the property and your previous insurance and claims history.

Premiums are subject to Commonwealth and state taxes and/or charges. These include the Goods and Services Tax and stamp duty. The amount of these taxes and/or charges will be shown on your schedule.

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## Essentials Plus Home Insurance Policy

Please read this policy before you apply for insurance.

This policy sets out the terms, conditions and limits that apply for the insurance we offer to you. If we accept your application for insurance, you will receive a schedule that sets out details of the insurance you have taken out.

Our agreement with you is made up of your application, this insurance policy, the schedules and endorsements we send to you. Endorsements are notices we send to confirm any change to your insurance.

Keep this insurance policy in a safe place. You may want to refer to it from time to time.

We recommend that you keep receipts for major items you purchase.

If you need more information about this insurance policy, please contact your insurance adviser. We are happy to give you personal attention and service in relation to this or any other insurance enquiry.

## CGU Insurance Triple Guarantee

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

### Service Guarantee

We will provide you with the highest standards of service.

### Fair Dealing Guarantee

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

### Money Back Guarantee

You have 21 days after you receive your numbered policy schedule to be sure you have the cover you require. If it is not the cover you require, you can cancel the policy. To do this, you must advise us in writing and return the schedule and policy booklet to your nearest CGU Insurance office. You will receive a full refund of the premium paid, providing nothing has occurred for which a claim is payable under the policy.

## General Insurance Code of Practice



CGU Insurance proudly supports the General Insurance Code of Practice.

The purpose of the Code is to raise the standards of practice and service in the general insurance industry.

The Code aims to improve:

- ◆ The quality, comprehension and accuracy of policy documents and other information provided to consumers.
- ◆ Employee and representative training and supervision.
- ◆ Claims handling and dispute resolution.

Brochures on the Code are available from your nearest CGU Insurance office.

## Your policy

### What you need to tell us

You must tell us anything that you know, or should know, could affect our decision to insure you and/or the terms on which we insure you. You must do this when you apply for a policy, renew your policy or when you change or reinstate your policy. When we ask you specific questions, you must answer these questions truthfully and in a way that a reasonable person in the circumstances would answer them.

It is important that every person who will be insured by the policy answers all questions in this way. These requirements are part of the Insurance Contracts Act 1984.

### What you do not need to tell us

You do not need to tell us anything that:

- ◆ Reduces our risk.
- ◆ Is of common knowledge.
- ◆ We know, or as an insurer should know.
- ◆ We indicate that we do not want to know.

### What will happen if you do not tell us

If you withhold relevant information or you do not answer our questions in the way we have described, we can reduce the amount we pay you for your claim, or we can cancel your policy. If your failure to tell us is fraudulent, or your answers are untruthful, we can treat your policy as if it never existed.

### When you are insured

Your insurance begins when we accept your application. The commencement date of your insurance will be shown on the schedule we will send you.

We will not cover your building and contents for a period of 48 hours from the time of the commencement of your insurance for damage or loss caused by:

- ◆ bushfire or grassfire; or
- ◆ a named cyclone.

We will provide cover however if:

- ◆ This insurance commences directly after another insurance policy covering the same property expired without a break in cover.
- ◆ You have entered into a contract of sale to purchase the property.
- ◆ You have entered into a contract to lease the property.

The insurance applies for the period for which you have paid us (or agreed to pay us) the premium. You may pay your premium by cash, cheque or credit card. If your cheque or credit card is dishonoured by your financial institution, you are not insured.

You can also pay your premium by instalments direct from a financial institution account or from your credit card. You cannot make a claim under this policy if you owed us more than one month's premium when the event you want to claim for happened.

If you pay your premium by instalments and you are more than one month behind, we can cancel your policy without notice.

If you have a total loss, we shall deduct the instalments for the remaining period of insurance from the amount we pay you.

### Who is insured under this policy

The person whose name is set out in the schedule is insured. The following people are also insured, as long as they normally live with that person named in the schedule:

- ◆ That person's partner.
- ◆ Unmarried children of that person.
- ◆ Unmarried children of that person's partner.
- ◆ That person's parents.
- ◆ That person's partner's parents.

In this policy, all these people are called 'you' or 'your'.

### Who is the insurer

CGU Insurance Limited is the insurer under Section 1 Building and contents and Section 2 Valuable items. Our Australian Business Number is 27 004 478 371. Our Australian Financial Services Licence Number is 238291.

CGU Insurance Limited is the insurer under Section 3 Workers' compensation if your situation is in New South Wales. Our Australian Business Number is 27 004 478 371.

Insurance Australia Limited trading as CGU Workers Compensation is the insurer under Section 3 Workers' compensation if your situation is in Western Australia, Tasmania, Northern Territory or Australian Capital Territory. Our Australian Business Number is 11 000 016 722.

In this policy the insurer is called 'we', 'us' or 'our'.

### Words that have a special meaning

In this policy there are words that have a special meaning. These words are listed below. If the meaning of a word is not shown below, we tell you on what page the meaning is printed.

<b>Your buildings</b>	This is on page 22 under 'What are your buildings'.
<b>Your contents</b>	This is on pages 23 and 24 under 'What are your contents'.
<b>Excess</b>	This is the amount of money you will pay if you have a claim. We will reduce the amount we pay you by the excess. The amount of your excess is shown on your schedule. See page 27.
<b>Schedule</b>	This is the document we give you which sets out the details of your insurance cover. You receive a schedule when you first take out your insurance and again when the policy is renewed or changed.
<b>Situation</b>	This is the place where your building and/or your contents are located. We will show this place on all schedules we give you.
<b>Valuable items</b>	This is on page 34 under 'What are valuable items'.

## Section 1

### Buildings and contents

#### What is insured

Your buildings and/or your contents as set out in your schedule are insured if they are destroyed, lost or damaged. They are insured only if you own them, or are liable for them.

If you only insure your buildings, the cover provided for destruction, loss or damage does not apply to your contents.

If you only insure your contents, the cover provided for destruction, loss or damage does not apply to your buildings.

Your buildings and your contents are insured while at your situation. Cover for your contents while away from your situation is not provided unless we say so.

We will cover your buildings and your contents for the events listed below. There must be damage or loss from one of these events, to your buildings or your contents, for you to make a claim.

- ◆ Fire or explosion.
- ◆ Lightning or thunderbolt.
- ◆ Earthquake.
- ◆ Burglary or housebreaking or an attempt at either. This cover does not include burglary or housebreaking by a tenant.
- ◆ Theft. This cover does not apply if the theft is from any part of your buildings which you share with another person who is not insured under this policy. This cover does not include theft by a tenant.
- ◆ Theft of money or negotiable documents is covered only when force is used by someone to enter your buildings. This cover does not include theft by a tenant.

- ◆ Malicious damage, including vandalism. This cover does not apply if the malicious damage or vandalism is done by a tenant.
- ◆ Deliberate or intentional acts. This cover does not apply if the deliberate or intentional act is done by a tenant.
- ◆ Liquid that escapes from:
  - A fixed pipe or something attached to a pipe, fixed gutter, fixed tank or a drain.
  - A bath, basin, sauna, spa, shower base or shower wall, sink, toilet or tiled floor that has drainage holes.
  - A washing machine or dishwasher.
  - An aquarium.
  - A waterbed.

We will pay the cost of finding from where the liquid escaped. We will also pay the cost of repairing any damage that has been done in finding from where the liquid escaped. We will not pay for repairing the defective item that caused the escape of liquid.

- ◆ Accidental breakage. This cover applies when the item is fractured or chipped through its entire thickness.

Items covered for accidental breakage are:

- If you have insured your buildings, any fixed glass in your buildings, including any window tinting or shatter-proofing material attached to the glass. It also includes fixed shower bases, basins, sinks, baths and toilets.
- If you have insured your contents, any mirrors, glassware, crystal, crockery or any glass in furniture. It does not include glass that is part of a television, or a computer screen or computer monitor. Mirrors, glassware, crystal, crockery or china are not covered while they are being used, cleaned or carried by hand.

- If you have insured contents and you are living in a rented property, you are covered for accidental breakage of fixed shower bases, basins, spas, sinks, baths, and toilets. This cover only applies when your rental agreement makes you responsible for these items.

- ◆ Riots, civil commotions, industrial or political disturbances.
- ◆ Impact by an aircraft, spacecraft or satellite, or anything dropped from them.
- ◆ Impact by a falling tree or part of a tree. We also pay the cost of removing and disposing of the fallen tree or parts. We will not pay if the damage is caused when you cut down or remove branches from a tree or you have someone do it for you.
- ◆ Impact by a falling television or radio antenna, mast or dish.
- ◆ Impact by any animal or bird that is not kept at your situation. This does not include any animal or bird eating, chewing, clawing or pecking your buildings or contents.
- ◆ Impact by vehicles or watercraft.
- ◆ Storm, rainwater or wind.

This includes storm, rainwater or wind damage to:

- Gates, fences or walls that are attached to, and are part of, the structure of your buildings.
- Gates, fences or walls that are not attached to, and are not part of, the structure of your buildings but only for any section of a gate, fence or wall made of brick, stone, metal or frame-supported corrugated fibrous material. The frame supporting the corrugated fibrous material must be made of brick, stone or metal.

- Free-standing fences that do not have a supporting frame but only if these fences are made from corrugated fibrous material. These fences must have been installed and constructed according to the manufacturer's specifications.

We will not pay for storm, rainwater or wind damage:

- To shadecloth, swimming pool covers including solar covers, and plastic liners for swimming pools.
- Where water enters your buildings because of a structural defect, faulty design or faulty workmanship when your buildings were constructed.
- Where water enters your buildings through an opening made for any building, renovation or repair work.

We do not provide cover for damage by flood. Flood is when water from a river, creek, lake, watercourse, reservoir, dam or navigable canal overflows onto normally dry land. Water that escapes from an irrigation canal is not flood.

- ◆ Landslide or subsidence. Cover only applies when the landslide or subsidence occurs within 72 hours after one of the following listed events:
  - Storm, rainwater or wind.
  - Earthquake.
  - Explosion.
  - Liquid that escapes from a fixed pipe or something attached to a pipe, fixed gutter, fixed tank or a drain.

This cover applies to any gates, fences or retaining walls that are attached to, and are part of, the structure of your buildings.

### **Additional things we will pay for when you have insured your buildings**

The following will be paid in addition to the sum insured. These will be paid when they relate to damage or loss from a listed event.

- ◆ We will pay the amount that your buildings could be rented out for each week if you had not had a loss. We will pay this amount for up to 12 months. The most we will pay is 10 per cent of your buildings sum insured.  
We will only pay for this when your buildings are unable to be lived in after damage or loss has occurred.
- ◆ We will pay your legal costs to discharge your mortgage if your claim is for a total loss.
- ◆ We will pay the reasonable costs of demolishing and removing any buildings debris when damage or loss occurs. We will pay up to 10 per cent of your buildings sum insured.
- ◆ We will pay the reasonable costs of architects, surveyors and legal fees when damage or loss occurs. We will pay up to 10 per cent of your buildings sum insured.
- ◆ If a key to an external door lock of your buildings, or a key to an external window lock of your buildings, is stolen, we will pay the reasonable and necessary costs of replacing the external lock, key or cylinder with a similar item. We decide which one we will do. The most we will pay is \$500.
- ◆ If you have a loss, we will increase your sum insured by the amount the Consumer Price Index (all groups) has increased since you took out your policy or last renewed it.
- ◆ You are fully insured again for your buildings for the amount shown in your schedule following a claim. This does not apply when your claim is for a total loss as your cover for your buildings will end then.

### **Additional things we will pay for when you have insured your contents**

The following will be paid in addition to the sum insured. These will be paid when they relate to damage or loss from a listed event.

- ◆ If any of your credit cards are misused after they are stolen, we will pay up to \$500 in total to the financial institutions that issued them. We will only pay if you complied with the terms on which the credit cards were issued.
- ◆ We will pay the reasonable costs of alternate accommodation that you may incur after you have had a loss. We will pay this amount for up to 12 months. The most we will pay is 10 per cent of your contents sum insured. We will only pay for this when your buildings are unable to be lived in after damage or loss has occurred.  
We will reduce this payment, or stop paying you, either if:
  - We pay you for rent following damage to your buildings.
  - You receive any payment for rent or accommodation from another source.
  - You do not need to pay for alternate accommodation.
- ◆ If guests or visitors to your situation bring their own contents with them, we will regard those contents as belonging to you. This cover is subject to the items and limits shown on pages 23 and 24, under 'What are your contents'. The most we will pay is \$500 if these contents are stolen or damaged. We will not pay if these contents are already insured.
- ◆ If a key to an external door lock of your buildings, or a key to an external window lock of your buildings, is stolen, we will pay the reasonable and necessary costs of replacing the external lock, key or cylinder with a similar item. We decide which one we will do. The most we will pay is \$500.

- ◆ We will pay the reasonable costs of removing any contents debris when damage or loss occurs. We will pay up to 10 per cent of your contents sum insured.
- ◆ If you have a loss, we will increase your sum insured by the amount the Consumer Price Index (all groups) has increased since you took out your policy or last renewed it. This increase does not apply to any special contents you have insured.
- ◆ You are fully insured again for your contents for the amount shown in your schedule following a claim. This does not apply when your claim is for a total loss as your cover for your contents will end then.

### **What are your buildings**

- ◆ Residential buildings you live in including any professional offices or surgeries in those buildings.
- ◆ Domestic outbuildings.
- ◆ Fixed coverings to walls, floors and ceilings. These do not include fixed carpets, curtains or internal blinds.
- ◆ Services, which include the supply of electricity, water, etc.
- ◆ Items built in, or fixed to, or on, the buildings.
- ◆ Blinds or awnings on the outside of the buildings.
- ◆ Anything permanently built, permanently constructed or permanently installed on your property for domestic purposes.

### **What are not your buildings**

- ◆ Property that a tenant is liable for under the terms of a rental agreement.
- ◆ Plants, shrubs, trees or grass.

### **What are your contents**

- ◆ Household goods that are not used for earning income.
- ◆ Goods that you use for earning your income while they are at your situation. You would normally receive a taxation deduction for these. We will pay up to \$500 in total for these items. This does not include office and surgery equipment.
- ◆ Office and surgery equipment that you use for earning your income while it is at your situation. You would normally receive a taxation deduction for these. We will pay up to \$5,000 in total for these items. This includes valuable items able to be powered by battery as listed on page 34. We will pay up to \$1,250 per item for any valuable item able to be powered by battery unless it is listed as a 'special valuable' item. We will pay up to \$2,000 in total for valuable items.
- ◆ Carpets, curtains and internal blinds.
- ◆ Furniture and furnishings that are not built in.
- ◆ Portable domestic appliances that are not built in.
- ◆ Swimming pools, saunas and spas that are not permanently installed.
- ◆ Accessories for any swimming pools, saunas or spas.
- ◆ Clothing and personal effects.
- ◆ Valuable items while they are at your situation - see page 34 for 'What are valuable items'. We will pay up to \$1,250 for any one item, pair, set, collection or system. We will pay up to \$2,000 in total for valuable items.
- ◆ Items thinly covered with gold or silver that are not jewellery or watches.
- ◆ Paintings and prints, tapestries, Persian or similar rugs, antiques and any other works of art.

- ◆ Projectors and screens.
- ◆ Equipment for developing and enlarging photographs.
- ◆ Processed film, slides and prints. We will only pay the value of these items as unprocessed material and the cost of processing them. However, if they were processed when you purchased them, we will pay the cost of replacement. We will not pay the costs of re-creating any event.
- ◆ Tapes, cassettes, cartridges and discs, including computer software. We will only pay the value of these items when blank unless they were pre-recorded when you purchased them.
- ◆ Money and negotiable documents. We will pay up to \$500 in total for these.
- ◆ Accessories and spare parts for motor vehicles, motor cycles, mini-bikes, caravans, trailers and watercraft. We will not pay if the accessories and spare parts are in, or on, motor vehicles, motor cycles, mini-bikes, caravans, trailers or watercraft. We will pay up to \$500 in total for these items.
- ◆ Landlords' fixtures and fittings that you are liable for under the terms of a rental agreement. We will not cover these fixtures and fittings if the body corporate has them insured.
- ◆ Fixtures and fittings that you have installed for your own use if you are a tenant, or the owner of a strata title unit. We will not cover these fixtures and fittings if the body corporate has them insured.
- ◆ Watercraft less than three metres long which are not powered by a motor. The most we will pay is \$5,000.
- ◆ Unregistered motorised golf buggies, ride-on mowers and wheelchairs.
- ◆ Surfboards, sailboards or surf skis.
- ◆ Special contents which are listed on your schedule.

### **Limit for the value of your contents**

The most we will pay for any one item, pair, set, collection or system is \$20,000. Some of your contents items do have a lower limit which are shown in 'What are your contents' on pages 23 and 24. You can insure items, pairs, sets, collections or systems that are worth more than \$20,000 each as a 'special contents' item. To do this you must advise us and the items will be listed on your schedule.

### **What are not your contents**

- ◆ Unset precious and semi-precious stones.
- ◆ Plants and trees growing outdoors. This does not include plants and trees growing in pots or tubs.
- ◆ Animals, including birds and fish.
- ◆ Pedal cycles while they are used for racing or pacemaking.
- ◆ Motor vehicles, motor cycles, mini-bikes, caravans, trailers or aircraft other than model or toy aircraft.
- ◆ Watercraft more than three metres long.
- ◆ Watercraft that are powered by a motor.

### **Cover for your contents in the open air at your situation**

We will insure your contents while they are in the open air at your situation. Your contents are in the open air when they are not in a building that is fully enclosed. If they are damaged by storm, rainwater, wind or are stolen, we will pay up to \$1,000 in total. This limit does not apply to any swimming pools, saunas or spas. It also does not apply to any accessories which are used with swimming pools, saunas or spas.

## **Cover for your contents away from your situation**

Your contents are insured while they are away from your situation, but still in Australia.

Your contents are not insured if they:

- ◆ Are on the way to, or from, or in, commercial storage.
- ◆ Have been away from your situation for more than a continuous period of 90 days, other than sporting equipment that is stored within a clubroom.
- ◆ Are in transit during a permanent removal.
- ◆ Have been removed permanently from your situation, without our permission.

Cover for storm, rainwater, wind or impact by vehicle:

- Only applies when your contents are in a residential building, boarding house, motel, hotel, club, nursing home or hospital where you are staying, or for sporting equipment stored within a clubroom.
- Does not apply while your contents are in a tent, vehicle, caravan, trailer, aircraft or watercraft.

Cover for theft does not apply while your contents are away from your situation.

The following items of your contents are not covered while away from your situation:

- ◆ Valuable items.
- ◆ Accessories and spare parts for motor vehicles, motor cycles, mini-bikes, caravans, trailers and watercraft.
- ◆ Goods that you use for earning your income.
- ◆ Office and surgery equipment that you use for earning your income.

## **Paying claims**

### **Policy excess**

For each claim for your buildings or your contents, we will reduce the amount we pay you for your claim by the excess. The amount of your excess is shown on your schedule.

Your excess will be increased by \$250 for any claim for damage or loss arising from an earthquake. This damage or loss must occur within 72 hours of the earthquake.

When a claim is paid for damage to, or loss of, your buildings and your contents, the excess amount will only be taken off once.

When a claim is paid under only 'Additional things we will pay for when you have insured your buildings', or 'Additional things we will pay for when you have insured your contents', your excess will not apply.

### **The most we will pay for your buildings or contents**

The most we will pay for any claim for your buildings or your contents is the sum insured shown on your schedule. This does not apply to amounts payable under 'Additional things we will pay for when you have insured your buildings', or 'Additional things we will pay for when you have insured your contents'.

### **How we pay a claim for your buildings**

When damage or loss occurs to your buildings, we will pay the cost of rebuilding your buildings or repairing the damaged portions to the same condition as when they were new. We will only do this when your schedule shows "including replacement benefit". If your schedule does not show "including replacement benefit" and there is damage or loss to your buildings, your claim will be settled as shown on the inside of the back cover of this policy booklet.

We will also pay any additional costs required for your buildings to comply with government or local authority bylaws. We will not pay these additional costs if you were required to comply with these bylaws, and had not done so, before the damage or loss occurred.

Rebuilding or repairing your buildings must commence within six months of the damage or loss occurring. If it does not commence within six months, we will do one of the following:

- ◆ Reinstall or repair your buildings to the condition they were in just before the damage or loss occurred.
- ◆ Pay you the cost of reinstalling or repairing your buildings to the condition they were in just before the damage or loss occurred.
- ◆ Pay you the value of the land and your buildings just before the damage or loss occurred. We will reduce this payment by the value of your land and your buildings after the damage or loss occurred.

We decide which one we will do.

We will pay for the damaged portion of fixed coverings to walls, floors and ceilings only in the room, hall or passage where the damage occurred.

We will try to match any material used to repair your buildings with the original materials. If we cannot, we will use the nearest equivalent available to the original materials. We will not pay any costs for replacing undamaged property.

If the damage was caused by liquid that escaped from a bath, basin, sauna, spa, shower base or shower wall, we will pay the costs to repair your buildings. We will not pay the costs to repair or replace the bath, basin, sauna, spa, shower base or shower wall.

## How we pay a claim for your contents

When damage or loss occurs to either:

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

we will do one of the following:

- ◆ Replace the property with property of the same condition. The replacement property will be no better than the property replaced.
- ◆ Repair the property to the same condition it was in before the damage.
- ◆ Pay you the cost of replacement or repair. Our payment will be reduced to allow for wear, tear and depreciation.

We decide which one we will do.

When damage or loss occurs to any item of your other contents, we will do one of the following:

- ◆ Replace the property with the nearest equivalent new property.
- ◆ Repair the property to the condition it was in when new.
- ◆ Pay you the cost of replacement or repair.

We decide which one we will do.

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

When an item is part of a pair, set, system or collection, we will only pay for the value of the item itself. The most we will pay is the value that the item has as a proportion of the combined pair, set, system or collection. We will only pay the cost of replacing the item even though the pair, set, system or collection to which it belongs is less valuable because it is incomplete.

## Section 1

### Liability

We will pay the amount you are liable to pay following an accident if your liability arises from any of the circumstances shown below. The accident that results in the claim must occur during the period of insurance. We also pay any legal costs you have to pay in relation to the accident. This includes costs awarded against you. The most we will pay, including costs, for any single accident, or series of accidents arising out of the same event, is the amount shown in your schedule.

#### When we will pay

- ◆ If you have insured your buildings, we will pay the amount you have to pay as owner or occupier of your buildings.
- ◆ If you have insured your contents and live in a rented building, we will pay the amount you have to pay as owner of your contents or occupier of your building.
- ◆ If you have insured your contents and you own part of a building that has been subdivided, we will pay the amount you have to pay as owner of your contents or occupier of your part of your building. We will not pay for an accident that happens in any common areas of the building.
- ◆ If you have insured your contents, we will pay the amount you have to pay for any accident that happens anywhere in Australia. This does not include the amount you have to pay because you are the owner or occupier of your buildings.

#### When we will not pay

We will not pay claims arising from:

- ◆ Penalties, fines or awards of aggravated, exemplary or punitive damages made against you.
- ◆ Use of a motor vehicle, motor cycle, mini-bike, aircraft or watercraft, other than:
  - Unregistered motorised golf buggies, ride-on mowers and wheelchairs.
  - Model or toy aircraft.
  - A surfboard, sailboard or surf ski.
  - Watercraft less than three metres long which are not powered by a motor.
- ◆ Use of a caravan or trailer when the caravan or trailer is attached to a motor vehicle or motor cycle.
- ◆ Personal injury to you, or any member of your family who normally lives with you, or any other person who normally lives with you.
- ◆ Personal injury to any person you employ and that injury arises from their employment with you.
- ◆ Damage to or loss of property that belongs to you, or any member of your family who normally lives with you, or any other person who normally lives with you.
- ◆ Damage to or loss of property that belongs to any person you employ and that damage or loss arises from their employment with you.
- ◆ Damage to or loss of property that is in the control of you, or any member of your family who normally lives with you, or any other person who normally lives with you.
- ◆ Any disease that is transmitted by you, or any member of your family who normally lives with you.

- ◆ Any business, profession, trade or occupation carried on by you.
- ◆ Alterations, repairs, renovations or additions to your buildings that cost more than \$50,000.
- ◆ Any agreement or contract you enter into.  
We will pay for your liability if you would have been liable without the agreement or contract.
- ◆ The use, removal of or exposure to any asbestos product or products containing asbestos.

## Section 1

### Strata title mortgagee protection

This section of the policy only applies when your schedule shows that you have requested cover for mortgagee protection. It applies when you own part of a building that has been subdivided, usually into strata title units, and you have a mortgage on that part of the building.

We will cover the part of the building that you own for damage or loss on the same basis as set out in 'Section 1 - Buildings and contents'.

We will pay up to the amount you owe on your mortgage but no more than the sum insured shown on your schedule. We will pay this to your mortgagee when you are required to pay your mortgage in full following a loss. We will only pay this when the body corporate has not insured the buildings, or it has not insured the buildings for damage that you can claim for under this policy.

## Section 2

### Valuable items

This section of the policy only applies when your schedule shows that you have requested cover for valuable items.

#### What are valuable items

- ◆ Jewellery and watches.
- ◆ Items that contain gold or silver.
- ◆ Furs.
- ◆ Collections of stamps, money or medals.
- ◆ Items able to be powered by battery as listed:
  - Cassette players.
  - Compact disc players.
  - Electronic diaries.
  - Mobile or portable phones.
  - Portable computers.
  - Radios.
  - Record player.
  - Tape recorders.
  - Televisions.
  - Video recorders or cameras.
- ◆ Equipment for taking photographs, including accessories and unprocessed film. These are not covered while they are being used:
  - Underwater.
  - To earn your income.
- ◆ Sporting equipment designed to be used in a leisure activity that involves some element of physical activity or competition. This does not include pedal cycles. Sporting equipment is not covered while it is being used.
- ◆ Special valuable items which are listed on your schedule.

#### What are not valuable items

- ◆ Unset precious and semi-precious stones.
- ◆ Items thinly covered with gold or silver.
- ◆ Motor vehicles, motor cycles, mini-bikes, caravans, trailers, aircraft or accessories or spare parts of any of these items.
- ◆ Watercraft more than three metres long.
- ◆ Watercraft powered by a motor.

#### When we will pay

Your valuable items are insured for any accidental damage or accidental loss. The accidental damage or accidental loss must happen within Australia or New Zealand.

#### When we will not pay

We will not pay if the accidental damage or accidental loss is caused by the following:

- ◆ Rust, corrosion, gradual deterioration, depreciation, wear or tear.
- ◆ A defect in the item.
- ◆ Rats, mice or insects.
- ◆ Processes of cleaning involving the use of chemicals other than domestic household chemicals.
- ◆ Mechanical or electrical breakdown other than an electric motor burning out. We will pay for any resultant damage following mechanical or electrical breakdown.

## Paying claims

### How we pay a claim for a valuable item

When damage or loss occurs to a valuable item, we will do one of the following:

- ◆ Replace the item with the nearest equivalent new item.
- ◆ Repair the item to the condition it was in when new.
- ◆ Pay you the cost of replacement or repair.

We decide which one we will do.

When a valuable item is part of a pair, set, system or collection, we will only pay the value of the item itself. The most we will pay is the value that the item has as a proportion of the combined pair, set, system or collection. We will only pay the cost of replacing the item even though the pair, set, system or collection to which it belongs is less valuable because it is incomplete.

We will reduce any payment for damage to, or loss of, an item under this section by the amount we pay you for the same item under your contents insurance.

### Limit for valuable items

The most we will pay for any one item, pair, set, collection or system is \$1,250. You can insure items, pairs, sets, collections or systems that are worth more than \$1,250 each for their actual value as 'special valuable' items. To do this you must advise us and the items will be listed on your schedule. The most we will pay in total for all valuable items is the amount shown on your schedule.

## What Section 1 and Section 2 of the policy do not cover

We will not pay claims for loss, damage or liability arising from:

- ◆ War or warlike activity. War does not have to be declared. We do not provide cover for theft following this.
- ◆ Hostilities, rebellion, insurrection or revolution. We do not provide cover for theft following these events.
- ◆ Contamination by chemical and/or biological agents, which results from an act of terrorism. Terrorism is any act which may, or may not, involve the use of, or threat of, force or violence where the purpose of the act is to further a political, religious, ideological aim or to intimidate or influence a government (whether lawfully constituted or not) or any section of the public.
- ◆ Lawful destruction or confiscation of your property.
- ◆ Anything nuclear or radioactive.
- ◆ Damage to a heating element. We will pay for any resultant damage following damage to a heating element.
- ◆ Mildew, atmospheric or climatic conditions.
- ◆ Damage, loss or injury that you or anyone acting for you deliberately caused.
- ◆ Flood, storm surge, the action of the sea, tidal wave, high water, tsunami or erosion.
- ◆ Landslide or subsidence except as detailed on page 19.
- ◆ Any event that does not occur within the period of insurance.

- ◆ Failure or inability of any item, equipment or computer software to recognise correctly, to interpret correctly or to process correctly any date or to function correctly beyond any time when that item, equipment or computer software has not recognised, interpreted or processed correctly any date. We will pay for any resultant loss or damage that is covered by this policy, other than resultant loss or damage to any frozen food, computer equipment or computer software.

## Section 3

### Workers' compensation

This section of the policy only applies when your schedule shows that you have requested cover for workers' compensation.

If you have employees, in some circumstances workers' compensation cover is compulsory.

If you are unsure, check with your local Workers' Compensation Authority.

We will pay the amount you are liable to pay if a person you employ is injured while working for you. We will only pay if the person is doing domestic work for you. We will not pay if the person is working for you in your business, profession, trade or occupation.

The amount we will pay is subject to the relevant workers' compensation legislation in your state or territory.

Please refer to page 15 under 'Who is the insurer'.

## Important information

### When your insurance cover does not apply

Your insurance for your buildings, your contents and valuable items will not apply if, for a continuous period of 60 days or more, no one has lived at your situation.

You can ask us to provide cover if no one is going to be living at your situation for more than 60 days. If we agree to provide cover, we will advise you in writing.

### You cannot give your rights away

You cannot give anyone else an interest in this policy without our written consent.

### What you are required to do for us

- ◆ You must pay us the premium for this insurance.
- ◆ You must tell us as soon as possible of anything that changes the facts or circumstances relating to your insurance.
- ◆ You must take reasonable precautions to prevent anything which could result in a claim under this policy.
- ◆ You must make sure that anyone doing anything on your behalf obeys all laws.
- ◆ You must comply with the conditions of this policy.

### Cancelling your policy before the due date

You can cancel this policy at any time. To do this, you must ask us in writing. The policy will end when we receive your request.

We can cancel this policy if you do any of the following:

- ◆ Make a misleading statement to us when you apply for your insurance.

- ◆ Fail to tell us anything you should tell us when you apply for this policy, renew this policy and when you change or reinstate this policy.
- ◆ Fail to comply with the conditions of this policy.
- ◆ Fail to pay the premium for this insurance.
- ◆ Are not fair and open in your dealings with us.
- ◆ Make a claim during the period of this policy that is not true. The claim does not have to be under this policy and can be with us or another insurance company.

We may cancel this policy if there is a change in the circumstances of the risk during the period of insurance.

If we cancel this policy, we will advise you in writing. To do this, a notice will be delivered or posted to you.

### Return of premium if your policy is cancelled before the due date

If your policy is cancelled before the due date:

- ◆ We will keep the premium for the period that the policy was in force.
- ◆ We will return to you the premium for the period from the date the policy ended to the due date of the policy.

### How the Goods and Services Tax affects your claim

Where we make a payment under this policy for the acquisition of goods, services or other supply, we will reduce the amount of the payment by the amount of any input tax credit that you are, or will be, or would have been entitled to under A New Tax System (Goods and Services Tax) Act 1999 in relation to that acquisition, whether or not that acquisition is actually made.

Where we make a payment under this policy as compensation instead of payment for the acquisition of goods, services or other supply, we will reduce the amount of the payment by the amount of any input tax credit that you would have been entitled to under A New Tax System (Goods and Services Tax) Act 1999 had the payment been applied to acquire such goods, services or other supply.

### **The law that applies to this policy**

Any disputes arising from this policy will be determined by the courts, and in accordance with the laws, of the state or territory of Australia where this policy is issued.

### **The way we handle your personal information**

We collect personal information from you for the purpose of providing you with insurance products, services, and processing and assessing claims.

You can choose not to provide this information, however, we may not be able to process your requests.

We may disclose information we hold about you to other insurers, an insurance reference service or as required by law. In the event of a claim, we may disclose information to and/or collect additional information about you from investigators or legal advisers.

If you wish to update or access the information we hold about you, contact us.

## **How to make a claim**

Please contact your nearest CGU Insurance office when something happens that you believe you can claim for.

### **What you must do when you make a claim**

You must make your claim as soon as possible after you suffer a loss. If you do not make it within 30 days, we may reduce what we pay you by an amount to take account of any disadvantage we suffer by the delay.

You must also:

- ◆ Take all reasonable steps to stop any further loss from occurring.
- ◆ Advise the nearest police station if your property is lost or stolen, vandalised or maliciously damaged. We may ask you to give us a written report from the police.
- ◆ Keep the property that has been damaged so we can inspect it.
- ◆ Tell us about any prosecution or inquest that may be held.
- ◆ Send us any document relating to your claim within 72 hours of you receiving the document.

### **What you must not do when you make a claim**

You must not do any of the following:

- ◆ Repair or replace any damaged property without our consent.
- ◆ Pay, promise to pay, or offer payment, or admit responsibility for a claim.

## **You give us your rights to claim from anyone else**

If you have a right to claim against someone else for a claim you made under this policy, you give us your rights to make that claim. You also give us your rights to conduct, defend or settle any legal action and to act in your name.

You must not do anything which prevents us from doing this and you must give us all the information and cooperation that we require.

## **Our service commitment**

CGU Insurance is proud of its service standards and supports the General Insurance Code of Practice. In an unlikely event that you are not satisfied with the way in which we have dealt with you, as part of our commitment to customer service, we have an internal dispute resolution process in place to deal with any complaint you may have.

If you are not satisfied with any of the following, please contact your nearest CGU Insurance office.

- ◆ One of our products.
- ◆ Our service.
- ◆ The service of our authorised representatives, loss adjusters or investigators.
- ◆ Our decision on your claim.

Our staff will help you in any way they can. If they are unable to satisfy you, they will refer the matter to the appropriate manager who will immediately deal with the matter. If the manager cannot resolve the matter, the manager will escalate the matter to our internal dispute resolution staff.

Our internal dispute resolution staff will review the matter and will try to reach a satisfactory outcome. Once their review has been completed, they will advise you of our final decision within 15 working days. If they need longer, they will contact you and explain the reasons why. Our internal dispute resolution process is a free service to you.

If you do not agree with our final decision, the matter may be reviewed through the General Insurance Enquiries and Complaints Scheme. The scheme is administered by Insurance Enquiries and Complaints Ltd (IEC) ABN 23 062 284 888.

The scheme is an external body that is independent of this Company. It will investigate the matter and make its decision at no cost to you.

Brochures outlining our internal dispute resolution process are available from your nearest CGU Insurance office.

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Notes

## Notes

### **How we pay a claim for your buildings when your schedule does not show "including replacement benefit"**

When damage or loss occurs to your buildings, we will do one of the following:

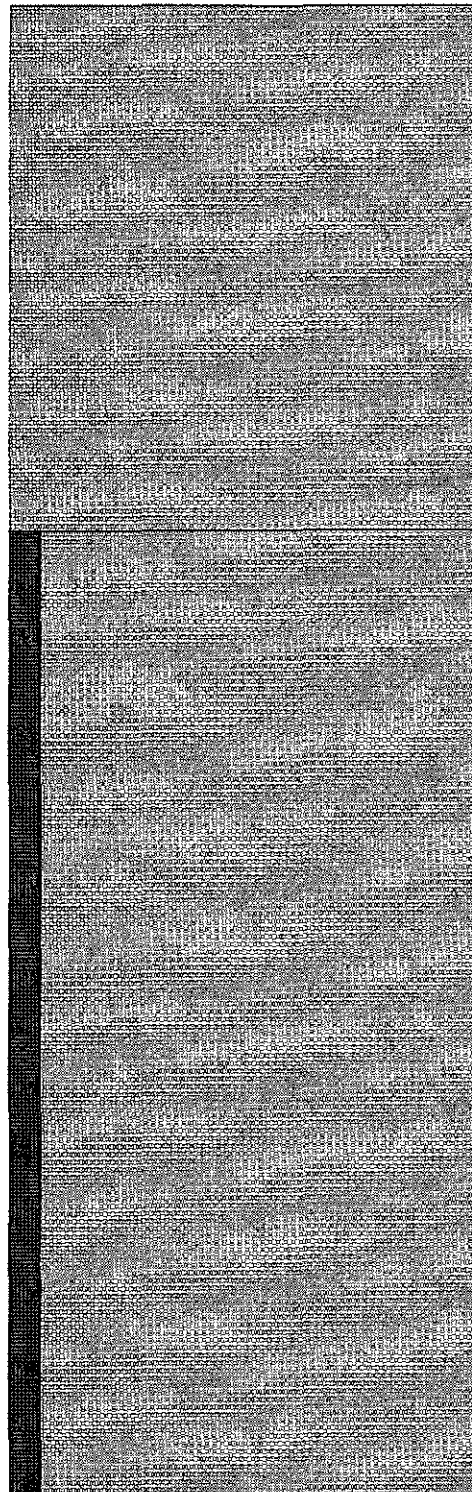
- ◆ Reinstatement or repair your buildings to the condition they were in just before the damage or loss occurred.
- ◆ Pay you the cost of reinstating or repairing your buildings to the condition they were in just before the damage or loss occurred.
- ◆ Pay you the value of the land and your buildings just before the damage or loss occurred. We will reduce this payment by the value of your land and your buildings after the damage or loss occurred.

We decide which one we will do.

We will pay for the damaged portions of fixed coverings to walls, floors and ceilings only in the room, hall or passage where the damage occurred.

We will try to match any material used to repair your buildings with the original materials. If we cannot, we will use the nearest equivalent available to the original materials. We will not pay any costs for replacing undamaged property.

If the damage was caused by liquid that escaped from a bath, basin, sauna, spa, shower base or shower wall, we will pay the costs to repair your buildings. We will not pay the costs to repair or replace the bath, basin, sauna, spa, shower base or shower wall.



*Insurer*  
**CGU Insurance Limited**  
ABN 27 004 478 371  
An IAG Company

**first choice**  
home insurance product  
disclosure statement and policy

# first choice home



Preparation date: 01/08/2006

Insurer: **CGU Insurance Limited**  
ABN 27 004 478 371  
AFS Licence No. 238291

This Product Disclosure Statement (PDS) has been designed to help you get the most out of your policy.

Use the contents pages and topic index to help find what you are looking for. Important tasks such as taking out insurance or making a claim are explained in easy to follow steps. And we have included a glossary of words with a special meaning.

When you take out an insurance policy with us, the cover we agree to provide you is set out in your current schedule, and described in this PDS, as well as any Supplementary PDS we may issue. Together, they make up the terms and conditions of your insurance contract with us. Read them carefully and store them together in a safe place.

If you need more information about this PDS, please contact us or your insurance adviser.

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## First Choice Home Insurance

First Choice Home Insurance allows you to choose from two types of insurance cover: Listed Events or Accidental Damage.

- Listed Events provides cover for loss or damage to your buildings or contents as a result of the incidents listed on pages 12 to 17.
- Accidental Damage provides even greater cover than Listed Events. It also covers accidental loss or damage, plus a range of incidents listed on pages 17 to 20 under specific conditions.

The type of insurance cover you have chosen will be listed on your current schedule.

First Choice Home Insurance also provides a range of additional covers and cover for your legal liability.

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

You can also add options to your policy for domestic workers' compensation, strata title mortgagee protection, or to extend your valuables cover.

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

To find out what this policy covers, see next page ►

For exclusions to this cover, see page 35 ►

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## Buildings we will cover

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

### Your buildings include

- residential buildings that you live in, including any professional offices or surgeries in those buildings
- domestic outbuildings
- fixed coverings to walls, floors and ceilings
  - these do NOT include fixed carpets, curtains or internal blinds
- infrastructure for services, including infrastructure for the supply of electricity, gas, water, internet and telephone
- items built in, fixed to, or on the buildings
- blinds or awnings on the outside of the buildings
- anything permanently built, constructed or installed on your property for domestic purposes.

### Your buildings do not include

- buildings that a tenant is liable for under the terms of a rental agreement
- plants, shrubs, trees or grass, **unless**
  - we are covering these under 'Trees, plants and shrubs replacement'.

*For Trees, plants and shrubs replacement, see page 28 ►*

## What we will pay for buildings

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

## Contents we will cover

We will cover household goods or personal effects not fixed or fitted to buildings that you own or are legally responsible for.

### Your contents include

- accessories and spare parts for motor vehicles, motorcycles, mini bikes, caravans, trailers and watercraft, that are not in, or on them
- items thinly covered with gold or silver that are not jewellery or watches
- carpets, curtains or internal blinds
- film, slides and prints, **however**
  - we will only pay the value of these items as unprocessed material, and the cost of processing them
  - if you purchased them already processed we will only pay their replacement value
  - we will not pay the costs of recreating any event
- tapes, cassettes, cartridges and discs, **however**
  - we will only pay the value of these items when blank unless they were pre-recorded when you purchased them
- computer software
- media purchased online, e.g. music, software, and videos
- landlords' fixtures and fittings that you are liable for under the terms of a rental agreement, **unless**
  - the body corporate or similar body has insured them
- fixtures and fittings that you have installed for your own use if you are a tenant, or the owner of a strata title unit, **unless**
  - the body corporate or similar body has insured them
- goods you use to earn an income at your home, **however**
  - goods do NOT include office and surgery equipment
- office and surgery equipment that you use to earn an income at your home
- unregistered motorised golf buggies, ride-on mowers and wheelchairs
- unregistered motorcycles or mini-bikes up to 125 cc that do not require registration by law, **unless**
  - they are being used for racing or pacemaking
- money and negotiable documents
- watercraft less than four metres long that is not powered by a motor, or is powered by a motor less than 10 hp
- valuable items as listed below
  - jewellery and watches
  - items that contain gold or silver (this does not include items thinly covered with gold or silver)
  - furs
  - collections of stamps, money or medals

Continued next page ►

continued... Contents we will cover

- battery-powered items as listed below
- audio visual equipment
- camera equipment, including accessories and unprocessed film, **unless** they are being used underwater, or to earn your income
- electronic diaries
- GPS
- mobile or portable phones
- portable computers
- sporting equipment, unless it is being used.

You can increase the level of cover for valuable items by choosing the Other Valuables or Special Valuables option.

For a description of the *Other Valuables* and *Special Valuables* options, see pages 32-34 ►

#### Your contents do NOT include

- unset precious/semi-precious stones
- plants and trees growing outdoors, **unless** - they are growing in pots or tubs
- animals, including birds and fish
- pedal cycles while they are used for racing or pacemaking
- motor vehicles, caravans, trailers or aircraft other than model or toy aircraft
- registered motorcycles or mini-bikes
- unregistered motorcycles or mini-bikes over 125cc
- watercraft more than four metres long
- watercraft less than four metres long that is powered by a motor of more than 10 hp
- jet skis.

## What we will pay for contents

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

Continued next page ►

THE MOST WE WILL PAY	
<b>CONTENTS</b>	up to the contents sum insured as listed on your schedule (inclusive of GST) in total
any content item, pair, set, collection or system of contents items	\$20,000 (inclusive of GST) per item, pair, set, collection or system
office and surgery equipment - includes all battery-powered items, see below ▼	\$10,000 (inclusive of GST) in total
goods you use for earning your income in your buildings	\$5,000 (inclusive of GST) in total
money and negotiable documents	
under Listed Events	\$750 (inclusive of GST) in total
under Accidental Damage	\$1,250 (inclusive of GST) in total
watercraft less than 4 metres long that is not powered by a motor, or is powered by a motor less than 10 HP	\$5,000 (inclusive of GST) in total
accessories and spare parts for motor vehicles, motorcycles, mini-bikes, caravans, trailers and watercraft	\$750 (inclusive of GST) in total
<b>VALUABLE ITEMS INCLUDED IN CONTENTS</b>	
under Listed Events	up to 20% of the contents sum insured as listed on your schedule, or up to \$5,000 (inclusive of GST), whichever is higher - this amount is included in your contents sum insured
under Accidental Damage	up to 20% of the contents sum insured as listed on your schedule, or up to \$7,500 (inclusive of GST), whichever is higher - this amount is included in your contents sum insured
any one item, pair, set, collection or system of valuables other than sporting equipment	\$2,500 (inclusive of GST) per item, pair, set, collection or system
battery-powered items	\$2,500 (inclusive of GST) per item
any one item, pair, set, collection or system of sporting equipment	\$3,000 (inclusive of GST) per item, pair, set, collection or system

continued... What we will pay for contents

#### Nominating the amount we will pay for contents

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

#### Increasing the amount we will pay for contents excluding valuable items

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

#### Increasing the amount we will pay for valuables

You can increase the total amount we will pay for your valuables by adding the Other Valuables option to your policy. This amount is in addition to your contents sum insured.

You can increase the maximum amount we will pay for an individual valuable item by adding the Special Valuables option to your policy. This amount is in addition to your contents sum insured.

For a description of the Other Valuables and Special Valuables options, see page 37 ►

## Where your contents are covered

Your contents are covered at your home.  
Your contents are also covered away from your home, anywhere in Australia.

### Contents – at your home – at your home in the open air

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

Under Listed Events, if your contents are at your home in the open air (not in a building that is fully enclosed) and they suffer loss or damage as a result of

- storm, rainwater or wind, or
- theft or attempted theft

the most we will pay is up to \$2,000 (inclusive of GST) in total. This limit does not apply to swimming pools, saunas or spas, or their accessories.

### Contents – away from your home

We will cover your contents away from your home, for loss or damage as a result of an incident we have agreed to cover. Under Listed Events, we will cover your contents anywhere in Australia. Under Accidental Damage, we will cover your contents anywhere in Australia and New Zealand.

We will NOT cover

- accessories and spare parts for motor vehicles, motorcycles, mini-bikes, caravans, trailers and watercraft
- goods you use for earning an income
- office and surgery equipment you use for earning your income while they are away from your home.

We will NOT cover your contents if they

- have been away from your home for more than 90 consecutive days, **unless** – the contents are sporting equipment stored within a club room
- have been removed permanently from your home by you, **unless** – we have agreed to cover them
- are on the way to, or from, or are in a commercial storage facility, or in transit during a permanent removal, **unless** – we have agreed to cover them under 'Contents in transit' or 'Contents in a commercial storage facility'.

Under Listed Events, we will ONLY cover your contents for loss or damage as a result of storm, rainwater, wind or impact by a vehicle if they are

- in a residential building, boarding house, motel, hotel, club, nursing home, or hospital where you are staying, or
- sporting equipment stored within a club room.

Under Listed Events we will NOT cover

- your contents for theft while they are away from your home, **unless** – they are sporting equipment locked in a clubroom.
- your contents for loss or damage as a result of storm, rainwater, wind, or impact by a vehicle if they are in a tent, vehicle, caravan, trailer, aircraft, or watercraft.

## Listed Events cover

If you have chosen Listed Events Home Insurance, we will cover your buildings or contents for loss or damage as a result of the incidents listed on pages 12 to 17.

If you make a claim, you will need to pay any excesses that apply – you will only need to pay this amount once. Any cover we provide is subject to exclusions.

For exclusions to this cover, see page 35 ►

### Accidental breakage

BUILDINGS  
CONTENTS

Under Listed Events, we will cover your buildings or contents for loss or damage when an item is chipped or fractured through its entire thickness.

If you have insured your buildings, we will cover any

- fixed glass in your buildings, including – any window tinting or shatter proofing material attached to the glass
- fixed shower bases, basins, sinks, spas, baths and toilets.

If you have insured your contents, we will cover any

- mirrors, glassware, crystal, crockery, unless – they are damaged while being used, cleaned or carried by hand
- glass in furniture, however – we will not cover glass that is part of a television, or a computer screen or monitor.

If you have insured your contents and live in a rental building, we will cover accidental breakage of fixed shower bases, basins, sinks, spas, baths and toilets, however

- this only applies when your rental agreement makes you responsible for these items.

### Burglary or break-in

BUILDINGS  
CONTENTS

Under Listed Events, we will cover your buildings or contents for loss or damage as a result of a burglary or break-in, or an attempted burglary or break-in.

We will NOT cover loss or damage as a result of a burglary or break-in by a tenant.

The burglary or break-in, or attempted burglary or break-in, must be reported to the Police.

### Burning out of an electric motor

BUILDINGS  
CONTENTS

Under Listed Events, we will cover the cost to repair or replace your electric motor if it burns out or fuses.

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

### Deliberate or intentional acts

BUILDINGS  
CONTENTS

Under Listed Events, we will cover your buildings or contents for loss or damage as a result of a deliberate and intentional act.

We will NOT cover loss or damage as result of a deliberate or intentional act by a tenant.

### Earthquake or tsunami

BUILDINGS  
CONTENTS

Under Listed Events, we will cover your buildings or contents for loss or damage as a result of an earthquake or tsunami.

You must pay an additional excess of \$250.

We will only cover loss or damage as a result of an earthquake if the loss or damage occurs within 72 hours of the earthquake.

continued... incidents covered under Listed Events

## Fire or explosion

BUILDINGS  
CONTENTS

Under Listed Events, we will cover your buildings or contents for loss or damage as a result of a fire or an explosion.

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

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

## Impact damage

BUILDINGS  
CONTENTS

Under Listed Events, we will cover your buildings or contents for loss or damage as a result of an impact.

We will **ONLY** cover loss or damage caused by the impact of

- an aircraft, spacecraft or satellite, or – anything dropped from them
- a falling television or radio antenna mast or dish
- vehicles or watercraft
- an animal or bird that is not kept at your home, **unless**
  - the loss or damage is caused by any animal or bird eating, chewing, clawing or pecking
- a falling tree or part of a tree, **unless**
  - the damage is caused when you, or someone else acting on your behalf, cuts down or removes branches from a tree.

We also pay the cost of removing and disposing of the fallen tree or parts.

## Landslide or subsidence

BUILDINGS  
CONTENTS

Under Listed Events, we will cover your buildings or contents for loss or damage as a result of a landslide or subsidence.

We will **ONLY** do this if the loss or damage occurs within 72 hours of

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

## Lightning or thunderbolt

BUILDINGS  
CONTENTS

Under Listed Events, we will cover your buildings or contents for loss or damage as a result of a lightning or thunderbolt.

## Riots or civil commotion

BUILDINGS  
CONTENTS

Under Listed Events, we will cover your buildings or contents for loss or damage as a result of riots, civil commotion, or industrial or political disturbances.

## Storm, rainwater or wind

BUILDINGS  
CONTENTS

Under Listed Events, we will cover your buildings or contents for loss or damage as a result of storm, rainwater or wind.

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

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

Continued next page ►

continued... incidents covered under Listed Events

continued...  
Storm,  
rainwater  
or wind

We will NOT cover

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

Theft or  
attempted  
theft

BUILDINGS  
CONTENTS

Under Listed Events, we will cover your buildings or contents for loss or damage as a result of theft or attempted theft.

We will ONLY cover theft of money or negotiable documents when force is used by someone to enter your buildings.

We will NOT cover your buildings or contents for loss or damage as a result of

- theft from any part of the buildings which you share with another person who is not insured under this policy
- theft by a tenant.

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

Vandalism  
or a  
malicious  
act

BUILDINGS  
CONTENTS

Under Listed Events, we will cover your buildings or contents for loss or damage as a result of vandalism or a malicious act.

We will NOT cover loss or damage as a result of vandalism or a malicious act by a tenant.

Water  
or liquid  
damage

BUILDINGS  
CONTENTS

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

We will ONLY cover loss or damage caused by water or liquid escaping from

- a fixed pipe or an object attached to a pipe, fixed gutter, fixed tank or a drain
- a bath, basin, sauna, spa, shower base or shower wall, sink, toilet or tiled floor that has drainage holes
- a washing machine or dishwasher
- an aquarium
- a waterbed.

We will NOT cover the cost of repairing the item that caused the escape of water or liquid.

## Accidental Damage cover

If you have chosen Accidental Damage Home Insurance, we will cover your buildings or contents for any accidental loss or damage.

There are also a number of incidents we will cover under specific conditions. These are listed on pages 17 to 20.

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

Any cover we provide is subject to exclusions.

For exclusions to this cover,  
see page 35 ►

## Incident cover provided under specific conditions

Burning out  
of an electric  
motor

BUILDINGS  
CONTENTS

Under Accidental Damage, we will cover the cost to repair or replace your electric motor if it burns out or fuses.

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

continued... incidents covered under Accidental Damage with specific conditions

## Fire or explosion

BUILDINGS  
CONTENTS

Under Accidental Damage, we will cover your buildings or contents for loss or damage as a result of a fire or an explosion.

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

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

## Landslide or subsidence

BUILDINGS  
CONTENTS

Under Accidental Damage, we will cover your buildings or contents for loss or damage as a result of a landslide or subsidence.

We will **ONLY** do this if the loss or damage occurs within 72 hours of

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

## Storm, rainwater or wind

BUILDINGS  
CONTENTS

Under Accidental Damage, we will cover your buildings or contents for loss or damage as a result of storm, rainwater or wind.

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

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

Continued ►

continued...  
Storm,  
rainwater  
or wind

- you took out your insurance with us immediately after the risk passed to you as purchaser of your buildings
- you took out your insurance with us immediately after you signed a lease contract for your buildings.

We will NOT cover

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

## Theft or attempted theft

BUILDINGS  
CONTENTS

Under Accidental Damage, we will cover your buildings or contents for loss or damage as a result of theft or attempted theft.

We will NOT cover your buildings or contents for loss or damage as a result of

- theft from any part of the buildings which you share with another person who is not insured under this policy
- theft by a tenant.

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

continued... incidents covered under Accidental Damage with specific conditions

## Water or liquid damage

BUILDINGS  
CONTENTS

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

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

- flood
- landslide or subsidence, *unless*
  - we agree to cover the incident as described under 'Landslide or subsidence'
- water entering your buildings
  - through an opening made for any building, renovation or repair work
  - because of a structural defect, faulty design or faulty workmanship when your buildings were constructed.

We will NOT cover the cost of repairing the item that caused the escape of water or liquid.

## Additional cover included under Listed Events and Accidental Damage

Accidental Damage Home Insurance and Listed Events Home Insurance include a range of covers we refer to as 'additional cover'. These covers are listed on the following pages. The additional cover we provide depends on whether you have a buildings policy, contents policy or a combined buildings and contents policy.

Continued ►

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

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

Any cover we provide is subject to exclusions.

For exclusions to this cover, see page 35 ►

## Accounting fees for a tax audit

CONTENTS

If your personal financial affairs are audited by the Federal Commissioner of Taxation, we will cover any accountant's fees that you must pay as a result, up to \$5,000 (inclusive of GST) during your period of insurance.

You must advise us of any such audit.

We will NOT cover claims for

- any audit that relates to a criminal prosecution
- fees where the final assessment of your taxable income for the period being audited is 20 per cent higher than your original declaration
- fees for work performed outside the time limits allowed by the Federal Commissioner of Taxation
- any fines, penalties or adjustments of taxation.

## Alternative accommodation

BUILDINGS  
CONTENTS

If your buildings or contents suffer loss or damage and you are unable to live in your home as a result, we will cover the costs of alternative accommodation for up to 12 months.

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

If you have buildings insurance we will

- pay an amount that is equal to the weekly rental value of your buildings before the incident occurred
- pay the reasonable costs of alternative accommodation for your pets up to 10 per cent of the buildings sum insured, as listed on your schedule.

Continued next page ►

continued... Additional cover included in this insurance

#### continued... Alternative accommodation

We will NOT cover this, or we will reduce the amount we pay if

- you receive any payment for rent from another source
- you do not need to pay for alternative accommodation.

If you have contents insurance, we will pay the reasonable costs of alternative accommodation, up to 10 per cent of the contents sum insured, as listed on your schedule.

We will NOT cover this, or we will reduce the amount we pay if

- we have paid you for rent following loss or damage to your buildings
- you receive any payment for rent or accommodation from another source
- you do not need to pay for alternative accommodation.

#### Contents in a commercial storage facility

##### CONTENTS

We will cover your contents for loss or damage whilst they are in a commercial storage facility in Australia up to the total contents sum insured, as listed on your schedule.

You must tell us that your contents are in a commercial storage facility before they are put into storage and we must have agreed to cover them.

If we agree to cover your contents in a commercial storage facility, it will be listed on your schedule.

We will ONLY cover your contents if the loss or damage occurs as a result of an incident we have agreed to cover.

We will NOT cover jewellery, money or negotiable documents.

#### Contents in transit

##### CONTENTS

We will cover your contents for loss or damage whilst they are being transported by a vehicle to your home, or to a commercial storage facility within Australia, up to \$10,000 (inclusive of GST) during your period of insurance.

We will ONLY cover your contents if there is a theft following violent or forceable entry, or loss or damage occurs as a result of fire, collision or overturning of the vehicle that is transporting your contents.

We will NOT cover loss or damage

- to glassware, crystal, crockery, mirrors or china, or
- caused by denting, scratching, chipping or bruising.

#### Credit card and transaction card misuse

##### CONTENTS

If your credit cards or financial transaction cards are

- misused after they are stolen, or
  - fraudulently used on the internet
- we will pay the financial institutions that issued them, up to \$5,000 (inclusive of GST).

We will ONLY cover this if you have complied with the terms on which the credit cards or financial transaction cards were issued.

Under Accidental Damage, we will also pay if your credit cards or financial transaction cards are lost.

#### Debris removal and demolishing

##### BUILDINGS CONTENTS

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

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

continued... Additional cover included in this insurance

## Document damage

### CONTENTS

If documents kept in your home or in a bank vault suffer loss or damage, we will cover the costs to reproduce or restore them, up to \$1,000 (inclusive of GST).

This includes the costs to reproduce or restore the information contained on the documents.

## Employees' belongings

### CONTENTS

If your employees' belongings suffer loss or damage, we will cover the cost to repair or replace them, up to \$5,000 (inclusive of GST).

We will **ONLY** cover your employees' belongings if the loss or damage occurs

- as a result of an incident we have agreed to cover
- while your employees are working at your home, and
- while your employees are doing domestic work for you.

We will **NOT** cover contents that are already insured under another policy by someone other than you.

## Frozen food

### CONTENTS

Under Listed Events, we will cover the cost to replace the loss of any frozen food, up to \$500 (inclusive of GST), if your freezer breaks down.

We will **ONLY** do this if your freezer breaks down as a result of an incident we have agreed to cover.

Under Accidental Damage, we will cover the cost to replace the loss of any frozen food.

## Funeral expenses

### CONTENTS

If you, or any member of your family dies, we will cover the funeral costs, up to \$10,000 (inclusive of GST).

Continued ►

## continued... Funeral expenses

The death must occur

- as a result of an incident we have agreed to cover
- within 12 months of the incident, and
- as a result of an incident that occurred at your home.

## Guests' or visitors' belongings

### CONTENTS

If contents belonging to your guests or visitors suffer loss or damage, we will cover the cost to repair or replace them, up to \$5,000 (inclusive of GST).

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

We will **NOT** cover contents that are already insured under another policy by someone other than you.

## Legal costs in Australia

### CONTENTS

We will cover any legal costs you are liable to pay following legal proceedings brought by you or against you, up to \$5,000 (inclusive of GST).

We will **ONLY** cover legal costs and expenses that

- occur during your current period of insurance
- you tell us about during your current period of insurance, and
- we have agreed to cover.

We will **ONLY** pay this once during your period of insurance.

We will **NOT** cover legal costs and expenses relating to

- spouse or partner disputes including, but not limited to, divorce, custody, child maintenance, or property disputes
- claims for death, bodily injury to, or disease of, any person
- claims where cover is available by a standard form of motor vehicle, home owners or householders, motorcycle, caravan or boat insurance

Continued next page ►

continued... Additional cover included in this insurance

#### continued... Legal costs in Australia

- We will NOT cover legal costs and expenses relating to
- any criminal charge or prosecution brought against you
  - any road traffic offence or boating offence committed by you
  - any matter arising out of your business or profession
  - any matter arising out of any insurance cover required by legislation
  - any award of damages against you
  - any penalties, fines or awards of aggravated, exemplary or punitive damages made against you.

#### Modifi- cations to your buildings

BUILDINGS

If you are injured as a result of loss or damage to your buildings, and the injuries lead to permanent paraplegia or quadriplegia, we will cover the cost of modifications to your buildings so you can live in them, up to \$10,000 (inclusive of GST).

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

#### Mortgagee discharge costs

BUILDINGS

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

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

#### Rebuilding fees

BUILDINGS

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

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

#### Replacing keys and repairs to, and re-coding of locks and barrels

BUILDINGS  
CONTENTS

Under Listed Events, if a key to an external door or window lock of your buildings is stolen, we will cover the reasonable costs to replace your keys and repair and re-code your locks and barrels, up to \$1,000 (inclusive of GST).

Under Accidental Damage, if a key to an external door or window lock of your buildings is stolen or lost, we will cover any reasonable costs to replace your keys and repair and re-code your locks and barrels.

The theft or loss of the keys must occur as a result of an incident we have agreed to cover.

The theft must be reported to the Police.

#### Sale of your home

BUILDINGS

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

- the contract settlement date
- the purchaser insures the home, or
- the purchaser becomes liable for damage to the home

whichever happens first.

This cover will stop immediately if

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

#### Security firm to monitor your home

CONTENTS

If your monitored burglar alarm system is set off as a result of a theft or an attempted theft, we will cover the costs of a security firm to attend your home, up to \$1,000 (inclusive of GST).

We must agree to cover the theft or attempted theft.

We will NOT cover this when there is

- a false alarm, or
- no evidence of an attempted burglary.

continued... Additional cover included in this insurance

## Storage costs

### CONTENTS

If buildings you live in suffer loss or damage and you are unable to live in them as a result, we will cover the reasonable costs to remove your contents and store them for up to 12 months.

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

We will also cover your contents while they are in storage.

## Sum insured

### BUILDINGS CONTENTS

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

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

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

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

## Trees, plants and shrubs replacement

### BUILDINGS

We will cover the cost to replace any trees, plants or shrubs that are stolen, burnt, maliciously damaged, or damaged by a vehicle.

We will not cover loss or damage to a lawn.

Under Listed Events, we will pay up to \$750 (inclusive of GST) during your period of insurance.

Under Accidental Damage, we will pay up to \$1,500 (inclusive of GST) during your period of insurance.

## Veterinary expenses

### CONTENTS

If your pet is injured as a result of a road accident, we will cover the veterinary expenses, up to \$500 (inclusive of GST).

## Liability cover included in this insurance

We will cover your legal liability as a result of an incident that causes loss or damage to someone else's property, or death or bodily injury to other people, during your period of insurance. We will also cover claims in connection with your position as a committee member during your period of insurance.

Any cover we provide is subject to exclusions.

For exclusions to this cover, see page 35 ►

## Liability cover – general

### BUILDINGS CONTENTS

We will cover liability claims up to \$20,000,000 (including GST) for any incident listed below.

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

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

If you have insured your contents and live in a rental building, we will cover you for the amount you have to pay as owner of your contents, or occupier of the building.

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

Continued next page ►

continued... Additional cover included in this insurance

**continued...  
Liability cover  
- general**

**BUILDINGS  
CONTENTS**

If you have insured your contents, other valuables or special valuables, we will cover you for the amount you have to pay for any incident that happens

- anywhere in Australia
- anywhere in Australia in connection with your position as a committee member of a sporting or social club, **however**
  - we will NOT pay if you receive more than \$1,000 per year for holding that position
- anywhere in the world for 90 consecutive days, starting from the time you leave Australia.

We will NOT cover you for any amount you have to pay as owner or occupier of your buildings.

If you have insured your contents, we will cover you for any amounts you have to pay for any incident that happens anywhere in Australia arising out of the use of

- a watercraft that is less than 4 metres long and is not powered by a motor, or is powered by a motor less than 10 hp, **unless**
  - the watercraft is a jet ski
- unregistered motorcycles or mini-bikes up to 125 cc, which do not require registration by law, **unless**
  - they are being used for racing or pacemaking.

**Liability  
cover -  
when your  
buildings  
are a total  
loss**

**BUILDINGS**

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

This cover will stop immediately if

- construction commences at the home
- you sell the land, or
- you take out a new buildings insurance policy for the home.

Continued ►

**Liability  
cover - for  
committee  
members**

**CONTENTS**

We will pay for claims made against you for an alleged or actual act or omission during any one period of insurance.

We will **ONLY** pay for your liability in connection with your position as a committee member of a sporting or social club. The most we will pay, including legal costs, is \$10,000 (inclusive of GST) during any one period of insurance.

We will not cover you if you receive more than \$1,000 per year for holding this position.

This cover does not apply to liability claims for loss or damage to someone else's property, or death or bodily injury to other people.

## Optional cover you can add to your policy

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

Any cover we provide is subject to exclusions.

For exclusions to this cover, see page 35 ►

**Domestic  
Workers'  
Compensation**

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

Continued next page ►

continued... Optional cover that can be added to your policy

### continued... Domestic Workers' Compensation

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

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

The cover only applies to employees doing domestic work for your household and will not cover any person that is working for you in your business, profession, trade or occupation, or if you are a landlord

An excess may apply to this option.

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

### Other Valuables

With this option you can nominate an overall amount we will pay for accidental loss or damage to your valuables

- anywhere in Australia and New Zealand, and
- anywhere in the world for up to 90 consecutive days from the time you leave Australia without listing them individually.

**Valuable items we will cover are listed below**

- jewellery and watches
- items that contain gold or silver (this does not include items thinly covered with gold or silver)
- furs
- collections of stamps, money or medals
- battery-powered items, as listed below
  - audio visual equipment
  - camera equipment, including accessories and unprocessed film, **unless** they are being used underwater, or to earn your income
  - electronic diaries
  - GPS
  - mobile or portable phones
  - portable computers

Continued ►

### continued... Other valuables

- sporting equipment, **unless** - it is being used.

**Your valuable items do not include**

- unset precious/semi-precious stones
- items thinly covered with gold or silver
- motor vehicles, motorcycles, mini-bikes, caravans, trailers or aircraft or accessories, or spare parts of any of these items
- watercraft more than four metres long
- watercraft less than four metres long that is powered by a motor of more than 10 hp.

The most we will pay for this option is the amount you nominate, as listed on your schedule under 'Other Valuables'.

There are also set maximum amounts that we will pay when you make a claim.

VALUABLES	THE MOST WE WILL PAY
any one item, pair, set, collection or system of valuables other than sporting equipment	\$2,500 (inclusive of GST) per item, pair, set, collection or system
battery-powered items	\$2,500 (inclusive of GST) per item
any one item, pair, set, collection or system of sporting equipment	\$3,000 (inclusive of GST) per item, pair, set, collection or system

This option is

- not available for office and surgery equipment
- only available for contents policies.

No excesses apply to this option.

### Special Valuables

With this option you can nominate an individual amount we will pay for accidental loss or damage to any one item, pair, set, collection or system of valuables

- anywhere in Australia and New Zealand, and
- anywhere in the world for up to 90 consecutive days from the time you leave Australia.

Continued next page ►

continued... Optional cover that can be added to your policy

continued...  
Special  
valuables

The most we will pay for this option is the individual amount you nominate, as listed on your schedule under 'Special Valuables'.

This option is

- not available for office and surgery equipment
- only available for contents policies.

No excesses apply to this option.

For a list of valuable items we cover, and a list of items we do not include as valuables, see *Other Valuables*, page 32 ◀

Strata Title  
Mortgagee  
Protection

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

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

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

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

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

We will **ONLY** pay this when the body corporate

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

This option is available

- for contents policies, or
- as a stand alone policy.

An excess may apply to this option.

Listed Events, Accidental Damage, Additional cover and Strata Title Mortgagee Protection exclusions	36
Other Valuables and Special Valuables cover exclusions	37
Liability cover exclusions	37-38
General exclusions	39-40

## Exclusions to your cover

Any cover we provide is subject to the following exclusions.

### Listed Events, Accidental Damage, Additional cover and Strata Title Mortgagee Protection exclusions

- We will NOT cover any loss or damage as a result of, or caused by
- settling, shrinkage or any movement of earth
  - erosion, rust, corrosion, gradual deterioration, depreciation, wear or tear
  - rats, mice or insects
  - roots from trees, plants, shrubs or grass
  - any process of cleaning involving the use of chemicals other than domestic household chemicals
  - a defect in an item, structural defects, or faulty workmanship or design
  - breakage of mirrors, glassware, crystal, crockery or china while they are being used, cleaned or carried by hand
  - malicious damage or vandalism by a tenant
  - deliberate or intentional acts by a tenant
  - theft by a tenant
  - theft from any part of the buildings which you share with another person who is not insured under this policy
  - mechanical or electrical breakdown other than an electric motor burning out, **unless**
    - the breakdown results in damage to your buildings or contents
  - flood
  - landslide or subsidence, **unless**
    - we agree to cover the incident as described under 'Landslide or subsidence'
  - water entering your buildings
    - through an opening made for any building, renovation or repair work
    - because of a structural defect, faulty design or faulty workmanship when your buildings were constructed.

### Other Valuables and Special Valuables cover exclusions

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

- rust, corrosion, gradual deterioration, depreciation, wear or tear
- a defect in an item
- rats, mice or insects
- any process or cleaning involving the use of chemicals other than domestic household chemicals
- mechanical or electrical breakdown other than an electric motor burning out, **unless**
  - the breakdown results in loss or damage to your buildings or contents.

### Liability cover exclusions

We will NOT cover any

- personal injury to you, or any member of your family who normally lives with you, or anyone else who normally lives with you
- personal injury to any person you employ where that injury arises from their employment with you
- loss or damage to property that belongs to you, or is under your control, or any member of your family who normally lives with you, or anyone else that normally lives with you
- loss or damage to property that belongs to any person you employ where that loss or damage arises from their employment with you
- penalties, fines or awards of aggravated, exemplary or punitive damages made against you
- loss that can be reimbursed by your sporting or social club.

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

- any alterations, repairs, renovations or additions to your buildings that cost more than \$75,000 (inclusive of GST)
- any personal profit or advantage that is illegal.

Continued next page ►

continued... Exclusions to your cover

**continued...  
Liability cover  
exclusions**

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

- any disease that is transmitted by you, or any member of your family who normally lives with you
- any business, profession, trade or occupation carried out by you, **unless**
  - the liability is as a result of, or arising from, you acting as a committee member of a sporting or social club and you receive no more than \$1,000 per year for holding this position
- any agreement or contract you enter into, **however**
  - if you would have been liable without the agreement or contract, we will pay for that liability
- the use, removal of, or exposure to any asbestos product or products containing asbestos
- a conflict of duty or interest
- any act or omission that is dishonest, fraudulent, criminal, wilful or malicious
- any alleged or actual act or omission committed, or alleged to have been committed, prior to the commencement of the policy
- the use of a caravan or trailer when the caravan or trailer is attached to a motor vehicle or motorcycle
- the use of a motor vehicle, motorcycle, mini-bike, aircraft or watercraft, however we will cover liability that arises from
  - unregistered motorised golf buggies, ride-on mowers and wheelchairs.
  - model or toy aircraft
  - surfboard, sail board or surf skis
  - a watercraft that is less than 4 metres long and is not powered by a motor, or is powered by a motor less than 10 hp
  - unregistered motorcycles or mini-bikes up to 125 cc that do not require registration by law, **unless** they are being used for racing or pacemaking.

**General  
exclusions**

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

- any incident that does not occur within your period of insurance
- landslide or subsidence, **unless**
  - we agree to cover the incident as described under 'Landslide or subsidence'
- war or warlike activity, **however**
  - war does not need to be declared
- hostilities, rebellion, insurrection or revolution
- contamination by chemical and/or biological agents, which results from an act of terrorism
- lawful destruction or confiscation of your property
- anything nuclear or radioactive
- mildew, atmospheric or climatic conditions
- damage to a heating element, **however**
  - we will pay for any loss or damage as a result of damage to a heating element
- failure or inability of any item, equipment or computer software to recognise correctly, to interpret correctly or to process correctly any data, or to function correctly beyond any time when that item, equipment or computer software has not recognised, interpreted or processed correctly any date, **unless**
  - it results in loss or damage to your buildings or contents that is covered under this policy. This does not include resultant loss or damage to any frozen food, computer equipment or computer software.

Continued next page ►

continued... Exclusions to your cover

continued...  
General  
exclusions

- We will NOT cover any loss or damage, or liability as a result of, or arising from
- deliberate or intentional acts by you, or anyone acting for you, to cause loss, damage or injury
  - flood or storm surge
  - erosion, the action of the sea, tidal wave or high water, **unless**  
- the loss or damage is the result of a tsunami.

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## Your duty of disclosure

When you take out, renew, or change or vary a policy, or when you make a claim, you have a duty to answer our questions truthfully and provide us with any information that could affect our decision to insure you, or the terms of your policy. This is called your 'duty of disclosure'.

### What you must tell us when you apply to take out this policy

When applying to take out insurance we will ask you certain questions. When answering these questions, you must be honest, and you have a duty under the *Insurance Contracts Act 1984* to tell us anything

- known to you, and
- which a reasonable person in the circumstances would include in answer to any question.

We will use your answers to help us decide whether to insure you and anyone else under this policy, and on what terms.

### Who you are answering the questions for

It is important that you understand you are answering the questions in this way on behalf of yourself and anyone else that you want to be covered by the policy.

### If you do not answer our questions in this way

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

### Renewal, variation, reinstatement or extension of your policy

When your policy is renewed, varied, reinstated or extended you have a duty, under the *Insurance Contracts Act 1984*, to tell us anything that you

- know, or
  - could reasonably be expected to know, and is relevant to our decision whether to accept the risk of insurance and, if so, on what terms.
- Your duty does not require disclosure of anything that
- diminishes the risk to be undertaken by us
  - is of common knowledge
  - we know or, in the ordinary course of business, ought to know, or
  - is a matter that we indicate your duty has been waived by us.

### If you do not comply with your duty of disclosure

If you fail to comply with your duty of disclosure, we may be entitled to reduce our liability under the policy in respect of a claim, or we may cancel the policy, or do both.

If your non-disclosure is fraudulent, we may also have the option of avoiding the contract from its beginning.

## Your responsibilities when you are insured with us

In addition to your duty of disclosure, there are other responsibilities that you must meet when you are insured with us.

### You must tell us if

- your buildings will be unoccupied for a continuous period of 60 days or more
- any changes have been made to
  - the address or location where your buildings or contents are insured
  - the use of your buildings
  - your buildings due to renovation, extensions or demolition
  - the people who are insured under this policy
  - the sums insured to your buildings or contents
- any people who are insured under the policy have
  - been convicted of any criminal offence
  - made a claim that is not true under this policy or another insurance policy
- there are any changes in circumstances during the period of insurance.

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

In addition, you must also

- be truthful and frank in any statement you make in connection with your policy
- pay your premium, including paying instalments regularly
- take reasonable precautions to avoid a claim being made
- obey all laws and make sure anyone acting on your behalf obeys all laws
- follow the conditions of this policy

Continued next page ►

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continued... Your responsibilities when you are insured

- not make a fraudulent claim under this insurance policy or any other policy.
- 

## Your responsibilities when you are making a claim

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

### You must

- be truthful and frank in any statement you make in connection with a claim
- take safe and reasonable steps to prevent any further loss, damage or liability occurring
- inform the Police as soon as possible if your buildings or contents suffer loss or damage as a result of theft or attempted theft, vandalism or a malicious act
- keep all damaged buildings or contents so we can inspect them if required
- give us any information or assistance we require to investigate and process your claim
- not pay or promise to pay for a claim, or admit responsibility for a claim
- not repair or replace any damaged buildings or contents without our consent.

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

- if you have a right to claim from anyone else for an incident covered by us, you give us your rights to make that claim, to conduct, defend or settle any legal action and to act in your name – *you must not do anything which prevents us from doing this and you must give us all the information and cooperation that we require.*
- 

## If you do not meet your responsibilities

If you do not meet your responsibilities, we may refuse or reduce a claim, cancel your policy, or do both. If we cancel your policy we will advise you in writing.

The General Insurance Code of Practice

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Our Guarantee

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How we handle your personal information

47-48

## The General Insurance Code of Practice

The purpose of the Code is to raise the standards of practice and service in the general insurance industry.

### The objectives of the Code are

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

### Our commitment to you

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

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

See back cover for contact details ►

## Our Guarantee

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

### Fair Dealing Guarantee

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

### Money Back Guarantee

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

### Service Guarantee

We will provide you with the highest standard of service.

## How we handle your personal information

We are committed to handling your personal information in accordance with the *Privacy Act*.

We need to collect, use and disclose your personal information in order to consider your application and to provide the cover you have chosen.

You can choose not to give us some or all of your personal information, but this may affect our ability to provide you with cover.

### When you provide your personal information to us

You acknowledge and consent to us collecting and using your information to

- consider your insurance application and any subsequent application for insurance
- underwrite and price any policy issued by us or our related entities
- calculate and offer discounts
- issue you with a policy
- administer the policy, and
- investigate, assess and pay any claim made by or against you.

For these purposes, you acknowledge and consent to us collecting your personal information from, and disclosing it on a confidential basis to your intermediary\* or the third party who you have been dealing with in respect to this insurance policy and who referred you to us, other insurers, our related entities, insurance reference bureaus, law enforcement agencies, investigators and recovery agents, lawyers, any credit provider that has security over your property, assessors, repairers, suppliers retained by us to supply goods and services, advisers, and/or the agent of any of these.

\*The intermediary is a company or individual through which you purchased this insurance, or the company named on the inside front cover of this booklet.

Continued next page ►

continued... How we handle your personal information

**When you provide personal information to us about another person**

You must be authorised to do so, and you must inform that person, unless informing them would pose a serious threat to the life or health of any individual

- who we are
- how we use and disclose their information, and
- that they can gain access to that information.

**Privacy of your personal information - for marketing purposes**

In order to enhance its relationship with you, your intermediary may use your personal information that you have provided us to offer you other products and services, which may be of benefit to you.

**When you provide your personal information to us - for marketing purposes**

You acknowledge and consent to your personal information being used on a confidential basis by us or your intermediary to contact you by mail, phone, or email to provide you information on offers, products and services or for planning, market research and product development.

In using your personal information for these marketing purposes, we and your intermediary may use and disclose your personal information to offer you our or your intermediary's products and services directly, or to any other organisation to carry out the above marketing purposes on our or your intermediary's behalf. However

- CGU Insurance Ltd (CGU Insurance) and your intermediary will not use your information in this way if you have already told CGU Insurance or your intermediary not to
- you must inform CGU Insurance or your intermediary if you do not want your personal information disclosed or used for these marketing purposes.

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## How to apply for insurance

- ① If you are taking out a policy with us for the first time, contact us or your insurance adviser, or apply on line at [www.cgu.com.au](http://www.cgu.com.au). You can also send correspondence to GPO Box 9902, in your capital city

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

- ② Pay your premium

See *Your premium*, page 52 ►

See *Your responsibilities when you are insured with us*, page 43 ◀

## How to renew your insurance

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

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

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

- ② Review the proposed policy and premium we offer

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

- ③ Pay your premium

See *Your premium*, page 52 ►

## How to cancel your policy

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

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

## How to change your policy

- ① Contact us or your insurance adviser to change or vary your policy

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

- ② Check the changes

- ③ Pay your premium if it has increased

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

## If you move to a new home

- ① If you have buildings insurance and you move permanently to a new home within Australia

The cover for your original home will end and we will refund any unused premium to you. We will provide you with temporary cover for 14 days at your new home.

If you would like to continue to insure your buildings with us, contact us or your insurance adviser as soon as possible.

We will advise you if there are any changes to your premium or the terms of your insurance.

- ② If you have contents insurance and you move permanently to a new home within Australia

We will cover your contents at both your original home and your new home for 14 days, starting from the date you start moving your contents to your new home.

You must tell us that you are permanently moving your contents to a new home within 14 days from the day you first start to move.

We will advise you if there are any changes to your premium or the terms of your insurance.

## Your premium

### ① How we calculate your premium

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

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

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

### ② How to pay your premium

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

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

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

We may cancel your policy if

- you do not pay your premium
- your cheque or credit card is dishonoured by your financial institution, or
- you pay your premium by instalments and you are more than one month behind.

We may refuse to pay a claim if

- you pay by instalments and at least one instalment of the premium has remained unpaid for a period of at least 14 days.

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## How to make a claim

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

We will need

- contact details of any other people involved in the incident, including their name, current residential address and who they are insured with
- any letters, notices or court documents about the incident within 72 hours of receiving them
- the incident report number for any claims in relation to theft or attempted theft, vandalism or a malicious act
  - the Police will provide you with this number when you report the incident to them.

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

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

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

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

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

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

- ③ If you need emergency repairs

If you need to make emergency repairs, we will arrange assistance through our preferred repairers and suppliers.

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

## How we settle a buildings claim

- ① We will decide how we will settle your claim

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

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

If we do, we will

- pay you up to the buildings sum insured, as listed on your schedule
- only repair, rebuild or pay you for the part or parts of the building that actually sustained loss or damage, including damaged portions of fixed coverings to walls, floors and ceilings only in the room, hall or passage where the damage occurred
- try to match any material used to repair your buildings with the original materials or nearest equivalent available to the original materials
- repair or pay you the costs to repair your buildings if the loss or damage was caused by water or liquid that escaped from a bath, basin, sauna, spa, shower base or shower wall, **however**
  - we will NOT pay the costs to repair or replace the bath, basin, sauna, spa, shower base or shower wall.

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

- ② You must pay any excess that applies

If you make a claim, you will need to pay any excesses that apply.

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

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

For the excess that may apply, see your current schedule ►

Continued next page ►

continued... How we settle a buildings claim

You must pay any excess to us, or to the builder  
- we will tell you who to pay the excess to.

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

③ If we decide to repair or rebuild your buildings  
and your current schedule shows 'including  
replacement benefit'

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

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

- you were required to pay there amounts before the  
loss or damage occurred, and you did not do so.

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

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

④ If we decide to repair or rebuild your buildings  
and your current schedule does not show  
'including replacement benefit'

We will

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

Continued next page ►

⑤ After we agree to settle a claim

The repair or rebuilding work on your buildings  
must start within six months of the loss or damage  
occurring, otherwise you will have to pay any  
increase in costs caused by the delay.

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

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

⑥ If your building is a total loss

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

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

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

See also *Liability cover* -- when  
your buildings are a total loss,  
page 32 ◀

## How we settle a contents or valuable items claim

### ① We will decide how we will settle your claim

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

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

If we do, we will pay up to

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

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

- the most we will pay is the value of the item as a proportion of the combined pair, set, collection or system.

To find out what we will pay, see page 9 ◀

### ② You must pay an excess that applies

If you make a claim, you will need to pay any excesses that apply.

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

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

You must pay any excess to us, or to the supplier or repairer – we will tell you who to pay the excess to.

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

For the excess that may apply, see your current schedule ▶

Continued ▶

### ③ If we decide to repair your contents or valuable items

We will repair the damaged item to the condition it was when new.

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

### ④ If we decide to replace your contents or valuable items

We will replace the item with the nearest equivalent new item.

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

We will **NOT** pay to re-carpet adjoining rooms, or your entire home.

Any salvage becomes our property.

### ⑤ If we decide to pay you the cost to repair or replace your contents or valuable items

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

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

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

Any salvage becomes our property.

### ⑥ If we decide to settle a claim

We will reduce any payment for damage to, or loss of, an Other Valuables or Special Valuables item by the amount we pay you for the same item under contents cover.

---

## How to resolve a complaint or dispute

### ① Talk to us first

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

See back cover for  
contact details ►

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

### ② Seek a review

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

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

### ③ Seek an external review

You are entitled to seek an external review of the decision. The dispute resolution area will provide you or your insurance adviser with information about the options available to you, such as referring you to the external dispute resolution scheme administered by the Financial Ombudsman Service (FOS).

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

See back cover for  
contact details ►

**accidental loss or damage**

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

**endorsement schedule**

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

**excess**

the amount you pay when you make a claim on your policy. The amount and type of excess that may apply to your policy is shown on your current schedule and in this PDS.

**fixtures and fittings**

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

**flood**

the covering of normally dry land by water escaping or released from the normal confines of a watercourse or lake, whether or not it is altered or modified. Flood also includes water escaping from the confines of any reservoir, channel, canal or dam.

**goods you use for earning your income**

stock and tools of trade. You would normally receive a tax deduction for these items. They do not include office and surgery equipment.

**incident**

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

**malicious act**

an act done with intent and without your consent.

**office and surgery equipment**

items that are normally needed in an office or surgery that you use for earning your income in your own business. You would normally receive a tax deduction for these items. They do not include tools of trade.

**period of insurance**

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

**pet**

a domestic animal that you keep in your home or at your home.

**premium**

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

**schedule**

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

**special conditions**

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

**sporting equipment**

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

**strata title**

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

**sum insured**

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

**Supplementary Product Disclosure Statement (SPDS)**

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

**terrorism**

any act which may involve the use of, or threat of, force, violence or biological or chemical warfare, or nuclear pollution or contamination or explosion where the purpose of the act is to further a political, religious, ideological aim, or to intimidate or influence a government or any section of the public.

**total loss**

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

**unoccupied home**

a home that no-one has lived in for 60 consecutive days or more.

**us, we and our**

refers to:  
CGU Insurance Limited  
ABN 27 004 478 371.

**you and your**

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

If more than one person is named as the insured, we will treat a statement, act, omission or claim by any one of these people as a statement, act, omission or claim by them all.

If you are making a claim, 'you' also includes your domestic partner, you or your partner's unmarried children, and you or your partner's parents who normally live with you.

**your buildings**

buildings that you own or are legally responsible for.

**your contents**

contents that you own or are legally responsible for.

**your contents at your home in the open air**

contents at your home that are not in a fully enclosed building (e.g. carport).

**your home**

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

**your policy**

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

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



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**The Insurer – Domestic Workers' Compensation**

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

This booklet contains information about CGU's insurance products and services. The information was current at the date of preparation. More information about CGU's products and services, and up-to-date information may be available by calling 13 15 32 or visiting [cgu.com.au](http://cgu.com.au). We will also give you a free paper copy of any updates if you request them. If it becomes necessary, we will issue a supplementary or replacement PPS.

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GPO Box 9902  
in your capital city

**Enquiries tel:** 131 532

**Website:** [www.cgu.com.au](http://www.cgu.com.au)

CGU



Insurer  
**CGU Insurance Limited**  
ABN 27 004 478 371  
AFS Licence No. 238291



# First Choice Home Insurance

## – Listed Events

Product Disclosure Statement and Policy

Insurer:  
CGU Insurance Limited  
ABN 27 004 478 371  
AFS Licence No. 238291  
Preparation date: 30/09/2010



This insurance policy is distributed by members of Insight Insurance Brokers Association Inc. ABN 19 212 972 184 ('Insight'). Insight is an organisation that provides its members with access to insurance related products and services. Insight distribute this insurance policy pursuant to an agreement with CGU Insurance Limited, Australian Business Number 27 004 478 371 and Australian Financial Services Licence Number 238291. In arranging this insurance, Insight is acting on your behalf. Insight do not issue, guarantee or underwrite this insurance policy.

**Important information about Insight's advice**

Any advice Insight gives about this policy does not take into account any of your particular objectives, financial situation or needs. For this reason, before you act on Insight's advice, you should consider the appropriateness of the advice taking into account your own objectives, financial situation and needs. Before you make any decisions about whether to acquire this policy, we recommend you read this PDS.

# Welcome to the security of CGU Insurance

This Product Disclosure Statement (PDS) contains two sections:

- **Important Information** – contains general information about your Listed Events Home Insurance Policy, and
- **The Listed Events Home Insurance Policy** – contains the terms and conditions of your Listed Events Home Insurance Policy.

To assist you to locate specific items in this PDS, a table of contents is provided on page 2 and an index is provided at the back of this booklet.

Please read this PDS before you apply for insurance.

If we accept your application for insurance, you will receive a schedule that sets out details of the insurance you have taken out.

If you need more information about this PDS or your policy, please contact your insurance adviser.

## Updating Product Disclosure Statement

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

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## Important information

### The purpose of this PDS

The PDS has been prepared to assist you in understanding your Listed Events Home Insurance policy and making an informed choice about your insurance needs.

This PDS sets out important information about the insurance and the terms and conditions and limitations of the policy.

The policy terms and conditions are set out in this PDS under the heading 'The Listed Events Home Insurance Policy' commencing on page 15.

### Who is the insurer

CGU Insurance Limited is the insurer providing the cover under 'Section 1 – Buildings and contents' and 'Section 2 – Valuable items'. Our Australian Business Number is 27 004 478 371. Our Australian Financial Services Licence Number is 238291.

Insurance Australia Limited ABN 11 000 016 722 trading as CGU Workers' Compensation is the insurer providing the cover under 'Section 3 – Workers' compensation' if your situation is in Western Australia, Tasmania or Northern Territory. In this policy, the insurer is called 'we', 'us' or 'our'.

### How to contact us

You may contact us by any of the following ways:

- In person at any CGU Insurance office.
- By telephone on 13 15 32.
- By writing to us at CGU Insurance, GPO Box 9902 in your capital city.
- By email on our website [www.cgu.com.au](http://www.cgu.com.au)

### Your cooling-off period

We will refund all premium paid for cover under your policy if you request cancellation of the insurance policy within 21 days of its commencement.

To do this, you must advise us in writing and return the schedule to your nearest CGU Insurance office.

You will not receive a refund if you have made a claim under your policy.

### How to apply for insurance

Complete our application form. If we accept your application for insurance, you will receive a schedule that sets out details of the insurance you have taken out.

### How to make a claim

When something happens that you believe you can claim for, please contact your nearest CGU Insurance office, or call 13 15 32. Details about making a claim are shown in the insurance policy terms and conditions under 'How to make a claim'.

### Calculating your premium

The premium payable by you for this insurance will be shown on your schedule. The key factors that influence the premium calculation are reflected in the questions asked, and information sought, at the time of your enquiry or application for home insurance. These include factors relating to the type of property being insured, where the property is located, the type of construction of the property and your previous insurance and claims history.

Premiums are subject to Commonwealth and state taxes, charges and levies. These include the Goods and Services Tax, stamp duty and fire service levy. The amount of these taxes, charges and levies will be shown on your schedule.

### **Paying your premium**

The insurance applies for the period for which you have paid us (or agreed to pay us) the premium.

You may pay your premium by cash, cheque or credit card. If your cheque or credit card is dishonoured by your financial institution, you are not insured.

You can also pay your premium by instalments direct from a financial institution account or from your credit card. You cannot make a claim under this policy if you owed us more than one month's premium when the event you want to claim for happened.

If you pay your premium by instalments and you are more than one month behind, we can cancel your policy without notice.

If you have a total loss, we shall deduct the instalments for the remaining period of insurance from the amount we pay you.

### **How we handle your personal information**

We are committed to handling your personal information in accordance with the Privacy Act.

We need to collect, use and disclose your personal information in order to consider your application and to provide the cover you have chosen.

You can choose not to give us some or all of your personal information, but this may affect our ability to provide you with cover.

### **When you provide your personal information to us**

You acknowledge and consent to us collecting and using your information to:

- consider your insurance application and any subsequent application for insurance,
- underwrite and price any policy issued by us or our related entities,
- calculate and offer discounts,
- issue you with a policy,

- administer the policy, and
- investigate, assess and pay any claim made by or against you.

For these purposes, you acknowledge and consent to us collecting your personal information from, and disclosing it on a confidential basis to, your intermediary\* or the third party who you have been dealing with in respect to this insurance policy and who referred you to us, other insurers, our related entities, insurance reference bureaus, law enforcement agencies, investigators and recovery agents, lawyers, any credit provider that has security over your property, assessors, repairers, suppliers retained by us to supply goods and services, advisers and/or the agent of any of these.

### **When you provide your personal information to us about another person**

You must be authorised to do so, and you must inform that person, unless informing them would pose a serious threat to the life or health of any individual:

- who we are,
- how we use and disclose their information, and
- that they can gain access to that information.

### **Privacy of your personal information – for marketing purposes**

In order to enhance its relationship with you, your intermediary may use your personal information that you have provided to us to offer you other products and services, which may be of benefit to you.

### **When you provide your personal information to us – for marketing purposes**

You acknowledge and consent to your personal information being used on a confidential basis by us or your intermediary to contact you by mail,

phone or email to provide you information on offers, products and services or for planning, market research and product development.

In using your personal information for these marketing purposes, we and your intermediary may use and disclose your personal information to offer you our or your intermediary's product and services directly, or to any other organisation to carry out the above marketing purposes on our or your intermediary's behalf. However:

- CGU Insurance Ltd (CGU Insurance) and your intermediary will not use your information in this way if you have already told CGU Insurance or your intermediary not to.
- You must inform CGU Insurance or your intermediary if you do not want your personal information disclosed or used for these marketing purposes.

\*The intermediary is a company or individual through which you purchased this insurance, or the company named on the inside front cover of this booklet.

### **CGU Insurance Triple Guarantee**

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

### **Fair Dealing Guarantee**

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

### **Money Back Guarantee**

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

### **Service Guarantee**

We will provide you with the highest standards of service.

### **General Insurance Code of Practice**

The purpose of the Code is to raise standards of practice and service in the general insurance industry.

#### **The objectives of the Code are:**

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

### **Our commitment to you**

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

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

### **How to resolve a complaint or dispute**

#### **1. Talk to us first**

If you have a complaint, the first thing you or your insurance adviser should do is speak to one of our staff. If your complaint relates specifically to a claim, speak with the claims officer managing your claim.

If the staff member or claims officer are unable to resolve the matter for you, you or your insurance adviser may speak to a manager. The manager will usually provide you with a response to your

complaint within 15 days. If the timeframe is impractical for any reason such as the need for more information or further investigation, they will discuss with you alternative timeframes. If you are not satisfied with our response or we cannot agree with you on alternative timeframes, you can go to step 2.

## **2. Seek a review**

If the matter is still not resolved the manager will refer you or your insurance adviser to the relevant dispute handling department or area who will conduct a review of your dispute and will usually provide you with a response to your dispute within 15 business days. If the timeframe is impractical, we will discuss with you alternative timeframes.

If you are still not satisfied with our response to your dispute or we cannot agree on alternative timeframes, you can go to step 3.

## **3. Seek an external review**

You are entitled to seek an external review of our decision. We will provide you with information about options available to you, including, if appropriate, referring you to the external dispute resolution scheme administered by the Financial Ombudsman Service Limited (FOS).

You will not be able to have your dispute resolved by the FOS if you are not eligible under the FOS's Terms of Reference.

Further information about our complaint and dispute resolution procedures is available by contacting us.

## **Your duty of disclosure**

When you take out, renew, or change or vary a policy, you have a duty to answer our questions truthfully and provide us with any information that could affect our decision to insure you, or the terms of your policy. This is called your 'duty of disclosure'.

## **What you must do when you apply to take out this policy**

When applying to take out insurance we will ask you certain questions. When answering these questions, you must be honest, and you have a duty under the Insurance Contracts Act 1984 to tell us anything:

- known to you, and
- which a reasonable person in the circumstances would include in answer to any question.

We will use your answers to help us decide whether to insure you and anyone else under this policy, and on what terms.

## **Who you are answering the questions for**

It is important that you understand you are answering the questions in this way on behalf of yourself and anyone else that you want to be covered by the policy.

## **If you do not answer our questions in this way**

If you do not answer our questions in the way, we may reduce or refuse to pay a claim, or cancel the policy. If you answer our questions fraudulently, we may refuse to pay a claim and treat the policy as never being in place.

## **Renewal, variation, reinstatement or extension of your policy**

When your policy is renewed, varied, reinstated or extended you have a duty, under the Insurance Contracts Act 1984, to tell us anything that you:

- know, or
- could reasonably be expected to know is relevant to our decision whether to accept the risk of insurance and on what terms.

Your duty does not require the disclosure of anything that:

- diminishes the risk to be undertaken by us,

- is of common knowledge,
- we know, or in the ordinary course of business, ought to know, or
- is a matter that we indicate your duty has been waived by us.

#### **If you do not comply with your duty of disclosure**

If you fail to comply with your duty of disclosure, we may be entitled to reduce our liability under the policy in respect of a claim, or we may cancel the policy.

If your non-disclosure is fraudulent, we may also have the option of avoiding the contract from its beginning.

#### **Intermediary Remuneration**

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

#### **Financial Claims Scheme**

You may be entitled to payment under the financial claims scheme in the event that CGU Insurance Limited becomes insolvent. Access to the scheme is subject to eligibility criteria. Information about the scheme can be obtained from the Australian Prudential Regulation Authority (APRA) website at [www.apra.gov.au](http://www.apra.gov.au) and the APRA hotline on 1300 13 10 60.

## **The Listed Events Home Insurance Policy**

### **Your policy**

Your policy is a contract of insurance between you and us.

Your policy includes information on the following:

- When you are covered.
- Who is insured under this policy.
- What you are covered for.
- What your policy does not cover.
- Excesses that may apply.
- How we pay claims.

If we accept your application for insurance, you will receive a schedule that sets out details of the insurance you have taken out as described in this policy.

Our agreement with you is made up of your current schedule and this policy, as well as any endorsements we send to you. Together, they make up your insurance contract with us. Read them carefully and store them together in a safe place. We recommend that you keep receipts for major items you purchase.

### **When you are covered**

Your insurance begins when we accept your application. The commencement date of your insurance will be shown on the schedule we will send you.

We will not cover your buildings and your contents for a period of 48 hours from the time of the commencement of your insurance for loss or damage caused by:

- bushfire or grassfire, or
- a named cyclone.

We will provide cover however if:

- This insurance commences directly after another insurance policy covering the same property expired without a break in cover.
- You have entered into a contract of sale to purchase the property.
- You have entered into a contract to lease the property.

#### **Who is insured under this policy**

The person whose name is set out in the schedule is insured. The following people are also insured, as long as they normally live with that person named in the schedule:

- That person's partner.
- Unmarried children of that person.
- Unmarried children of that person's partner.
- That person's parents.
- That person's partner's parents.

In this policy all these people are called 'you' or 'your'.

#### **Words that have a special meaning**

In this policy there are words that have a special meaning. These words are listed below. If the meaning of a word is not shown below, we tell you on what page the meaning is printed.

<b>Buildings</b>	This is on page 29 under 'What are buildings'.
<b>Contents</b>	This is on pages 30, 31 and 32 under 'What are contents'.
<b>Excess</b>	This is the amount of money you will pay if you have a claim. We will reduce the amount we pay you for your claim by the excess. The amount of your excess is shown on your schedule and the

#### **Schedule**

earthquake excess is shown on page 35.

This is the document we give you which sets out the details of your insurance cover. You receive a schedule when you first take out your insurance and again when the policy is renewed or changed.

#### **Situation**

This is the place where the building and/or contents are located. We will show this place on all schedules we give you.

## Section 1

### Buildings and contents

#### What is insured

Your buildings and/or contents as set out on your schedule are insured if they are destroyed, lost or damaged. They are insured only if you own them, or are liable for them.

If you only insure buildings, the cover provided for destruction, loss or damage does not apply to contents.

If you only insure contents, the cover provided for destruction, loss or damage does not apply to buildings.

Your buildings and contents are insured while at your situation. Cover for your contents while away from your situation is not provided unless we say so.

#### Cover - Listed Events

We will cover your buildings and contents for the events listed as follows. There must be damage or loss from one of these events, to the buildings or contents, for you to make a claim.

- Fire or explosion.
- Lightning or thunderbolt.
- Earthquake or Tsunami.
- Burglary or housebreaking or an attempt at either. This does not include burglary or housebreaking by a tenant.
- Theft. This cover does not apply if the theft is from any part of the buildings which you share with another person who is not insured under this policy. This cover does not include theft by a tenant.
- Theft of money or negotiable documents is covered only when force is used by someone to

enter the buildings. This cover does not include theft by a tenant.

- Malicious damage, including vandalism. This cover does not apply if the malicious damage or vandalism is done by a tenant.
- Deliberate or intentional acts. This cover does not apply if the deliberate or intentional act is done by a tenant.
- Liquid that escapes from:
  - A fixed pipe or something attached to a pipe, fixed gutter, fixed tank or a drain.
  - A bath, basin, sauna, spa, shower base or shower wall, sink, toilet or tiled floor that has drainage holes.
  - A washing machine or dishwasher.
  - An aquarium.
  - A waterbed.

We will pay the cost of finding from where the liquid escaped. We will also pay the cost of repairing any damage that has been done in finding from where the liquid escaped. We will not pay for repairing the defective item that caused the escape of liquid.

- An electric motor burning out. If an electric motor burns out, we will repair, reinstate or replace it. We decide which one we will do. We will do this if the electric motor is 15 years old or less.
- Accidental breakage. This cover applies when the item is fractured or chipped through its entire thickness.

Items covered for accidental breakage are:

- If you have insured buildings, any fixed glass in the buildings, including any window tinting or shatter proofing material attached to the glass. It also includes fixed shower bases, basins, sinks, spas, baths and toilets.

- If you have insured contents, any mirrors, glassware, crystal, crockery or any glass in furniture. It does not include glass that is part of a television, or a computer screen or computer monitor. Mirrors, glassware, crystal, crockery or china are not covered while they are being used, cleaned or carried by hand.

- If you have insured contents and you are living in a rented property, you are covered for accidental breakage of fixed shower bases, basins, sinks, spas, baths and toilets. This cover only applies when your rental agreement makes you responsible for these items.

- Riots, civil commotions, industrial or political disturbances.

- Impact by an aircraft, spacecraft or satellite, or anything dropped from them.

- Impact by a falling tree or part of a tree. We also pay the cost of removing and disposing of the fallen tree or parts. We will not pay if the damage is caused when you cut down or remove branches from a tree or you have someone do it for you.

- Impact by a falling television or radio antenna, mast or dish.

Impact by any animal or bird that is not kept at your situation. This does not include any animal or bird eating, chewing, clawing or pecking your buildings or contents.

- Impact by vehicles or watercraft.

- Storm, rainwater or wind.

This includes storm, rainwater or wind damage to:

- Gates, fences or walls that are attached to, and are part of, the structure of the buildings.

- Gates, fences or walls that are not attached to, and are not part of, the structure of the buildings but only for any section of a gate, fence or wall made of brick, stone, metal or frame-supported corrugated fibrous material. The frame supporting the corrugated fibrous material must be made of brick, stone or metal.

- Gates, fences or walls made of timber that are not attached to, and are not part of, the structure of the buildings. We will only pay for gates, fences or walls 15 years old or less.

- Free-standing fences that do not have a supporting frame but only if these fences are made from corrugated fibrous material. These fences must have been installed and constructed according to the manufacturer's specifications.

We will not pay for storm, rainwater or wind damage:

- To shadecloth, swimming pool covers including solar covers, plastic liners for swimming pools.
- Where water enters the buildings because of a structural defect, faulty design or faulty workmanship when the buildings were constructed.
- Where water enters the buildings through an opening made for any building, renovation or repair work.

We do not provide cover for damage by flood. Flood is when water from a river, creek, lake, watercourse, reservoir, dam or navigable canal overflows onto normally dry land. Water that escapes from an irrigation canal is not flood.

- Landslide or subsidence. Cover only applies when the landslide or subsidence occurs within 72 hours after one of the following listed events:

- Storm, rainwater or wind.
- Earthquake.
- Explosion.
- Liquid that escapes from a fixed pipe or something attached to a pipe, fixed gutter, fixed tank or a drain.

This cover also applies to any gates, fences or retaining walls that are attached to, and are part of, the structure of the buildings.

#### **Additional things we will pay for when you have insured your buildings**

The following will be paid in addition to the sum insured:

- If you are unable to live in your buildings after damage or loss has occurred, we will pay for you to rent another property. We will pay an amount equal to the amount that your buildings could have been rented out each week if you had not had a loss. We will also pay the costs of alternate accommodation for your pets. We will pay this for up to 12 months. The most we will pay under this section is 10 per cent of your buildings sum insured. We will reduce this payment, or stop paying you, if:
  - you receive any payment for rent from another source, or
  - you do not need to rent another property.
- We will pay to make modifications to your buildings if you are injured as a result of damage or loss to your buildings. We will only pay for modifications if the injury results in permanent paraplegia or permanent quadriplegia. The most we will pay is \$10,000.
- We will pay your legal costs to discharge your mortgage if your claim is for a total loss.

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

- the contract settlement date,
- the purchaser insures the home, or
- the purchaser becomes liable for

damage to the home whichever happens first.

This cover will stop immediately if:

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

- We will pay the reasonable cost of demolishing and removing any buildings or contents debris when damage or loss occurs. We will pay up to 10 per cent of your buildings sum insured.
- We will pay the reasonable costs of architects', surveyors' and legal fees when damage or loss occurs. We will pay up to 10 per cent of your buildings sum insured.
- If a key to an external door lock of your buildings, or a key to an external window lock of your buildings, is stolen, we will pay the reasonable and necessary costs of replacing the external lock, key or cylinder with a similar item. We decide which one we will do.

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

- If any trees, plants or shrubs are:

- stolen, or
- burnt, or
- maliciously damaged, or
- damaged by a vehicle,

we will pay to replace the trees, plants or shrubs. The most we will pay is \$750 in any one period of insurance. We will not pay for any loss or damage to a lawn.

- If you have a loss, we will increase your sum insured by the amount the Consumer Price

Index (all groups) has increased since you took out your policy or last renewed it.

- You are fully insured again for your buildings for the amount shown on your schedule following a claim. This does not apply when your claim is for a total loss as your cover for buildings will end then.
- We will also provide cover for buildings when you purchase a new home. Cover will be provided for 14 days from the date you sign a contract of purchase.
- The amount of cover provided is limited to the sum insured on buildings shown in the schedule.

#### **Additional things we will pay for when you have insured your contents**

The following will be paid in addition to the sum insured:

- If your freezer breaks down, we will pay for the loss of any frozen food. The most we will pay is \$500.
- If any of your credit cards or financial transaction cards are misused after they are stolen, or fraudulently used on the internet, we will pay up to \$5,000 to the financial institutions that issued them. We will only pay if you complied with the terms on which the credit cards or transaction cards were issued.
- We will pay the reasonable costs of alternative accommodation that you may incur after you have had a loss. We will pay this amount for up to 12 months. The most we will pay is 10 per cent of your contents sum insured. We will only pay for this when your buildings are unable to be lived in after damage or loss has occurred.

We will reduce this payment, or stop paying you, if:

- we pay you for rent following damage to the buildings, or

- you receive any payment for rent or accommodation from another source, or
- you do not need to pay for alternative accommodation.

- If guests or visitors to your home bring their own possessions with them, we will regard those possessions as belonging to you. The most we will pay is \$5,000 if these possessions are lost or damaged. We will not pay if these possessions are already insured.
- If employees working at your home bring their own possessions with them, we will regard those possessions as belonging to you. We will only pay if the employees are doing domestic work for you. The most we will pay is \$5,000 if these possessions are lost or damaged. We will not pay if these possessions are already insured.
- If a key to an external door lock of your buildings, or a key to an external window lock of your buildings, is stolen, we will pay the reasonable and necessary costs of replacing the external lock, key or cylinder with a similar item. We decide which one we will do. The most we will pay is \$1,000.
- If you are moving permanently to a new situation within Australia, we will cover your contents at the situation shown on your schedule and at your new situation. The most we will pay in total is the sum insured shown on your schedule. We will only cover your contents at your new situation for 14 days. This cover will commence from when you first start to move your contents to your new situation. You must tell us if you are permanently moving your contents to a new situation within 14 days from when you first start to move.

This does not apply if your contents have been permanently moved to a new situation in the 14 days prior to the commencement of this insurance.

- We will cover your contents for loss or damage whilst they are in a commercial storage facility in Australia up to the total contents sum insured, as listed on your schedule. You must tell us that your contents are in a commercial storage facility before they are put into storage and we must have agreed to cover them. If we agree to cover your contents in a commercial storage facility, it will be listed on your schedule. We will only cover your contents if the loss or damage occurs as a result of an incident we have agreed to cover. We will not cover jewellery, money or negotiable documents.
- We will cover your contents for loss or damage whilst they are being transported by a vehicle to your home, or to a commercial storage facility within Australia, up to \$10,000 (inclusive of GST) during your period of insurance. We will only cover your contents if there is a theft following violent or forcible entry, or loss or damage occurs as a result of fire, collision or overturning of the vehicle that is transporting your contents. We will not cover loss or damage:
  - to glassware, crystal, crockery, mirrors or china, or
  - caused by denting, scratching, chipping or bruising.
- We will pay the reasonable costs of removing any contents debris when damage or loss occurs. We will pay up to 10 per cent of your contents sum insured.
- If you, or any member of your family dies, we will cover the funeral costs, up to \$10,000 (inclusive of GST).  
The death must occur:
  - as a result of an incident we have agreed to cover,
  - within 12 months of the incident, and
  - as a result of an incident that occurred at your home.

- We will pay the reasonable costs you have to pay a security firm to attend your home in response to your monitored burglar alarm system.  
We will only pay these costs when there is:
  - a burglary, or
  - an attempted burglary.
 We will not pay these costs when there is:
  - a false alarm, or
  - no evidence of an attempted burglary.
 The most we will pay is \$1,000.
- If you have a loss, we will increase your sum insured by the amount the Consumer Price Index (all groups) has increased since you took out your policy or last renewed it. This increase does not apply to any special contents you have insured.
- You are fully insured again for your contents for the amount shown in your schedule following a claim. This does not apply when your claim is for a total loss as your cover for contents will end then.

The following will be paid in addition to the sum insured:

- We will pay to reinstate, reproduce or restore your documents if they are damaged while contained in the buildings or in a bank vault. This includes the information contained on the documents. The most we will pay is \$1000.
- We will pay for the fees that you must pay to an accountant. We will pay these fees when your personal financial affairs are audited by the Federal Commissioner of Taxation. You must advise us of any such audit. We will only pay claims notified to us during the period of insurance shown on your most recent schedule. The most we will pay during any one period of insurance is \$5,000.

We will not pay claims for:

- Any audit that relates to a criminal prosecution.
- Fees where the final assessment of your taxable income for the period being audited is 20 per cent higher than your original declaration.
- Fees for work performed outside the time limits allowed by the Federal Commissioner of Taxation.
- Any fines, penalties or adjustments of taxation.

- If you are unable to live at your situation after damage or loss has occurred, we will pay the reasonable costs to remove and store your contents while your situation is being repaired. We will pay this for up to 12 months.

We will also cover your contents while they are in storage. We will only pay for this when you are unable to live at your situation.

- We will pay for veterinary expenses if your pet is injured as a result of a road accident. The most we will pay is \$750.
- We will pay legal costs and expenses you are liable to pay following legal proceedings brought by you, or against you, in Australia. You must advise us of any legal proceedings brought by you, or against you. We will only pay claims notified to us during the period of insurance shown on your most recent schedule. We will only pay the legal costs and expenses incurred with our consent. The most we will pay during any one period of insurance is \$5,000.

We will not pay legal costs and expenses relating to:

- Spouse or partner disputes including, but not limited to, divorce, child maintenance, or custody and property disputes.

- Claims for death, bodily injury to, or disease of, any person.
- Claims where cover is available by a standard form of motor vehicle, homeowners or householders, motorcycle, caravan or boat insurance.
- Any criminal charge or prosecution brought against you.
- Any road traffic offence or boating offence committed by you.
- Any matter arising out of your business or profession.
- Any matter arising out of any insurance cover required by legislation.
- Any award of damages made against you.
- Any penalties, fines or awards of aggravated, exemplary or punitive damages made against you.

#### **What are buildings**

- Residential buildings you live in including any professional offices or surgeries in those buildings.
- Domestic outbuildings.
- Fixed coverings to walls, floors and ceilings. These do not include fixed carpets, curtains or internal blinds.
- Services, which include the supply of electricity, water, etc.
- Items built in, or fixed to, or on, the buildings.
- Blinds or awnings on the outside of the buildings.
- Anything permanently built, permanently constructed or permanently installed on your property for domestic purposes.

### What are not buildings

- Property that a tenant is liable for under the terms of a rental agreement.
- Plants, shrubs, trees or grass.

### What are contents

- Household goods that are not used for earning income.
- Goods that you use for earning your income while they are at your situation. You would normally receive a taxation deduction for these. We will pay up to \$7,500 in total for these items. This does not include office and surgery equipment.
- Office and surgery equipment that you use for earning your income while it is at your situation. You would normally receive a taxation deduction for these. This includes valuable items able to be powered by battery. We will pay up to \$5,000 per item for any valuable item unless it is listed as a special valuable item.
- Carpets, curtains and internal blinds.
- Furniture and furnishings that are not built in.
- Portable domestic appliances that are not built in.
- Swimming pools, saunas and spas that are not permanently installed.
- Accessories for any swimming pools, saunas or spas.
- Clothing and personal effects.
- Valuables as listed below:
  - Jewellery and watches.
  - Items that contain gold or silver.
  - Furs.
  - Collections of stamps, money or medals.
  - Items able to be powered by battery.

- Equipment for taking photographs, including accessories and unprocessed film. These are not covered while they are being used underwater or to earn your income.
- Sporting equipment designed to be used in a leisure activity that involves some element of physical activity or competition. This does not include pedal cycles. Sporting equipment is not covered while it is being used.

For valuables we will pay up to \$5,000 for any one item, pair, set, collection or system of valuable items. We will pay up to \$20,000 or 25% of the contents sum insured whichever is the higher in total for valuables.

- Items thinly covered with gold or silver that are not jewellery or watches.
- Paintings and prints, tapestries, Persian or similar rugs, antiques and any other works of art.
- Projectors and screens.
- Equipment for developing and enlarging photographs.
- Processed film, slides and prints. We will only pay the value of these items as unprocessed material, and the cost of processing them. However, if they were processed when you purchased them, we will pay the cost of replacement. We will not pay the costs of recreating any event.
- Tapes, cassettes, cartridges and discs, including computer software. We will only pay the value of these items when blank, unless they were pre-recorded when you purchased them.
- Money and negotiable documents. We will pay up to \$750 in total for these items.
- Unregistered motorcycles and mini-bikes with an engine capacity up to 125cc that do not require registration by law, or being used for racing or pacemaking.

- Accessories and spare parts for motor vehicles, motorcycles, mini-bikes, caravans, trailers and watercraft. We will not pay if the accessories and spare parts are in, or on, motor vehicles, motorcycles, mini-bikes, caravans, trailers or watercraft. We will pay up to \$750 in total for these items.
- Landlords' fixtures and fittings that you are liable for under the terms of a rental agreement. We will not cover these fixtures and fittings if the Body Corporate has them insured.
- Fixtures and fittings that you have installed for your own use if you are a tenant, or the owner of a strata title unit. We will not cover these fixtures and fittings if the Body Corporate has them insured.
- Watercraft less than four metres long which are not powered by a motor, or are powered by a motor less than 10hp. The most we will pay is \$5,000.
- Unregistered motorised golf buggies, ride-on mowers and wheelchairs.
- Surfboards, sailboards or surf skis.
- Special contents which are listed on your schedule.
- Pedal cycles.

### **Limit for the value of contents**

The most we will pay for any one item, pair, set, collection or system is \$20,000. Some contents items do have a lower limit which are shown in 'What are contents' on pages 30, 31, and 32. You can insure items, pairs, sets, collections or systems that are worth more than \$20,000 each as a 'special contents' item. To do this you must advise us and the items will be listed on your schedule.

### **What are not contents**

- Unset precious and semi-precious stones.
- Plants and trees growing outdoors. This does not include plants and trees growing in pots or tubs.
- Animals, including birds and fish.
- Pedal cycles while they are used for racing or pacemaking.
- Motor vehicles, caravans, trailers or aircraft other than model or toy aircraft.
- Registered motorcycles and mini-bikes.
- Unregistered motorcycles and mini-bikes with an engine capacity over 125cc.
- Watercraft more than four metres long.
- Watercraft less than four metres long that are powered by a motor of more than 10hp.
- Jet skis.

### **Cover for contents in the open air at your situation**

We will insure your contents while they are in the open air at your situation. Your contents are in the open air when they are not in a building that is fully enclosed.

If your contents are damaged by storm, rainwater, wind or are stolen, we will pay up to \$2,000 in total. This limit does not apply to any swimming pools, saunas or spas. It also does not apply to any

accessories which are used with swimming pools, saunas or spas.

### **Cover for contents away from your situation**

Your contents are insured while they are away from your situation, but still in Australia.

Your contents are not insured if they:

- Are on the way to, or from, or in, commercial storage.
- Have been away from your situation for more than a continuous period of 90 days, other than sporting equipment that is stored within a clubroom.
- Are in transit during a permanent removal.
- Have been removed permanently from your situation, without our permission.

The following items of contents are not covered while away from your situation:

- Accessories and spare parts for motor vehicles, motorcycles, mini-bikes, caravans, trailers and watercraft.
- Goods that you use for earning your income.
- Office and surgery equipment that you use for earning your income.

Cover for storm, rainwater, wind or impact by vehicle:

- Only applies when the contents are in a residential building, boarding house, motel, hotel, club, nursing home or hospital where you are staying, or for sporting equipment stored within a clubroom.
- Does not apply while the contents are in a tent, vehicle, caravan, trailer, aircraft or watercraft.

Cover for theft does not apply while the contents are away from your situation. Sporting equipment is covered when it is in a locked clubroom.

## **Paying claims**

### **Policy excess**

For each buildings or contents claim, we will reduce the amount we pay you for your claim by the excess. The amount of your excess is shown on your schedule.

In most instances you can select, at the time of your enquiry or application for insurance, the amount of the excess you wish to pay should you make a claim. When you select a higher excess amount we will normally reduce the amount of the premium you will have to pay.

We take into consideration a number of factors in setting the amount of the excess. These include factors relating to the type of property being insured, where the property is located, the type of construction and your previous insurance and claims history.

At the time of your enquiry or application for insurance, the amount of the excess will be advised to you.

Your excess will be increased by \$250 for any claim for damage or loss arising from an earthquake. This damage or loss must occur within 72 hours of the earthquake.

When a claim is paid for damage to, or loss of, buildings and contents, the excess amount will only be taken off once.

When a claim is paid under only 'Additional things we will pay for when you have insured your buildings', or 'Additional things we will pay for when you have insured your contents', your excess will not apply.

### **The most we will pay for your buildings or contents**

The most we will pay for any claim for buildings or contents is the sum insured shown on your schedule. This does not apply to amounts payable under

'Additional things we will pay for when you have insured your buildings' or 'Additional things we will pay for when you have insured your contents'.

#### **How we pay a claim for your buildings if reinstatement benefit is selected**

When damage or loss occurs to your buildings, we will pay the cost of rebuilding your buildings or repairing the damaged portions to the same condition as when they were new. We will only do this when your schedule shows "including replacement benefit".

We will also pay any additional costs required for your buildings to comply with government or local authority bylaws. We will not pay these additional costs if you were required to comply with these bylaws, and had not done so, before the damage or loss occurred.

Rebuilding or repairing your buildings must commence within six months of the damage or loss occurring. If it does not commence within six months, we will do one of the following:

- reinstate or repair the buildings to the condition they were in just before the damage or loss occurred, or
- pay you the cost of reinstating or repairing the buildings to the condition they were in just before the damage or loss occurred, or
- pay you the value of the land and buildings just before the damage or loss occurred. We will reduce this payment by the value of your land and buildings after the damage or loss occurred.

We decide which one we will do.

We will pay for the damaged portions of fixed coverings to walls, floors and ceilings only in the room, hall or passage where the damage occurred.

We will try to match any material used to repair the buildings with the original materials. If we cannot, we will use the nearest equivalent available to the

original materials. We will not pay any costs for replacing undamaged property.

However, if:

- it is impossible to acquire new material to replace the damaged material that reasonably matches the undamaged portion to a similar extent as immediately prior to the damage occurring, and
- the amount of damaged material that cannot be matched to the undamaged material is more than 60% of the total material that would have to be replaced if all the matching damaged and undamaged material was replaced, then we will replace both the damaged and undamaged material.

If the damage was caused by liquid that escaped from a bath, basin, sauna, spa, shower base or shower wall, we will pay the costs to repair the buildings. We will not pay the costs to repair or replace the bath, basin, sauna, spa, shower base or shower wall.

#### **How we pay a claim for your buildings when your schedule does not show "including replacement benefit"**

When damage or loss occurs to your buildings, we will do one of the following:

- Reinstatement or repair your buildings to the condition they were in just before the damage or loss occurred.
- Pay you the cost of reinstating or repairing your buildings to the condition they were in just before the damage or loss occurred.
- Pay you the value of the land and your buildings just before the damage or loss occurred. We will reduce this payment by the value of your land and your buildings after the damage or loss occurred.

We decide which one we will do.

We will pay for the damaged portions of fixed coverings to walls, floors and ceilings only in the room, hall or passage where the damage occurred.

We will try to match any material used to repair your buildings with the original materials. If we cannot, we will use the nearest equivalent available to the original materials. We will not pay any costs for replacing undamaged property.

If the damage was caused by liquid that escaped from a bath, basin, sauna, spa, shower base or shower wall, we will pay the costs to repair your buildings. We will not pay the costs to repair or replace the bath, basin, sauna, spa, shower base or shower wall.

#### **How we pay a claim for your contents**

When damage or loss occurs to any contents item, we will do one of the following:

- replace the property with the nearest equivalent new property, or
- repair the property to the condition it was in when new, or
- pay you the cost of replacement or repair.

We decide which one we will do.

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

When an item is part of a pair, set, system or collection, we will only pay for the value of the item itself. The most we will pay is the value that the item has as a proportion of the combined pair, set, system or collection. We will only pay the cost of replacing the item even though the pair, set, system or collection to which it belongs is less valuable because it is incomplete.

## **Section 1**

### **Liability**

We will pay the amount you are liable to pay following an accident if your liability arises from any of the circumstances shown below. The accident that results in the claim must happen during the period of insurance. We also pay any legal costs you have to pay in relation to the accident. This includes costs awarded against you. The most we will pay, including costs, for any single accident, or series of accidents arising out of the same event, is the amount shown in your schedule.

### **When we will pay**

- If you have insured your buildings, we will pay the amount you have to pay as owner or occupier of your buildings.
- If your buildings are a total loss, we will continue liability cover for any amount you have to pay as owner or occupier of the buildings for up to six months from the date your buildings were destroyed. This cover will stop immediately if:
  - construction commences at the home,
  - you sell the land, or
  - you take out a new buildings insurance policy for the home.
- If you have insured your contents and live in a rented building, we will pay the amount you have to pay as owner of your contents, or occupier of the building.
- If you have insured your contents and you own part of a building that has been subdivided, we will pay the amount you have to pay as owner of your contents or occupier of your part of the building. We will not pay for an accident that happens in any common areas of the building.

- If you have insured your contents, we will pay the amount you have to pay for any accident that happens:
  - Anywhere in Australia.
  - Anywhere in Australia in connection with your position as a committee member of a sporting or social club. We will not pay if you receive more than \$1,000 per year for holding the position.
  - Anywhere in the world. Cover away from Australia is limited to 90 consecutive days and starts from the time you leave Australia.

This does not include the amount you have to pay because you are the owner or occupier of your buildings.

- If you have insured your contents, we will pay for any accident that happens anywhere in Australia arising out of the use of watercraft. We will only pay if the watercraft is less than four metres long and is not powered by a motor, or is powered by a motor less than 10hp. This does not include jet skis.

#### **Additional things we will pay for when you have insured your contents**

We will pay the amount you are liable to pay following an alleged or actual act or omission.

● We will only pay for your liability in connection with your position as a committee member of a sporting or social club. We will not pay if you receive more than \$1,000 per year for holding this position.

Any claim made against you must occur within the period of insurance stated on the schedule. The most we will pay, including costs, during any one period of insurance is \$10,000.

#### **When we will not pay**

We will not pay claims arising from:

- Penalties, fines or awards of aggravated, exemplary or punitive damages made against you.
- Use of a motor vehicle, motorcycle, mini-bike, aircraft or watercraft, other than:
  - Unregistered motorised golf buggies, ride-on mowers and wheelchairs.
  - Model or toy aircraft.
  - A surfboard, sailboard or surf skis.
  - Watercraft that are described on page 33.
  - Unregistered motorcycles or mini-bikes up to 125cc that do not require registration by law, unless they are being used for racing or pacemaking.
- Use of a caravan or trailer when the caravan or trailer is attached to a motor vehicle or motorcycle.
- Personal injury to you, or any member of your family who normally lives with you, or any other person who normally lives with you.
- Personal injury to any person you employ and that injury arises from their employment with you.
- Damage to or loss of property that belongs to you, or any member of your family who normally lives with you, or any other person who normally lives with you.
- Damage to or loss of property that belongs to any person you employ and that damage or loss arises from their employment with you.
- Damage to or loss of property that is in your control, or the control of any member of your family who normally lives with you, or any other person who normally lives with you.

- Any disease that is transmitted by you, or any member of your family who normally lives with you.
- Any business, profession, trade or occupation carried on by you. This does not include being a committee member of a sporting or social club provided that you do not receive more than \$1,000 per year for holding this position.
- Alterations, repairs, renovations or additions to your buildings that cost more than \$75,000.
- Any agreement or contract you enter into. We will pay for your liability if you would have been liable without the agreement or contract.
- The use, removal of or exposure to any asbestos product or products containing asbestos.
- Gaining a personal profit or advantage that is illegal.
- A conflict of duty or interest.
- Any act or omission that is dishonest, fraudulent, criminal, wilful or malicious.
- Any loss that can be reimbursed by your sporting or social club.
- Any alleged or actual act or omission committed, or alleged to have been committed, prior to the commencement of the policy.

## Section 1

### Strata title mortgagee protection

This section of the policy only applies when your schedule shows that you have requested cover for mortgagee protection. It applies when you own part of a building that has been subdivided, usually into strata title units, and you have a mortgage on that part of the building.

We will cover the part of the building that you own for accidental damage or accidental loss on the same basis as set out in Section 1 Cover - Listed Events.

We will pay up to the amount you owe on your mortgage but no more than the sum insured shown on your schedule. We will pay this to your mortgagee when you are required to pay your mortgage in full following a loss. We will only pay this when the Body Corporate has not insured the buildings, or it has not insured the buildings for damage that you can claim for under this policy.

## Section 2

### Valuable items

This section of the policy only applies when your schedule shows that you have requested cover for valuable items.

#### What are valuable items

- Jewellery and watches.
- Items that contain gold or silver.
- Furs.
- Collections of stamps, money or medals.
- Items able to be powered by battery.
- Equipment for taking photographs, including accessories and unprocessed film. These are not covered while they are being used:
  - underwater, or
  - to earn your income.
- Sporting equipment designed to be used in a leisure activity that involves some element of physical activity or competition. This does not include pedal cycles. Sporting equipment is not covered while it is being used.
- Clothing and personal effects which means items of personal attire or adornment which are usually worn or carried.
- Pedal cycles. Pedal cycles are not covered whilst they are being used for racing or pacemaking.
- Special valuable items which are listed on your schedule.

#### What are not valuable items

- Unset precious and semi-precious stones.
- Items thinly covered with gold or silver.

- Motor vehicles, motorcycles, mini-bikes, caravans, trailers, aircraft or accessories or spare parts of any of these items.
- Watercraft more than four metres long.
- Watercraft less than four metres long that are powered by a motor of more than 10hp.

#### When we will pay

Your valuable items are insured for any accidental damage or accidental loss. The accidental damage or accidental loss must happen within Australia or New Zealand. We will also pay if the accidental damage or accidental loss happens anywhere else in the world. Cover away from Australia or New Zealand is limited to 90 consecutive days and starts from the time you leave Australia.

#### When we will not pay

We will not pay if the accidental damage or accidental loss is caused by the following:

- Rust, corrosion, gradual deterioration, depreciation, wear or tear.
- A defect in the item.
- Rats, mice or insects.
- Processes of cleaning involving the use of chemicals other than domestic household chemicals.
- Mechanical or electrical breakdown other than an electric motor burning out. We will pay for any resultant damage following mechanical or electrical breakdown.

## **Paying claims**

### **How we pay a claim for a valuable item**

When damage or loss occurs to a valuable item, we will do one of the following:

- replace the item with the nearest equivalent new item, or
- repair the item to the condition it was in when new, or
- pay you the cost of replacement or repair.

We decide which one we will do.

When a valuable item is part of a pair, set, system or collection, we will only pay the value of the item itself. The most we will pay is the value that the item has as a proportion of the combined pair, set, system or collection. We will only pay the cost of replacing the item even though the pair, set, system or collection to which it belongs is less valuable because it is incomplete.

We will reduce any payment for damage to, or loss of, an item under this section by the amount we pay you for the same item under your contents insurance.

### **Limit for valuable items**

The most we will pay for any one item, pair, set, collection or system is \$5,000 for valuable items.

You can insure items, pairs, sets, collections or systems that are worth more than the above limits for their actual value as 'special valuable' items. To do this you must advise us and the items will be listed on your schedule. The most we will pay in total for all valuable items is the amount shown on your schedule.

## **What Section 1 and Section 2 of the policy do not cover**

We will not pay claims for loss, damage or liability arising from:

- War or warlike activity. War does not have to be declared. We do not provide cover for theft following this.
- Hostilities, rebellion, insurrection or revolution. We do not provide cover for theft following these events.
- Contamination by chemical and/or biological agents, which results from an act of terrorism. Terrorism is any act which may, or may not, involve the use of, or threat of, force or violence where the purpose of the act is to further a political, religious, ideological aim or to intimidate or influence a government (whether lawfully constituted or not) or any section of the public.
- Lawful destruction or confiscation of your property.
- Anything nuclear or radioactive.
- Damage to a heating element. We will pay for any resultant damage covered by this policy following damage to a heating element.
- Mildew, atmospheric or climatic conditions.
- Damage, loss or injury that you or anyone acting for you deliberately caused.
- Flood, storm surge, the action of the sea, tidal wave, high water or erosion.
- Landslide or subsidence except as detailed on pages 21 and 22.
- Any event that does not occur within the period of insurance.
- Failure or inability of any item, equipment or computer software to recognise correctly,

to interpret correctly, or to process correctly any data or to function correctly beyond any time when that item, equipment or computer software has not recognised, interpreted or processed correctly any data. We will pay for any resultant loss or damage that is covered by this policy, other than resultant loss or damage to any frozen food, computer equipment or computer software.

## Section 3

### Workers' compensation

This section of the policy only applies when your schedule shows that you have requested cover for workers' compensation.

If you have employees, in some circumstances workers' compensation cover is compulsory. If you are unsure, check with your local Workers' Compensation Authority.

We will pay the amount you are liable to pay if a person you employ is injured while working for you. We will only pay if the person is doing domestic work for you. We will not pay if the person is working for you in your business, profession, trade or occupation.

The amount we will pay is subject to the relevant workers' compensation legislation in your state or territory.

Please refer to page 6 under 'Who is the insurer'.

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## Policy information

### When your insurance cover does not apply

Your insurance for your buildings, contents and valuable items will not apply if, for a continuous period of 90 days or more, no one has lived at your situation.

You can ask us to provide cover if no one is going to be living at your situation for more than 90 days. If we agree to provide cover, we will advise you in writing.

### You cannot give your rights away

You cannot give anyone else an interest in this policy without our written consent.

### What you are required to do for us

- You must pay us the premium for this insurance.
- You must tell us as soon as possible of anything that changes the facts or circumstances relating to your insurance.
- You must take reasonable precautions to prevent anything which could result in a claim under this policy.
- You must make sure that anyone doing anything on your behalf obeys all laws.
- You must comply with the conditions of this policy.

### Cancelling your policy before the due date

You can cancel this policy at any time. To do this you must ask us in writing. The policy will end when we receive your request.

We can cancel this policy if you do any of the following:

- Make a misleading statement to us when you apply for your insurance.

- Fail to tell us anything you should tell us when you apply for this policy, renew this policy and when you change or reinstate this policy.
- Fail to comply with the conditions of this policy.
- Fail to pay the premium for this insurance.
- Are not fair and open in your dealings with us.
- Make a claim during the period of this policy that is not true. The claim does not have to be under this policy and can be with us, or another insurance company.

We may cancel this policy if you fail to notify us of a change in the circumstances of the risk during the period of insurance.

If we cancel this policy, we will advise you in writing. To do this, a notice will be delivered or posted to you.

### Return of premium if your policy is cancelled before the due date

If your policy is cancelled before the due date:

- We will keep the premium for the period that the policy was in force.
- We will return to you the premium for the period from the date the policy ended to the due date of the policy, however, if this amount is \$30 or less, we may not return the premium to you.

### How the Goods and Services Tax affects your claim

Where we make a payment under this policy for the acquisition of goods, services or other supply, we will reduce the amount of the payment by the amount of any input tax credit that you are, or will be, or would have been entitled to under A New Tax System (Goods and Services Tax) Act 1999 in relation to that acquisition, whether or not that acquisition is actually made.

Where we make a payment under this policy as compensation instead of payment for the acquisition of goods, services or other supply, we will reduce the amount of the payment by the amount of any input tax credit that you would have been entitled to under A New Tax System (Goods and Services Tax) Act 1999 had the payment been applied to acquire such goods, services or other supply.

#### **The law that applies to this policy**

Any disputes arising from this policy will be determined by the courts, and in accordance with the laws, of the state or territory of Australia where this policy is issued.

## **How to make a claim**

Please contact your nearest CGU Insurance office when something happens that you believe you can claim for.

#### **What you must do when you make a claim**

You must make your claim as soon as possible after you suffer a loss. If you do not make it within 30 days, we may reduce what we pay you by an amount to take account of any disadvantage we suffer by the delay.

You must also:

- Take all reasonable steps to stop any further loss from occurring.
- Advise the nearest police station if your property is lost or stolen, vandalised or maliciously damaged. We may ask you to give us a written report from the police.
- Keep the property that has been damaged so we can inspect it.
- Tell us about any prosecution or inquest that may be held.
- Send us any document relating to your claim within 72 hours of you receiving the document.

#### **What you must not do when you make a claim**

You must not do any of the following:

- Repair or replace any damaged property without our consent.
- Pay, promise to pay, or offer payment, or admit responsibility for a claim.

### **You give us your rights to claim from anyone else**

If you have a right to claim against someone else for a claim you made under this policy, you give us your rights to make that claim. You also give us your rights to conduct, defend or settle any legal action and to act in your name.

You must not do anything which prevents us from doing this and you must give us all the information and co-operation that we require.

### **Claim payment examples**

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

#### **● Claim Example 1**

Policy type: Building Insurance

Buildings sum insured: \$250,000

Excess: \$100

Loss or damage: Storm damage to your roof.

How we settle your claim:

- We arrange for a builder to repair your roof for \$4,000
- We pay the builder \$3,900
- We ask you to pay the builder the \$100 excess.

#### **● Claim Example 2**

Policy type: Contents Insurance

Contents sum insured: \$100,000

Excess: \$100

Loss or damage: Theft of your television

How we settle your claim:

- Replacement cost of television is \$2,700
- We pay the supplier \$2,600
- We ask you to pay the supplier the \$100 excess.

#### **● Claim Example 3**

Policy type: Building and Contents Insurance

Buildings sum insured: \$300,000

Contents sum insured: \$80,000

Excess: \$100

Loss or damage: Your buildings and contents are partially destroyed by fire.

We agree that you are unable to live in your buildings and you require alternative accommodation.

How we settle your claim:

- We choose to pay you directly for the damage
- We pay you \$37,900 as follows:
  - Building repairs \$20,000
  - Content replacement \$8,000
  - Costs for alternative accommodation \$10,000
  - Less excess \$100
  - Total \$37,900

#### **● Claim Example 4**

Policy type: Special Valuables option

Item sum insured: Diamond ring \$8,000

Loss or damage: Your diamond ring is stolen.

How we settle your claim:

- We pay the jeweller \$8,000 to replace your diamond ring. No excess is applicable

#### **● Claim Example 5**

Policy type: Contents Insurance (Liability cover)

Loss or damage: Liability to pay for damages for personal injury to a third party.

How we settle your claim:

- We pay the legal costs of \$2,000
- We pay the medical expenses incurred by the third party of \$12,000

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*Arranged by:*

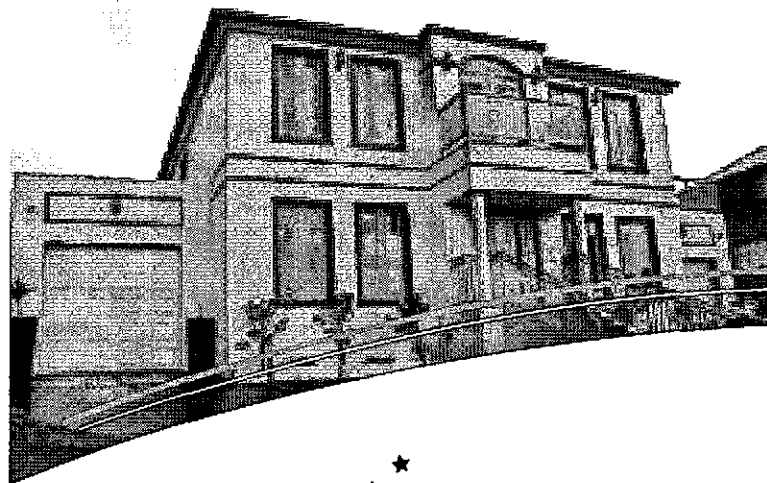


ABN 19 212 972 184

*Insurer:*



**CGU Insurance Limited**  
ABN 27 004 478 371  
AFS Licence No. 238291



  
**insight**  
insurance brokers association

# First Choice Home Insurance

– Accidental Damage

Product Disclosure Statement and Policy

Arranged by:

  
**insight**  
insurance brokers association

ABN 19 212 972 184

Insurer:



**CGU Insurance Limited** ABN 27 004 478 371  
AFS Licence No. 238291

RID0109

REV0 10/10

Insurer:  
CGU Insurance Limited  
ABN 27 004 478 371  
AFS Licence No. 238291  
Preparation date: 30/09/2010



This insurance policy is distributed by members of Insight Insurance Brokers Association Inc. ABN 19 212 972 184 ('Insight'). Insight is an organisation that provides its members with access to insurance related products and services. Insight distributes this insurance policy pursuant to an agreement with CGU Insurance Limited, Australian Business Number 27 004 478 371 and Australian Financial Services Licence Number 238291. In arranging this insurance, Insight is acting on your behalf. Insight does not issue, guarantee or underwrite this insurance policy.

**Important information about Insight's advice**

Any advice Insight gives about this policy does not take into account any of your particular objectives, financial situation or needs. For this reason, before you act on Insight's advice, you should consider the appropriateness of the advice taking into account your own objectives, financial situation and needs. Before you make any decisions about whether to acquire this policy, we recommend you read this PDS.

# Welcome to the security of CGU Insurance

This Product Disclosure Statement (PDS) contains two sections:

- **Important Information** – contains general information about your Accidental Damage Home Insurance Policy; and
- **The Accidental Damage Home Insurance Policy** – contains the terms and conditions of your Accidental Damage Home Insurance Policy.

To assist you to locate specific items in this PDS, a table of contents is provided on page 2 and an index is provided at the back of this booklet.

Please read this PDS before you apply for insurance.

If we accept your application for insurance, you will receive a schedule that sets out details of the insurance you have taken out.

If you need more information about this PDS or your policy, please contact your insurance adviser.

## Updating Product Disclosure Statement

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

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## Important Information

### The purpose of this PDS

The PDS has been prepared to assist you in understanding your Accidental Damage Home Insurance policy and making an informed choice about your insurance needs.

This PDS sets out important information about the insurance and the terms and conditions and limitations of the policy.

The policy terms and conditions are set out in this PDS under the heading 'The Accidental Damage Home Insurance Policy' commencing on page 15.

### Who is the insurer

CGU Insurance Limited is the insurer providing the cover under 'Section 1 – Buildings and contents' and 'Section 2 – Valuable items'. Our Australian Business Number is 27 004 478 371. Our Australian Financial Services Licence Number is 238291.

Insurance Australia Limited ABN 11 000 016 722 trading as CGU Workers' Compensation is the insurer providing the cover under 'Section 3 – Workers' compensation' if your situation is in Western Australia, Tasmania or Northern Territory. In this policy, the insurer is called 'we', 'us' or 'our'.

### How to contact us

You may contact us by any of the following ways:

- In person at any CGU Insurance office.
- By telephone on 13 15 32.
- By writing to us at CGU Insurance, GPO Box 9902 in your capital city.
- By email on our website [www.cgu.com.au](http://www.cgu.com.au)

### Your cooling-off period

We will refund all premium paid for cover under your policy if you request cancellation of the insurance policy within 21 days of its commencement. To do this, you must advise us in writing and return the schedule to your nearest CGU Insurance office. You will not receive a refund if you have made a claim under your policy.

### How to apply for insurance

Complete our application form. If we accept your application for insurance, you will receive a schedule that sets out details of the insurance you have taken out.

### How to make a claim

When something happens that you believe you can claim for, please contact your nearest CGU Insurance office, or call 13 15 32. Details about making a claim are shown in the insurance policy terms and conditions under 'How to make a claim'.

### Calculating your premium

The premium payable by you for this insurance will be shown on your schedule. The key factors that influence the premium calculation are reflected in the questions asked, and information sought, at the time of your enquiry or application for home insurance. These include factors relating to the type of property being insured, where the property is located, the type of construction of the property and your previous insurance and claims history.

Premiums are subject to Commonwealth and state taxes, charges and levies. These include the Goods and Services Tax, stamp duty and fire service levy.

The amount of these taxes, charges and levies will be shown on your schedule.

### **Paying your premium**

The insurance applies for the period for which you have paid us (or agreed to pay us) the premium.

You may pay your premium by cash, cheque or credit card. If your cheque or credit card is dishonoured by your financial institution, you are not insured.

You can also pay your premium by instalments direct from a financial institution account or from your credit card. You cannot make a claim under this policy if you owed us more than one month's premium when the event you want to claim for happened.

If you pay your premium by instalments and you are more than one month behind, we can cancel your policy without notice.

If you have a total loss, we shall deduct the instalments for the remaining period of insurance from the amount we pay you.

### **How we handle your personal information**

We are committed to handling your personal information in accordance with the Privacy Act. We need to collect, use and disclose your personal information in order to consider your application and to provide the cover you have chosen. You can choose not to give us some or all of your personal information, but this may affect our ability to provide you with cover.

### **When you provide your personal information to us**

You acknowledge and consent to us collecting and using your information to:

- consider your insurance application and any subsequent application for insurance,
- underwrite and price any policy issued by us or our related entities,
- calculate and offer discounts,

- issue you with a policy,
- administer the policy, and
- investigate, assess and pay any claim made by or against you.

For these purposes, you acknowledge and consent to us collecting your personal information from, and disclosing it on a confidential basis to, your intermediary\* or the third party who you have been dealing with in respect to this insurance policy and who referred you to us, other insurers, our related entities, insurance reference bureaus, law enforcement agencies, investigators and recovery agents, lawyers, any credit provider that has security over your property, assessors, repairers, suppliers retained by us to supply goods and services, advisers and/or the agent of any of these.

### **When you provide your personal information to us about another person**

You must be authorised to do so, and you must inform that person, unless informing them would pose a serious threat to the life or health of any individual:

- who we are,
- how we use and disclose their information, and
- that they can gain access to that information.

### **Privacy of your personal information – for marketing purposes**

In order to enhance its relationship with you, your intermediary may use your personal information that you have provided to us to offer you other products and services, which may be of benefit to you.

### **When you provide your personal information to us – for marketing purposes**

You acknowledge and consent to your personal information being used on a confidential basis

by us or your intermediary to contact you by mail, phone or email to provide you information on offers, products and services or for planning, market research and product development. In using your personal information for these marketing purposes, we and your intermediary may use and disclose your personal information to offer you our or your intermediary's product and services directly, or to any other organisation to carry out the above marketing purposes on our or your intermediary's behalf. However:

- CGU Insurance Ltd (CGU Insurance) and your intermediary will not use your information in this way if you have already told CGU Insurance or your intermediary not to.
- You must inform CGU Insurance or your intermediary if you do not want your personal information disclosed or used for these marketing purposes.

\*The intermediary is a company or individual through which you purchased this insurance, or the company named on the inside front cover of this booklet.

### **CGU Insurance Triple Guarantee**

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

### **Fair Dealing Guarantee**

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

### **Money Back Guarantee**

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

### **Service Guarantee**

We will provide you with the highest standards of service.

### **General Insurance Code of Practice**

The purpose of the Code is to raise standards of practice and service in the general insurance industry.

### **The objectives of the Code are:**

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

### **Our commitment to you**

We have adopted and support the Code and are committed to complying with it. Please contact us if you would like more information about the Code.

### **How to resolve a complaint or dispute**

#### **1. Talk to us first**

If you have a complaint, the first thing you or your insurance adviser should do is speak to one of our staff. If your complaint relates specifically to a claim, speak with the claims officer managing your claim.

If the staff member or claims officer are unable to resolve the matter for you, you or your insurance adviser may speak to a manager. The manager will usually provide you with a response to your complaint within 15 days. If the timeframe is

impractical for any reason such as the need for more information or further investigation, they will discuss with you alternative timeframes. If you are not satisfied with our response or we cannot agree with you on alternative timeframes, you can go to step 2.

## **2. Seek a review**

If the matter is still not resolved the manager will refer you or your insurance adviser to the relevant dispute handling department or area who will conduct a review of your dispute and will usually provide you with a response to your dispute within 15 business days. If the timeframe is impractical, we will discuss with you alternative timeframes. If you are still not satisfied with our response to your dispute or we cannot agree on alternative timeframes, you can go to step 3.

## **3. Seek an external review**

You are entitled to seek an external review of our decision. We will provide you with information about options available to you, including, if appropriate, referring you to the external dispute resolution scheme administered by the Financial Ombudsman Service Limited (FOS). You will not be able to have your dispute resolved by the FOS if you are not eligible under the FOS's Terms of Reference. Further information about our complaint and dispute resolution procedures is available by contacting us.

## **Your duty of disclosure**

When you take out, renew, or change or vary a policy, you have a duty to answer our questions truthfully and provide us with any information that could affect our decision to insure you, or the terms of your policy. This is called your 'duty of disclosure'.

## **What you must do when you apply to take out this policy**

When applying to take out insurance we will ask you certain questions. When answering these questions, you must be honest, and you have a duty under the Insurance Contracts Act 1984 to tell us anything:

- known to you, and
- which a reasonable person in the circumstances would include in answer to any question.

We will use your answers to help us decide whether to insure you and anyone else under this policy, and on what terms.

## **Who you are answering the questions for**

It is important that you understand you are answering the questions in this way on behalf of yourself and anyone else that you want to be covered by the policy.

## **If you do not answer our questions in this way**

If you do not answer our questions in the way, we may reduce or refuse to pay a claim, or cancel the policy. If you answer our questions fraudulently, we may refuse to pay a claim and treat the policy as never being in place.

## **Renewal, variation, reinstatement or extension of your policy**

When your policy is renewed, varied, reinstated or extended you have a duty, under the Insurance Contracts Act 1984, to tell us anything that you:

- know, or
- could reasonably be expected to know is relevant to our decision whether to accept the risk of insurance and on what terms.

Your duty does not require the disclosure of anything that:

- diminishes the risk to be undertaken by us,

- is of common knowledge,
- we know, or in the ordinary course of business, ought to know, or
- is a matter that we indicate your duty has been waived by us.

#### **If you do not comply with your duty of disclosure**

If you fail to comply with your duty of disclosure, we may be entitled to reduce our liability under the policy in respect of a claim, or we may cancel the policy. If your non-disclosure is fraudulent, we may also have the option of avoiding the contract from its beginning.

#### **Intermediary Remuneration**

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

#### **Financial Claims Scheme**

You may be entitled to payment under the financial claims scheme in the event that CGU Insurance Limited becomes insolvent. Access to the scheme is subject to eligibility criteria. Information about the scheme can be obtained from the Australian Prudential Regulation Authority (APRA) website at [www.apra.gov.au](http://www.apra.gov.au) and the APRA hotline on 1300 13 10 60.

## **The Accidental Damage Home Insurance Policy**

#### **Your policy**

Your policy is a contract of insurance between you and us.

Your policy includes information on the following:

- When you are covered.
- Who is insured under this policy.
- What you are covered for.
- What your policy does not cover.
- Excesses that may apply.
- How we pay claims.

If we accept your application for insurance, you will receive a schedule that sets out details of the insurance you have taken out as described in this policy.

Our agreement with you is made up of your current schedule and this policy, as well as any endorsements we send to you. Together, they make up your insurance contract with us. Read them carefully and store them together in a safe place. We recommend that you keep receipts for major items you purchase.

#### **When you are covered**

Your insurance begins when we accept your application. The commencement date of your insurance will be shown on the schedule we will send you.

We will not cover your buildings and your contents for a period of 48 hours from the time of the commencement of your insurance for loss or damage caused by:

- bushfire or grassfire, or
- a named cyclone.

We will provide cover however if:

- This insurance commences directly after another insurance policy covering the same property expired without a break in cover.
- You have entered into a contract of sale to purchase the property.
- You have entered into a contract to lease the property.

#### Who is insured under this policy

The person whose name is set out in the schedule is insured. The following people are also insured, as long as they normally live with that person named in the schedule:

- That person's partner.
- Unmarried children of that person.
- Unmarried children of that person's partner.
- That person's parents.
- That person's partner's parents.

In this policy all these people are called 'you' or 'your'.

#### Words that have a special meaning

In this policy there are words that have a special meaning. These words are listed below. If the meaning of a word is not shown below, we tell you on what page the meaning is printed.

<b>Buildings</b>	This is on page 29 under 'What are buildings'.
<b>Contents</b>	This is on pages 29, 30, 31 and 32 under 'What are contents'.
<b>Excess</b>	This is the amount of money you will pay if you have a claim. We will reduce the amount we pay you for your claim by the excess.

#### Schedule

The amount of your excess is shown on your schedule and the earthquake excess is shown on page 34.

This is the document we give you which sets out the details of your insurance cover. You receive a schedule when you first take out your insurance and again when the policy is renewed or changed.

#### Situation

This is the place where the building and/or contents are located. We will show this place on all schedules we give you.

## Section 1

### Buildings and contents

#### What is insured

Your buildings and/or contents as set out on your schedule are insured if they are destroyed, lost or damaged. They are insured only if you own them, or are liable for them.

If you only insure buildings, the cover provided for destruction, loss or damage does not apply to contents.

If you only insure contents, the cover provided for destruction, loss or damage does not apply to buildings.

Your buildings and contents are insured while at your situation. Cover for your contents while away from your situation is not provided unless we say so.

#### Cover - Accidental Damage

We will cover your buildings and contents for any accidental damage or accidental loss including that caused by:

- Landslide or subsidence but only if it occurs within 72 hours after one of the following:
  - Storm, rainwater or wind.
  - Earthquake.
  - Explosion.
  - Liquid that escapes from a fixed pipe or something attached to a pipe, fixed gutter, fixed tank or a drain.

This cover also applies to gates, fences or retaining walls that are attached to, and are part of, the structure of the buildings.

- Storm, rainwater or wind. This includes storm, rainwater or wind damage to:

- Gates, fences or walls that are attached to, and are part of, the structure of the buildings.
- Gates, fences or walls that are not attached to, and are not part of, the structure of the buildings but only for any section of a gate, fence or wall made of brick, stone, metal or frame-supported corrugated fibrous material. The frame supporting the corrugated fibrous material must be made of brick, stone or metal.
- Gates, fences or walls that are not attached to, and are not part of, the structure of the buildings which are made of timber. We will only pay for gates, fences or walls 15 years old or less.
- Free-standing fences that do not have a supporting frame but only if these fences are made from corrugated fibrous material. These fences must have been installed and constructed according to the manufacturer's specifications.

We will not pay for storm, rainwater or wind damage to shade cloth, swimming pool covers including solar covers, plastic liners for swimming pools.

- An electric motor burning out. If an electric motor burns out, we will repair, reinstate or replace it. We decide which one we will do. We will do this if the electric motor is 15 years old or less.

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

- Landslide or subsidence except as described on page 18.
- Settling, shrinkage or any movement of earth.
- Erosion.

- Water entering the buildings through an opening made for any building, renovation or repair work.
- Water entering the buildings because of a structural defect, faulty design or faulty workmanship when the buildings were constructed.
- Flood.

We do not provide cover for damage by flood. Flood is when water from a river, creek, lake, watercourse, reservoir, dam or navigable canal overflows onto normally dry land. Water that escapes from an irrigation canal is not flood.

- Rust, corrosion, gradual deterioration, depreciation, wear or tear.
- Rats, mice or insects.
- Roots from trees, plants, shrubs or grass.
- Any process of cleaning involving the use of chemicals other than domestic household chemicals.
- A defect in an item, faulty workmanship, structural defects or faulty design.
- Breakage of mirrors, glassware, crystal, crockery or china while they are being used, cleaned or carried by hand.
- Malicious damage or vandalism by a tenant.
- Theft from any part of the buildings which you share with another person who is not insured under this policy.
- Theft by a tenant.
- Deliberate or intentional acts by a tenant.
- Mechanical or electrical breakdown other than an electric motor burning out. We will pay for any resultant damage following mechanical or electrical breakdown.

### **Additional things we will pay for when you have insured your buildings**

The following will be paid in addition to the sum insured.

- If you are unable to live in your buildings after damage or loss has occurred, we will pay for you to rent another property. We will pay an amount equal to the amount that your buildings could have been rented out each week if you had not had a loss. We will also pay the costs of alternate accommodation for your pets. We will pay this for up to 12 months. The most we will pay under this section is 10 per cent of your buildings sum insured.

We will reduce this payment, or stop paying you, if:

- you receive any payment for rent from another source, or
- you do not need to rent another property.
- We will pay to make modifications to your buildings if you are injured as a result of damage or loss to your buildings. We will only pay for modifications if the injury results in permanent paraplegia or permanent quadriplegia. The most we will pay is \$10,000.
- We will pay your legal costs to discharge your mortgage if your claim is for a total loss.
- If you have entered into a contract to sell your home, we will extend your buildings cover to the purchaser until:
  - the contract settlement date,
  - the purchaser insures the home, or
  - the purchaser becomes liable for damage to the home whichever happens first.

This cover will stop immediately if:

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

- We will pay the reasonable cost of demolishing and removing any buildings or contents debris when damage or loss occurs. We will pay up to 10 per cent of your buildings sum insured.
- We will pay the reasonable costs of architects', surveyors' and legal fees when damage or loss occurs. We will pay up to 10 per cent of your buildings sum insured.
- If a key to an external door lock of your buildings, or a key to an external window lock of your buildings, is stolen or lost, we will pay the reasonable and necessary costs of replacing the external lock, key or cylinder with a similar item. We decide which one we will do.
- If any trees, plants or shrubs are:
  - stolen, or
  - burnt, or
  - maliciously damaged, or
  - damaged by a vehicle,
 we will pay to replace the trees, plants or shrubs. The most we will pay is \$1,500 in any one period of insurance. We will not pay for any loss or damage to a lawn.
- If you have a loss, we will increase your sum insured by the amount the Consumer Price Index (all groups) has increased since you took out your policy or last renewed it.
- You are fully insured again for your buildings for the amount shown on your schedule following a claim. This does not apply when your claim is for a total loss as your cover for buildings will end then.
- We will also provide cover for buildings when you purchase a new home. Cover will be provided for 14 days from the date you sign a contract of purchase.  
The amount of cover provided is limited to the sum insured on buildings shown in the schedule.

- We will pay up to an additional 30 per cent of the buildings sum insured if your buildings are damaged as a result of an event that the government declares a catastrophe or emergency.

We will only do this if:

- your buildings are considered by us to be a total loss,
- the increased cost to rebuild or repair your buildings was caused solely by the event that the government declares a catastrophe or emergency,
- the cost to rebuild or repair your buildings is greater than your buildings sum insured, and
- you rebuild or repair your buildings at the situation.

We will not pay the cost necessary to meet the requirements of any statutory authority in connection with rebuilding or repairing your buildings at the situation.

This benefit is only payable for additional building costs that have been caused as a result of increased demand on building material and labour costs by the catastrophe or emergency.

This benefit will not provide any shortfall caused in your rebuilding costs if you have under insured your building.

**Example (does not include costs necessary to meet the requirements of any statutory authority)**

Your Building Sum Insured	\$200,000
Cost to rebuild your building immediately prior to event	\$250,000
Cost to rebuild your building immediately after the event	\$270,000
Benefit Payable	\$20,000

### **Additional things we will pay for when you have insured your contents**

The following will be paid in addition to the sum insured:

- We will pay for the loss of any frozen food.
- If any of your credit cards or financial transaction cards are misused after they are stolen, or fraudulently used on the internet, we will pay up to \$5,000 to the financial institutions that issued them. We will only pay if you complied with the terms on which the credit cards or transaction cards were issued.
- We will pay the reasonable costs of alternative accommodation that you may incur after you have had a loss. We will pay this amount for up to 12 months. The most we will pay is 10 per cent of your contents sum insured. We will only pay for this when your buildings are unable to be lived in after damage or loss has occurred.  
We will reduce this payment, or stop paying you, if:
  - we pay you for rent following damage to the buildings, or
  - you receive any payment for rent or accommodation from another source, or
  - you do not need to pay for alternative accommodation.
- If guests or visitors to your home bring their own possessions with them, we will regard those possessions as belonging to you. The most we will pay is \$5,000 if these possessions are lost or damaged. We will not pay if these possessions are already insured.
- If employees working at your home bring their own possessions with them, we will regard those possessions as belonging to you. We will only pay if the employees are doing domestic work for you. The most we will pay is \$5,000 if

these possessions are lost or damaged. We will not pay if these possessions are already insured.

- If a key to an external door lock of your buildings, or a key to an external window lock of your buildings, is stolen or lost, we will pay the reasonable and necessary costs of replacing the external lock, key or cylinder with a similar item. We decide which one we will do.
- If you are moving permanently to a new situation within Australia, we will cover your contents at the situation shown on your schedule and at your new situation. The most we will pay in total is the sum insured shown on your schedule. We will only cover your contents at your new situation for 14 days. This cover will commence from when you first start to move your contents to your new situation. You must tell us if you are permanently moving your contents to a new situation within 14 days from when you first start to move.

This does not apply if your contents have been permanently moved to a new situation in the 14 days prior to the commencement of this insurance.

- We will cover your contents for loss or damage whilst they are in a commercial storage facility in Australia up to the total contents sum insured, as listed on your schedule. You must tell us that your contents are in a commercial storage facility before they are put into storage and we must have agreed to cover them. If we agree to cover your contents in a commercial storage facility, it will be listed on your schedule. We will only cover your contents if the loss or damage occurs as a result of an incident we have agreed to cover. We will not cover jewellery, money or negotiable documents.
- We will cover your contents for loss or damage whilst they are being transported by a vehicle to your home, or to a commercial storage facility

within Australia, up to \$10,000 (inclusive of GST) during your period of insurance. We will only cover your contents if there is a theft following violent or forcible entry, or loss or damage occurs as a result of fire, collision or overturning of the vehicle that is transporting your contents. We will not cover loss or damage:

- to glassware, crystal, crockery, mirrors or china, or
- caused by denting, scratching, chipping or bruising.
- We will pay the reasonable costs of removing any contents debris when damage or loss occurs. We will pay up to 10 per cent of your contents sum insured.
- If you, or any member of your family dies, we will cover the funeral costs, up to \$10,000 (inclusive of GST).

The death must occur:

- as a result of an incident we have agreed to cover,
- within 12 months of the incident, and
- as a result of an incident that occurred at your home.
- We will pay the reasonable costs you have to pay a security firm to attend your home in response to your monitored burglar alarm system.

We will only pay these costs when there is:

- a burglary, or
- an attempted burglary.

We will not pay these costs when there is:

- a false alarm, or
- no evidence of an attempted burglary.

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

- If you have a loss, we will increase your sum insured by the amount the Consumer Price

Index (all groups) has increased since you took out your policy or last renewed it. This increase does not apply to any special contents you have insured.

- You are fully insured again for your contents for the amount shown in your schedule following a claim. This does not apply when your claim is for a total loss as your cover for contents will end then.

The following will be paid in addition to the sum insured:

- We will pay to reinstate, reproduce or restore your documents if they are damaged while contained in the buildings or in a bank vault. This includes the information contained on the documents. The most we will pay is \$1000.
- We will pay for the fees that you must pay to an accountant. We will pay these fees when your personal financial affairs are audited by the Federal Commissioner of Taxation. You must advise us of any such audit. We will only pay claims notified to us during the period of insurance shown on your most recent schedule. The most we will pay during any one period of insurance is \$5,000.

We will not pay claims for:

- Any audit that relates to a criminal prosecution.
- Fees where the final assessment of your taxable income for the period being audited is 20 per cent higher than your original declaration.
- Fees for work performed outside the time limits allowed by the Federal Commissioner of Taxation.
- Any fines, penalties or adjustments of taxation.
- If you are unable to live at your situation after damage or loss has occurred, we will pay the

reasonable costs to remove and store your contents while your situation is being repaired. We will pay this for up to 12 months.

We will also cover your contents while they are in storage. We will only pay for this when you are unable to live at your situation.

- We will pay for veterinary expenses if your pet is injured as a result of a road accident. The most we will pay is \$750.
- We will pay legal costs and expenses you are liable to pay following legal proceedings brought by you, or against you, in Australia. You must advise us of any legal proceedings brought by you, or against you. We will only pay claims notified to us during the period of insurance shown on your most recent schedule. We will only pay the legal costs and expenses incurred with our consent. The most we will pay during any one period of insurance is \$5,000.

We will not pay legal costs and expenses relating to:

- Spouse or partner disputes including, but not limited to, divorce, child maintenance, or custody and property disputes.
- Claims for death, bodily injury to, or disease of, any person.
- Claims where cover is available by a standard form of motor vehicle, homeowners or householders, motorcycle, caravan or boat insurance.
- Any criminal charge or prosecution brought against you.
- Any road traffic offence or boating offence committed by you.
- Any matter arising out of your business or profession.
- Any matter arising out of any insurance cover required by legislation.

- Any award of damages made against you.
- Any penalties, fines or awards of aggravated, exemplary or punitive damages made against you.

#### **What are buildings**

- Residential buildings you live in including any professional offices or surgeries in those buildings.
- Domestic outbuildings.
- Fixed coverings to walls, floors and ceilings. These do not include fixed carpets, curtains or internal blinds.
- Services, which include the supply of electricity, water, etc.
- Items built in, or fixed to, or on, the buildings.
- Blinds or awnings on the outside of the buildings.
- Anything permanently built, permanently constructed or permanently installed on your property for domestic purposes.

#### **What are not buildings**

- Property that a tenant is liable for under the terms of a rental agreement.
- Plants, shrubs, trees or grass.

#### **What are contents**

- Household goods that are not used for earning income.
- Goods that you use for earning your income while they are at your situation. You would normally receive a taxation deduction for these. We will pay up to \$7,500 in total for these items. This does not include office and surgery equipment.
- Office and surgery equipment that you use for earning your income while it is at your

situation. You would normally receive a taxation deduction for these. This includes valuable items able to be powered by battery. We will pay up to \$10,000 per item for any valuable item unless it is listed as a special valuable item.

- Carpets, curtains and internal blinds.
- Furniture and furnishings that are not built in.
- Portable domestic appliances that are not built in.
- Swimming pools, saunas and spas that are not permanently installed.
- Accessories for any swimming pools, saunas or spas.
- Clothing and personal effects.
- Valuables as listed below:
  - Jewellery and watches.
  - Items that contain gold or silver.
  - Furs.
  - Collections of stamps, money or medals.
  - Items able to be powered by battery.
  - Equipment for taking photographs, including accessories and unprocessed film. These are not covered while they are being used underwater or to earn your income.
  - Sporting equipment designed to be used in a leisure activity that involves some element of physical activity or competition. This does not include pedal cycles. Sporting equipment is not covered while it is being used

For valuables we will pay up to \$10,000 for any one item, pair, set, collection or system of valuable items. We will pay up to \$20,000 or 25% of the contents sum insured whichever is the higher in total for valuables.

- Items thinly covered with gold or silver that are not jewellery or watches.

- Paintings and prints, tapestries, Persian or similar rugs, antiques and any other works of art.
- Projectors and screens.
- Equipment for developing and enlarging photographs.
- Processed film, slides and prints. We will only pay the value of these items as unprocessed material, and the cost of processing them. However, if they were processed when you purchased them, we will pay the cost of replacement. We will not pay the costs of recreating any event.
- Tapes, cassettes, cartridges and discs, including computer software. We will only pay the value of these items when blank, unless they were pre-recorded when you purchased them.
- Money and negotiable documents. We will pay up to \$1,250 in total for these items.
- Unregistered motorcycles and mini-bikes with an engine capacity up to 125cc that do not require registration by law, or being used for racing or pacemaking.
- Accessories and spare parts for motor vehicles, motorcycles, mini-bikes, caravans, trailers and watercraft. We will not pay if the accessories and spare parts are in, or on, motor vehicles, motorcycles, mini-bikes, caravans, trailers or watercraft. We will pay up to \$750 in total for these items.
- Landlords' fixtures and fittings that you are liable for under the terms of a rental agreement. We will not cover these fixtures and fittings if the Body Corporate has them insured.
- Fixtures and fittings that you have installed for your own use if you are a tenant, or the owner of a strata title unit. We will not cover these fixtures and fittings if the Body Corporate has them insured.

- Watercraft less than four metres long which are not powered by a motor, or are powered by a motor less than 10hp. The most we will pay is \$5,000.
- Unregistered motorised golf buggies, ride-on mowers and wheelchairs.
- Surfboards, sailboards or surf skis.
- Special contents which are listed on your schedule.
- Pedal cycles.

#### **Limit for the value of contents**

The most we will pay for any one item, pair, set, collection or system is \$20,000. Some contents items do have a lower limit which are shown in 'What are contents' on pages 29, 30, 31 and 32. You can insure items, pairs, sets, collections or systems that are worth more than \$20,000 each as a 'special contents' item. To do this you must advise us and the items will be listed on your schedule.

#### **What are not contents**

- Unset precious and semi-precious stones.
- Plants and trees growing outdoors. This does not include plants and trees growing in pots or tubs.
- Animals, including birds and fish.
- Pedal cycles while they are used for racing or pacemaking.
- Motor vehicles, caravans, trailers or aircraft other than model or toy aircraft.
- Registered motorcycles and mini-bikes.
- Unregistered motorcycles and mini-bikes with an engine capacity over 125cc.
- Watercraft more than four metres long.
- Watercraft less than four metres long that are powered by a motor of more than 10hp.
- Jet skis.

#### **Cover for contents away from your situation**

Your contents are insured while they are away from your situation, but still in Australia.

Your contents are not insured if they:

- Are on the way to, or from, or in, commercial storage.
- Have been away from your situation for more than a continuous period of 90 days, other than sporting equipment that is stored within a clubroom.
- Are in transit during a permanent removal.
- Have been removed permanently from your situation, without our permission.

The following items of contents are not covered while away from your situation:

- Accessories and spare parts for motor vehicles, motorcycles, mini-bikes, caravans, trailers and watercraft.
- Goods that you use for earning your income.
- Office and surgery equipment that you use for earning your income.

Your contents will also be insured worldwide for up to 90 consecutive days, after you leave Australia.

#### **Paying claims**

##### **Policy excess**

For each buildings or contents claim, we will reduce the amount we pay you for your claim by the excess. The amount of your excess is shown on your schedule.

In most instances you can select, at the time of your enquiry or application for insurance, the amount of the excess you wish to pay should you make a claim. When you select a higher excess amount we will normally reduce the amount of the premium you will have to pay.

We take into consideration a number of factors in setting the amount of the excess. These include factors relating to the type of property being insured, where the property is located, the type of construction and your previous insurance and claims history.

At the time of your enquiry or application for insurance, the amount of the excess will be advised to you.

Your excess will be increased by \$250 for any claim for damage or loss arising from an earthquake. This damage or loss must occur within 72 hours of the earthquake.

When a claim is paid for damage to, or loss of, buildings and contents, the excess amount will only be taken off once.

When a claim is paid under only 'Additional things we will pay for when you have insured your buildings', or 'Additional things we will pay for when you have insured your contents', your excess will not apply.

#### **The most we will pay for your buildings or contents**

The most we will pay for any claim for buildings or contents is the sum insured shown on your schedule. This does not apply to amounts payable under 'Additional things we will pay for when you have insured your buildings' or 'Additional things we will pay for when you have insured your contents'.

#### **How we pay a claim for your buildings if reinstatement benefit is selected**

When damage or loss occurs to your buildings, we will pay the cost of rebuilding your buildings or repairing the damaged portions to the same condition as when they were new. We will only do this when your schedule shows "including replacement benefit".

We will also pay any additional costs required for your buildings to comply with government or local authority bylaws. We will not pay these additional costs if you were required to comply with these bylaws, and had not done so, before the damage or loss occurred.

Rebuilding or repairing your buildings must commence within six months of the damage or loss occurring. If it does not commence within six months, we will do one of the following:

- reinstate or repair the buildings to the condition they were in just before the damage or loss occurred, or
- pay you the cost of reinstating or repairing the buildings to the condition they were in just before the damage or loss occurred, or
- pay you the value of the land and buildings just before the damage or loss occurred. We will reduce this payment by the value of your land and buildings after the damage or loss occurred.

We decide which one we will do.

We will pay for the damaged portions of fixed coverings to walls, floors and ceilings only in the room, hall or passage where the damage occurred.

We will try to match any material used to repair the buildings with the original materials. If we cannot, we will use the nearest equivalent available to the original materials. We will not pay any costs for replacing undamaged property.

However, if:

- it is impossible to acquire new material to replace the damaged material that reasonably matches the undamaged portion to a similar extent as immediately prior to the damage occurring, and
- the amount of damaged material that cannot be matched to the undamaged material is more than 60% of the total material that would have

to be replaced if all the matching damaged and undamaged material was replaced, then we will replace both the damaged and undamaged material.

If the damage was caused by liquid that escaped from a bath, basin, sauna, spa, shower base or shower wall, we will pay the costs to repair the buildings. We will not pay the costs to repair or replace the bath, basin, sauna, spa, shower base or shower wall.

#### **How we pay a claim for your buildings when your schedule does not show "including replacement benefit"**

When damage or loss occurs to your buildings, we will do one of the following:

- Reinstall or repair your buildings to the condition they were in just before the damage or loss occurred.
- Pay you the cost of reinstalling or repairing your buildings to the condition they were in just before the damage or loss occurred.
- Pay you the value of the land and your buildings just before the damage or loss occurred. We will reduce this payment by the value of your land and your buildings after the damage or loss occurred.

We decide which one we will do.

● We will pay for the damaged portions of fixed coverings to walls, floors and ceilings only in the room, hall or passage where the damage occurred.

We will try to match any material used to repair your buildings with the original materials. If we cannot, we will use the nearest equivalent available to the original materials. We will not pay any costs for replacing undamaged property.

If the damage was caused by liquid that escaped from a bath, basin, sauna, spa, shower base or shower wall, we will pay the costs to repair your buildings. We will not pay the costs to repair or

replace the bath, basin, sauna, spa, shower base or shower wall.

#### **How we pay a claim for your contents**

When damage or loss occurs to any contents item, we will do one of the following:

- replace the property with the nearest equivalent new property, or
- repair the property to the condition it was in when new, or
- pay you the cost of replacement or repair.

We decide which one we will do.

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

When an item is part of a pair, set, system or collection, we will only pay for the value of the item itself. The most we will pay is the value that the item has as a proportion of the combined pair, set, system or collection. We will only pay the cost of replacing the item even though the pair, set, system or collection to which it belongs is less valuable because it is incomplete.

## Section 1

### Liability

We will pay the amount you are liable to pay following an accident if your liability arises from any of the circumstances shown below. The accident that results in the claim must happen during the period of insurance. We also pay any legal costs you have to pay in relation to the accident. This includes costs awarded against you. The most we will pay, including costs, for any single accident, or series of accidents arising out of the same event, is the amount shown in your schedule.

#### When we will pay

- If you have insured your buildings, we will pay the amount you have to pay as owner or occupier of your buildings.
- If your buildings are a total loss, we will continue liability cover for any amount you have to pay as owner or occupier of the buildings for up to six months from the date your buildings were destroyed. This cover will stop immediately if:
  - construction commences at the home,
  - you sell the land, or
  - you take out a new buildings insurance policy for the home.
- If you have insured your contents and live in a rented building, we will pay the amount you have to pay as owner of your contents, or occupier of the building.
- If you have insured your contents and you own part of a building that has been subdivided, we will pay the amount you have to pay as owner of your contents or occupier of your part of the building. We will not pay for an accident that happens in any common areas of the building.

- If you have insured your contents, we will pay the amount you have to pay for any accident that happens:
  - Anywhere in Australia.
  - Anywhere in Australia in connection with your position as a committee member of a sporting or social club. We will not pay if you receive more than \$1,000 per year for holding the position.
  - Anywhere in the world. Cover away from Australia is limited to 90 consecutive days and starts from the time you leave Australia.

This does not include the amount you have to pay because you are the owner or occupier of your buildings.

- If you have insured your contents, we will pay for any accident that happens anywhere in Australia arising out of the use of watercraft. We will only pay if the watercraft is less than four metres long and is not powered by a motor, or is powered by a motor less than 10hp. This does not include jet skis.

#### Additional things we will pay for when you have insured your contents

We will pay the amount you are liable to pay following an alleged or actual act or omission. We will only pay for your liability in connection with your position as a committee member of a sporting or social club. We will not pay if you receive more than \$1,000 per year for holding this position.

Any claim made against you must occur within the period of insurance stated on the schedule. The most we will pay, including costs, during any one period of insurance is \$10,000.

## **When we will not pay**

We will not pay claims arising from:

- Penalties, fines or awards of aggravated, exemplary or punitive damages made against you.
- Use of a motor vehicle, motorcycle, mini-bike, aircraft or watercraft, other than:
  - Unregistered motorised golf buggies, ride-on mowers and wheelchairs.
  - Model or toy aircraft.
  - A surfboard, sailboard or surf skis.
  - Watercraft that are described on page 32.
  - Unregistered motorcycles or mini-bikes up to 125cc that do not require registration by law, unless they are being used for racing or pacemaking.
- Use of a caravan or trailer when the caravan or trailer is attached to a motor vehicle or motorcycle.
- Personal injury to you, or any member of your family who normally lives with you, or any other person who normally lives with you.
- Personal injury to any person you employ and that injury arises from their employment with you.
- Damage to or loss of property that belongs to you, or any member of your family who normally lives with you, or any other person who normally lives with you.
- Damage to or loss of property that belongs to any person you employ and that damage or loss arises from their employment with you.
- Damage to or loss of property that is in your control, or the control of any member of your family who normally lives with you, or any other person who normally lives with you.
- Any disease that is transmitted by you, or any member of your family who normally lives with you.
- Any business, profession, trade or occupation carried on by you. This does not include being a committee member of a sporting or social club provided that you do not receive more than \$1,000 per year for holding this position.
- Alterations, repairs, renovations or additions to your buildings that cost more than \$75,000.
- Any agreement or contract you enter into. We will pay for your liability if you would have been liable without the agreement or contract.
- The use, removal of or exposure to any asbestos product or products containing asbestos.
- Gaining a personal profit or advantage that is illegal.
- A conflict of duty or interest.
- Any act or omission that is dishonest, fraudulent, criminal, wilful or malicious.
- Any loss that can be reimbursed by your sporting or social club.
- Any alleged or actual act or omission committed, or alleged to have been committed, prior to the commencement of the policy.

## Section 1

### Strata title mortgagee protection

This section of the policy only applies when your schedule shows that you have requested cover for mortgagee protection. It applies when you own part of a building that has been subdivided, usually into strata title units, and you have a mortgage on that part of the building.

We will cover the part of the building that you own for accidental damage or accidental loss on the same basis as set out in Section 1 Cover - Accidental Damage.

We will pay up to the amount you owe on your mortgage but no more than the sum insured shown on your schedule. We will pay this to your mortgagee when you are required to pay your mortgage in full following a loss. We will only pay this when the Body Corporate has not insured the buildings, or it has not insured the buildings for damage that you can claim for under this policy.

## Section 2

### Valuable Items

This section of the policy only applies when your schedule shows that you have requested cover for valuable items.

#### What are valuable items

- Jewellery and watches.
- Items that contain gold or silver.
- Furs.
- Collections of stamps, money or medals.
- Items able to be powered by battery.
- Equipment for taking photographs, including accessories and unprocessed film. These are not covered while they are being used:
  - underwater, or
  - to earn your income.
- Sporting equipment designed to be used in a leisure activity that involves some element of physical activity or competition. This does not include pedal cycles. Sporting equipment is not covered while it is being used.
- Clothing and personal effects which means items of personal attire or adornment which are usually worn or carried.
- Pedal cycles. Pedal cycles are not covered whilst they are being used for racing or pacemaking.
- Special valuable items which are listed on your schedule.

#### What are not valuable items

- Unset precious and semi-precious stones.
- Items thinly covered with gold or silver.

- Motor vehicles, motorcycles, mini-bikes, caravans, trailers, aircraft or accessories or spare parts of any of these items.
- Watercraft more than four metres long.
- Watercraft less than four metres long that are powered by a motor of more than 10hp.

#### **When we will pay**

Your valuable items are insured for any accidental damage or accidental loss. The accidental damage or accidental loss must happen within Australia or New Zealand. We will also pay if the accidental damage or accidental loss happens anywhere else in the world. Cover away from Australia or New Zealand is limited to 90 consecutive days and starts from the time you leave Australia.

#### **When we will not pay**

We will not pay if the accidental damage or accidental loss is caused by the following:

- Rust, corrosion, gradual deterioration, depreciation, wear or tear.
- A defect in the item.
- Rats, mice or insects.
- Processes of cleaning involving the use of chemicals other than domestic household chemicals.
- Mechanical or electrical breakdown other than an electric motor burning out. We will pay for any resultant damage following mechanical or electrical breakdown.

## **Paying claims**

### **How we pay a claim for a valuable item**

When damage or loss occurs to a valuable item, we will do one of the following:

- replace the item with the nearest equivalent new item, or
- repair the item to the condition it was in when new, or
- pay you the cost of replacement or repair.

We decide which one we will do.

When a valuable item is part of a pair, set, system or collection, we will only pay the value of the item itself. The most we will pay is the value that the item has as a proportion of the combined pair, set, system or collection. We will only pay the cost of replacing the item even though the pair, set, system or collection to which it belongs is less valuable because it is incomplete.

We will reduce any payment for damage to, or loss of, an item under this section by the amount we pay you for the same item under your contents insurance.

### **Limit for valuable items**

The most we will pay for any one item, pair, set, collection or system is \$10,000 for valuable items.

You can insure items, pairs, sets, collections or systems that are worth more than the above limits for their actual value as 'special valuable' items. To do this you must advise us and the items will be listed on your schedule. The most we will pay in total for all valuable items is the amount shown on your schedule.

## **What Section 1 and Section 2 of the policy do not cover**

We will not pay claims for loss, damage or liability arising from:

- War or warlike activity. War does not have to be declared. We do not provide cover for theft following this.
- Hostilities, rebellion, insurrection or revolution. We do not provide cover for theft following these events.
- Contamination by chemical and/or biological agents, which results from an act of terrorism. Terrorism is any act which may, or may not, involve the use of, or threat of, force or violence where the purpose of the act is to further a political, religious, ideological aim or to intimidate or influence a government (whether lawfully constituted or not) or any section of the public.
- Lawful destruction or confiscation of your property.
- Anything nuclear or radioactive.
- Damage to a heating element. We will pay for any resultant damage covered by this policy following damage to a heating element.
- Mildew, atmospheric or climatic conditions.
- Damage, loss or injury that you or anyone acting for you deliberately caused.
- Flood, storm surge, the action of the sea, tidal wave, high water or erosion.
- Landslide or subsidence except as detailed on page 18.
- Any event that does not occur within the period of insurance.

- Failure or inability of any item, equipment or computer software to recognise correctly, to interpret correctly, or to process correctly any date or to function correctly beyond any time when that item, equipment or computer software has not recognised, interpreted or processed correctly any date. We will pay for any resultant loss or damage that is covered by this policy, other than resultant loss or damage to any frozen food, computer equipment or computer software.

## Section 3

### Workers' compensation

This section of the policy only applies when your schedule shows that you have requested cover for workers' compensation.

If you have employees, in some circumstances workers' compensation cover is compulsory. If you are unsure, check with your local Workers' Compensation Authority.

We will pay the amount you are liable to pay if a person you employ is injured while working for you. We will only pay if the person is doing domestic work for you. We will not pay if the person is working for you in your business, profession, trade or occupation.

The amount we will pay is subject to the relevant workers' compensation legislation in your state or territory.

Please refer to page 6 under 'Who is the insurer'.

## Policy information

### When your insurance cover does not apply

Your insurance for your buildings, contents and valuable items will not apply if, for a continuous period of 90 days or more, no one has lived at your situation.

You can ask us to provide cover if no one is going to be living at your situation for more than 90 days. If we agree to provide cover, we will advise you in writing.

### You cannot give your rights away

You cannot give anyone else an interest in this policy without our written consent.

### What you are required to do for us

- You must pay us the premium for this insurance.
- You must tell us as soon as possible of anything that changes the facts or circumstances relating to your insurance.
- You must take reasonable precautions to prevent anything which could result in a claim under this policy.
- You must make sure that anyone doing anything on your behalf obeys all laws.
- You must comply with the conditions of this policy.

### Cancelling your policy before the due date

You can cancel this policy at any time. To do this you must ask us in writing. The policy will end when we receive your request.

We can cancel this policy if you do any of the following:

- Make a misleading statement to us when you apply for your insurance.

- Fail to tell us anything you should tell us when you apply for this policy, renew this policy and when you change or reinstate this policy.
- Fail to comply with the conditions of this policy.
- Fail to pay the premium for this insurance.
- Are not fair and open in your dealings with us.
- Make a claim during the period of this policy that is not true. The claim does not have to be under this policy and can be with us, or another insurance company.

We may cancel this policy if you fail to notify us of a change in the circumstances of the risk during the period of insurance.

If we cancel this policy, we will advise you in writing. To do this, a notice will be delivered or posted to you.

#### **Return of premium if your policy is cancelled before the due date**

If your policy is cancelled before the due date:

- We will keep the premium for the period that the policy was in force.
- We will return to you the premium for the period from the date the policy ended to the due date of the policy, however, if this amount is \$30 or less, we may not return the premium to you.

#### **How the Goods and Services Tax affects your claim**

Where we make a payment under this policy for the acquisition of goods, services or other supply, we will reduce the amount of the payment by the amount of any input tax credit that you are, or will be, or would have been entitled to under A New Tax System (Goods and Services Tax) Act 1999 in relation to that acquisition, whether or not that acquisition is actually made.

Where we make a payment under this policy as compensation instead of payment for the acquisition of goods, services or other supply, we will reduce the amount of the payment by the amount of any input tax credit that you would have been entitled to under A New Tax System (Goods and Services Tax) Act 1999 had the payment been applied to acquire such goods, services or other supply.

#### **The law that applies to this policy**

Any disputes arising from this policy will be determined by the courts, and in accordance with the laws, of the state or territory of Australia where this policy is issued.

## How to make a claim

Please contact your nearest CGU Insurance office when something happens that you believe you can claim for.

### What you must do when you make a claim

You must make your claim as soon as possible after you suffer a loss. If you do not make it within 30 days, we may reduce what we pay you by an amount to take account of any disadvantage we suffer by the delay.

You must also:

- Take all reasonable steps to stop any further loss from occurring.
- Advise the nearest police station if your property is lost or stolen, vandalised or maliciously damaged. We may ask you to give us a written report from the police.
- Keep the property that has been damaged so we can inspect it.
- Tell us about any prosecution or inquest that may be held.
- Send us any document relating to your claim within 72 hours of you receiving the document.

### What you must not do when you make a claim

You must not do any of the following:

- Repair or replace any damaged property without our consent.
- Pay, promise to pay, or offer payment, or admit responsibility for a claim.

### You give us your rights to claim from anyone else

If you have a right to claim against someone else for a claim you made under this policy, you give us your rights to make that claim. You also give us your rights to conduct, defend or settle any legal action and to act in your name.

You must not do anything which prevents us from doing this and you must give us all the information and co-operation that we require.

### Claim payment examples

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

#### • Claim Example 1

Policy type: Building Insurance

Buildings sum insured: \$250,000

Excess: \$100

Loss or damage: Storm damage to your roof.

How we settle your claim:

- We arrange for a builder to repair your roof for \$4,000
- We pay the builder \$3,900
- We ask you to pay the builder the \$100 excess.

#### • Claim Example 2

Policy type: Contents Insurance

Contents sum insured: \$100,000

Excess: \$100

Loss or damage: Theft of your television

How we settle your claim:

- Replacement cost of television is \$2,700
- We pay the supplier \$2,600

- We ask you to pay the supplier the \$100 excess.

#### ● **Claim Example 3**

Policy type: Building and Contents Insurance

Buildings sum insured: \$300,000

Contents sum insured: \$80,000

Excess: \$100

Loss or damage: Your buildings and contents are partially destroyed by fire.

We agree that you are unable to live in your buildings and you require alternative accommodation.

How we settle your claim:

- We choose to pay you directly for the damage
- We pay you \$37,900 as follows:
  - Building repairs \$20,000
  - Content replacement \$8,000
  - Costs for alternative accommodation \$10,000
  - Less excess \$100
  - Total \$37,900

#### ● **Claim Example 4**

Policy type: Special Valuables option

Item sum insured: Diamond ring - \$12,000

Loss or damage: Your diamond ring is stolen.

How we settle your claim:

- We pay the jeweller \$12,000 to replace your diamond ring. No excess is applicable

#### ● **Claim Example 5**

Policy type: Contents Insurance (Liability cover)

Loss or damage: Liability to pay for damages for personal injury to a third party.

How we settle your claim:

- We pay the legal costs of \$2,000
- We pay the medical expenses incurred by the third party of \$12,000.

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## About this booklet

**Preparation date: 05/05/2010**

This booklet contains a Product Disclosure Statement (PDS). The PDS is designed to assist you to make informed choices about your insurance needs. The PDS contains information about costs, our dispute resolution system, your cooling-off rights and other relevant information, including other rights, terms, conditions, exclusions and obligations attaching to this product. Please read this booklet carefully.

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

You should keep your policy booklet and policy schedule together in a safe and convenient place for future reference.

### Our agreement with you

This PDS and the policy schedule form the legal contract between you and us. You pay us the premium, and we provide you with the cover you have chosen as set out in the policy, during the period of insurance shown on your policy schedule or any renewal period. Please keep them in a safe place for future reference.

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

The excesses set out in the section headed 'What you must pay if you make a claim – Excess' apply to all claims except where otherwise stated. The amount of any excess that applies to your policy will be shown on your policy schedule. If you require further information about this product, please contact your Financial Services Provider.

### **About CGU Insurance Limited**

CGU is one of Australia's largest intermediary-based general insurers, offering a comprehensive range of commercial, rural and personal insurance products. Today, CGU is proud to be part of Australasia's leading general insurance group, Insurance Australia Group.

### **Insurer**

The policy is underwritten by CGU Insurance Limited. Our Australian Business Number is 27 004 478 371. Our Australian Financial Services Licence Number is 238291.

### **How to contact us**

You may contact us by any of the following ways:

- In person at any CGU Insurance office.
- By telephone on 13 15 32.
- By writing to us at CGU Insurance, GPO Box 9902 in your capital city.
- By email on our website [www.cgu.com.au](http://www.cgu.com.au)

### **The cost of this insurance policy**

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

When calculating your premium, we take a range of rating factors into account. These factors,

and the degree to which they affect your premium, will depend upon the information you provide to us.

Some factors that impact the calculation of your premium include: where the buildings or contents are located, the sum insured and your previous insurance and claims history.

### **Duty of Disclosure – What you must tell us**

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

### **New business**

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

When answering our questions you must be honest.

### **● Who needs to tell us**

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

### **● If you do not tell us**

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

### **Renewals, variations, extensions and reinstatements**

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

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

### **How we handle your personal information**

We are committed to handling your personal information in accordance with the Privacy Act.

We need to collect, use and disclose your personal information in order to consider your application and to provide the cover you have chosen.

You can choose not to give us some or all of your personal information, but this may affect our ability to provide you with cover.

### **When you provide your personal information to us**

You acknowledge and consent to us collecting and using your information to:

- consider your insurance application and any subsequent application for insurance
- underwrite and price any policy issued by us or our related entities
- calculate and offer discounts
- issue you with a policy
- administer the policy, and
- investigate, assess and pay any claim made by or against you.

For these purposes, you acknowledge and consent to us collecting your personal information from, and disclosing it on a confidential basis to your intermediary\* or the third party who you have been dealing with in respect to this insurance policy and who referred you to us, other insurers, our related entities, insurance reference bureaus, law enforcement agencies, investigators and recovery agents, lawyers, any credit provider that has security over your property, assessors, repairers, suppliers retained by us to supply goods and services, advisers and/or the agent of any of these.

### **When you provide personal information to us about another person**

You must be authorised to do so, and you must inform that person, unless informing them would pose a serious threat to the life or health of any individual:

- who we are
- how we use and disclose their information, and
- that they can gain access to that information.

### **Privacy of your personal information – for marketing purposes**

In order to enhance its relationship with you, your intermediary may use your personal information that you have provided to us to offer you other products and services, which may be of benefit to you.

### **When you provide your personal information to us – for marketing purposes**

You acknowledge and consent to your personal information being used on a confidential basis by us or your intermediary to contact you by mail, phone or email to provide you information on offers, products and services or for planning, market research and product development.

In using your personal information for these marketing purposes, we and your intermediary may use and disclose your personal information to offer you our or your intermediary's product and services directly, or to any other organisation to carry out the above marketing purposes on our or your intermediary's behalf. However:

- CGU Insurance Ltd (CGU Insurance) and your intermediary will not use your information in this way if you have already told CGU Insurance or your intermediary not to.
- You must inform CGU Insurance or your intermediary if you do not want your personal information disclosed or used for these marketing purposes.

\* The intermediary is a company or individual through which you purchased this insurance, or the company named on the inside front cover of this booklet.

### **General Insurance Code of Practice**

The purpose of the Code is to raise standards of practice and service in the general insurance industry.

The objectives of the Code are:

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

### **Our commitment to you**

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

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

### **How to resolve a complaint or dispute**

#### **1. Talk to us first**

If you have a complaint, the first thing you or your insurance adviser should do is speak to one of our staff. If your complaint relates specifically to a claim, speak with the claims officer managing your claim.

If the staff member or claims officer are unable to resolve the matter for you, you or your insurance adviser may speak to a manager. The manager will usually provide you with a response to your complaint within 15 days. If the timeframe is impractical for any reason such as the need for more information or further investigation, they will discuss with you alternative timeframes. If you are not satisfied with our response or we cannot agree with you on alternative timeframes, you can go to step 2.

#### **2. Seek a review**

If the matter is still not resolved, the manager will refer you or your insurance adviser to the relevant dispute handling department or area who will

conduct a review of your dispute and will usually provide you with a response to your dispute within 15 business days. If the timeframe is impractical, we will discuss with you alternative timeframes.

### **3. Seek an external review**

You are entitled to seek an external review of our decision. We will provide you with information about options available to you, including, if appropriate, referring you to the external dispute resolution scheme administered by the Financial Ombudsman Service Limited (FOS).

You will not be able to have your dispute resolved by the FOS if you are not eligible under the FOS's Terms of Reference.

Further information about our complaint and dispute resolution procedures is available by contacting us.

### **Financial Claims Scheme**

You may be entitled to payment under the financial claims scheme in the event that CGU Insurance Limited becomes insolvent. Access to the scheme is subject to eligibility criteria. Information about the scheme can be obtained from the Australian Prudential Regulation Authority (APRA) website at [www.apra.gov.au](http://www.apra.gov.au) and the APRA hotline on 1300 13 10 60.

### **How to make a claim**

Please contact us to make a claim. We will only accept responsibility for repairs or payments to third parties under a claim where you have told us about them beforehand and we have accepted your claim. Full details of what you must do for us to consider your claim are provided in the 'Claims' section at the end of this booklet.

### **Cooling-off information**

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

This cooling-off right does not apply if you have made or are entitled to make a claim.

### **Intermediary remuneration**

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

### **When you are covered**

Your insurance begins when we accept your application. The commencement date of your insurance will be shown on the schedule we will send you.

We will not cover your buildings and your contents for a period of 48 hours from the time of the commencement of your insurance for loss or damage caused by:

- bushfire or grassfire, or
- a named cyclone.

We will provide cover however if:

- This insurance commences directly after another insurance policy covering the same property expired without a break in cover.
- You have entered into a contract of sale to purchase the property.
- You have entered into a contract to lease the property.

The insurance applies for the period for which you have paid us (or agreed to pay us) the premium.

You may pay your premium by cash, cheque or credit card. If your cheque or credit card is dishonoured by your financial institution, you are not insured.

You can also pay your premium by instalments direct from a financial institution account or from your credit card. You cannot make a claim under this policy if you owed us more than one month's premium when the event you want to claim for happened.

If you pay your premium by instalments and you are more than one month behind, we can cancel your policy without notice.

If you have a total loss, we shall deduct the instalments for the remaining period of insurance from the amount we pay you.

## Words with special meanings

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

If words and terms are only used in one section of the policy, we will describe their special meaning in that section.

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

<b>damage</b>	any form of physical harm to the insured property but does not include wear and tear.
<b>excess</b>	the first amount of any claim, which is your responsibility to contribute. We deduct the excess shown in this PDS or policy schedule from the amount of your claim. When a sub-limit is applicable, the excess will be applied to the claim prior to applying the sub-limit.
<b>flood</b>	the inundation of normally dry land by water escaping from any watercourse, lake, canal, dam or reservoir. Flood does not include inundation from rainwater that cannot flow into a stormwater drain because the drain is blocked or backed up
<b>negotiables</b>	treasury notes, savings certificates, stamps, money orders, gift certificates and any other negotiable instruments.

**occupied** the buildings are furnished such that it is comfortably habitable and you, your family or someone with your consent has resided in the buildings overnight.

To be occupied the buildings must:

- contain at least one usable bed/mattress
- contain at least one dining table or bench, a chair and some other furniture
- contain a functioning refrigerator
- be connected to the electricity, and
- be connected to hot and cold running water.

**open air** is restricted to the situation and includes any area that is not fully enclosed and in relation to theft, any non lockable structures and non lockable parts of the buildings

**period of insurance** the period shown on the policy schedule.

**policy schedule** the document we give you which sets out the details of your cover which are personal to you. It forms parts of the policy. It shows the cover and any options that you have selected. When your policy is changed or renewed, we will give you a new policy schedule.

**situation** The address shown on your policy schedule where your buildings are located or your contents are kept.

**we, our or us** CGU Insurance Limited, ABN 27 004 478 371.

**you or your** The person(s), companies or firms named on the current policy schedule as the 'Insured'.

**your family** Any member of your family who lives permanently with you, including your partner.

Student children of yours or of your partner, boarding at school or university.

## Cover for your Buildings and Contents

This part of the policy contains the following three sections:

- Section 1: What 'Buildings' and 'Contents' mean
- Section 2: Cover for your Buildings and Contents – Insured events
- Section 3: Cover for your Legal Liability

### Section 1: What 'Buildings' and 'Contents' mean

#### Buildings

Your policy schedule indicates whether your buildings are insured and the sum insured.

#### What 'buildings' means

Your 'buildings' are the dwellings used entirely or primarily as a place of residence at the situation shown on your policy schedule.

'Buildings' includes the following:

- (a) Outbuildings, fixtures and structural improvements including in-ground swimming pools, tennis courts, in-ground spas, saunas, jetties and pontoons all of which are used for domestic purposes.
- (b) Fixed light fittings, fixed wall coverings, fixed ceiling coverings and fixed floor coverings.
- (c) Services (whether underground or not) that are your property or which you are liable to repair or replace or pay the cost of their repair or replacement.

- (d) Landscaping, paved pathways and paved driveways, retaining walls, free-standing walls, fences and gates entirely or partly on the situation.

#### What 'buildings' does not mean

'Buildings' does not include:

- (a) Carpets (whether fixed or not), curtains or internal blinds.
- (b) Earth or gravel pathways or driveways or other unpaved surfaces.
- (c) A hotel, motel, nursing home, boarding house or buildings of flats.
- (d) Any building used for any business or trade, except a dwelling used principally as a place of residence that also contains an office or surgery.
- (e) A building in the course of construction.
- (f) A temporary building or structure.
- (g) Trees, shrubs and any other plant life including grass or lawns, soil, sand, gravel, bark or mulch.

#### Contents

Your policy schedule indicates whether your contents are insured and the sums insured.

The total contents sum insured consists of:

- (a) a sum insured for contents, and
- (b) a sum insured for special contents.

Special contents are items of particular value that you have individually listed as specified items and that are listed on the policy schedule under 'Special Contents'.

### **What 'contents' means**

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

Contents are:

- (a) All household goods (including carpets whether fixed or not), curtains and internal blinds, personal effects, cash, coins and negotiables.
- (b) Articles of special value which you have listed on the policy schedule under 'Special Contents'.
- (c) If you live in a strata title building, the internal paintwork, wallpaper and any fixture or structural improvement within or attached to that residence which the Body Corporate is not required by law to insure.
- (d) If you are a tenant, landlord's fixtures and fittings for which you are legally liable and fixtures and fittings installed by you for your own use.
- (e) Any of the following equipment if it does not require registration:
  - golf buggies
  - motorcycles up to 250cc engine capacity
  - garden equipment
  - motorised wheelchairs.
- (f) Canoes, surfboards, surf-skis or sailboards, and
  - any other watercraft up to four (4) metres in length.

This means that if the watercraft is not a canoe, surfboard, surf-ski or sailboard and it is longer than four (4) metres, it is not covered.

A watercraft motor:

- not attached to a watercraft, and
- at the situation

will be treated by us as a watercraft accessory.

- (g) Furniture and equipment of an office or surgery used by you or your family in your own business in the buildings and tools and equipment used for earning income by you or your family.

### **What 'contents' does not mean**

'Contents' does not include:

- (a) Fish, birds or animals of any description.
- (b) Trees, shrubs and any other plant life (other than pot plants).
- (c) Any caravan or trailer.
- (d) Motorised vehicles other than those listed in point (e) under the heading 'What contents means'.
- (e) Watercraft other than those listed in point (f) under the heading 'What contents means'.
- (f) Aircraft or their accessories (other than a non-pilotable model aircraft).
- (g) Accessories or spare parts, keys or remote locking or alarm devices of motor vehicles (including motorcycles and motor scooters), caravans, trailers or watercraft while they are in or on the motor vehicle, caravan, trailer, aircraft or watercraft.
- (h) Photographic and video equipment and musical instruments or musical equipment used for earning any income.
- (i) Any property:
  - illegally in your possession
  - stored in a dangerous and illegal way, or
  - any equipment connected with growing or creating any illegal substance.
- (j) Your buildings or any part of your buildings.
- (k) Pedal cycles while they are used for racing or pacemaking.

## Section 2: Cover for your Buildings and Contents – Insured events

What you are insured against – and what you are not

You are insured for loss or damage to your buildings, contents belonging to you, your family or for which you or they are legally responsible or both, caused directly by any of the 'insured events' set out in the left column of the following table (except to the extent indicated in the right column of the table) occurring during the period of insurance. Whether you have selected cover for your buildings, contents or both is shown on your policy schedule.

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

You are insured against loss or damage caused directly by the following insured events	But not
(a) Fire or explosion.	
(b) Storm (including cyclone or hurricane) and/or rain, which may be accompanied by snow, sleet or hail.	Loss or damage caused by flood. 'Flood' means the inundation of normally dry land by water escaping from any watercourse, lake, canal, dam or reservoir. Flood does not include inundation from rainwater that cannot flow into a stormwater drain because the drain is blocked or backed up.

You are insured against loss or damage caused directly by the following insured events	But not
(b) Storm (including cyclone or hurricane) and/or rain, which may be accompanied by snow, sleet or hail (continued).	More than \$5,000 for damage to contents in the open air. This limit does not apply to a swimming pool, sauna or spa.
(c) Lightning or thunderbolt.	Loss or damage caused by fluctuations in the power supply, unless there is evidence that the damage was caused by a lightning strike.
(d) Earthquake or tsunami. All destruction or damage occurring within a period of 72 hours of the earthquake or tsunami is regarded as the one insured event.	The first \$250 for earthquake or tsunami damage, or the excess amount shown on your policy schedule, whichever is greater.
(e) Theft or attempted theft.	More than \$1,000 for cash and negotiables. Theft of cash or negotiables in the open air. More than \$5,000 for theft of contents in the open air.

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You are insured against loss or damage caused directly by the following insured events	But not
(e) Theft or attempted theft (continued).	<p>Loss or damage caused by theft by any person who is living at the situation unless there is evidence that your buildings has been entered forcibly and violently.</p> <ul style="list-style-type: none"> <li>• 'forcible and violent entry' does not include: <ul style="list-style-type: none"> <li>• entry through a door or window that has been left open or unlocked</li> <li>• where the buildings has been entered with the consent of the owner or occupier of the buildings other than through deception.</li> </ul> </li> </ul> <p>Theft from any part of the buildings which you share with another person who is not insured under this policy. Theft by a tenant.</p>
(f) Deliberate or malicious acts.	Loss or damage intentionally caused by a tenant, or a tenant's family including malicious damage or vandalism.

You are insured against loss or damage caused directly by the following insured events	But not
(g) Riot or civil commotion, industrial or political disturbances which do not assume the proportions of or amount to an uprising.	
(h) Bursting, leaking, discharging or overflowing of fixed basins, shower bases, or other fixed apparatus, fixed tanks or fixed pipes used to hold or carry liquid of any kind.  Water suddenly escaping from a waterbed, washing machine, dishwasher, refrigerator, freezer or aquarium.  If we accept a claim because damage has occurred as a direct result of the liquid escaping, we will also pay the reasonable costs of locating the cause of the damage, and the costs of reinstating the property damaged or disturbed in the course of work.	<p>Loss or damage caused by gradual deterioration or lack of maintenance.</p> <p>We will not pay for repair or replacement of the apparatus, tank or pipe itself.</p>

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You are insured against loss or damage caused directly by the following insured events	But not
<p>(i) Impact by:</p> <ul style="list-style-type: none"> <li>• A vehicle, an aircraft or a waterborne craft.</li> <li>• Space debris or debris from an aircraft, rocket or satellite.</li> <li>• A falling tree or part of a tree.</li> <li>• An animal.</li> <li>• A mast or a television or radio aerial that has broken or collapsed.</li> <li>• Falling power or communication poles, towers or lines.</li> </ul> <p>'Impact' means a collision of two or more objects.</p>	<p>Loss or damage caused by felling or lopping trees at the situation.</p>
<p>(j) Sonic boom or thunderclap.</p>	
<p>(k) Breakage of:</p> <ul style="list-style-type: none"> <li>• Any fixed glass, fixed ceramic material, shower base, basin, sink, bath, lavatory pan, cistern, solar panel or skylight if this policy insures the buildings.</li> </ul>	<p>Damage to any property other than the broken glass (except for window tinting or shatter-proofing) or shower base, basin, sink, lavatory pan, cistern or telephone.</p>

You are insured against loss or damage caused directly by the following insured events	But not
<p>(k) Breakage of: (continued)</p> <ul style="list-style-type: none"> <li>• Glass forming part of an item of furniture, or, domestic telephones, if this policy insures the contents.</li> <li>• Window tinting or shatter-proofing attached to the broken glass.</li> </ul>	<p>Any item that is chipped or scratched prior to the breakage. Mirrors, glassware, crystal, crockery or china while being used, cleaned or carried by hand.</p>
<p>(l) Fusion of an electric motor.</p> <p>Fusion is the process of fusing or melting together of the windings of an electric motor following damage to their insulating material as a result of overheating caused by an electric current.</p> <p>We will pay the cost of rewinding the motor, or, at our option, replacing it. For refrigerators and air conditioning units, we pay for the replacement of refrigerant gas and refrigerant driers, only if replacement of the refrigerant gas or drier is made necessary because of the fusion.</p>	<p>Motors more than 15 years from the date of purchase when new or more than 15 years from the date of rewinding.</p> <p>The cost of repair or replacement of additional parts or service items, including worn or broken bearings or switches. Leakage of refrigerant gas and maintenance of refrigerant driers.</p> <p>Lighting elements (for example, light bulbs or fluorescent tubes) or heating elements, solenoids, fuses or protective devices (for example, a fuse or circuit breaker).</p>

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You are insured against loss or damage caused directly by the following insured events	But not
(l) Fusion of an electric motor (continued).	Electrical contact points where sparking or arcing occurs during ordinary use. The cost of retrieving, removing or replacing the pump section of pool or pressure pumps or the cost of retrieving submersible pumps or their driving motors. Electronic controllers or other electronics.
(m) Power surge to domestic appliances or domestic equipment directly caused by an identifiable source outside your buildings – for example, a lightning strike, an object contacting power lines, the resumption of power following a blackout caused by a storm or unexpected interference with a power company transformer by an animal.	Domestic appliances or domestic equipment more than 15 years from the date of purchase when new. Power surges caused at the situation.

You are insured against loss or damage caused directly by the following insured events	But not
(n) Spoilage of food. If this policy insures your contents, we also pay for spoilage of food in domestic refrigerators or freezers at the situation caused by: <ul style="list-style-type: none"> <li>• Breakdown of the refrigerator or freezer.</li> <li>• Failure of the electricity supply.</li> <li>• Contamination by lubricant oil or refrigerant.</li> </ul>	Spoilage as a result of: <ul style="list-style-type: none"> <li>• Strikes.</li> <li>• Intentionally switching off or disconnecting the electricity supply.</li> </ul>
(o) Erosion, subsidence, landslide or earth movement but only if it is directly as a result of one of the following insured events: <ul style="list-style-type: none"> <li>(i) explosion</li> <li>(ii) storm</li> <li>(iii) earthquake</li> <li>(iv) escaping liquid,</li> </ul> and it occurs no more than 72 hours after the insured event.	Any other erosion, subsidence, landslide or earth movement event.

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## How we will pay

### Buildings

#### (a) At our option we:

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

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

- (b) You may choose to have the buildings replaced at another situation, but we do not pay more than for the insured situation.
- (c) If your buildings are damaged beyond economic repair and you do not commence rebuilding within six (6) months of the damage occurring, (or any other period which we agree with you in writing) you may have to pay any increase in cost caused by your delay.
- (d) If part of the building is damaged by an insured event and we agree to pay your claim, we pay only for the part or parts of the building that actually sustained damage. We do not pay to replace any undamaged materials.

However, if:

- it is impossible to acquire new material to replace the damaged material that

reasonably matches the undamaged portion to a similar extent as immediately prior to the damage occurring, and

- the amount of damaged material that cannot be matched to the undamaged material is more than 40% of the total material that would have to be replaced if all the matching damaged and undamaged material was replaced,

then we will replace both the damaged and undamaged material.

#### Example 1

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

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

#### Example 2

There are 300 superseded, matching, wall tiles in the bathroom. As a result of a burst pipe, 140 wall tiles are damaged. It is impossible to locate tiles that reasonably match the remaining 160 tiles. Over 40% of the matching wall tiles have been damaged. Therefore, we would pay the reasonable cost to repair or replace all 300 tiles (140 damaged and 160 undamaged) to a condition substantially the same as when new. We would be entitled to keep the 160 undamaged wall tiles by way of salvage.

We would not pay to replace any tiles located in a room other than where the loss or damage occurred.

- (e) Where materials that are required to settle a claim that we agree to pay are not commercially available in Australia, at our option, we will:
- replace the material with the nearest equivalent or similar new materials available in Australia or overseas, or
  - pay the cost to replace the material with the nearest equivalent or similar new materials available in Australia or overseas.

(f) Fences, gates and retaining walls.

We will pay for loss or damage to your fences, gates or retaining walls caused by storm, rainwater or wind, if they are constructed of:

- Brick, stone or metal.
- Timber, but are 20 years old or less.
- Other material provided the construction was in accordance with manufacturer's specifications.

## Contents

(a) At our option we will:

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

If your contents are damaged beyond economic repair, we will pay no more than the reasonable cost of replacement when new even if you have insured for an amount greater than the reasonable cost of replacement when new. When we pay your claim for all your contents being damaged beyond economic repair, the policy is exhausted and comes to an end. We will not pay more than the total contents sum insured for all contents lost or damaged.

- (b) If we agree to pay a claim where film, photos, home movies or home videos or any similar recorded material is destroyed, we pay for the replacement with new, blank film, videos or similar (e.g. if a compact disc upon which you had photos stored is destroyed, we would replace it with a new, blank compact disc). We do not pay to reconstruct any circumstances or conditions.
- (c) If we agree to pay a claim where software is lost, damaged or destroyed, we pay the cost to replace it with the nearest equivalent new software. We do not pay for any software that was acquired by you at no cost.
- (d) Where an item required to settle a claim that we agree to pay is not commercially available in Australia, at our option, we will:
- replace the item with the nearest equivalent or similar new item available in Australia or overseas, or
  - pay the cost to replace the item with the nearest equivalent or similar new item available in Australia or overseas.
- (e) The maximum we pay on the following contents items is shown in the table below. You may obtain higher limits for (a) by having any of these items specified on your policy schedule. We will pay up to the amount specified for each item.

Contents where a maximum limit applies	Maximum limit
(a) Works of art, pictures, tapestries or rugs.	\$20,000 per item
(b) Items of jewellery, gold or silver articles, furs, watches, collections of coins, stamps or medals.	\$5,000 per item and in total 25% of the sum insured for unspecified contents

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Contents where a maximum limit applies	Maximum limit
(c) Data storage on any computer disk or tape (including cost of data restoration).	\$1,000 in total
(d) Equipment used by you or your family for earning income.	\$10,000 in total Including a maximum of \$5,000 for business stock kept temporarily in the buildings
(e) Accessories, or spare parts of motor vehicles (including motorcycles and motor scooters), caravans, trailers and watercraft not in or on the motor vehicle, caravan, trailer, or watercraft. We include motor vehicle keys, remote locking or alarm devices as accessories while they are not in or on the motor vehicle but we do not pay for any re-coding of devices or changing of vehicle locks.	\$1,500 in total
(f) Cash, coins, negotiables or bullion.	\$1,000 in total
(g) Storm damage to or theft of contents in the open air.	\$5,000. This limit does not apply to a swimming pool, sauna or spa.

#### Note:

Where an item could be classified under more than one of the above maximum limits, (a) through to (g), the lower or lowest limit applies. For example, if an item of unspecified, antique jewellery worth \$6,000 was stolen from the buildings and we agreed to pay the claim, the maximum limit of \$5,000 for jewellery would apply even though there is no sub-limit for antiques. If the item has been specified for \$6,000, then we would pay up to \$6,000 to replace the item. The sum we pay you would be subject to any applicable excess.

If we choose to pay to replace a specified item, we will pay no more than the amount that it would cost us to replace the item with an item substantially the same as, but not better than, when new, even if you have specified the item for a higher amount, whether or not you have supplied a valuation. We have negotiated special arrangements with various suppliers to purchase items for less than retail cost. Premiums are therefore based upon us replacing items at less than retail cost.

#### Antiques

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

#### For example:

An antique sterling silver claret jug created in 1880 is stolen and we agree to pay the claim. A valuation for \$11,000 has been supplied to us. To replace the item with the closest, similar new item would cost \$2,100. At the time of the loss, our inquiries indicate that

to replace that antique item at market value would be approximately \$11,000 but there is no equivalent item currently for sale in Australia or overseas. The market value of the item is higher than the new replacement cost due to the item's antiquity and rarity. In this instance, we would pay you \$11,000 for the jug rather than \$2,100. The sum we pay you would be subject to any applicable excess.

**(f) Floor and wall coverings, blinds and curtains.**

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

**(g) Pairs and sets**

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

In the event of a total loss of any article or articles which are part of a pair or set, we agree to pay you – at your option, exercisable after the loss – the full amount of the value of such pair or set, and you agree to surrender the remaining article or articles of the pair or set to us.

If you elect not to surrender the remaining article(s) of the pair or set to us, then we pay no more than the actual value of the item. We do not give any allowance for any special value it may have as forming part of a pair or set, or for any reduction in value of the remaining part or parts.

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

## Section 3: Cover for your Legal Liability

### What you are covered against

#### If this policy covers your buildings

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

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

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

In this section we include the bordering footpath, land, trees, shrubs and other plant life on the situation as part of your buildings.

#### If this policy covers your contents

If this policy covers your contents and, the buildings is your primary residence, we insure you and any member of your family against any claim for compensation or expenses which you or the member of your family become legally liable to pay for:

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

resulting from an occurrence during the period of insurance, anywhere in the world that is not related to the ownership of your buildings.

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

**Personal injury means:**

- (a) Bodily injury, death, sickness, disease, shock, fright, mental anguish, psychiatric or psychological disorder or mental injury.
- (b) The publication or utterance of libellous or slanderous comments.

Personal injury does not include the publication or utterance of a libel or slander:

- (a) made prior to the commencement of the period of insurance, or
- (b) made by or at the direction of you with knowledge of its falsity, or
- (c) relating to advertising, broadcasting or telecasting activities by or on behalf of you.

**Property damage means:**

- (a) Physical damage to, or loss or destruction of, tangible property including any resulting loss of use from the damage or destruction.
- (b) Loss of use of tangible property, which has not been physically damaged or destroyed, provided the loss of use is as a direct result of an occurrence.

### **Additional benefits – Liability**

These additional benefits apply only when you occupy the buildings insured by this policy as your primary residence or this policy insures your contents in your primary residence.

### **Motor Vehicle Liability**

**What we insure you against:**

- (a) We insure you and any member of your family against any claim for compensation or expenses which you or the member of your family become legally liable to pay for:
  - personal injury to, any person
  - the loss of, or damage to, property,

arising from the ownership, custody, or use of:

- any vehicle which is a type that is not required to be registered by law
- any motorised wheelchair
- any domestic trailer not attached to any vehicle,

resulting from an occurrence during the period of insurance.

- (b) We also insure you or any member of your family against claims for:
  - personal injury caused by you or your family solely as a result of you or your family being passengers in a registered vehicle
  - personal injury caused by any registered vehicle if the occurrence causing the death or bodily injury takes place at the situation, during the period of insurance.

### **When we do not insure you or your family**

**We do not insure you or your family:**

- (a) If you or your family are entitled to be wholly or partly insured by any compulsory statutory insurance or accident compensation scheme, or would have been, but for failure to register the vehicle or to apply for cover under the scheme or to comply with a term or condition of the scheme.
- (b) If you or your family are entitled to be wholly or partly protected by any other policy of insurance which specifically covers the vehicle (except where this exclusion would contravene s.45 of the Insurance Contracts Act, 1985).
- (c) While any vehicle is used for competitive racing or pacemaking.

### **Committee member of a social or sporting club**

#### **What we insure you against**

We insure you and any member of your family against any claim for compensation or expenses which you or the member of your family become legally liable in Australia to pay for an alleged or actual act or omission arising out of your position as a committee member of a sporting club or social club.

We will not pay if you receive more than \$1,000 per year for holding the position. We only pay for a claim made as a result of an occurrence during the period of insurance.

The most that we will pay under this additional benefit in any one period of insurance is \$10,000.

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

- (a) any act or omission for which you or your family receive reimbursement from the sporting or social club, or
- (b) any act or omission which is committed or alleged to have been committed prior to the period of insurance commencing or after it has ended.

#### **What you are not covered against**

(applies to 'Legal liability' and 'Additional benefits – Liability')

#### **When we do not insure you or your family**

We do not insure you or your family:

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

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

- (a) Any agreement, unless liability would have attached to you or your family if that agreement did not exist, or, unless the agreement is a lease agreement for your residential tenancy.
- (b) Illness or death of or bodily injury to you or to any person who normally lives with you.
- (c) Illness or death of or bodily injury to anyone employed by you or by someone who lives with you if the death or injury arises out of their employment.
- (d) Damage to property belonging to you or any person who normally lives with you or to your or their employees.
- (e) Any workers compensation legislation, industrial award or agreement, or statutory accident compensation scheme.
- (f) The ownership, custody, or use of any lift (other than a lift that exclusively services your home provided that your home is freestanding and solely occupied by you and your family), aerial device or aircraft (except model aircraft or toy kites), aircraft landing area, boat exceeding four (4) metres in length (except canoes, surfboards, surf skis or sailboards) or motorised watercraft in excess of 10 horsepower.
- (g) The conduct of any activity carried on by you or your family for reward except for a club committee member, provided you do not receive more than \$1,000 per year for holding that position, or babysitting on a casual basis.  
  
Babysitting cannot be considered to be on a casual basis where:
  - The babysitting is not of a casual nature.
  - Any licence or other permission is required by any government body or public authority in order to legally conduct the babysitting.

- The income derived from babysitting is the primary or only source of the household's income.
- There is a registered business associated with the babysitting.

This exclusion does not apply to a domestic garage sale provided;

- The garage sale is held at the site,
  - the goods sold belong to you or your family or immediate family members that do not live with you,
  - the goods sold are second hand domestic goods only sold in domestic quantities,
  - the sale does not form part of a business, trade or profession,
  - the goods sold have not been purchased for the sole purpose of re-sale, and
  - you do not hold more than one garage sale per period of insurance.
- (h) Vibration or the weakening of, removal of or interference with support to land, buildings or other property.
- (i) Building work, construction or demolition of a building, including the buildings if the value of the work exceeds \$100,000.
- (j) Personal injury to any person arising out of the transmission of any communicable disease by you or your family.
- (k) The ownership of land, buildings or structures other than the buildings insured by this policy.
- (l) Loss, damage, illness or injury intentionally caused by you or a member of your family or a person acting with your consent or the consent of any member of your family unless it was reasonable to reduce loss, damage or injury that otherwise would have occurred.

- (m) The lawful seizure, confiscation, nationalisation or requisition of the property insured.
- (n) Destruction of or damage to property by any government or public or local authority.
- (o) The ownership or use of any motor vehicle other than under the cover given by the 'Additional benefit – Motor Vehicle Liability'.
- (p) Any act or omission that is knowingly illegal, dishonest, fraudulent, wilful, malicious or done with reckless disregard for their consequences by you, your family or a person acting with the consent of you or your family.
- (q) Flood.

#### What we will pay

- (a) We pay up to \$20,000,000 for any one occurrence.
- (b) We do not pay more than this amount in total under all policies we have issued to you which cover the same liability.
- (c) In addition to this amount, we pay legal costs for which we have provided prior written approval.
- (d) In addition to this amount we pay court appearance expenses which we approve. Court appearance expenses shall include up to \$250 per day but excluding the first day, to a total of \$5,000 in any one period of insurance for proven income loss by you or a member of your family at our request. Provided that we will only reimburse income loss for days on which you are not able to conduct any income-earning activity whatsoever.

## Additional benefits

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

We pay additional benefits 1 to 31 in addition to your sum insured for buildings or contents, depending on the type of cover you have chosen.

### 1. Contents away from the situation

If this policy insures your contents in your primary residence, we also insure them:

- while away from the situation for up to 180 days in any dwelling or residential flat, boarding house, boarding school, hotel, motel, residential club, nursing home or hospital anywhere in Australia or New Zealand where you or your family are residing, or
- in a bank or safe deposit, or in a secured storeroom on the premises of a sporting club, where you or your family are a member, or
- whilst contained in your student children's locked residence while they are temporarily residing and studying away from the situation.

We do not pay for any loss or damage to:

- Contents in the open (including non-lockable structures) away from the situation or in a vehicle, caravan, tent, watercraft or aircraft.
- Property used in connection with a profession, trade or business.

We pay up to 25% of the sum insured under unspecified contents on the policy schedule, however the sub-limits will also apply as set out in the table under 'How we will pay – Contents' point (e).

Contents are not covered for loss or damage if you have permanently removed them from the situation, other than as provided under 'Additional benefit 9 – Change of situation'.

### 2. Contents in storage

If this policy insures your contents, we pay for loss or damage to them caused by an insured event when they are in storage provided you obtain our written agreement before they are put in storage.

We do not pay for:

- your contents stored in open plan storage premises, including furniture repositories, warehouses, factories or other industrial premises
- your contents stored in shipping containers, or
- any jewellery or negotiable instruments whilst they are in storage.

### 3. Fees

If this policy insures your buildings, and:

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

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

### 4. Removal of debris

If this policy insures your buildings, and:

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

we pay the reasonable costs of demolition and removal of debris from the situation.

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

or branch that formed part of the tree that caused the insured damage only if:

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

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

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

If it is not necessary to remove the stump to repair or replace your buildings, then we will pay the cost of treating the stump to prevent re-growth.

If this policy insures your contents, and:

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

we pay the reasonable costs of removal of contents debris from the situation.

#### **5. Extra costs of reinstatement**

If this policy insures your buildings, and it is damaged as a result of an insured event and we agree to pay a claim, we pay up to \$25,000 for the extra costs necessary to meet the requirements of any statutory authority in connection with rebuilding or repairing your buildings at the situation.

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

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

#### **6. Illegal use of credit card or financial transaction card**

If this policy insures your contents and a credit card, financial transaction card, mobile phone SIM card or cheques are lost or stolen, we pay up to \$5,000 towards any legal liability you incur from its unauthorised use.

We do not pay if:

- the card does not belong to you or your family
- you have not complied with the card issuer's requirements, or
- the unauthorised user of the card is someone living at the situation.

#### **7. Visitors' or employees' contents**

If this policy insures your contents in your primary residence we also insure contents up to \$5,000 in total belonging to any visitors or domestic employees temporarily living with you at the situation.

We do not pay for visitors' or employees' contents that are insured under another policy taken out by someone other than you or your family.

#### **8. Replacement of locks and keys**

We pay up to \$1,000 to replace/alter locks or keys or remote control devices to your buildings, if:

- they are damaged by someone breaking into your buildings, or
- stolen.

#### **9. Change of situation**

If this policy insures your contents and you are moving into a new building within Australia, we insure your contents at both situations for a

maximum of 45 days. The maximum we pay at each situation will be the proportion of the sum insured that the value of the contents at that situation bears to the total value of the contents at both situations.

You must tell us of your new address within 45 days of first moving to it. If you wish to insure your contents at your new address after that 45 days, we must agree to insure them at that address.

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

#### **10. Contents being conveyed to new residence**

This additional benefit applies if this policy insures your contents in your primary residence.

We insure your contents damaged while they are in a vehicle being used to convey your contents. The damage must occur directly as a result of:

- theft from the conveying vehicle,
- fire on the conveying vehicle,
- flood damage to the contents in the conveying vehicle,
- collision and/or overturning of the conveying vehicle,

whilst your contents are in transit by road or rail to:

- your new principal place of residence, or
- a storage facility at which your contents or some of your contents will be temporarily located pending conveyance to your new principal place of residence, within Australia.

We do not insure your contents:

- For removal to any residence other than one intended to be occupied by you as your principal residence.

#### **11. Contracting purchaser**

If this policy insures your buildings, and you have entered a contract to sell the buildings, this policy insures the purchaser(s) for their respective rights and interests until:

- the sale is completed, or
- the purchaser takes possession of your buildings, or
- the sale is terminated, or
- this policy expires,

whichever happens first.

#### **12. Trees, shrubs and plants**

If you occupy the buildings insured by this policy as your primary residence, we pay for loss or damage to trees, shrubs, hedges, lawns or plants up to \$5,000 in total in any one period of insurance caused directly by an insured event described in 'What you are insured against – and what you are not', except for insured event (b) storm. In relation to storm, we pay no more than \$2,000 per event. We only repair or replace trees, plants or shrubs that as a direct result of the insured event, are so damaged that they die, are permanently disfigured or not recovered after being stolen.

#### **13. Monitored alarm attendance after theft**

If this policy insures your contents in your primary residence, we will pay up to \$1,000 for the reasonable costs actually incurred by you for the security firm that monitors your burglar alarm to attend your buildings during or immediately after an actual or attempted theft from your buildings.

We do not pay:

- for any false alarms, or
- where there is no evidence of a theft or an attempted theft, or
- more than \$1,000 in any period of insurance.

#### 14. Loss of documents

If this policy insures your contents in your primary residence we will pay up to \$1,000 for the costs to reinstate, reproduce or restore your documents directly damaged by an event that has caused a claim that we agree to pay, whilst contained in the buildings or security vault. This includes the information contained on the documents.

#### 15. Robbery away from the buildings

This additional benefit applies if this policy insures your contents in your primary residence.

We will insure your handbag and/or wallet and personal effects contained in them if you are assaulted and robbed of your handbag and/or wallet while you are away from your buildings, if:

- you (or if you are hospitalised, you or someone on your behalf) report the incident to police as soon as possible, or in any event within 24 hours of the assault, and
- you can demonstrate evidence of an assault.

The maximum we will pay under this additional benefit is:

- For the handbag or wallet, up to \$250 each.
- For personal effects contained in the handbag or wallet, excluding cash and negotiables, up to \$250.
- For cash or negotiables contained in the handbag or wallet, up to a maximum of \$300.
- A total of \$800 in any period of insurance.

#### 16. Taxation audit

If you occupy the buildings insured by this policy as your primary residence or this policy insures your contents in your primary residence, we will pay or reimburse you for accountants fees which you reasonably incur as a result of your personal taxation affairs being audited by the Australian Taxation Office.

The maximum we pay is \$5,000 for any one audit.

We do not pay or reimburse you for:

- any fines, penalties or shortfall in the amount of tax payable
- any audit conducted in relation to criminal activity
- any audit not commenced during the period of insurance
- any fees incurred outside any statutory time limit
- any fees incurred as a result of any fraudulent act or fraudulent admission or any statement made by you or on your behalf to a taxation officer which:
  - is false or misleading in a material particular, and
  - can be attributed to deliberate evasion or recklessness as stipulated in income tax ruling IT2517.
- any audit conducted in relation to any facts or circumstances of which you were aware, or ought to have been aware, prior to the commencement of this policy which were likely to lead to your making a claim under this policy, or
- any fees incurred in relation to any enquiries from the Australian Taxation Office which are not related to an identified intention to conduct an audit.

#### 17. Legal defence costs

If you occupy the buildings insured by this policy as your primary residence or this policy insures your contents in your primary residence, we will pay or reimburse you for your legal fees, costs, and expenses which you reasonably incur in legal proceedings initiated against you by a third party (and defended by you) but only where the proceedings are commenced in Australia during the period of insurance.

You must advise us of any such legal proceedings in writing. We only pay legal costs and expenses incurred with our consent.

The maximum we pay is \$5,000 for any one claim or series of claims arising from the same cause or event.

We do not pay or reimburse for proceedings or claims:

- For death, bodily injury to, or disease of, any person.
- For any road traffic or boating offence committed by you.
- For any matter arising out of your business, occupation or profession.
- For any awards of damages made against you.
- for or relating to fines, penalties, punitive damages
- by family members including spouse, ex-spouse, partner, or ex-partner
- for or relating to divorce, separation, child visiting, maintenance property disputes
- for or relating to dishonesty, intentional violence, misconduct
- for or relating to defamation or slander
- relating to facts or occurrences, occurring prior to the commencement of the policy which you knew or ought to have known at the time of commencement of this policy, would, or might, give rise to a claim
- initiated, threatened or commenced prior to the commencement of this policy
- under or relating to any workers compensation legislation, industrial award or agreement, or statutory accident compensation scheme or compulsory third party insurance, or
- which could have been made under Section 3 'Cover for your legal liability' if you had chosen to insure your the buildings (if you own it) or your contents.

#### **18. Waiver of excess if your property is a total loss**

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

#### **19. Temporary accommodation**

We pay the following benefit if your buildings are damaged by an insured event and cannot be lived in:

- **If this policy insures your buildings**

We pay up to \$20,000 or 20% of the sum insured for your buildings, whichever is the higher, for additional cost of reasonable temporary accommodation where the buildings is your principal place of residence.

Included in the above, we pay for the cost of temporary accommodation of your pets in a commercial boarding establishment when we have agreed to pay a claim for your temporary accommodation.

- **If this policy insures your contents**

We pay up to \$20,000 or 20% of the sum insured for your contents, whichever is the higher, for additional cost of reasonable temporary accommodation where you are a tenant or strata title owner permanently residing in the buildings. We will also pay for the removal and storage of your contents for up to a 12 month maximum period.

If you are a tenant, 'additional costs' means costs over and above the amount you were renting the buildings when it was fit to live in.

#### **20. Automatic reinstatement of sum insured**

This benefit applies to the sums insured for buildings and unspecified contents as shown on your policy schedule.

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

- you request otherwise, or
- we tell you otherwise.

## **21. Inflation adjustment**

This benefit only applies to the buildings and contents sums insured as shown on your policy schedule.

During each period of insurance we increase the buildings and contents sums insured by a percentage of the relevant sum insured shown on your current policy schedule per month until the next renewal date according to the movement in the Consumer Price Index or other selected index for that relevant period.

There will be no additional premium payable during the period of insurance. However, at the end of each period of insurance, the renewal premium for the next period of insurance will be calculated on the amount of the amended sum(s) insured.

## **22. Compensation for death, quadriplegia or paraplegia**

If this policy insures your contents in your primary residence:

- we pay to the legal representative of the deceased person up to \$15,000 in the event of death of you or a member of your family normally living with you
- as a direct result of physical injury caused by an event at the situation,

if the event that caused the death also caused damage for which we agree to pay a claim.

We do not pay in any one period of insurance more than \$15,000 in total under this additional benefit.

If you or a member of your family normally living with you is permanently and totally disabled as a direct result of an insured event occurring at the situation, we pay you up to \$15,000.

'Permanent total disablement' means:

Total paralysis of both legs and a part of or the whole of the lower half of the body; or total paralysis of both legs and both arms; which

continues for a period of 12 months, and after that time is considered to be of indefinite duration.

## **23. Modifications to the buildings**

If you or a member of your family normally living with you are permanently and totally disabled as a direct result of an insured event occurring at the situation, we pay up to \$25,000 for the cost incurred by you in modifying your buildings, or in relocating you to a suitable building if you are a tenant.

## **24. Buildings impact**

If your buildings are insured by this policy we will pay up to \$500 to repair or replace an external aerial or satellite dish which is broken or has collapsed.

## **25. Professional fees**

We pay professional fees, which you incur with our consent, in the preparation of any claim you make under this policy.

The maximum we pay in one period of insurance is:

- 20% of your total claims cost, or
- \$5,000,

whichever is the lesser.

## **26. Legal costs**

If this policy insures your buildings we pay the reasonable legal costs incurred in discharging your mortgage following settlement of a claim for total loss.

## **27. Veterinary expenses for domestic cats and dogs**

If this policy insures your contents in your primary residence, we pay the reasonable veterinary expenses incurred by you, if your pet is injured during the period of insurance as a result of fire, lightning, earthquake or a road accident.

We will not pay under this Additional benefit more than \$750 in total in any one period of insurance.

## 28. Temporary protection

If this policy insures your buildings and we agree to pay a claim under this policy, we will also pay the reasonable costs of temporary protection of your buildings. If this policy insures your contents, we also pay for storage charges necessarily and reasonably incurred to protect them from further loss or damage following a claim by fire, storm or rainwater.

## 29. Building materials

We will pay up to \$2,000 in any one period of insurance for loss incurred by you if building materials are lost or damaged at the situation during the period of insurance due to an insured event. Cover only applies to building materials intended to be used for repairs, alterations or additions to your buildings at the situation.

## 30. New replacement residence – temporary cover

We will provide cover for an additional residential building when you purchase it for a maximum of 30 days from the date you sign a contract of purchase. The amount of cover provided is limited to the sum insured on your buildings shown on your policy schedule. We only provide this cover when the residential building is replacing the buildings on your policy schedule as your primary residence.

## 31. Environmental Benefit

Applicable only when you have Contents cover.

If the claim relates to replacement of lost or damaged - refrigerators, freezers, washing machines, clothes dryers and dishwashers, with less than a 3 star energy rating, we will replace these items with items that have a minimum 3 star energy rating.

## Options you can choose for additional premium

The following options may be obtained on application, and for an additional premium:

- Valuables
- Domestic Workers Compensation
- Strata Title Mortgagee's Interest

### Valuables

If you have selected and paid for this valuables option, we insure you and your family:

- (a) anywhere in Australia or New Zealand, and
- (b) for up to 90 days in any one period of insurance, anywhere in the world,

against loss, theft or damage to other valuables or special valuables belonging to you, your family or which you or they are legally responsible.

You can choose to insure your valuables as either:

- (a) other valuables, or
- (b) special valuables.

Your policy schedule indicates whether you have chosen this option and whether you have selected other valuables or special valuables. You can select other valuables without having to specify individual items. If you select other valuables, you are required to nominate a total other valuables sum insured. The maximum amount we will then pay for a claim under the other valuables option is limited to:

- (a) up to \$5,000 for each individual item, pair, set or collection, and
- (b) up to the total sum insured for the total claim.

If you select special valuables, then you must specify each item you wish to insure as a special valuable

and provide valuations and/or receipts, unless we tell you that a valuation is not required.

### **What we insure**

#### **Other valuables**

Other valuables are items of personal property specifically designed to be worn or carried, which includes:

- (a) jewellery
- (b) gold or silver objects
- (c) watches
- (d) sporting equipment, except while in use or play
- (e) camping equipment, back packs and sleeping bags
- (f) photographic equipment including video equipment
- (g) musical equipment
- (h) battery-operated sound equipment
- (i) binoculars
- (j) clothing
- (k) wheelchairs, crutches and walking sticks
- (l) prams or strollers
- (m) luggage
- (n) personal mobile cellular phones, portable computers and other electronic equipment
- (o) hearing aids, contact lenses, eye-glasses
- (p) leisure equipment

#### **Special valuables**

Special valuables including bicycles, if you have chosen to insure them, are those items shown as 'Special valuables' on the policy schedule.

### **What we do not insure**

The following items are not covered under this valuables option:

- (a) Vehicles (including motorcycles and motor scooters), aircraft, aerial devices, watercraft or anything associated with these items.
- (b) Musical instruments and photographic equipment used in connection with a profession, trade or business, or otherwise for reward.
- (c) Cash, negotiables, or financial transaction cards.
- (d) Unset precious or semi-precious stones.
- (e) Items being cleaned, repaired, restored, or on exhibition away from the situation.

The exclusions set out under the heading 'When you are not covered' also apply to this option.

### **How much we will pay for loss or damage**

(a) At our option we will:

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

This means:

- If the loss or damage is to other valuables, we will pay up to the total sum insured for other valuables, but we will not pay more than the limit per item insured.
- For specified items, we will pay up to the sum insured shown against the item insured.

If we choose to pay to replace a special valuable item, we will pay no more than the amount that it would cost us to replace the item with an item substantially the same as, but not better than when new, even if you have specified the valuable for a higher amount, whether or not you have supplied a valuation. We have negotiated special arrangements with various suppliers to purchase items for less than retail cost. Premiums are therefore based upon us replacing items at less than retail cost.

When we pay your claim for all your valuables on the policy being damaged beyond economic repair (or not being recovered), the valuables section of the policy is exhausted and comes to an end.

- (b) If we agree to pay a claim where film, photos, home movies or home videos or any similar recorded material is destroyed, we pay for the replacement with new, blank film, videos or similar (e.g. if a compact disc upon which you had photos stored is destroyed, we would replace it with a new, blank compact disc). We do not pay to reconstruct any circumstances or conditions.
- (c) If we agree to pay a claim where software is lost, damaged or destroyed, we pay the cost to replace it with the nearest equivalent new software. We do not pay for any software that was acquired by you at no cost.
- (d) Where an item required to settle a claim that we agree to pay is not commercially available in Australia, at our option, we will:
  - replace the item with the nearest equivalent or similar new item available in Australia or overseas, or
  - pay the cost to replace the item with the nearest equivalent or similar new item available in Australia or overseas.

#### (e) Pairs and sets

In the event of a total loss of any article or articles which are part of a pair or set, we agree to pay you – at your option, exercisable after the loss – the full amount of the value of such pair or set, and you agree to surrender the remaining article or articles of the pair or set to us

If you elect not to surrender the remaining article(s) of the pair or set to us, then, we pay no more than the actual value of the item. We do not give any allowance for any special value it may have as forming part of a pair or set, or for any reduction in value of the remaining pair or parts.

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

#### Domestic Workers Compensation

(Not applicable in Queensland, Victoria, or South Australia)

Your policy schedule indicates whether you have chosen this option.

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

If you fail to do so, and your employee is injured in the course of their employment by you, you may be liable to compensate them.

Where shown on the policy schedule, this policy includes statutory domestic workers compensation cover according to the legislation in your state or territory, up to the amount required by your state or territory's legislation. On request, we will provide you a copy of the statutory policy.

Cover for workers compensation insurance is provided by Insurance Australia Limited trading as CGU Workers Compensation ABN 11 000 016 722 if your situation is in Western Australia, Tasmania, or Northern Territory.

### Strata Title Mortgagee's Interest

This optional cover applies only if you have arranged this policy to insure only the interest of a mortgagee in a strata title unit.

This cover only applies when you own part of a building that has been subdivided into strata, community or similar title units and you have a mortgage on that part of the building.

We will pay the mortgagee the lowest of:

- (a) the sum insured shown on the Policy schedule
- (b) the amount to repair the damage to a condition similar to but no better than when new
- (c) if the body corporate (or similar) partially covers the loss, then the difference between what the body corporate's insurance pays and the cost of the damage, or
- (d) the amount sufficient to discharge the mortgage held by you over the unit at the date of damage.

We pay only that part of the claim that applies to the interest of the mortgagee.

We only pay a claim if:

- (a) a claim would be payable under insured events (a) to (j) of this Policy (and not subject to any exclusion or other limitation in the Policy)
- (b) the policy of the body corporate or similar does not apply or only partially covers the loss, and
- (c) the mortgagee requires you to discharge your mortgage.

If you have arranged this policy to insure only the interest of a mortgagee in a strata title unit:

- (a) no additional benefits are payable under this policy
- (b) no legal liability cover is provided, and
- (c) no optional covers such as Domestic Workers Compensation or Valuables cover are provided.

## What you must pay if you make a claim – Excess

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

We deduct the excess shown in the policy or on the current policy schedule from the amount of your claim.

Where a sub-limit is applicable, the excess will be applied to the claim prior to applying the sub-limit. For example, if a ring worth \$6,000 was stolen from the buildings and it has not been specified, the \$5,000 per item jewellery sub-limit would apply.

If a \$100 excess was applicable, this would be applied to the \$6,000 claim, rather than the \$5,000 sub-limit. Therefore, \$5,000 would be payable. If the ring had been specified for \$6,000, we would pay \$5,900 – the \$6,000 claim less the \$100 excess. If the stolen ring was worth only \$1,000, we would pay \$900 – \$1,000 less the \$100 excess.

For earthquake or tsunami claims the excess is \$250, or the amount shown on your policy schedule, whichever is greater.

All loss, destruction or damage occurring within a period of 72 hours of the earthquake or tsunami is regarded as the one event.

### When you will not have to pay an excess

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

## When you are not covered

### General exclusions applying to this policy

The following General exclusions apply to all sections of this policy

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

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

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

- involves violence against one or more persons, or
- involves damage to property, or

- endangers life other than that of the person committing the action, or
- creates a risk to health or safety of the public or a section of the public, or
- is designed to interfere with or to disrupt an electronic system.

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

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

#### **Additional exclusions applying to this policy**

These additional exclusions apply to cover for your buildings, contents, additional benefits and valuables (if you have chosen that option).

This policy does not cover:

- (a) Loss or damage intentionally caused by you or a member of your family or a person acting with your consent or the consent of any member of your family.
- (b) Loss or damage resulting from or caused by:
  - The lawful seizure, confiscation, nationalisation or requisition of the property insured.
  - Destruction of or damage to property by any government or public or local authority other than a fire brigade responding to an event insured under this policy.
  - The deliberate application of heat (for example, this would include where an element under or forming part of a ceramic cooktop causes damage to the cooktop).

- Inherent defects, structural defects, faulty workmanship, faulty design or any gradual process.
- Wear, tear, rust, corrosion, depreciation or gradual deterioration.
- Mildew, mould, algae, atmospheric or climatic conditions (other than as described under insured event, (b) storm).
- Settling, shrinkage or expansion in buildings, foundations, walls or pavements.
- The removal or weakening of supports or foundations for the purpose of alterations, additions, renovations or repair.
- Mechanical, electrical or electronic breakdown with the exception of fusion to electric motors as described under insured event (l) or power surge to domestic appliances as described under insured event (m) (under 'Section 2: Cover for your Buildings and Contents – Insured events') or if a claim is payable as the result of a lightning strike under insured event (c) (under 'Section 2: Cover for your Buildings and Contents – Insured events').
- Loss of or damage to electronic data caused by electronic or mechanical derangement or malfunction or by a virus, or processing error.
- Any consequential loss other than that specifically provided by this policy.
- Tree roots.
- Any process of cleaning involving the use of chemicals other than domestic household chemicals.
- Vermin or insects gnawing, biting, chewing, pecking, clawing, scratching or in any way polluting or contaminating your buildings or contents.

For example, if a mouse was to chew through an electrical wire, which led to a fire,

the damage caused directly by the fire would be covered by this policy under insured event (a), however any damage caused by the mouse's chewing would not be covered by this policy.

- Liquid seeping through a wall or floor other than when the liquid escapes as described in insured event (h).
- Water entering the buildings through an opening made for the purpose of alterations, additions, renovations or repair.
- Water entering your buildings because of a structural defect, faulty design or faulty workmanship when your buildings were constructed.
- Erosion, subsidence, landslide or earth movement other than as a direct result of one of the following insured events (refer to items (a), (b), (d) and (h), under 'What you are insured against – and what you are not'):
  - storm
  - earthquake
  - explosion
  - escaping liquid,

and occurring no more than 72 hours after the event.

- The action of the sea, high water, tidal wave.
- Flood.

'Flood' means the inundation of normally dry land by water escaping from any watercourse, lake, canal, dam or reservoir. Flood does not include inundation from rainwater that cannot flow into a stormwater drain because the drain is blocked or backed up.

- (c) Loss or damage to sporting equipment (other than bicycles) while in use or play.

## General conditions

The following General conditions apply to all sections of this policy.

### Changing your policy

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

- (a) we agree to it, and
- (b) we give you a new policy schedule detailing the change.

### Other interests

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

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

### Cancelling your policy

#### How you may cancel this policy

- (a) You may cancel this policy at any time by telling us in writing that you want to cancel it.
- (b) Where 'you' involves more than one person, we will only cancel the policy when a written agreement to cancel the policy is received from all persons named as the insured.

#### How we may cancel this policy

- (a) We may cancel this policy in any of the circumstances permitted by law by informing you in writing.
- (b) We will give you this notice in person or send it to your address last known to us.

### The premium

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

## Notices

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

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

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

## Changes

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

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

- (a) You no longer are the owner occupier of the buildings, because you now let the buildings to tenants or use the buildings as a holiday home.
- (b) you are having renovations undertaken
- (c) your buildings are left vacant or unoccupied for a period exceeding 100 days
- (d) your buildings fall into a state of disrepair
- (e) your buildings are opened up to the public for an exhibition or similar event (including if it is not for reward), or

you are participating in a public exhibition (including if it is not for reward).

## Unoccupancy

If your buildings are unoccupied for more than 100 consecutive days, you must tell us and obtain our written agreement for cover to continue.

If you do not do so, the cover for buildings and contents is limited to lightning, thunderbolt and earthquake for the period in excess of 100 consecutive days during which the buildings have been left unoccupied.

The period of 100 consecutive days is calculated from the date when the buildings were last occupied (as defined) regardless of the commencement or renewal date of the policy.

## Salvage

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

## Burglary protection

If any required burglary protection is noted on your policy schedule, we have agreed to insure your buildings and contents only if those burglary protection devices are installed.

If any of these devices is removed, altered, or left inoperative while you are absent from the situation for more than 24 hours, without our prior consent, we may have the right to:

- (a) decline, or
- (b) reduce, a claim to which this action contributes.

## Care and maintenance

If you do not take reasonable care to:

- (a) protect and maintain the property insured
- (b) prevent damage or injury to others or their property
- (c) minimise the cost of any claim under this policy, or
- (d) comply with all statutory obligations and bylaws or regulations relating to the safety of person or property,

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

### **Adjustment of premium on renewal**

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

### **Providing proof**

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

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

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

### **Other party's interests**

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

### **Preventing our right of recovery**

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

## **Claims**

### **What you must do**

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

- (a) Take all reasonable precautions to prevent further loss, damage or liability.
- (b) Notify the police immediately if any of your property is lost, stolen, or maliciously or intentionally damaged.
- (c) Tell us as soon as possible. You will be provided with a claim form and advice on the procedure to follow.
- (d) Supply us with all information we require to settle or defend the claim.
- (e) Notify us of any other insurance covering the same loss, damage or liability.
- (f) Co-operate with us fully in any action we take if we have a right to recover any money payable under this policy from any other person.
- (g) Advise us of your correct Australian Business Number and Taxable Percentage, if applicable. Any GST liability arising from your incorrect advice is payable by you. When we pay a claim, your GST status will determine the maximum amount we pay. We will (where relevant) pay you on your claim by reference to the GST exclusive amount of any supply made by any business of yours which is relevant to your claim.

As part of CGU's service initiative, you can contact us on 1300 306 497 (24hrs/7 days) to lodge a claim. We can also provide assistance in emergency situations. If needed, we can organise emergency repairs, temporary accommodation and arrange for trades people to attend your home.

If in doubt at any time, contact us or your insurance broker for assistance.

### **What you must not do**

You must not:

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

### **What we do**

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

### **What can affect a claim**

We will reduce the amount of a claim by the excess shown in the policy terms and conditions or on the policy schedule.

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

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

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

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

### **Claim payment examples**

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

#### **Claim Example 1**

Policy type: Building Insurance

Buildings sum insured: \$200,000

Excess: \$100

Loss or damage: Storm damage to your roof.

How we settle your claim:

- We arrange for a builder to repair your roof for \$5,000
- We pay the builder \$4,900
- We ask you to pay the builder the \$100 excess.

#### **Claim Example 2**

Policy type: Contents Insurance

Contents sum insured: \$100,000

Excess: \$100

Loss or damage: Theft of your television.

How we settle your claim:

- Replacement cost of television is \$2,700
- We pay the supplier \$2,600
- We ask you to pay the supplier the \$100 excess.

#### **Claim Example 3**

Policy type: Building and Contents Insurance

Buildings sum insured: \$400,000

Contents sum insured: \$100,000

Excess: \$100

Loss or damage: Your buildings and contents are partially destroyed by fire.

## Notes

We agree that you are unable to live in your buildings and you require alternative accommodation.

How we settle your claim:

- We choose to pay you directly for the damage
- We pay you \$7,900 as follows.
  - Building repairs \$5,000
  - Contents replacement \$2,000
  - Costs for alternative accommodation \$1,000
  - Less excess \$100
  - Total \$7,900

### Claim Example 4

Policy type: Special Valuables option

Item sum insured: Diamond ring - \$8,000

Loss or damage: Your diamond ring is stolen.

How we settle your claim:

- We pay the jeweller \$8,000 to replace your diamond ring. No excess is applicable

#### **UPDATING PRODUCT DISCLOSURE STATEMENT**

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

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## About this booklet

**Preparation date: 05/05/2010**

This booklet contains a Product Disclosure Statement (PDS). The PDS is designed to assist you to make informed choices about your insurance needs. The PDS contains information about costs, our dispute resolution system, your cooling-off rights and other relevant information, including other rights, terms, conditions, exclusions and obligations attaching to this product. Please read this booklet carefully.

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

You should keep your policy booklet and policy schedule together in a safe and convenient place for future reference.

### Our agreement with you

This PDS and the policy schedule form the legal contract between you and us. You pay us the premium, and we provide you with the cover you have chosen as set out in the policy, during the period of insurance shown on your policy schedule or any renewal period. Please keep them in a safe place for future reference.

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

The excesses set out in the section headed 'What you must pay if you make a claim – Excess' apply to all claims except where otherwise stated.

The amount of any excess that applies to your policy will be shown on your policy schedule.

If you require further information about this product, please contact your Financial Services Provider.

### **About CGU Insurance Limited**

CGU is one of Australia's largest intermediary-based general insurers, offering a comprehensive range of commercial, rural and personal insurance products. Today, CGU is proud to be part of Australasia's leading general insurance group, Insurance Australia Group.

### **Insurer**

The policy is underwritten by CGU Insurance Limited. Our Australian Business Number is 27 004 478 371. Our Australian Financial Services Licence Number is 238291.

### **How to contact us**

You may contact us by any of the following ways:

- In person at any CGU Insurance office.
- By telephone on 13 15 32.
- By writing to us at CGU Insurance, GPO Box 9902 in your capital city.
- By email on our website [www.cgu.com.au](http://www.cgu.com.au)

### **The cost of this insurance policy**

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

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

Some factors that impact the calculation of your premium include; where the buildings or contents are located, the sum insured and your previous insurance and claims history.

### **Duty of Disclosure – What you must tell us**

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

### **New business**

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

When answering our questions you must be honest.

### **● Who needs to tell us**

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

### **● If you do not tell us**

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

### **Renewals, variations, extensions and reinstatements**

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

- You do not have to tell us about any matter:
  - that diminishes the risk
  - that is of common knowledge
  - that we know or should know in the ordinary course of our business as an insurer, or
  - which we indicate we do not want to know.

- If you do not tell us

If you do not comply with your Duty of Disclosure, we may reduce or refuse to pay a claim or cancel your policy. If your non-disclosure is fraudulent, we may treat this policy as never having worked.

### **How we handle your personal information**

We are committed to handling your personal information in accordance with the Privacy Act.

We need to collect, use and disclose your personal information in order to consider your application and to provide the cover you have chosen.

You can choose not to give us some or all of your personal information, but this may affect our ability to provide you with cover.

### **When you provide your personal information to us**

You acknowledge and consent to us collecting and using your information to:

- consider your insurance application and any subsequent application for insurance
- underwrite and price any policy issued by us or our related entities
- calculate and offer discounts
- issue you with a policy
- administer the policy, and
- investigate, assess and pay any claim made by or against you.

For these purposes, you acknowledge and consent to us collecting your personal Information from, and disclosing it on a confidential basis to, your intermediary\* or the third party who you have been dealing with in respect to this insurance policy and who referred you to us, other insurers, our related entities, insurance reference bureaus, law enforcement agencies, investigators and recovery agents, lawyers, any credit provider that has security over your property, assessors, repairers, suppliers retained by us to supply goods and services, advisers and/or the agent of any of these.

### **When you provide personal information to us about another person**

You must be authorised to do so, and you must inform that person, unless informing them would pose a serious threat to the life or health of any individual:

- who we are
- how we use and disclose their information, and
- that they can gain access to that information.

### **Privacy of your personal information – for marketing purposes**

In order to enhance their relationship with you, your intermediary may use your personal information that you have provided to us to offer you other products and services, which may be of benefit to you.

### **When you provide your personal information to us – for marketing purposes**

You acknowledge and consent to your personal information being used on a confidential basis by us or your intermediary to contact you by mail, phone or email to provide you information on offers, products and services or for planning, market research and product development.

In using your personal information for these marketing purposes, we and your intermediary may use and disclose your personal information to offer you our or your intermediary's product and services directly, or to any other organisation to carry out the above marketing purposes on our or your intermediary's behalf. However:

- CGU Insurance Ltd (CGU Insurance) and your intermediary will not use your information in this way if you have already told CGU Insurance or your intermediary not to.
- You must inform CGU Insurance or your intermediary if you do not want your personal information disclosed or used for these marketing purposes.

\* The intermediary is a company or individual through which you purchased this insurance, or the company named on the inside front cover of this booklet.

### **General Insurance Code of Practice**

The purpose of the Code is to raise standards of practice and service in the general insurance industry.

The objectives of the Code are:

- to promote better, more informed relations between insurers and their customers
- to improve consumer confidence in the general insurance industry

- to provide better mechanisms for the resolution of complaints and disputes between insurers and their customers, and
- to commit insurers and the professionals they rely upon to higher standards of customer service.

### **Our commitment to you**

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

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

### **How to resolve a complaint or dispute**

#### **1. Talk to us first**

If you have a complaint, the first thing you or your insurance adviser should do is speak to one of our staff. If your complaint relates specifically to a claim, speak with the claims officer managing your claim.

If the staff member or claims officer are unable to resolve the matter for you, you or your insurance adviser may speak to a manager. The manager will usually provide you with a response to your complaint within 15 days. If the timeframe is impractical for any reason such as the need for more information or further investigation, they will discuss with you alternative timeframes. If you are not satisfied with our response or we cannot agree with you on alternative timeframes, you can go to step 2.

#### **2. Seek a review**

If the matter is still not resolved, the manager will refer you or your insurance adviser to the relevant dispute handling department or area who will conduct a review of your dispute and will usually provide you with a response to your dispute within 15 business days. If the timeframe is impractical, we will discuss with you alternative timeframes.

If you are still not satisfied with our response to your dispute or we cannot agree on alternative timeframes, you can go to step 3.

### **3. Seek an external review**

You are entitled to seek an external review of our decision. We will provide you with information about options available to you, including, if appropriate, referring you to the external dispute resolution scheme administered by the Financial Ombudsman Service Limited (FOS).

You will not be able to have your dispute resolved by the FOS if you are not eligible under the FOS's Terms of Reference.

Further information about our complaint and dispute resolution procedures is available by contacting us.

### **Financial Claims Scheme**

You may be entitled to payment under the financial claims scheme in the event that CGU Insurance Limited becomes insolvent. Access to the scheme is subject to eligibility criteria. Information about the scheme can be obtained from the Australian Prudential Regulation Authority (APRA) website at [www.apra.gov.au](http://www.apra.gov.au) and the APRA hotline on 1300 13 10 60.

### **How to make a claim**

Please contact us to make a claim. We will only accept responsibility for repairs or payments to third parties under a claim where you have told us about them beforehand and we have accepted your claim. Full details of what you must do for us to consider your claim are provided at the end of this booklet.

### **Cooling-off information**

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

This cooling-off right does not apply if you have made or are entitled to make a claim.

### **Intermediary remuneration**

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

### **When you are covered**

Your insurance begins when we accept your application. The commencement date of your insurance will be shown on the schedule we will send you.

We will not cover your buildings and your contents for a period of 48 hours from the time of the commencement of your insurance for loss or damage caused by:

- bushfire or grassfire, or
- a named cyclone.

We will provide cover however if:

- This insurance commences directly after another insurance policy covering the same property expired without a break in cover.
- You have entered into a contract of sale to purchase the property.
- You have entered into a contract to lease the property.

The insurance applies for the period for which you have paid us (or agreed to pay us) the premium.

You may pay your premium by cash, cheque or credit card. If your cheque or credit card is dishonoured by your financial institution, you are not insured.

You can also pay your premium by instalments direct from a financial institution account or from your credit card. You cannot make a claim under this policy if you owed us more than one month's premium when the event you want to claim for happened.

If you pay your premium by instalments and you are more than one month behind, we can cancel your policy without notice.

If you have a total loss, we shall deduct the instalments for the remaining period of insurance from the amount we pay you.

**Words with special meanings**

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

If words and terms are used in one section of the policy, we will describe their special meaning in that section.

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

<b>Catastrophic Event or Emergency</b>	a suddenly occurring, major, natural disaster that is insured by this policy, where the resultant damage to property in the vicinity of your buildings and generally is so extensive and widespread that the resultant surge in demand for the materials and labour required to repair buildings, causes a surge in the prices of building repairs.
<b>damage</b>	any form of physical harm to the insured property but does not include wear and tear.
<b>excess</b>	the first amount of any claim, which is your responsibility to contribute. We deduct the excess shown in this PDS or policy schedule from the amount of your claim. When a sub-limit is applicable, the excess will be applied to the claim prior to applying the sub-limit.
<b>flood</b>	The inundation of normally dry land by water escaping from any watercourse, lake, canal, dam or reservoir. Flood does not include inundation from rainwater that cannot flow into a stormwater

	drain because the drain is blocked or backed up
<b>negotiables</b>	treasury notes, savings certificates, stamps, money orders, gift certificates and any other negotiable instruments.
<b>occupied</b>	<p>the buildings is furnished such that it is comfortably habitable and you, your family or someone with your consent has resided in the buildings overnight.</p> <p>To be occupied the buildings must:</p> <ul style="list-style-type: none"> <li>● contain at least one usable bed/mattress</li> <li>● contain at least one dining table or bench, a chair and some other furniture</li> <li>● contain a functioning refrigerator</li> <li>● be connected to the electricity, and</li> <li>● be connected to hot and cold running water.</li> </ul>
<b>period of insurance</b>	the period shown on the policy schedule.
<b>policy schedule</b>	the document we give you which sets out the details of your cover which are personal to you. It forms parts of the policy. It shows the cover and any options that you have selected. When your policy is changed or renewed, we will give you a new policy schedule.
<b>situation</b>	The address shown on your policy schedule where your buildings are located or your contents are kept.

<b>we, our or us</b>	CGU Insurance Limited, ABN 27 004 478 371.
<b>you or your</b>	The person(s), companies or firms named on the current policy schedule as the 'Insured'.
<b>your family</b>	<p>Any member of your family who lives permanently with you, including your partner.</p> <p>Student children of yours or of your partner, boarding at school or university.</p>

## Cover for your Buildings and Contents

This part of the policy contains the following three sections:

- Section 1: What 'Buildings' and 'Contents' mean
- Section 2: Cover for your Buildings and Contents – Accidental Damage
- Section 3: Cover for your Legal Liability

### Section 1: What 'Buildings' and 'Contents' mean

#### Buildings

Your policy schedule indicates whether your buildings is insured and the sum insured.

#### What 'buildings' means

Your 'buildings' are the dwelling used entirely or primarily as a place of residence at the situation shown on the policy schedule.

'Buildings' includes the following:

- (a) Outbuildings, fixtures and structural improvements including in-ground swimming pools, tennis courts, in-ground spas, saunas, jetties and pontoons, all of which are used for domestic purposes.
- (b) Fixed light fittings, fixed wall coverings, fixed ceiling coverings and fixed floor coverings.

- (c) Services (whether underground or not) that are your property or which you are liable to repair or replace or pay the cost of their repair or replacement.
- (d) Landscaping, paved pathways and paved driveways, free standing walls, retaining walls, fences and gates entirely or partly on the situation.

#### What 'buildings' does not mean

'Buildings' does not include:

- (a) Carpets (whether fixed or not), curtains or internal blinds.
- (b) Earth or gravel pathways or driveways or other unpaved surfaces.
- (c) A hotel, motel, nursing home, boarding house or buildings of flats.
- (d) Any building used for any business or trade, except a dwelling used principally as a place of residence that also contains an office or surgery.
- (e) A building in the course of construction.
- (f) A temporary building or structure.
- (g) Trees, shrubs and any other plant life including grass or lawns, soil, sand, gravel, bark or mulch.

#### Contents

Your policy schedule indicates whether your contents are insured and the sums insured.

The total contents sum insured consists of:

- (a) a sum insured for contents, and
- (b) a sum insured for special contents.

Special contents are items of particular value that you have individually listed as specified items and that are listed on the policy schedule under 'Special Contents'.

### What 'contents' means

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

Contents are:

- (a) All household goods (including carpets whether fixed or not), curtains and internal blinds, personal effects, cash, coins and negotiables.
- (b) Articles of special value which you have listed on the policy schedule under 'Special Contents'.
- (c) If you live in a strata title building, the internal paintwork, wallpaper and any fixture or structural improvement within or attached to that residence which the Body Corporate is not required by law to insure.
- (d) If you are a tenant, landlord's fixtures and fittings for which you are legally liable and fixtures and fittings installed by you for your own use.
- (e) Any of the following equipment if it does not require registration:
  - golf buggies
  - motorcycles up to 250cc engine capacity
  - garden equipment, or
  - motorised wheelchairs.
- (f) Canoes, surfboards, surfskis or sailboards, and
  - any other watercraft up to four (4) metres in length.

This means that if the watercraft is not a canoe, surfboard, surf-ski or sailboard and it is longer than four metres, it is not covered.

A watercraft motor:

- not attached to a watercraft, and
  - at the situation,
- will be treated by us as a watercraft accessory.

- (g) Furniture and equipment of an office or surgery used by you or your family in your own business in the buildings and tools and equipment used for earning income by you or your family.

### What contents does not mean

'Contents' does not include:

- (a) Fish, birds or animals of any description.
- (b) Trees, shrubs and any other plant life (other than pot plants).
- (c) Any caravan or trailer.
- (d) Motorised vehicles other than those listed in point (e) under the heading 'What contents means'.
- (e) Watercraft other than those listed in point (f) under the heading 'What contents means'.
- (f) Aircraft or their accessories (other than a non-pilotable model aircraft).
- (g) Accessories or spare parts, keys or remote locking or alarm devices of motor vehicles (including motorcycles and motor scooters), caravans, trailers or watercraft while they are in or on the motor vehicle, caravan, trailer, aircraft or watercraft.
- (h) Photographic and video equipment and musical instruments or musical equipment used for earning any income.
- (i) Any property:
  - illegally in your possession
  - stored in a dangerous and illegal way, or
  - any equipment connected with growing or creating any illegal substance.
- (j) Your buildings or any part of your buildings.
- (k) Pedal cycles while they are used for racing or pacemaking.

Section 2: Cover for your Buildings and Contents – Accidental Damage

What you are insured against, and what you are not

You are insured against, accidental loss or damage (including the Specified Events listed below) to your buildings, contents belonging to you, your family or for which you or they are legally responsible or both at the situation during the period of insurance.

There is also some extended cover provided for your contents under Additional benefit 1 - Temporary Removal, for when your contents are away from the situation.

Specified Events

‘Specified Events’ means loss or damage directly caused by the following events (a) to (s):

- (a) fire
- (b) lightning
- (c) thunderbolt
- (d) explosion
- (e) implosion
- (f) earthquake or tsunami
- (g) subterranean fire
- (h) volcanic eruption
- (i) impact (‘impact’ means a collision of two or more objects)
- (j) aircraft and/or other aerial devices and/or articles dropped from them
- (k) sonic boom
- (l) theft
- (m)

- (n) the acts of persons taking part in riots or civil commotion or of strikes or of locked-out workers or of persons taking part in labour disturbances which do not assume the proportions of or amount to an uprising
- (o) falling objects
- (p) water and/or other liquids and/or substances discharged and/or overflowing and/or leaking from any apparatus and/or appliance and/or pipes
- (q) storm, tempest, rainwater, wind, hail, tornado, cyclone or hurricane, freeze or weight of snow
- (r) power surge
- (s) deliberate or malicious acts

You are NOT insured against theft and deliberate or malicious acts caused by tenants or tenant’s visitors or a tenant’s family.

Whether you have selected cover for your buildings, contents or both is shown on your policy schedule.

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

In addition, you are insured for loss or damage to your buildings, contents or both at the situation, caused directly by any of the events set out in the left column of the following table (except to the extent indicated in the right column of the table).



You are insured against	But not
<p>(a) Mechanical and electrical breakdown</p> <p>Mechanical breakdown means:</p> <p>Any sudden and unforeseen physical loss or damage which may include (but not limited to) the actual fusing, breakdown, seizing, deformation or explosion of any part of the insured item of machinery which is sufficient to prevent the machinery undertaking its normal operation.</p> <p>If your buildings are insured by this policy, we pay for loss or damage caused by mechanical or electrical breakdown to built in:</p> <ul style="list-style-type: none"> <li>• air conditioners and coolers, fans</li> <li>• dishwashers, spas and pool filter motors</li> <li>• vacuum cleaners, security gates or garage doors.</li> </ul> <p>If your contents are insured by this policy, we pay for loss or damage caused by mechanical or electrical breakdown to:</p> <ul style="list-style-type: none"> <li>• refrigerators, freezers, washing machines, clothes dryers</li> </ul>	<p>The mechanical or electrical breakdown of:</p> <ul style="list-style-type: none"> <li>• radios, stereos, CD players or amplifying equipment, televisions, video players</li> <li>• recorders or cameras, microwave ovens</li> <li>• equipment or motors under manufacturer's guarantee or warranty</li> <li>• or any item which is more than 15 years old or fusion of electric motors more than 20 years old from date of purchase or motor rewinding. A 20% p.a. Depreciation applies to the total repairs cost for each year over 15 years old but not exceeding 90% of the total cost after applying your excess applicable.</li> </ul>

You are insured against	But not
<ul style="list-style-type: none"> <li>• portable air conditioners and coolers, portable fans</li> <li>• portable vacuum cleaners, spa and pool filter motors, if the spa or pool motor is not built-in or portable dishwashers</li> <li>• water pumps used for domestic purposes.</li> </ul>	
<p>(b) Spoilage of food</p> <p>If this policy insures your contents, we also pay for spoilage of food in domestic refrigerators or freezers at the situation caused by:</p> <ul style="list-style-type: none"> <li>• breakdown of the refrigerator or freezer</li> <li>• failure of the electricity supply</li> <li>• contamination by lubricant oil or refrigerant</li> <li>• accidental damage to the refrigerator or freezer.</li> </ul>	<p>Spoilage as a result of:</p> <ul style="list-style-type: none"> <li>• strikes</li> <li>• intentionally switching off or disconnecting the electricity supply.</li> </ul>

## How we will pay

### Buildings

#### (a) At our option we:

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

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

- (b) You may choose to have the buildings replaced at another situation, but we do not pay more than for the insured situation.
- (c) If your buildings are damaged beyond economic repair and you do not commence rebuilding within six (6) months of the damage occurring (or any other period which we agree with you in writing), you may have to pay any increase in cost caused by your delay.
- (d) If part of your buildings are damaged and we agree to pay your claim, we pay only for the part or parts of the buildings that actually sustained damage. We do not pay to replace any undamaged materials.

However, if:

- it is impossible to acquire new material to replace the damaged material that reasonably matches the undamaged portion

to a similar extent as immediately prior to the damage occurring, and

- the amount of damaged material that cannot be matched to the undamaged material is more than 40% of the total material that would have to be replaced if all the matching damaged and undamaged material was replaced,

then we will replace both the damaged and undamaged material.

#### Example 1

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

(In addition, we would pay for damage sustained in locating the leak (Additional benefit 25).

#### Example 2

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

- (e) Where materials that are required to settle a claim that we agree to pay are not commercially available in Australia, at our option, we will:
- replace the materials with the nearest equivalent or similar new materials available in Australia or overseas, or

- pay the cost to replace the materials with the nearest equivalent or similar new materials available in Australia or overseas.
- (f) If we agree that the cost to repair or replace your buildings is greater than your buildings sum insured, then we will pay up to 30% more than your buildings sum insured but only if:
- this policy insures your home, and
  - your home is so damaged by an event that is insured by this policy that it is considered by us to be a total loss, and
  - the cost to repair or replace your home is greater than your home sum insured because the increased cost of repairing damage to your home is caused directly by a Catastrophic Event or Emergency

**Example (does not include costs necessary to meet the requirements of any statutory authority)**

Your Building Sum Insured	\$200,000
Cost to rebuild your building immediately prior to event	\$250,000
Cost to rebuild your building immediately after the event	\$270,000
Benefit Payable	\$20,000

## Contents

- (a) At our option, we will:
- repair the damaged items, or
  - replace the items with items substantially the same as, but not better than when new, or
  - pay the reasonable cost of repair or reinstatement to a condition substantially the same as, but not better than when new, or
  - pay up to the sum insured shown on your policy schedule.

If your contents are damaged beyond economic repair, we will pay no more than the reasonable cost of replacement when new even if you have insured for an amount greater than the reasonable cost of replacement when new. When we pay your claim for all your contents being damaged beyond economic repair, the policy is exhausted and comes to an end. We will not pay more than the total contents sum insured for all contents lost or damaged.

- (b) If we agree to pay a claim where film, photos, home movies or home videos or any similar recorded material is destroyed, we pay for the replacement with new, blank film, videos or similar (e.g. if a compact disc upon which you had photos stored is destroyed, we would replace it with a new, blank compact disc). We do not pay to reconstruct any circumstances or conditions.
- (c) If we agree to pay a claim where software is lost, damaged or destroyed, we pay the cost to replace it with the nearest equivalent new software. We do not pay for any software that was acquired by you at no cost.
- (d) Where an item required to settle a claim that we agree to pay is not commercially available in Australia, at our option, we will:
- replace the item with the nearest equivalent or similar new item available in Australia or overseas, or
  - pay the cost to replace the item with the nearest equivalent or similar new item available in Australia or overseas.
- (e) The maximum we pay on the following contents items is shown in the table below. You may obtain higher limits for (a) by having any of these items specified on your policy schedule. We will pay up to the amount specified for each item.

Contents where a maximum limit applies	Maximum limit
(a) Works of art, pictures, tapestries or rugs.	\$20,000 per item
(b) Items of jewellery, gold or silver articles, furs, watches, collections of coins, stamps or medals.	\$10,000 per item and in total 25% of the sum insured for unspecified contents
(c) Equipment used by you or your family for earning income.	\$10,000 in total including a maximum of \$5,000 for business stock kept temporarily in the buildings
(d) Accessories, or spare parts of motor vehicles (including motorcycles and motor scooters), caravans, trailers and watercraft, not in or on the motor vehicle, caravan, trailer or watercraft. We include motor vehicle keys, remote locking or alarm devices as accessories while they are not in or on the motor vehicle, but we do not pay for any re-coding of devices or changing of vehicle locks.	\$2,000 in total
(e) Cash, coins, negotiables or bullion.	\$1,500 in total
(f) Data stored on any computer disk or tape (including cost of data restoration).	\$1,000 in total

#### Note:

Where an item could be classified under more than one of the above maximum limits, (a) through to (f), the lower or lowest limit applies. For example, if an item of unspecified, antique jewellery worth \$11,000 was stolen from the buildings and we agreed to pay the claim, the maximum limit of \$10,000 for jewellery would apply even though there is no sub-limit for antiques. If the item has been specified for \$11,000, then we would pay up to \$11,000 to replace the item. The sum we pay you would be subject to any applicable excess.

If we choose to pay to replace a specified item, we will pay no more than the amount that it would cost us to replace the item with an item substantially the same as, but not better than, when new, even if you have specified the item for a higher amount, whether or not you have supplied a valuation. We have negotiated special arrangements with various suppliers to purchase items for less than retail cost. Premiums are therefore based upon us replacing items at less than retail cost.

#### Antiques

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

#### For example:

An antique sterling silver claret jug created in 1880 is stolen and we agree to pay the claim. A valuation for \$11,000 has been supplied to us. To replace the item with the closest, similar new item would cost \$2,100. At the time of the loss, our inquiries indicate that to replace that antique item at market value would be approximately \$11,000 but there is no equivalent item currently for sale in Australia or

overseas. The market value of the item is higher than the new replacement cost due to the item's antiquity and rarity. In this instance, we would pay you \$11,000 for the jug rather than \$2,100. The sum we pay you would be subject to any applicable excess.

**(f) Floor and wall coverings, blinds and curtains**

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

**(g) Pairs and sets**

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

In the event of a total loss of any article or articles which are part of a pair or set, we agree to pay you – at your option, exercisable after the loss – the full amount of the value of such pair or set, and you agree to surrender the remaining article or articles of the pair or set to us.

If you elect not to surrender the remaining article(s) of the pair or set to us, then we pay no more than the actual value of the item. We do not give any allowance for any special value it may have as forming part of a pair or set, or for any reduction in value of the remaining part or parts.

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

## **Section 3: Cover for your Legal Liability**

### **What you are covered against**

#### **If this policy covers your buildings**

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

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

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

In this section, we include the bordering footpath, land, trees, shrubs and other plant life on the situation as part of your buildings.

#### **If this policy covers your contents**

If this policy covers your contents and, the buildings are your primary residence, we insure you and any member of your family against any claim for compensation or expenses which you or the member of your family become legally liable to pay for:

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

resulting from an occurrence during the period of insurance, anywhere in the world that is not related to the ownership of your buildings.

An 'occurrence' includes continuous or repeated exposure to substantially the same general conditions. We regard all death, bodily injury or loss

or damage to property arising from one original source or cause as one occurrence.

**Personal injury means:**

- (a) Bodily injury, death, sickness, disease, shock, fright, mental anguish, psychiatric or psychological disorder or mental injury,
- (b) The publication or utterance of libellous or slanderous comments.

'Personal injury' does not include the publication or utterance of a libel or slander:

- (a) made prior to the commencement of the period of insurance, or
- (b) made by or at the direction of you with knowledge of its falsity, or
- (c) relating to advertising, broadcasting or telecasting activities by or on behalf of you.

**Property damage means:**

- (a) Physical damage to, or loss or destruction of, tangible property including any resulting loss of use from the damage or destruction.
- (b) Loss of use of tangible property, which has not been physically damaged or destroyed, provided the loss of use is as a direct result of an occurrence.

#### **Additional benefits – Liability**

These additional benefits apply only when you occupy the buildings insured by this policy as your primary residence or this policy insures your contents in your primary residence.

#### **Motor Vehicle Liability**

**What we insure you against:**

- (a) We insure you and any member of your family against any claim for compensation or expenses which you or the member of your family become legally liable to pay for:
  - personal injury to, any person

- the loss of, or damage to, property, arising from the ownership, custody, or use of:

- any vehicle which is a type that is not required to be registered by law
- any motorised wheelchair
- any domestic trailer not attached to any vehicle,

resulting from an occurrence during the period of insurance.

- (b) We also insure you or any member of your family against claims for:

- personal injury caused by you or your family solely as a result of you or your family being passengers in a registered vehicle
- personal injury caused by any registered vehicle if the occurrence causing the death or bodily injury takes place at the situation, during the period of insurance.

#### **When we do not insure you or your family**

We do not insure you or your family:

- (a) If you or your family are entitled to be wholly or partly insured by any compulsory statutory insurance or accident compensation scheme, or would have been, but for failure to register the vehicle or to apply for cover under the scheme or to comply with a term or condition of the scheme.
- (b) If you or your family are entitled to be wholly or partly protected by any other policy of insurance which specifically covers the vehicle (except where this exclusion would contravene s.45 of the Insurance Contracts Act, 1985).
- (c) While any vehicle is used for competitive racing or pacemaking.

### **Committee member of a social or sporting club**

#### **What we insure you against**

We insure you and any member of your family against any claim for compensation or expenses which you or the member of your family become legally liable in Australia to pay for an alleged or actual act or omission arising out of your position as a committee member of a sporting club or social club.

We will not pay if you receive more than \$1,000 per year for holding the position. We only pay for a claim made as a result of an occurrence during the period of insurance.

The most that we will pay under this additional benefit in any one period of insurance is \$10,000.

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

- (a) any act or omission for which you or your family receive reimbursement from the sporting or social club, or
- (b) any act or omission which is committed or alleged to have been committed prior to the period of insurance commencing or after it has ended.

#### **What you are not covered against**

(applies to 'Legal liability' and 'Additional benefits – Liability')

#### **When we do not insure you or your family**

We do not insure you or your family:

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

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

- (a) Any agreement, unless liability would have attached to you or your family if that agreement did not exist, or, unless the agreement is a lease agreement for your residential tenancy.
- (b) Illness or death of or bodily injury to you or to any person who normally lives with you.
- (c) Illness or death of or bodily injury to anyone employed by you or by someone who lives with you if the death or injury arises out of their employment.
- (d) Damage to property belonging to you or any person who normally lives with you or to your or their employees.
- (e) Any workers compensation legislation, industrial award or agreement, or statutory accident compensation scheme.
- (f) The ownership, custody, or use of any lift (other than a lift that exclusively services your home provided that your home is freestanding and solely occupied by you and your family), aerial device or aircraft (except model aircraft or toy kites), aircraft landing area, boat exceeding four (4) metres in length (except canoes, surfboards, surf skis or sailboards) or motorised watercraft in excess of 10 horsepower.
- (g) The conduct of any activity carried on by you or your family for reward except for as a club committee member, provided you do not receive more than \$1,000 per year for holding the position, or babysitting on a casual basis.

Babysitting cannot be considered to be on a casual basis where:

- The babysitting is not of a casual nature.
- Any licence or other permission is required by any government body or public authority in order to legally conduct the babysitting.

- The income derived from babysitting is the primary or only source of the household's income.
- There is a registered business associated with the babysitting.

This exclusion does not apply to a domestic garage sale provided;

- The garage sale is held at the site,
  - the goods sold belong to you or your family or immediate family members that do not live with you,
  - the goods sold are second hand domestic goods only sold in domestic quantities,
  - the sale does not form part of a business, trade or profession,
  - the goods sold have not been purchased for the sole purpose of re-sale, and
  - you do not hold more than one garage sale per period of insurance.
- (h) Vibration or the weakening of, removal of or interference with support to land, buildings or other property.
- (i) Building work, construction or demolition of a building, including the buildings if the value of the work exceeds \$100,000.
- (j) Personal injury to any person arising out of the transmission of any communicable disease by you or your family.
- (k) The ownership of land, buildings or structures other than the buildings insured by this policy.
- (l) Loss, damage, illness or injury intentionally caused by you or a member of your family or a person acting with your consent or the consent of any member of your family unless it was reasonable to reduce loss, damage or injury that otherwise would have occurred.

- (m) The lawful seizure, confiscation, nationalisation or requisition of the property insured.
- (n) Destruction of or damage to property by any government or public or local authority.
- (o) The ownership or use of any motor vehicle other than under the cover given by the 'Additional benefit – Motor Vehicle Liability'.
- (p) Any act or omission that is knowingly illegal, dishonest, fraudulent, wilful, malicious or done with reckless disregard for their consequences by you, your family or a person acting with the consent of you or your family.
- (q) Flood.

#### What we will pay

- (a) We pay up to \$20,000,000 for any one occurrence.
- (b) We do not pay more than this amount in total under all policies we have issued to you which cover the same liability.
- (c) In addition to this amount, we pay legal costs for which we have provided prior written approval.
- (d) In addition to this amount, we pay court appearance expenses which we approve. Court appearance expenses shall include up to \$250 per day but excluding the first day, to a total of \$5,000 in any one period of insurance for proven income loss by you or a member of your family at our request. Provided that we will only reimburse income loss for days on which you are not able to conduct any income-earning activity whatsoever.

## Additional benefits

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

We pay additional benefits 1 to 33 in addition to your sum insured for buildings or contents, depending on the type of cover you have chosen:

### 1. Contents away from the situation

This additional benefit applies if this policy insures your contents in your primary residence.

We insure your contents anywhere:

- in Australia or New Zealand whilst they are temporarily away from the situation, or your student children's contents while your child is temporarily residing and studying away from the situation, and
- worldwide whilst they are temporarily away from the situation, for a period of up to 180 days, in any one period of insurance and also while:
  - (a) in a bank or safe deposit facility, or
  - (b) in a secured storeroom on the premises of a sporting club, where you or your family are a member, or
  - (c) while contained in your student child's locked residence while they are residing and studying away from your situation.

We insure under this additional benefit items that you have purchased in Australia or overseas, provided that:

- you intend to return the item to the situation for an indefinite period,
- the item would be contents as defined in this policy once they are returned to the situation.

But, under this additional benefit 1, we do not insure:

(a) The following items:

- Contents in transit during a permanent removal from the situation (other than as described in 'Additional benefit 11 – Contents being conveyed to your new residence', and covered under 'Additional benefit 2 – Contents in storage'.
- Property used in connection with a profession, trade or business.
- Contents in storage, other than as described in 'Additional benefit 2, – Contents in storage'

or

(b) The following items' accessories or spare parts while they are contained in a tent, vehicle, watercraft, aircraft or in the open air:

- Canoes, surfboards, surf skis and sailboards or other watercraft.
- Ride-on golf buggies and ride-on mowers.
- Motor vehicle (including motorcycle and motorscooters), caravans and trailers.

'Open air' includes non-lockable structures and non-lockable parts of structures not at the situation.

The maximum we pay for items of:

- (i) jewellery, gold or silver articles, furs, watches,
- (ii) collections of any kind,

while they are temporarily removed from your situation, is \$10,000 per item, up to 25% of your unspecified contents sum insured in total, unless you have specified them and they appear on your policy schedule under the Valuables option and you have paid any additional premium.

The maximum we pay for items while they are temporarily removed from your site is subject to the limits described under 'What we will pay' unless you have specified them and they appear on your Policy

Schedule under the Valuables option and you have paid any additional premium

## 2. Contents in storage

If this policy insures your contents, we pay for loss or damage to them caused by an event insured when they are in storage provided you obtain our written agreement before they are put into storage.

We do not pay for:

- your contents stored in open plan storage premises, including furniture repositories, warehouses, factories, or other industrial premises
- your contents stored in shipping containers, or
- any jewellery, or negotiable instruments whilst they are in storage.

## 3. Fees

If this policy insures your buildings, and:

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

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

## 4. Removal of debris

If this policy insures your buildings, and:

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

we pay the reasonable costs of demolition and removal of debris from the situation.

If the damage for which we agree to pay a claim is caused by a fallen tree or branch, which as a result becomes debris, we will remove the tree from the situation. We will remove a standing tree or branch that formed part of the tree that caused the insured damage only if:

- we agree that the remaining tree or branch is unsafe
- the remaining tree or branch only became unsafe as a direct result of the event covered under this policy causing damage to the tree, and
- all necessary approvals have been obtained and removal of the tree or branch would not result in a breach of any laws, bylaws, regulations or contractual obligations.

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

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

If it is not necessary to remove the stump to repair or replace your buildings, then we will pay the cost of treating the stump to prevent re-growth.

If this policy insures your contents, and

- they are damaged as a result of an event insured under this policy, and
- we agree to pay a claim,

we pay the reasonable costs of removal of contents debris from the situation.

## 5. Extra costs of reinstatement

If this policy insures your buildings, and it is damaged as a result of an event insured under this policy, and we agree to pay a claim, we pay up to \$25,000 for the extra costs necessary to meet the requirements of any statutory authority in connection with rebuilding or repairing your buildings at the situation.

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

We do not pay any extra costs which resulted from any notice which a statutory authority served on you before your buildings suffered loss or damage. This benefit shall not be payable in addition to Clause (f) under section: How we will pay - Buildings

#### **6. Illegal use of credit card or financial transaction card**

If this policy insures your contents in your primary residence and a credit card or financial transaction card, mobile phone SIM card or cheque is lost or stolen, we pay up to \$5,000 towards any legal liability you incur from its unauthorised use.

We do not pay if:

- the card does not belong to you or your family
- you have not complied with the card issuer's requirements, or
- the unauthorised user of the card is someone living at the situation.

#### **7. Visitors' or employees' contents**

If this policy insures your contents in your primary residence, we also insure contents up to \$5,000 in total belonging to any visitors or employee temporarily living with you at the situation.

We do not pay for visitors' or employees' contents that are insured under another policy taken out by someone other than you or your family.

#### **8. Replacement of locks and keys**

We pay to replace or alter locks and/or keys, or remote control devices if:

- locks to your buildings or vehicle are damaged, or
- keys to your buildings or vehicle are lost, damaged or stolen from anywhere in Australia.

#### **9. Change of situation**

If this policy insures your contents and you are moving into a new buildings within Australia, we insure your contents at both situations for a

maximum of 45 days. The maximum we pay at each situation will be the proportion of the sum insured that the value of the contents at that situation bears to the total value of the contents at both situations.

You must tell us of your new address within 45 days of first moving to it. If you wish to insure your contents at your new address after that 45 days, we must agree to insure them at that address.

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

#### **10. Contracting purchaser**

If this policy insures your buildings, and you have entered a contract to sell the buildings, this policy insures the purchaser(s) for their respective rights and interests until:

- the sale is completed, or
- the purchaser takes possession of your buildings, or
- the sale is terminated, or
- this policy expires,

whichever happens first.

#### **11. Contents being conveyed to your new residence**

This additional benefit applies if this policy insures your contents in your primary residence.

We insure your contents damaged while they are in a vehicle being used to convey your contents. The damage must occur directly as a result of:

- theft from the conveying vehicle
- fire on the conveying vehicle
- flood damage to the contents in the conveying vehicle
- collision and/or overturning of the conveying vehicle,

while your contents are in transit by road or rail to:

- your new principal place of residence, or
- a storage facility at which your contents or some of your contents will be temporarily located pending conveyance to your new principal place of residence,

within Australia.

We do not insure your contents:

- For removal to any residence other than one intended to be occupied by you as your principal residence.

#### **12. Trees, shrubs and plants**

If you occupy the buildings insured by this policy as your primary residence, we pay for damage caused directly by accidental or malicious damage to trees, shrubs, hedges, lawns or plants except for specified event (q). In relation to specified event (q), we pay no more than \$5,000 per event. We only repair or replace trees, plants or shrubs, that are so damaged that they die, are permanently disfigured or not recovered after being stolen.

#### **13. Veterinary expenses for domestic cats and dogs**

If this policy insures your contents in your primary residence, we pay the reasonable veterinary expenses incurred by you, if your pet is injured during the period of insurance as a result of fire, lightning, earthquake or a road accident.

We will not pay under this additional benefit more than \$1,000 in total in any one period of insurance.

#### **14. Taxation audit**

If you occupy the buildings insured by this policy as your primary residence or this policy insures your contents in your primary residence, we will pay or reimburse you for accountant's fees which you reasonably incur as a result of your personal taxation affairs being audited by the Australian Taxation Office.

The maximum we pay is \$5,000 for any one audit.

We do not pay or reimburse you for:

- Any fines, penalties or shortfall in the amount of tax payable.
- Any audit conducted in relation to criminal activity.
- Any audit not commenced during the period of insurance.
- Any fees incurred outside any statutory time limit.
- Any fees incurred as a result of any fraudulent act or fraudulent admission or any statement made by you or on your behalf to a taxation officer which:
  - is false or misleading in a material particular, and
  - can be attributed to deliberate evasion or recklessness as stipulated in income tax ruling IT2517.
- Any audit conducted in relation to any facts or circumstances of which you were aware, or ought to have been aware, prior to the commencement of this policy which were likely to lead to your making a claim under this policy, or
- any fees incurred in relation to any enquiries from the Australian Taxation Office which are not related to an identified intention to conduct an audit.

#### **15. Legal defence costs**

If you occupy the buildings insured by this policy as your primary residence or this policy insures your contents in your primary residence, we will pay or reimburse you for your legal fees, costs, and expenses which you reasonably incur in legal proceedings initiated by you or against you by a third party (and defended by you) but only where the proceedings are commenced in Australia during the period of insurance.

You must advise us of any such legal proceedings in writing. We only pay legal costs and expenses incurred with our consent.

The maximum we pay is \$5,000 for any one claim or series of claims arising from the same cause or event.

We do not pay or reimburse for proceedings or claims:

- For death, bodily injury to, or disease of, any person.
- For any road traffic or boating offence committed by you.
- For any matter arising out of your business, occupation or profession.
- For any awards of damages made against you.
- For or relating to fines, penalties, punitive damages.
- By family members including spouse, ex-spouse, partner, or ex-partner.
- For or relating to divorce, separation, child visiting, maintenance, property disputes.
- For or relating to dishonesty, intentional violence, or misconduct.
- For or relating to defamation or slander.
- Relating to facts or occurrences, occurring prior to the commencement of the policy which you knew or ought to have known at the time of commencement of this policy, would, or might, give rise to a claim.
- Initiated, threatened or commenced prior to the commencement of this policy.
- Under or relating to any workers compensation legislation, industrial award or agreement, or statutory accident compensation scheme or compulsory third party insurance, or

- which could have been made under Section 3 'Cover for your legal liability' if you had chosen to insure your buildings (if you own it) or your contents.

#### **16. Monitored alarm attendance after burglary**

If this policy insures your contents in your primary residence, we will pay up to \$2,500 for the reasonable costs actually incurred by you for the security firm that monitors your burglar alarm to attend your buildings during or immediately after an actual or attempted burglary from your buildings.

We do not pay:

- for any false alarms, or
- where there is no evidence of a burglary or an attempted burglary.

#### **17. Loss of documents**

If this policy insures your contents in your primary residence we will pay up to \$1,000 for the costs to reinstate, reproduce or restore your documents directly damaged by an event that has caused a claim that we agree to pay, whilst contained in the buildings or security vault. This includes the information contained on the documents.

#### **18. Waiver of excess if your property is a total loss**

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

#### **19. Temporary accommodation**

We pay the following benefit if your buildings are damaged by an insured event and cannot be lived in:

- **If this policy insures your buildings**

We pay up to \$20,000 or 20% of the sum insured for your buildings, whichever is the higher, for additional cost of reasonable temporary accommodation where the buildings is your principal place of residence.

Included in the above, we pay for the cost of temporary accommodation of your pets in a commercial boarding establishment when we have agreed to pay a claim for your temporary accommodation.

- **If this policy insures your contents**

We pay up to \$20,000 or 20% of the sum insured for your contents, whichever is the higher, for additional cost of reasonable temporary accommodation where you are a tenant or strata title owner permanently residing in the buildings. We will also pay for the removal and storage of your contents for up to a 12 month maximum period.

If you are a tenant, 'additional costs' means costs over and above the amount you were renting the buildings when it was fit to live in.

- **Forced evacuation by Government Authority**

If you cannot live at the situation because a government authority denies you access, we will pay any increase in your living expenses that is necessary and reasonable to maintain your normal standard of living for up to 60 days. The denial must be as a direct result of damage to neighbouring premises that would be classed as insured damage under this policy. We will not cover loss due to cancellation of a lease or agreement.

- **20. Automatic reinstatement of sum insured**

This benefit applies to the sums insured for buildings and unspecified contents as shown on your policy schedule.

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

- you request otherwise, or
- we tell you otherwise.

## **21. Inflation adjustment**

This benefit only applies to your buildings and contents sums insured as shown on the policy schedule.

During each period of insurance we increase the buildings and contents sums insured by a percentage of the relevant sum insured shown on your current policy schedule per month until the next renewal date according to the movement in the Consumer Price Index or other selected index for that relevant period.

There will be no additional premium payable during the period of insurance. However, at the end of each period of insurance the renewal premium for the next period of insurance will be calculated on the amount of the amended sum(s) insured.

## **22. Compensation for death, quadriplegia or paraplegia**

If this policy insures your contents in your primary residence:

- we pay to the legal representative of the deceased person up to \$15,000 in the event of death of you or a member of your family normally living with you
- as a direct result of physical injury caused by an event at the situation,

if the event that caused the death also caused damage for which we agree to pay a claim.

We do not pay in any one period of insurance more than \$15,000 in total under this additional benefit.

If you or a member of your family normally living with you are permanently and totally disabled as a direct result of an insured event occurring at the situation, we pay you up to \$15,000.

'Permanent total disablement' means:

Total paralysis of both legs and a part of or the whole of the lower half of the body; or total paralysis of both legs and both arms; which continues for a period of 12 months, and after that time is considered to be of indefinite duration.

### **23. Modifications to the buildings**

If you or a member of your family living with you are permanently and totally disabled as a direct result of an insured event occurring at the situation, we pay up to \$25,000 for the cost incurred by you in modifying your buildings, or in relocating you to a suitable buildings if you are a tenant.

### **24. Legal costs**

If this policy insures your buildings, we pay the reasonable legal costs incurred in discharging your mortgage following settlement of a claim for total loss.

### **25. Location costs – escaping liquid**

If this policy insures your buildings and we pay for damage caused by liquid escaping from any fixed basin, shower base, or other fixed apparatus, fixed tanks, or fixed pipes used to hold or carry liquid, we will also pay the reasonable costs of locating the cause of the damage, and of reinstating the property damaged or disturbed in the course of work.

We do not pay for repair or replacement of the apparatus, tank or pipe itself.

### **26. Professional fees**

We pay professional fees which you incur, with our consent, in the preparation of your claim.

The maximum we pay in one period of insurance is:

- 20% of your total claims cost, or
- \$5,000,

whichever is the lesser.

### **27. Counselling**

If your buildings is insured by this policy as your primary residence or this policy insures your contents in your primary residence, and you or a member of your family require counselling as a direct result of an insured event at the situation, we will pay up to \$1,000 per event for this professional service.

We do not insure you or your family for any payment that would contravene any legislation, including but not limited to, the National Health Act (1953).

### **28. Temporary protection**

If this policy insures your buildings and we agree to pay a claim under this policy, we will also pay the reasonable costs of temporary protection of your buildings. If this policy insures your contents, we also pay for storage charges necessarily and reasonably incurred to protect them from further loss or damage following a claim by fire, storm or rainwater.

### **29. Building materials**

We will pay up to \$2,000 in any one period of insurance for loss incurred by you if building materials are lost or damaged at the situation during the period of insurance due to an insured event. Cover only applies to building materials intended to be used for repairs, alterations or additions to your buildings at the situation.

### **30. New replacement residence – temporary cover**

We will provide cover for an additional residential building when you purchase it for a maximum of 30 days from the date you sign a contract of purchase. The amount of cover provided is limited to the sum insured on your buildings shown on your policy schedule. We only provide this cover when the residential building is replacing the buildings on your policy schedule as your primary residence.

### 31. Fire Brigade attendance fees

If a fire brigade is called to protect your buildings or its grounds against fire or another emergency, we will pay up to \$500 for any charges imposed by law.

### 32. Identity fraud

If this policy insures your contents in your primary residence and your identity is lost and/or stolen by someone knowingly using your personal details without lawful authority for fraudulent use and/or financial gain, we will pay up to \$5,000 in any one period of insurance for your costs and expenses incurred to restore your identity from its unauthorized use. Our liability under this 'additional benefit 32' is limited as follows:

- Legal expenses for defence against a business or its collection agency from which goods or services have been purchased fraudulently.
- Legal expenses for removal of any wrongfully recorded civil or criminal prosecutions or to challenge consequent incorrect information available on your consumer credit report.
- Loss of wages that would have been earned but were not, solely because it was necessary for you to rectify records in relation to your true name or identity.
- Loan application fees incurred as a result of re-applying for loans because you have been allotted incorrect credit information due to fraud.
- Costs for notarizing affidavits, telephone calls and certified mail expenses to law enforcement and/or financial institutions.
- Reasonable legal fees and court costs, if incurred with our approval.

We will not pay any claim where the identity theft:

- Is caused by:
  - You or your collusion.
  - Your family or their collusion.
  - An ex-partner.
  - Someone who normally lives with you.
- Arises out of:
  - You or your family committing an illegal or dishonest act.
  - You breaching any security requirements or conditions imposed by any financial institution, such as in relation to your password or personal identification number of personal access number.
  - If you are not an Australian resident.
  - Business interruption in relation to any business.

We do not re-pay any loans or other amounts fraudulently procured in your name. We do not pay any fines or for any infringements or penalties imposed. We do not pay any costs that are or could be reimbursed from another party, for example, a financial institution.

### 33. Environmental Benefit

Applicable only when you have Contents cover.

If the claim relates to replacement of lost or damaged - refrigerators, freezers, washing machines, clothes dryers and dishwashers, with less than a 3 star energy rating, we will replace these items with items that have a minimum 3 star energy rating.

## Options you can choose for additional premium

The following options may be obtained on application, and for an additional premium:

- Valuables
- Domestic Workers Compensation
- Strata Title Mortgagee's Interest

### Valuables

This policy automatically covers these items (i) and (ii) while they are temporarily removed from the situation under Additional benefit 1, for \$10,000 per item up to 25% of your contents sum insured. However, if you wish to insure items while they are temporarily removed from the situation for amounts greater than this, then you need to select and pay for either other valuables and /or special valuables.

If you have selected and paid for this valuables option, we insure you and your family:

- (a) anywhere in Australia or New Zealand, and
- (b) for up to 180 days in any one period of insurance, anywhere in the world,

against loss, theft or damage to other valuables or special valuables belonging to you, your family or which you or they are legally responsible including:

- (i) Jewellery, gold or silver articles, furs, watches.
- (ii) Collections of any kind.

You can choose to insure your valuables as either:

- other valuables, or
- special valuables.

Your policy schedule indicates whether you have chosen this option and whether you have selected other valuables or special valuables. You can select

other valuables without having to specify individual items. If you select other valuables, you are required to nominate a total other valuables sum insured. The maximum amount we will then pay for a claim under the other valuables option is limited to:

- (a) up to \$10,000 for each individual item, pair, set or collection, and
- (b) up to the total sum insured for the total claim.

If you select special valuables, then you must specify each item you wish to insure as a special valuable and provide valuations and/or receipts, unless we tell you that a valuation is not required.

There are some limitations below and under 'When you are not covered', which you must read.

Your policy schedule indicates whether you have chosen this Valuables option.

### Special valuables

Special valuables including bicycles, if you have chosen to insure them, are those items shown as 'Special valuables' on the policy schedule.

### What we do not insure

The following items are not covered under this Valuables option:

- (a) Vehicles (including motorcycles and motor scooters), aircraft, aerial devices, watercraft or anything associated with these items.
- (b) Musical instruments and photographic equipment used in connection with a profession, trade or business, or otherwise for reward.
- (c) Cash, negotiables, or financial transaction cards.
- (d) Unset precious or semi-precious stones.
- (e) Items being cleaned, repaired, restored, or on exhibition away from the situation.

The exclusions set out under the heading 'When you are not covered' also apply to this option.

### How much we will pay for loss or damage

(a) At our option we:

- repair the damaged item
- replace the lost or damaged item with an item substantially the same as, but not better than when new
- pay the reasonable cost of repair or reinstatement to a condition substantially the same as, but not better than when new, or
- pay up to the sum insured shown on your policy schedule against the item.

If we choose to pay to replace an other valuable or special valuable item, we will pay no more than the amount that it would cost us to replace the item with an item substantially the same as, but not better than when new, even if you have specified the valuable for a higher amount, whether or not you have supplied a valuation. We have negotiated special arrangements with various suppliers to purchase items for less than retail cost. Premiums are therefore based upon us replacing items at less than retail cost.

When we pay your claim for all your valuables on the policy being damaged beyond economic repair (or not being recovered), the valuables section of the policy is exhausted and comes to an end.

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

software. We do not pay for any software that was acquired by you at no cost.

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

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

(e) Pairs and sets

In the event of a total loss of any article or articles which are part of a pair or set, we agree to pay you – at your option, exercisable after the loss – the full amount of the value of such pair or set, and you agree to surrender the remaining article or articles of the pair or set to us.

If you elect not to surrender the remaining article(s) of the pair or set to us, then we pay no more than the actual value of the item. We do not give any allowance for any special value it may have as forming part of a pair or set, or for any reduction in value of the remaining part or parts.

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

### Domestic Workers Compensation

(Not applicable in Queensland, Victoria, or South Australia)

Your policy schedule indicates whether you have chosen this option.

If you employ a domestic worker, on a casual basis or otherwise, you may be required by law to

provide that person with workers compensation insurance.

If you fail to do so, and your employee is injured in the course of their employment by you, you may be liable to compensate them.

Where shown on the policy schedule, this policy includes statutory domestic workers compensation cover according to the legislation in your state or territory, up to the amount required by your state or territory's legislation. On request, we will provide you a copy of the statutory policy.

Cover for workers' compensation insurance is provided by Insurance Australia Limited trading as CGU Workers Compensation ABN 11 000 016 722 if your situation is in Western Australia, Tasmania, or Northern Territory.

#### **Strata title Mortgagee's Interest**

This optional cover applies only if you have arranged this policy to insure only the interest of a mortgagee in a strata title unit.

This cover only applies when you own part of a building that has been subdivided into strata, community or similar title units and you have a mortgage on that part of the building.

We will pay the mortgagee the lowest of:

- (a) the sum insured shown on the policy schedule
- (b) the amount to repair the damage to a condition similar to but no better than when new
- (c) if the body corporate (or similar) partially covers the loss, then the difference between what the body corporate's insurance pays and the cost of the damage, or
- (d) the amount sufficient to discharge the mortgage held by you over the unit at the date of damage.

We pay only that part of the claim that applies to the interest of the mortgagee.

We only pay a claim if:

- (a) a claim would be payable under this policy (and not subject to any exclusion or other limitation in the policy)
- (b) the policy of the body corporate or similar does not apply or only partially covers the loss, and
- (c) the mortgagee requires you to discharge your mortgage.

If you have arranged this policy to insure only the interest of a mortgagee in a strata title unit:

- (a) no additional benefits are payable under this policy
- (b) no legal liability cover is provided, and
- (c) no optional covers such as Domestic Workers Compensation, or Valuables Cover are provided.

## What you must pay if you make a claim – Excess

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

We deduct the excess shown in the policy or on the current policy schedule from the amount of your claim.

Where a sub-limit is applicable, the excess will be applied to the claim prior to applying the sub-limit. For example, if a ring worth \$11,500 was stolen from the buildings and it has not been specified, the \$10,000 per item jewellery sub-limit would apply.

If a \$100 excess was applicable, this would be applied to the \$11,500 claim, rather than the \$10,000 sub-limit. Therefore, \$10,000 would be payable. If the ring had been specified for \$11,500, we would pay \$11,400 – the \$11,500 claim less the \$100 excess. If the stolen ring was worth only \$1,000, we would pay \$900 – \$1,000 less the \$100 excess.

For earthquake or tsunami claims the excess is \$250, or the amount shown on your policy schedule, whichever is greater.

All loss, destruction or damage occurring within a period of 72 hours of the earthquake or tsunami is regarded as the one event.

### When you will not have to pay an excess

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

## When you are not covered

### General exclusions applying to this policy

The following General exclusions apply to all sections of this policy

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

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

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

- involves violence against one or more persons, or

- involves damage to property, or
  - endangers life other than that of the person committing the action, or
  - creates a risk to health or safety of the public or a section of the public, or
  - is designed to interfere with or to disrupt an electronic system.
- (c) Radioactivity or the use, existence or escape of any nuclear fuel, nuclear material, or nuclear waste or action of nuclear fission or fusion.

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

#### **Additional exclusions applying to this policy**

These additional exclusions apply to cover for your buildings, contents, additional benefits and valuables (if you have chosen that option).

This policy does not cover:

- (a) Loss or damage intentionally caused by you or a member of your family or a person acting with your consent or the consent of any member of your family.
- (b) Loss or damage resulting from or caused by:
- The lawful seizure, confiscation, nationalisation or requisition of the property insured.
  - Destruction of or damage to property by any government or public or local authority other than a fire brigade responding to an event insured under this policy.

- Flood.  
‘Flood’ means the inundation of normally dry land by water escaping from any watercourse, lake, canal, dam or reservoir. Flood does not include inundation from rainwater that cannot flow into a stormwater drain because the drain is blocked or backed up
- Erosion, subsidence, landslide or earth movement other than as a direct result of:
  - storm
  - earthquake
  - explosion
  - escaping liquid,
 and occurring no more than 72 hours after the event.
- The action of the sea, high water, tidal wave.
- Water seeping through a wall or floor, other than escaping from a gutter, drain, tank, pipe, waterbed or other apparatus designed to store or carry any liquid located on or outside the buildings situation.
- Water entering the buildings through an opening made for the purpose of alterations, additions, renovations or repair.
- Water entering your buildings because of a structural defect, faulty design or faulty workmanship when your buildings were constructed.
- Inherent defects, structural defects, faulty workmanship or faulty design.
- Wear, tear, rust, corrosion, depreciation or gradual deterioration.
- Mildew, mould, algae, atmospheric or climatic conditions (other than storm).
- Settling, shrinkage or expansion in buildings, foundations, walls or pavements.

- The removal or weakening of supports or foundations for the purpose of alterations additions, renovations or repair.
- Any consequential loss other than that specifically provided by this policy.
- Vermin or insects gnawing, biting, chewing, pecking, clawing, scratching or in any way polluting or contaminating your buildings or contents.

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

- The deliberate application of heat (for example, this would include where an element under or forming part of a ceramic cooktop causes damage to the cooktop).
- Any process of cleaning involving the use of chemicals, other than domestic household chemicals.
- Tree roots.
- Malicious damage or vandalism by a tenant.
- Theft from any part of the buildings which you share with another person who is not insured under this policy.
- Theft by a tenant.
- Deliberate or intentional acts by a tenant.

(c) Loss or damage to:

- Sporting equipment (other than bicycles) while in use or play.
- Electronic data unless the loss or damage is caused by a Specified Event (a) through to (r) listed under 'What you are insured against, and what you are not'.

For the purposes of this exclusion, electronic data means any facts, concepts or information converted to a form usable for communication, display, distribution, processing by electronic, or electromechanical data processing, or electronically controlled equipment which includes but is not limited to programs, software or other coded instructions for such equipment.

For example: You are not covered for any damage to any information on your computer including any computer program caused by a virus, trojan horse, worm or computer hacking.

## General conditions

The following General conditions apply to all sections of this policy.

### Changing your policy

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

- (a) We agree to it, and
- (b) We give you a new policy schedule detailing the change.

### Other interests

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

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

### Cancelling your policy

#### How you may cancel this policy

- (a) You may cancel this policy at any time by telling us in writing that you want to cancel it.
- (b) Where 'you' involves more than one person, we will only cancel the policy when a written agreement to cancel the policy is received from all persons named as the insured.

#### How we may cancel this policy

- (a) We may cancel this policy in any of the circumstances permitted by law by informing you in writing.
- (b) We will give you this notice in person or send it to your address last known to us.

### The premium

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

## Notices

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

- (a) If it is delivered to you personally, or
- (b) If it is delivered or posted to your address last known to us.

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

## Changes

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

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

- (a) You no longer are the owner occupier of the buildings, because you now let the buildings to tenants or use the buildings as a holiday buildings.
- (b) You are having renovations undertaken.
- (c) Your buildings are left vacant or unoccupied for a period exceeding 100 days.
- (d) Your buildings fall into a state of disrepair
- (e) Your buildings are opened up to the public for an exhibition or similar event (including if it is not for reward), or
- (f) You are participating in a public exhibition (including if it is not for reward).

## Unoccupancy

If your buildings are unoccupied for more than 100 consecutive days, you must tell us and obtain our written agreement for cover to continue.

If you do not do so, the cover for buildings and contents is limited to lightning, thunderbolt and earthquake, and impact by a vehicle, aircraft or

waterborne craft, space debris, aircraft, rocket, or satellite for the period in excess of 100 consecutive days during which the buildings has been left unoccupied.

The period of 100 consecutive days is calculated from the date when the buildings were last occupied (as defined) regardless of the commencement or renewal date of the policy.

### **Salvage**

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

### **Burglary protection**

If any required burglary protection is noted on your policy schedule, we have agreed to insure your buildings and contents only if those burglary protection devices are installed.

If any of these devices is removed, altered, or left inoperative while you are absent from the situation for more than 24 hours, without our prior consent, we may have the right to:

- (a) Decline, or
- (b) Reduce,

a claim to which this action contributes.

### **Care and maintenance**

If you do not take reasonable care to:

- (a) Protect and maintain the property insured.
- (b) Prevent damage or injury to others or their property.
- (c) Minimise the cost of any claim under this policy, or

- (d) Comply with all statutory obligations and bylaws or regulations relating to the safety of person or property,

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

### **Adjustment of premium on renewal**

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

### **Providing proof**

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

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

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

### **Other party's interests**

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

### **Preventing our right of recovery**

If you have agreed not to seek compensation from another person who is liable to compensate you for any loss, damage or liability which is covered by this

policy, we will not cover you under this policy for that loss, damage or liability.

## Claims

### What you must do

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

- (a) Take all reasonable precautions to prevent further loss, damage or liability.
- (b) Notify the police immediately if:
  - any of your property is lost, stolen, or maliciously or intentionally damaged, or
  - you become aware that you have become a victim of identity fraud.
- (c) Tell us as soon as possible. You will be provided with a claim form and advice on the procedure to follow.
- (d) Supply us with all information we require to settle or defend the claim.
- (e) Notify us of any other insurance covering the same loss, damage or liability.
- (f) Co-operate with us fully in any action we take if we have a right to recover any money payable under this policy from any other person.
- (g) Advise us of your correct Australian Business Number and Taxable Percentage, if applicable. Any GST liability arising from your incorrect advice is payable by you. When we pay a claim, your GST status will determine the maximum amount we pay. We will (where relevant) pay you on your claim by reference to the GST exclusive amount of any supply made by any business of yours which is relevant to your claim.

As part of CGU's service initiative, you can contact us on **1300 306 497** (24hrs/7 days) to lodge a claim. We can also provide assistance in emergency situations. If needed, we can organise emergency

repairs, temporary accommodation and arrange for trades people to attend your home.

If in doubt at any time, contact us or your insurance broker for assistance.

### What you must not do

You must not:

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

### What we do

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

### What can affect a claim

We will reduce the amount of a claim by the excess shown in the policy terms and conditions or on the policy schedule.

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

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

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

- (a) It is in any way fraudulent, or
- (b) Any fraudulent means or devices are used by you or anyone acting on your behalf to obtain any benefits under this policy.

#### **Claim payment examples**

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

##### **Claim Example 1**

Policy type: Building Insurance

Buildings sum insured: \$200,000

Excess: \$100

Loss or damage: Storm damage to your roof.

How we settle your claim:

- We arrange for a builder to repair your roof for \$15,000
- We pay the builder \$14,900
- We ask you to pay the builder the \$100 excess.

##### **Claim Example 2**

Policy type: Contents Insurance

Contents sum insured: \$100,000

Excess: \$100

Loss or damage: Theft of your television.

How we settle your claim:

- Replacement cost of television is \$4,700
- We pay the supplier \$4,600
- We ask you to pay the supplier the \$100 excess.

##### **Claim Example 3**

Policy type: Building and Contents Insurance

Buildings sum insured: \$400,000

Contents sum insured: \$100,000

Excess: \$100

Loss or damage: Your buildings and contents are partially destroyed by fire. We agree that you are unable to live in your buildings and you require alternative accommodation.

How we settle your claim:

- We choose to pay you directly for the damage
- We pay you \$17,900 as follows.
  - Building repairs \$9,000
  - Contents replacement \$4,000
  - Costs for alternative accommodation \$5,000
  - Less excess \$100
  - Total \$17,900

##### **Claim Example 4**

Policy type: Special Valuables option

Item sum insured: Diamond ring - \$12,000

Loss or damage: Your diamond ring is stolen.

How we settle your claim:

- We pay the jeweller \$12,000 to replace your diamond ring. No excess is applicable

## Notes

#### **UPDATING PRODUCT DISCLOSURE STATEMENT**

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

# accidental damage home

insurance product disclosure  
statement and policy



Insurer



### **Updating product disclosure statement**

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

**accidental damage**  
home insurance product  
disclosure statement and policy



# accidental damage home

Preparation date: 05/03/2010

Insurer: **CGU Insurance Limited**  
ABN 27 004 478 371  
AFS Licence No. 238291

# Welcome to the Steadfast Accidental Damage Home Insurance Policy

## About Steadfast

Steadfast is an unlisted public company comprising over 260 shareholders. Each shareholder is an independent insurance brokerage. This policy is available exclusively to you through shareholders of Steadfast Group Limited. Steadfast Group Limited does not issue, guarantee or underwrite this policy.

## Important information about Steadfast's advice

Any advice Steadfast gives about this policy does not take into account any of your particular objectives, financial situation or needs. For this reason, before you act on Steadfast's advice, you should consider the appropriateness of the advice taking into account your own objectives, financial situation and needs. Before you make any decisions about whether to acquire this policy, we recommend you read this PDS.

# Steadfast Accidental Damage Home Insurance Product Disclosure Statement

This Product Disclosure Statement (PDS) contains two sections:

- ◆ **Important Information** – contains general information about your Accidental Damage Home Insurance policy; and
- ◆ **The Steadfast Accidental Damage Home Insurance Policy** – contains the terms and conditions of your Accidental Damage Home Insurance Policy.

To assist you to locate specific items in this PDS, a table of contents is provided on page 3 and an index is provided at the back of this booklet.

Please read this PDS before you apply for insurance.

If we accept your application for insurance, you will receive a schedule that sets out details of the insurance you have taken out.

If you need more information about this PDS or your policy, please contact your insurance adviser.

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An index is provided at the back of this booklet to assist you to locate specific items.

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## Important information

### The purpose of this PDS

The PDS has been prepared to assist you in understanding your Accidental Damage Home Insurance policy and making an informed choice about your insurance needs.

This PDS sets out important information about the insurance and the terms and conditions and limitations of the policy. The policy terms and conditions are set out in this PDS under the heading 'The Steadfast Accidental Damage Home Insurance Policy' commencing on page 16.

### Who is the insurer

CGU Insurance Limited is the insurer providing the cover under 'Section 1 – Buildings and contents' and 'Section 2 – Valuable items'.

Our Australian Business Number is 27 004 478 371.

Our Australian Financial Services Licence Number is 238291.

Insurance Australia Limited ABN 11 000 016 722 trading as CGU Workers' Compensation is the insurer providing the cover under 'Section 3 – Workers' compensation' if your situation is in Western Australia, Tasmania or Northern Territory.

In this policy, the insurer is called 'we', 'us' or 'our'.

### How to contact us

You may contact us by any of the following ways:

- ◆ In person at any CGU Insurance office.
- ◆ By telephone on 13 15 32.
- ◆ By writing to us at CGU Insurance, GPO Box 9902 in your capital city.
- ◆ By email on our website [www.cgu.com.au](http://www.cgu.com.au)

### **Your cooling-off period**

We will refund all premium paid for cover under your policy if you request cancellation within 30 days of its commencement.

To do this, you must advise us in writing and return the schedule to your nearest CGU Insurance office.

You will not receive a refund if you have made a claim under your policy.

### **How to apply for insurance**

Complete our application form. If we accept your application for insurance, you will receive a schedule that sets out details of the insurance you have taken out.

### **How to make a claim**

When something happens that you believe you can claim for, please contact your nearest CGU Insurance office, or call 13 15 32. Details about making a claim are shown in the insurance policy terms and conditions under 'How to make a claim'.

### **Calculating your premium**

The premium payable by you for this insurance will be shown on your schedule. The key factors that influence the premium calculation are reflected in the questions asked, and information sought, at the time of your enquiry or application for home insurance. These include factors relating to the type of property being insured, where the property is located, the type of construction of the property and your previous insurance and claims history.

Premiums are subject to Commonwealth and state taxes, charges and levies. These include the Goods and Services Tax, stamp duty and fire service levy. The amount of these taxes, charges and levies will be shown on your schedule.

### **Paying your premium**

The insurance applies for the period for which you have paid us (or agreed to pay us) the premium.

You may pay your premium by cash, cheque or credit card. If your cheque or credit card is dishonoured by your financial institution, you are not insured.

You can also pay your premium by instalments direct from a financial institution account or from your credit card. You cannot make a claim under this policy if you owed us more than one month's premium when the event you want to claim for happened.

If you pay your premium by instalments and you are more than one month behind, we can cancel your policy without notice.

If you have a total loss, we shall deduct the instalments for the remaining period of insurance from the amount we pay you.

### **How we handle your personal information**

We are committed to handling your personal information in accordance with the Privacy Act.

We need to collect, use and disclose your personal information in order to consider your application and to provide the cover you have chosen.

You can choose not to give us some or all of your personal information, but this may affect our ability to provide you with cover.

### **When you provide your personal information to us**

You acknowledge and consent to us collecting and using your information to:

- ◆ consider your insurance application and any subsequent application for insurance,
- ◆ underwrite and price any policy issued by us or our related entities,

- ◆ calculate and offer discounts,
- ◆ issue you with a policy,
- ◆ administer the policy, and
- ◆ investigate, assess and pay any claim made by or against you.

For these purposes, you acknowledge and consent to us collecting your personal information from, and disclosing it on a confidential basis to your intermediary\* or the third party who you have been dealing with in respect to this insurance policy and who referred you to us, other insurers, our related entities, insurance reference bureaus, law enforcement agencies, investigators and recovery agents, lawyers, any credit provider that has security over your property, assessors, repairers, suppliers retained by us to supply goods and services, advisers and/or the agent of any of these.

#### **When you provide your personal information to us about another person**

You must be authorised to do so, and you must inform that person, unless informing them would pose a serious threat to the life or health of any individual:

- ◆ who we are,
- ◆ how we use and disclose their information, and
- ◆ that they can gain access to that information.

#### **Privacy of your personal information – for marketing purposes**

In order to enhance its relationship with you, your intermediary may use your personal information that you have provided to us to offer you other products and services, which may be of benefit to you.

#### **When you provide your personal information to us – for marketing purposes**

You acknowledge and consent to your personal information being used on a confidential basis by us or your intermediary to contact you by mail, phone or email to provide you information on offers, products and services or for planning, market research and product development.

In using your personal information for these marketing purposes, we and your intermediary may use and disclose your personal information to offer you our or your intermediary's product and service directly, or to any other organisation to carry out the above marketing purposes on our or your intermediary's behalf. However:

- ◆ CGU Insurance Ltd (CGU Insurance) and your intermediary will not use your information in this way if you have already told CGU Insurance or your intermediary not to.
- ◆ You must inform CGU Insurance or your intermediary if you do not want your personal information disclosed or used for these marketing purposes.

\*The intermediary is a company or individual through which you purchased this insurance, or the company named on the inside front cover of this booklet.

#### **CGU Insurance Triple Guarantee**

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

#### **Fair Dealing Guarantee**

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

## Money Back Guarantee

If you change your mind, we provide a cooling-off period which lets you cancel your policy within 30 days with a full refund of your premium. However, your cooling-off period no longer applies if you make a claim within this time.

## Service Guarantee

We will provide you with the highest standards of service.

## General Insurance Code of Practice

The purpose of the Code is to raise standards of practice and service in the general insurance industry.

The objectives of the Code are:

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

## Our commitment to you

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

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

## How to resolve a complaint or dispute

### 1. Talk to us first

If you have a complaint, the first thing you or your insurance adviser should do is speak to one of our

staff. If your complaint relates specifically to a claim, speak with the claims officer managing your claim.

If the staff member or claims officer are unable to resolve the matter for you, or your insurance adviser may speak to a manager. The manager will usually provide you with a response to your complaint within 15 days. If the timeframe is impractical for any reason such as the need for more information or further investigation, they will discuss with you alternative timeframes. If you are not satisfied with our response or we cannot agree with you on alternative timeframes, you can go to step 2.

### 2. Seek a review

If the matter is still not resolved, the manager will refer you or your insurance adviser to the relevant dispute handling department or area who will conduct a review of your dispute and will usually provide you with a response to your dispute within 15 business days. If the timeframe is impractical, we will discuss with you alternative timeframes.

If you are still not satisfied with our response to your dispute or we cannot agree on alternative timeframes, you can go to step 3.

### 3. Seek an external review

You are entitled to seek an external review of our decision. We will provide you with information about options available to you, including, if appropriate, referring you to the external dispute resolution scheme administered by the Financial Ombudsman Service Limited (FOS).

You will not be able to have your dispute resolved by the FOS if you are not eligible under the FOS's Terms of Reference.

Further information about our complaint and dispute resolution procedures is available by contacting us.

## **Your duty of disclosure**

When you take out, renew, or change or vary a policy, or when you make a claim, you have a duty to answer our questions truthfully and provide us with any information that could affect our decision to insure you, or the terms of your policy. This is called your 'duty of disclosure'.

### **What you must do when you apply to take out this policy**

When applying to take out insurance we will ask you certain questions. When answering these questions, you must be honest, and you have a duty under the Insurance Contracts Act 1984 to tell us anything:

- ◆ known to you, and
- ◆ which a reasonable person in the circumstances, would include in answer to any question.

We will use your answers to help us decide whether to insure you and anyone else under this policy, and on what terms.

### **Who you are answering the questions for**

It is important that you understand you are answering the questions in this way on behalf of yourself and anyone else that you want to be covered by the policy.

### **If you do not answer our questions in this way**

If you do not answer our questions in the way, we may reduce or refuse to pay a claim, or cancel the policy. If you answer our questions fraudulently, we may refuse to pay a claim and treat the policy as never being in place.

## **Renewal, variation, reinstatement or extension of your policy**

When your policy is renewed, varied, reinstated or extended you have a duty, under the Insurance Contracts Act 1984, to tell us anything that you:

- ◆ know, or
- ◆ could reasonably be expected to know is relevant to our decision whether to accept the risk of insurance and on what terms.

Your duty does not require the disclosure of anything that:

- ◆ diminishes the risk to be undertaken by us,
- ◆ is of common knowledge,
- ◆ we know, or in the ordinary course of business, ought to know, or
- ◆ is a matter that we indicate your duty has been waived by us.

### **If you do not comply with your duty of disclosure**

If you fail to comply with your duty of disclosure, we may be entitled to reduce our liability under the policy in respect of a claim, or we may cancel the policy.

If your non-disclosure is fraudulent, we may also have the option of avoiding the contract from its beginning.

## **Intermediary Remuneration**

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

# The Steadfast Accidental Damage Home Insurance Policy

## Your policy

Your policy is a contract of insurance between you and us.

Your policy includes information on the following:

- ◆ When you are covered.
- ◆ Who is covered under your policy.
- ◆ What you are covered for.
- ◆ What your policy does not cover.
- ◆ Excesses that may apply.
- ◆ How we pay claims.

If we accept your application for insurance, you will receive a schedule that sets out details of the insurance you have taken out as described in this policy.

Our agreement with you is made up of your application, your current schedule and this policy, as well as any endorsements we send to you.

Together, they make up your insurance contract with us.

Read them carefully and store them together in a safe place.

We recommend that you keep receipts for major items you purchase.

## When you are covered

Your insurance begins when we accept your application. The commencement date of your insurance will be shown on the schedule we will send you.

We will not cover your buildings and your contents for a period of 48 hours from the time of the

commencement of your insurance for loss or damage caused by:

- ◆ bushfire or grassfire, or
- ◆ a named cyclone.

We will provide cover however if:

- ◆ This insurance commences directly after another insurance policy covering the same property expired without a break in cover.
- ◆ You have entered into a contract of sale to purchase the property.
- ◆ You have entered into a contract to lease the property.

## Who is covered under your policy

The person whose name is set out in the schedule is insured. The following people are also insured, as long as they normally live with that person named in the schedule:

- ◆ That person's partner.
- ◆ Children of that person.
- ◆ Children of that person's partner.
- ◆ That person's parents.
- ◆ That person's partner's parents.

In this policy all these people are called 'you' or 'your'.

## Words that have a special meaning

In this policy there are words that have a special meaning. These words are listed below. If the meaning of a word is not shown below, we tell you on what page the meaning is printed.

<b>Your buildings</b>	This is on page 33 under 'What are your buildings'.
<b>Your contents</b>	This is on pages 34–36 under 'What are your contents'.

<b>Excess</b>	This is the amount of money you will pay if you have a claim. We will reduce the amount we pay you for your claim by the amount of your excess. The amount of your excess is shown on your schedule and the earthquake excess and application of the excess is shown on pages 39 and 40.
<b>Flood</b>	The covering of normally dry land by water escaping or released from the normal confines of a watercourse or lake, whether or not it is altered or modified. Flood also includes water escaping from the confines of any reservoir, channel, canal or dam.
<b>Occupied</b>	Your buildings are occupied if they are furnished so that they are comfortably habitable and you or someone with your consent has resided in the buildings overnight.
<b>Schedule</b>	This is the most current document we give you which sets out the details of your insurance cover. You receive a schedule when you first take out your insurance and again when the policy is renewed or changed. Your schedule may be called a policy, renewal or endorsement schedule.
<b>Situation</b>	This is the place where the buildings and/or contents are located and is shown on your current schedule. We will show this place on all schedules we give you.
<b>Valuable items</b>	This is on page 35 under 'Valuable items' and on page 52 under 'What are valuable items'.

## Section 1 – Buildings and contents

### Accidental Damage cover

#### What is covered

Your buildings and/or your contents as set out in your schedule are covered if they are destroyed, lost or damaged. They are covered only if you own them, or are liable for them.

If you only cover your buildings, the cover provided under the policy for destruction, loss or damage does not apply to your contents.

If you only cover your contents, the cover provided under the policy for destruction, loss or damage does not apply to your buildings.

Your buildings and your contents are covered while at your situation. Cover for your contents while away from your situation is provided subject to the conditions and limitations set out on page 38.

We will cover your buildings and your contents for accidental loss or accidental damage. There is some loss or damage we will only cover under specific conditions. This is accidental loss or accidental damage caused by:

- ◆ Landslide or subsidence. Cover only applies when the landslide or subsidence occurs within 72 hours after a direct result of one of the following:
  - Storm, tsunami, rainwater, hail, snow or wind.
  - Explosion.
  - Earthquake
  - Liquid that escapes from a fixed pipe or something attached to a pipe, fixed gutter, fixed tank apparatus or a drain.

This cover also applies to gates, fences or retaining walls that are entirely or partly at the situation.

- ◆ Burning out of an electric motor. If an electric motor burns out, we will repair, reinstate or replace it. We decide which one we will do. We will only do this if the electric motor is 15 years old or less.

### What we will not pay for

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

- ◆ Landslide or subsidence except as described on page 19.
- ◆ Settling, shrinkage or any movement of earth.
- ◆ Erosion.
- ◆ Water entering your buildings:
  - Through an opening made for any building, renovation or repair work.
  - Because of a structural defect, faulty design or faulty workmanship when your buildings were constructed.

- ◆ Flood

Flood is the covering of normally dry land by water escaping or released from the normal confines of a watercourse or lake, whether or not it is altered or modified. Flood also includes water escaping from the confines of any reservoir, channel, canal or dam.

- ◆ Rust, corrosion, gradual deterioration, depreciation, wear or tear.
- ◆ Rats, mice or insects.
- ◆ Roots from trees, plants, shrubs or grass.

However, this exclusion applies only for loss or damage caused directly by roots.

- ◆ Any process of cleaning involving the use of chemicals other than domestic household chemicals.
- ◆ A defect in an item, faulty workmanship, structural defects or faulty design.
- ◆ Malicious damage or vandalism by a tenant.
- ◆ Theft from any part of the buildings which you share with another person who is not insured under this policy.
- ◆ Theft by a tenant.
- ◆ Deliberate or intentional acts by a tenant.
- ◆ Mechanical or electrical breakdown other than an electric motor burning out, unless the breakdown results in loss or damage to your buildings or contents.

### Additional things we will pay for when you have insured your buildings

If you have cover for your buildings, the following will be paid in addition to the sum insured as listed on your schedule.

We will pay these costs when they relate to loss or damage caused by or arising from accidental loss or accidental damage that is covered by this policy:

- ◆ If you are unable to live in your buildings after loss or damage has occurred; we will pay for you to rent another property. We will pay an amount equal to the amount that your buildings could have been rented out for each week if the loss or damage had not occurred.

We will also pay the costs of alternative accommodation for your pets.

We will pay these costs for up to 12 months. The most we will pay for these costs is 20 per cent of your buildings sum insured, as listed on your schedule.

We will only pay these costs if your buildings are unable to be lived in after loss or damage has occurred.

We will reduce the amount we pay you, or stop paying you, if:

- you receive any payment for rent from another source, or
- you do not need to rent another property.
- ◆ If you are unable to live in your buildings after loss or damage has occurred, we will pay for additional living expenses up to \$1000.
- ◆ We will pay to make modifications to your buildings if you are injured as a result of loss or damage to your buildings. We will only pay for modifications if the injury results in permanent paraplegia or permanent quadriplegia and the modifications are required for you to continue to live at the situation. The most we will pay is \$25,000.
- ◆ We will pay your legal costs to discharge your mortgage if your claim is for a total loss.
- ◆ We will pay to replace the Certificate of Title to your situation if it is destroyed or damaged.
- ◆ We will pay the reasonable costs of demolishing and removing and disposing of any buildings debris when damage or loss occurs.
- ◆ We will pay the reasonable costs of architects, surveyors and engineers and also pay any legal fees that arise from reinstating your buildings when loss or damage occurs.
- ◆ If a key to an external door lock of your buildings or a key to an external window lock of your buildings, is stolen, lost or you have reason to believe that they have been duplicated, we will pay the reasonable and necessary costs of replacing the external lock, key or cylinder with a similar item. We decide which one we will do.

- ◆ We will cover your trees, plants, shrubs or lawns for loss or damage by an insured event other than storm. We will pay to replace your trees, plants, shrubs or lawns. We will not pay for loss or damage caused by a weather-related event.
- ◆ If we agree to pay you for loss or damage to your buildings, we will increase your sum insured for your buildings by the amount the Consumer Price Index (all groups) has increased since you took out your policy or last renewed it.
- ◆ You are fully insured again for your buildings for the amount shown in your schedule following a claim unless your claim is for a total loss. If your claim is for a total loss and we pay you the sum insured, then the cover for your buildings will end, however liability cover will remain in force until the expiry date of the policy.

Liability cover in relation to your buildings formerly occupied by you will continue beyond the expiry date of your policy until the earliest of;

- any construction commencing at the situation,
  - the sale of the situation or any part of it,
  - another Policy that includes liability cover being taken out in relation to the situation,
  - the commencement of construction of a building to replace the insured building at another situation, or
  - six months from the date of the damage that caused the total loss
  - ◆ We will pay up to an additional 30 per cent of the buildings sum insured if your buildings are damaged as a result of an event that the government declares a catastrophe or emergency.
- We will only do this if:
- Your buildings are considered by us to be a total loss,

- The increased cost to rebuild or repair your buildings was caused solely by the event that the government declares a catastrophe or emergency,
- The cost to rebuild or repair your buildings is greater than your buildings sum insured, and
- You rebuild or repair your buildings at the situation.

We will not pay the cost necessary to meet the requirements of any statutory authority in connection with rebuilding or repairing your buildings at the situation.

This benefit is only payable for additional building costs that have been caused as a result of increased demand on building material and labour costs by the catastrophe or emergency. This benefit will not provide any shortfall caused in your rebuilding costs if you have under insured your building.

**Example (does not include costs necessary to meet the requirements of any statutory authority)**

Your Building Sum Insured	\$200,000
Cost to rebuild your building immediately prior to event	\$250,000
Cost to rebuild your building immediately after the event	\$270,000
Benefit Payable	\$20,000

- ◆ We will pay the costs necessary to meet the requirements of any statutory authority in connection with rebuilding or repairing the buildings at the situation. We will not pay any costs which resulted from any notice which a statutory authority served on you before loss or damage to your buildings occurred. The most

we will pay in any one period of insurance is \$25,000.

This benefit does not apply to the increased cost to rebuild or repair your buildings caused solely by an event that the government declares a catastrophe or emergency.

- ◆ If this policy insures your building, which is your primary residence, we will pay up to \$2,000 in any one period of insurance if your unfixed building materials are lost or damaged at the situation due to an event covered by this policy. Cover only applies to building materials intended to be used for repairs, alterations or additions to your building at the situation. (We do not insure soil, sand, gravel, bark or mulch or any similar materials.) We do not cover any gas or electrical appliances unless they are in a locked and fully enclosed part of the building where those items are not visible from the outside of the building.

If you have cover for your buildings and you have entered a contract to sell your home, we will extend your buildings cover under the policy to the purchaser from when the purchaser becomes liable for any damage to the home until the contract is settled or terminated, or until the purchaser insures the home, whichever happens first.

**Additional things we will pay for when you have insured your contents**

If you have cover for your contents, the following will be paid in addition to the sum insured as listed on your schedule. We will pay these costs when they relate to loss or damage caused by or arising from accidental loss or accidental damage that is covered by this policy.

- ◆ We will pay to reinstate, reproduce or restore your documents if they are damaged while contained at the situation or in a bank vault. This includes the information contained on the documents.

- ◆ If any of your credit, debit or stored value cards are fraudulently used after they are lost or stolen or are fraudulently used on the internet, we will pay up to \$7,500 in total to the financial institutions that issued them. We will only pay if you complied with the terms on which the credit cards were issued.

- ◆ We will pay the reasonable costs of alternative accommodation. We will pay these costs for up to 12 months. The most we will pay for these costs is 20 per cent of your contents sum insured, as listed on your schedule. We will only pay for these costs when, and only for the period for which, you are unable to live at your situation after loss or damage has occurred.

We will reduce the amount we pay you, or stop paying you, if:

- We pay you for rent following damage to your buildings.
- You receive any payment for rent or accommodation from another source.
- You do not need to pay for alternative accommodation.
- ◆ We will pay additional living expenses up to \$1,000, only for the period for which, you are unable to live at your situation after loss or damage has occurred.
- ◆ If you are unable to live at your situation after loss or damage has occurred, we will pay the reasonable costs to remove and store your contents while your situation is being repaired. We will pay this for up to 12 months. We will also cover your contents while they are in storage. We will only pay for this when you are unable to live at your situation.
- ◆ If guests, employees, exchange students or visitors to your situation bring their own contents with them, we will regard those contents as belonging to you. The most we

will pay is \$5,000 if these contents are lost or damaged. This cover is subject to the list of contents items and limits shown on pages 34 to 36, under 'What are your contents'.

We will not pay if these contents are already insured under another policy by someone other than you.

- ◆ If money or negotiable instruments belonging to guests, employees, exchange students or visitors are lost or damaged, we will regard that money or negotiable instruments as belonging to you. The most we will pay is \$1,500. We will not pay if the money or negotiable instruments are already insured under another policy by someone other than you.

- ◆ We will cover your contents for loss or damage while they are in a commercial storage facility in Australia up to the total contents sum insured, as listed on your schedule. However, we will not cover jewellery, money or negotiable instruments.

You must tell us that your contents are in a commercial storage facility before they are put into storage and we must have agreed to cover them.

If we agree to cover your contents in a commercial storage facility, it will be listed on your schedule.

- ◆ We will cover your contents for loss or damage while they are being transported by a vehicle to your situation, a new situation or to a commercial storage facility within Australia, up to the contents sum insured as shown on your schedule, during your period of insurance.

We will only cover your contents if there is a theft following violent or forcible entry, or loss or damage occurs as a result of fire, collision or overturning of the vehicle that is transporting your contents.

We will not cover loss or damage:

- to glassware, crystal, crockery mirrors or china, or
  - caused by denting, scratching, chipping or bruising.
- ◆ If a key to an external door lock of your buildings, or a key to an external window lock of your buildings, is stolen or lost, or you have reason to believe that they have been duplicated, we will pay the reasonable and necessary costs of replacing the external lock, key or cylinder with a similar item. We decide which one we will do.
- ◆ We will pay the reasonable costs of removing any contents debris when damage or loss occurs.
- ◆ We will pay the reasonable costs you have to pay a security firm to attend your situation in response to your monitored burglar alarm system. We will only pay these costs when there is:
- A burglary.
  - An attempted burglary.

We will not pay these costs when there is:

- A false alarm.
- No evidence of an attempted burglary.

The most we will pay is \$2,500.

- ◆ If we agree to pay you for loss or damage to your contents, we will increase your sum insured for your contents by the amount the Consumer Price Index (all groups) has increased since you took out your policy or last renewed it. This increase does not apply to any special contents you have insured.
- ◆ You are fully insured again for your contents for the amount shown in your schedule following a claim unless your claim is for a total loss. If your claim is for a total loss and we pay you the sum insured then the cover for your contents will be reinstated to \$5,000 to provide cover for

replacement contents. However, cover for your contents will end after 3 months from the date of the damage that caused the total loss.

- ◆ If this policy insures your contents in your primary residence and your identity is stolen by someone knowingly using your personal details without lawful authority for fraudulent use and/or financial gain, we will pay up to \$5,000 per period of insurance for your costs and expenses incurred to restore your identity from its unauthorised use. Our liability under this additional benefit is limited to:
- Legal expenses for defence against a business or its collection agency from which goods or services have been purchased fraudulently.
  - Legal expenses for removal of any wrongfully recorded civil or criminal prosecutions or to challenge consequent incorrect information available on your consumer credit report.
  - Loss of wages up to \$2,000 per week up to \$5,000 in total; that would have been earned but were not, solely because it was necessary for you to rectify records in relation to your true name or identity.
  - Loan application fees incurred as a result of re-applying for loans because you have been allotted incorrect credit information due to fraud.
  - Costs for notarising affidavits, telephone calls and certified mail expenses to law enforcement and/or financial institutions.
  - Reasonable legal fees and court costs, if incurred with our approval.

We will not pay any claim where the identity theft is caused by;

- you or your collusion,
- your family or their collusion,
- an ex-partner,
- someone who normally lives with you,

arises out of;

- you or your family committing an illegal or dishonest act,
- you breaching any security requirements or conditions imposed by any financial institution, such as in relation to your password or personal identification number or personal access number,
- business interruption in relation to any business.

Claims are only payable under this Additional benefit if;

- you are an Australian resident,
- the identity fraud occurs within Australia, and
- all losses and expenses are incurred within Australia.

We do not repay any loans or other amounts fraudulently procured in your name. We do not pay any fines or for any infringements or penalties imposed. We do not pay any costs that are or could be reimbursed from another party, for example, a financial institution.

#### **Additional things we will pay for when you have insured your buildings and/or contents**

If you have cover for your buildings and/or contents, or both, the following will be paid in addition to the sum insured. If you have insured your buildings and contents, we will only pay once for an event.

- ◆ We will pay the professional costs for the removal of tree stumps, fallen trees and branches and the associated disposal costs necessarily incurred in order to repair or replace insured damage caused to your buildings and contents by storm damage that we have agreed to cover. We will also pay for the removal of trees and branches from the situation if they have caused damage to landscaped gardens. We

will also pay up to \$5,000 for each claim for the costs for removal and disposal of fallen trees and tree stumps incurred as a result of storm but we will not pay unless the costs exceed \$500.

- ◆ We will pay for the fees that you must pay to an accountant when your personal financial affairs are audited by the Federal Commissioner of Taxation. You must advise us of any such audit prior to the fees being incurred. The most we will pay during any one period of insurance is \$5,000. We will not pay claims for:

- Any audit that relates to a criminal prosecution.
- Fees where the final assessment of your taxable income for the period being audited is 20 per cent, or more, higher than your original declaration.
- Fees for work performed outside the time limits allowed by the Federal Commissioner of Taxation.
- Any fines, penalties or adjustments of taxation.

- ◆ We will pay up to \$1,000 for veterinary expenses if your pet is injured or killed as a result of a road accident, fire, lightning, earthquake, burglary or attempted burglary.
- ◆ We will pay reasonable expenses to protect your buildings or contents from further damage following insured damage we have agreed to cover.
- ◆ We will pay up to \$500 for the reasonable costs you have to pay the fire brigade or a similar authorised organisation to attend and protect your buildings or contents against an actual fire or other emergency.
- ◆ If you cannot live at the situation because a government authority denies you access, we will pay any increase in your living expenses that is necessary and reasonable to maintain your

normal standard of living for up to 60 days. We will not cover loss due to cancellation of a lease or agreement.

- ◆ If you or a member of your family normally living with you:
  - dies, or
  - suffers paraplegia, quadriplegia or permanent total disablement as a direct result of a physical injury caused by an accident within the buildings at the situation, we will pay \$15,000 to either:
    - the estate of the deceased person, or
    - the person who suffered paraplegia, quadriplegia or permanent total disablement.

The most we will pay for all claims in any one period of insurance is \$15,000 in total.

- ◆ If you or a member of your family require counselling as a direct result of fire or theft at the situation, we will pay you up to \$1,000 for each claim for counselling. The most we will pay is \$2,000.
- ◆ We will pay legal costs and expenses you are liable to pay following legal proceedings brought by you, or against you, in Australia.

You must advise us of any legal proceedings brought by you, or against you. We will only pay in relation to legal proceedings notified to us during the period of insurance shown on your current schedule. We will only pay the legal costs and expenses incurred with our prior written consent. The most we will pay during any one period of insurance is \$5,000.

We will not pay legal costs and expenses relating to:

- Spouse or partner disputes including, but not limited to, divorce, child maintenance, or custody and property disputes.

- Claims for death, bodily injury to, or disease of, any person.
- Claims where cover is available under a standard form of motor vehicle, house owners or householders, motorcycle, caravan or boat insurance.
- Any criminal charge or prosecution brought against you.
- Any alleged or actual road traffic offence or boating offence committed by you.
- Any matter arising out of your business or profession.
- Any matter arising out of an incident where there is insurance required by law that provides cover for your liability, or it was available to you, and you did not take it out.
- Any award of damages made against you.
- Any penalties, fines or awards of aggravated, exemplary or punitive damages made against you.

### What are your buildings

- ◆ Residential buildings you live in including any professional offices or surgeries in those buildings.
- ◆ Domestic outbuildings.
- ◆ Fixed coverings to walls, floors and ceilings. These do not include fixed carpets, curtains or internal blinds unless you are the contracting seller or purchaser in which case these items will be deemed buildings until settlement.
- ◆ Infrastructure for services, including infrastructure for the supply of electricity, gas, water, the internet and telephone.
- ◆ Items built in, or fixed to, or on, the buildings.
- ◆ Blinds or awnings on the outside of the buildings.

- ◆ Landscaping, paved terraces, paved pathways and paved driveways, retaining walls, fences and gates entirely or partly on the site.
- ◆ Jetties, wharfs, pontoons and moorings used for domestic purposes.
- ◆ Anything permanently built, permanently constructed or permanently installed on your property for domestic purposes, including inground swimming pools.

### **What are not your buildings**

- ◆ Property that a tenant is liable for under the terms of a rental agreement.
- ◆ Plants, shrubs, trees or grass except as provided for under 'Additional things we will pay for when you have insured your buildings'.

### **What are your contents**

- ◆ Household goods that are not used for earning income.
- ◆ Goods that you use for earning your income while they are at your situation. You would normally receive a taxation deduction for these. We will pay up to \$7,500 in total for these items. This does not include office and surgery equipment.
- ◆ Office and surgery equipment that you use for earning your income while it is at your situation. You would normally receive a taxation deduction for these.
- ◆ Carpets, curtains and internal blinds.
- ◆ Furniture and furnishings that are not built in.
- ◆ Portable domestic appliances that are not built in.
- ◆ Swimming pools, saunas and spas that are not permanently installed.
- ◆ Accessories for any swimming pools, saunas or spas.

- ◆ Clothing and personal effects.
- ◆ Valuable items
  - Jewellery and watches.
  - Items that contain gold or silver (this does not include items thinly covered with gold or silver).
  - Collections of stamps, money or medals.

We will pay up to 25 per cent in total of the contents sum insured listed on your schedule for valuable items. The most we will pay for any one item, pair, set or collection of valuable item is \$10,000.

You can increase the level of cover for valuable items and add items as special valuable items by choosing additional cover for valuable items under Section 2.

- ◆ Items thinly covered with gold or silver that are not jewellery or watches.
- ◆ Paintings and prints, tapestries, Persian or similar rugs, antiques and any other works of art.
- ◆ Projectors and screens.
- ◆ Equipment for developing and enlarging photographs.
- ◆ Processed film, slides and prints. We will only pay the value of these items as unprocessed material, and the cost of processing them. However, if they were processed when you purchased them, we will pay the cost of replacement. We will not pay the costs of recreating any event.
- ◆ Tapes, cassettes, cartridges and discs, including computer software. We will only pay the value of these items when blank, unless they were pre-recorded when you purchased them.
- ◆ Data stored on any computer, computer disk or computer tape (including the cost of restoring the data). We will pay up to \$2,000 in total for this.

- ◆ Money and negotiable instruments. We will pay up to \$1,500 in total for these.
- ◆ Accessories and spare parts for the following: motor vehicles, motorcycles, caravans, trailers, watercraft, golf buggies, ride-on mowers, mobility scooters, wheelchairs, surfboards, sailboards, surf skis and canoes.

We will pay up to \$2,000 per item and \$4,000 in total for these items. We will not pay if the accessories and spare parts are in, or on, motor vehicles, motorcycles, caravans, trailers, watercraft, golf buggies, ride-on mowers, mobility scooters, wheelchairs, surfboards, sailboards, surf skis and canoes.

- ◆ Landlords' fixtures and fittings that you are liable for under the terms of a rental agreement. We will not cover these fixtures and fittings if the body corporate has insured them.
- ◆ Fixtures and fittings that you have installed for your own use if you are a tenant, or the owner of a strata title unit. We will not cover these fixtures and fittings if the body corporate has insured them.
- ◆ Watercraft no more than four metres long and which do not require registration under state or territory legislation.
- ◆ Motorised golf buggies, mobility scooters, ride-on mowers, wheelchairs and motorcycles up to 125cc engine capacity and which do not require registration.
- ◆ Surfboards, sailboards, surf skis, kayaks and canoes.
- ◆ Special contents which are listed on your schedule.

### What are not your contents

- ◆ Unset precious and semi-precious stones
- ◆ Plants and trees growing outdoors. This does not include plants and trees growing in pots or tubs.

- ◆ Animals, including birds and fish.
- ◆ Pedal cycles while they are in use for competitive racing or pacemaking.
- ◆ Equipment for taking photographs, including accessories and unprocessed film while they are being used to earn an income.
- ◆ Sporting equipment while it is being used
- ◆ Motorcycles requiring registration.
- ◆ Motor vehicles, motorcycles exceeding 125cc engine capacity, motorised go-karts, caravans, trailers or aircraft other than model or toy aircraft.
- ◆ Motorcycles while they are used for competitive racing or pacemaking.
- ◆ Watercraft more than four metres long.
- ◆ Watercraft less than four metres long that require registration under state or territory legislation.
- ◆ Jet skis.

### Moving your contents to a new situation

If you are moving permanently to a new situation within Australia, we will cover your contents at the situation shown on your schedule and at your new situation. The most we will pay in total is the sum insured shown on your schedule. We will only cover your contents at your new situation for 45 days. This cover will commence from when you first start to move your contents to your new situation. We do not provide cover for your contents while they are being moved unless we have agreed to cover them under 'Additional things we will pay for when you have insured your contents'. You must tell us that you are permanently moving your contents to a new situation within 45 days from the day you first start to move.

## Cover for your contents away from your situation

Your contents are covered while they are away from your situation anywhere in Australia or New Zealand whilst temporarily removed or in the rest of the world for up to 100 consecutive days.

Your contents are not covered if they:

- ◆ Are on the way to, or from, or in, commercial storage, unless we have agreed to cover them under 'Additional things we will pay for when you have insured your contents'.
- ◆ Are in transit during a permanent removal, unless we have agreed to cover them under 'Additional things we will pay for when you have insured your contents'.
- ◆ Have been removed permanently from your situation other than:
  - Sporting equipment that is stored within a club room.
  - Contents stored in a bank safe deposit box.
  - Personal belongings including sporting equipment whilst you are away from home attending school, college or University.

The following contents items are not covered while away from your situation:

- ◆ Accessories and spare parts for the following: motor vehicles, motorcycles, mini-bikes, caravans, trailers, watercraft, golf buggies, mobility scooters, ride-on mowers, wheelchairs, surfboards, sailboards, surf skis and canoes if they are in a tent, vehicle, watercraft, aircraft or in the open air. Open air includes non-lockable structures and non-lockable parts of structures not at the situation.
- ◆ Goods that you use for earning your income.
- ◆ Office and surgery equipment that you use for earning your income.

## Paying claims

### Excesses that apply when you make a claim

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

In most instances you can select, at the time of your enquiry or application for insurance, the amount of the excess you wish to pay should you make a claim. When you select a higher excess amount we will normally reduce the amount of the premium you will have to pay.

We take into consideration a number of factors in setting the amount of the excess. These include factors relating to the type of property being insured, where the property is located, the type of construction and your previous insurance and claims history.

At the time of your enquiry or application for insurance, the amount of the excess will be advised to you.

For each claim for your buildings or your contents, we will reduce the amount we pay you for your claim by the amount of the excess. The amount of your excess is shown on your schedule.

Your excess will be increased by \$250 for any claim for damage or loss arising from an earthquake or tsunami. This loss or damage must occur within 72 hours of the earthquake.

When a claim is paid for loss or damage to your buildings and your contents, the excess amount will only be applied once. You will not be required to pay any excess in the event that your building or contents are a total loss.

When a claim is paid under 'Additional things we will pay for when you have insured your buildings' only, 'Additional things we will pay for when you have insured your contents' only, or 'Additional things we will pay for when you have insured your

buildings and/or contents' only, your excess will not apply. Sums insured, limits and sub-limits of liability shall apply in addition to, and shall not be reduced by, the amount of any applicable excess.

### **The most we will pay for your buildings or your contents**

The most we will pay for any claim for your buildings or your contents is the sum insured shown on your schedule. This does not apply to amounts payable under 'Additional things we will pay for when you have insured your buildings', or 'Additional things we will pay for when you have insured your contents', or 'Additional things we will pay for when you have insured your buildings and/or contents'.

There are some contents items that we will only cover up to a certain amount. See 'What are your contents' on pages 34–36 for details of these contents items and the amounts we will pay.

### **How we pay a claim for your buildings**

#### **When your schedule shows 'including replacement benefit'**

When loss or damage occurs to your buildings, we will pay the cost of rebuilding your buildings or repairing the damaged portions to the same condition as when they were new. We will only do this when your schedule shows 'including replacement benefit'.

We will also pay any additional costs required for your buildings to comply with government or local authority bylaws. We will not pay these additional costs if you were required to comply with these bylaws, and had not done so, before the loss or damage occurred.

Rebuilding or repairing your buildings must commence within six months of the loss or damage occurring. If it does not commence within six months, we will do one of the following:

- ◆ Reinstatement or repair your buildings to the condition they were in just before the loss or damage occurred.
- ◆ Pay you the cost of reinstating or repairing your buildings to the condition they were in just before the loss or damage occurred.
- ◆ Pay you the value of the land and your buildings just before the loss or damage occurred. We will reduce this payment by the value of your land and your buildings after the loss or damage occurred.

We decide which one we will do.

We will pay for the damaged portions of fixed coverings to walls, floors and ceilings only in the room, hall or passage where the damage occurred.

We will try to match any material used to repair your buildings with the original materials. If we cannot, we will use the nearest equivalent available to the original materials. We will not pay any costs for replacing undamaged property.

If the damage was caused by liquid that escaped from a bath, basin, sauna, spa, shower base or shower wall, we will pay the costs to repair your buildings. We will not pay the costs to repair or replace the bath, basin, sauna, spa, shower base or shower wall.

### **When your schedule does not show 'including replacement benefit'**

When loss or damage occurs to your buildings and your schedule does not show 'including replacement benefit', we will do one of the following:

- ◆ Reinstall or repair your buildings to the condition they were in just before the loss or damage occurred.
- ◆ Pay you the cost of reinstalling or repairing your buildings to the condition they were in just before the loss or damage occurred.
- ◆ Pay you the value of the land and your buildings just before the loss or damage occurred.  
We will reduce this payment by the value of your land and your buildings after the loss or damage occurred.

We decide which one we will do.

We will pay for the damaged portions of fixed coverings to walls, floors and ceilings only in the room, hall or passage where the damage occurred.

We will try to match any material used to repair your buildings with the original materials. If we cannot, we will use the nearest equivalent available to the original materials. We will not pay any costs for replacing undamaged property.

If the damage was caused by liquid that escaped from a bath, basin, sauna, spa, shower base or shower wall, we will pay the costs to repair your buildings. We will not pay the costs to repair or replace the bath, basin, sauna, spa, shower base or shower wall.

### **How we pay a claim for your contents**

When loss or damage occurs to any of your contents items, we will do one of the following:

- ◆ Replace the item with the nearest equivalent new item.

- ◆ Repair the item to the condition it was in when new.
- ◆ Pay you the cost of replacement or repair.

We decide which one we will do.

We will pay the cost of replacement for:

- ◆ Carpets,
- ◆ Wall, floor and ceiling coverings, and
- ◆ Internal blinds and curtains,

only in the room, hall or passage where the loss or damage occurred.

When an item is part of a pair, set, system or collection, we will only pay for the value of the item itself. The most we will pay is the value that the item has as a proportion of the combined pair, set, system or collection. We will only pay the cost of replacing the item even though the pair, set, system or collection to which it belongs is less valuable because it is incomplete.

If a claim relates to replacement of lost or damaged refrigerators, freezers, washing machines, clothes dryers and dishwashers, with less than a 3 Star Energy Rating, we will replace these items with items that have a minimum 3 Star Energy Rating.

### **Your Liability cover**

#### **What you are covered for**

- ◆ If your policy covers your buildings, we will cover you against any claim for compensation or expenses which you become legally liable to pay for:
  - the death of, or personal injury to, any person,
  - the loss of, or damage to, property,resulting from an occurrence during the period of insurance arising out of the ownership of your buildings or occupancy of your buildings.

For this liability cover only, your buildings include land, trees, shrubs and other plant life.

- ◆ If your policy covers your contents and you live in a rented building, we will cover you against any claim for compensation or expenses which you become legally liable to pay for:

- the death of, or personal injury to, any person,
- the loss of, or damage to, property,

resulting from an occurrence during the period of insurance arising out of the ownership of your contents or occupancy of the building. This does not include any amount you have to pay because you are the owner of your buildings.

- ◆ If your policy covers your contents and you own part of a building that is a strata titled residence, we will cover you against any claim for compensation or expenses which you become legally liable to pay for:

- the death of, or personal injury to, any person,
- the loss of, or damage to, property,

resulting from an occurrence during the period of insurance arising out of the ownership of your contents or occupancy of the part of the building you own.

If your policy covers your contents, we will cover you against any claim for compensation or expenses which you become legally liable to pay for:

- the death of, or personal injury to, any person,
- the loss of, or damage to, property,

resulting from an occurrence during the period of insurance anywhere in the world. This does not include any amount you have to pay because you are the owner or occupier of your buildings.

## Definitions for your liability cover

'Personal injury' means bodily injury, shock, mental anguish or mental injury, libel, slander or defamation of character, including death.

'Personal injury' does not include the publication or utterance of a libel or slander:

- ◆ made prior to the commencement of the period of insurance, or
- ◆ made by or at the direction of you with knowledge of its falsity, or
- ◆ relating to advertising, broadcasting or telecasting activities by or on behalf of you.

'Bodily injury' means physical bodily harm including sickness or disease that results from it and required care, loss of services and/or resultant death.

'Damage to property' means physical injury to or destruction of tangible property, and resulting loss of its use. Tangible property includes the cost of recreating or replacing stocks, bonds, deeds, mortgages, bank deposits and similar instruments but does not include the value represented by such instruments.

'Occurrence' means:

- ◆ A single incident that is not intended or expected.
- ◆ A series of incidents or continuous or repeated exposure to substantially the same general conditions, which:
  - are not intended or expected, and
  - have the same cause, or
  - are attributable to the same source.

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

### Limit of your liability cover

The most we will cover for any liability claim is \$20,000,000 for any one occurrence.

We do not pay more than this amount in total under all policies we have issued to you which cover the same liability.

### Additional benefits

If your policy covers your buildings or contents, or both, your liability cover includes the following additional benefits:

#### ◆ Defence costs

In addition to the limit of your liability cover, if we agree you are entitled to liability cover under this policy in respect of an occurrence, we will also pay legal costs incurred with our consent to defend the claim.

#### ◆ Expenses incurred in attending court

In addition to the limit of your liability cover, we will reimburse you for reasonable expenses incurred in attending court in relation to a liability claim covered by this policy at our request up to \$250 per day but excluding the first day, and up to a total of \$5,000 in any one period of insurance for proven income loss. We will only reimburse income loss for days on which you are not able to conduct any income-earning activity whatsoever.

If you are:

- self-employed or a working director, then 'income' means the gross daily income from such personal exertion after allowing for the costs and expenses incurred in deriving that income,
- an employee, then 'income' means the gross daily income from personal exertion, excluding overtime payments, bonuses, commissions or allowances.

In each case, the amount of your income will be averaged over the 12 months immediately preceding our request or such shorter period during which you have been so engaged. You must provide any documentation, records, correspondence or other information that we request in support of any claim for lost income.

**If your policy covers your contents, your liability cover also includes the following additional benefits:**

#### ◆ Motor vehicle liability

We will cover you against any claim for compensation or expenses which you become legally liable to pay resulting from an occurrence that occurs during your period of insurance for:

- the death of, or personal injury to, any person,
- the loss of or damage to property, arising from the ownership, custody, or use of any vehicle not required to be registered by law including:
  - Motorcycles up to 125cc capacity.
  - Mobility scooters.
  - Golf buggies.
  - Ride-on mowers.
  - Any motorised wheelchair.
  - Any domestic trailer not attached to any vehicle.

We also insure you against any claim for compensation or expenses you become legally liable to pay for:

- The death of, or personal injury to, any person caused by you solely as a result of you being a passenger in a registered vehicle if the occurrence causing the death or personal injury occurs during your period of insurance.

- The death of, or personal injury to, any person arising from the ownership, custody, or use of any registered vehicle if the occurrence causing the death or personal injury takes place at the situation and occurs during your period of insurance.

The most we will pay for all claims arising out of any one occurrence under this additional benefit is \$20,000,000.

In addition to the limit of your liability cover, if we agree you are entitled to liability cover under this additional benefit in respect of an occurrence, we will also pay legal costs incurred with our consent to defend the claim.

#### **We do not cover you**

- If you are entitled to be wholly or partly insured by any compulsory statutory insurance or accident compensation scheme, or would have been, but for failure to register the vehicle or to apply for cover under the insurance or scheme or to comply with a term or condition of the insurance or scheme.
- If you are entitled to be wholly or partly protected by any other policy of insurance which specifically covers compulsory third party motor vehicle liability.
- While any vehicle are used for competitive racing or pacemaking
- ◆ **Committee members/Sporting or social clubs/ community organisations**

We cover you for any claim made against you for compensation or expenses which you become legally liable in Australia to pay following an alleged or actual act or omission. We will only pay for your liability in connection with your position as a committee member of a sporting or social club or community organisation. We will not cover you if you

receive more than \$1,000 per year for holding this position.

The claim must be made against you within the period of insurance stated in the schedule. The most we will pay under this additional benefit, including legal costs, during any one period of insurance, is \$10,000.

#### **What you are not covered for**

These exclusions apply to your liability cover and additional benefits.

We will not cover any liability arising from:

- ◆ Use of a motor vehicle, motorcycle, mini-bike, aircraft or watercraft, however we will cover liability that:
  - arises from the ownership, custody or use of any:
    - Model or toy aircraft.
    - Surfboard, sailboard or surf ski.
    - Watercraft no more than four metres long and that do not require registration under state or territory legislation. This does not include jet skis.
  - we cover under 'Additional benefits – Motor vehicle liability'.
- ◆ Use of a caravan or trailer when the caravan or trailer is attached to a motor vehicle or motorcycle.
- ◆ Any agreement or contract you enter into. We will pay for your liability if you would have been liable without the agreement or contract.
- ◆ The use, removal of or exposure to any asbestos product or products containing asbestos.
- ◆ Gaining a personal profit or advantage that is illegal.
- ◆ A conflict of duty or interest.

- ◆ Any act or omission that is dishonest, fraudulent, criminal, wilful or malicious.
- ◆ Any loss that can be reimbursed by your sporting or social club or community organisation.
- ◆ Any alleged or actual act or omission committed, or alleged to have been committed, prior to the commencement of the policy.
- ◆ Any disease that is transmitted by you, or any member of your family who normally lives with you.
- ◆ Any business, profession, trade or occupation carried on by you. This does not include being a committee member of a sporting or social club or community organisation provided that you do not receive more than \$1,000 per year for holding this position.
- ◆ Alterations, repairs, renovations or additions to your buildings that cost more than \$100,000.

We will not cover any:

- ◆ Penalties, fines or awards of aggravated, exemplary or punitive damages made against you.
- ◆ Personal injury to you, or any member of your family who normally lives with you, or any other person who normally lives with you.
- ◆ Personal injury to any person you employ and that injury arises from their employment with you.
- ◆ Damage to or loss of property that belongs to you, or any member of your family who normally lives with you, or any other person who normally lives with you.
- ◆ Damage to or loss of property that belongs to any person you employ and that damage or loss arises from their employment with you.

The general exclusions that apply to Section 1 and Section 2 on pages 55 and 56 also apply to your liability cover and additional benefits.

### Strata title mortgagee protection

This section of the policy only applies when your schedule shows that you have requested cover for mortgagee protection. It applies when you own part of a building that has been subdivided, usually into strata title units, and you have a mortgage on that part of the building.

We will cover the part of the building that you own for loss or damage on the same basis as set out in 'Section 1 – Buildings and contents'.

We will pay up to the amount you owe on your mortgage but no more than the buildings sum insured shown on your schedule. We will pay this to your mortgagee when you are required to pay your mortgage in full following a loss. We will only pay this when the body corporate has not insured the buildings or it has not insured the buildings for damage that you can claim for under this policy.

## Section 2 – Valuable Items

This section of the policy only applies when your schedule shows that you have requested cover for valuable items.

Contents are automatically covered whilst temporarily removed in accordance with 'Cover for your contents away from your situation' on page 38 however limits apply. If cover for higher amounts is required, please select this cover.

### What are valuable items

- ◆ Jewellery and watches.
- ◆ Items that contain gold or silver. (this does not include items thinly covered with gold or silver).
- ◆ Collections of stamps, money or medals.
- ◆ Special valuable and personal items which are listed on your schedule.

### What are not valuable items

- ◆ Unset precious and semi-precious stones.
- ◆ Items thinly covered with gold or silver.
- ◆ Motor vehicles, motorcycles, caravans, trailers, aircraft, or accessories or spare parts of any of these items.
- ◆ Watercraft more than four metres long.
- ◆ Watercraft less than four metres long that require registration under state or territory legislation.
- ◆ Personal water craft (for example, jet skis).

### When we will pay

Your valuable items are covered for accidental loss or damage, provided that the accidental loss or accidental damage happens within Australia or

New Zealand. You only have cover for accidental loss or accidental damage that happens outside of Australia and New Zealand if the loss or damage occurs within 90 consecutive days after you leave Australia.

### When we will not pay

We will not pay if the accidental loss or accidental damage is caused by the following:

- ◆ Rust, corrosion, gradual deterioration, depreciation, wear or tear.
- ◆ A defect in the item.
- ◆ Rats, mice or insects.
- ◆ Processes of cleaning involving the use of chemicals other than domestic household chemicals.
- ◆ Mechanical or electrical breakdown other than an electric motor burning out. We will pay for any resultant damage following mechanical or electrical breakdown.

### Paying claims

#### How we pay a claim for a valuable item

When accidental loss or accidental damage occurs to a valuable item, we will do one of the following:

- ◆ Replace the item with the nearest equivalent new item.
- ◆ Repair the item to the condition it was in when new.
- ◆ Pay you the cost of replacement or repair.

We decide which one we will do.

When a valuable item is part of a pair, set, system or collection, we will only pay the value of the item itself. The most we will pay is the value that the item has as a proportion of the combined pair, set, system or collection. We will only pay the cost of

replacing the item even though the pair, set, system or collection to which it belongs is less valuable because it is incomplete.

We will reduce any payment for loss of, or damage to, an item under this section by the amount we pay you for the same item under your contents cover.

### **Limit for valuable items**

The most we will pay for any one item, pair, set, collection or system is \$10,000 for valuable items.

You can insure items, pairs, sets, collections or systems that are worth more than the above limit for their actual value as 'special valuable' items.

To do this you must advise us and the items will be listed on your schedule. The most we will pay in total for all valuable items is the amount shown on your schedule.

### **What Section 1 and Section 2 of the policy do not cover**

We will not pay claims for loss, damage or liability arising from:

- ◆ War or warlike activity. War does not have to be declared. We do not provide cover for theft following this.
- ◆ Hostilities, rebellion, insurrection or revolution. We do not provide cover for theft following these events.
- ◆ Contamination by chemical and/or biological agents, which results from an act of terrorism. Terrorism is any act which may, or may not, involve the use of, or threat of, force or violence where the purpose of the act is to further a political, religious, ideological aim or to intimidate or influence a government (whether lawfully constituted or not) or any section of the public.
- ◆ Lawful destruction or confiscation of your property.
- ◆ Anything nuclear or radioactive.
- ◆ Damage to a heating element. We will pay for any resultant damage following damage to a heating element.
- ◆ Mildew, atmospheric or climatic conditions.
- ◆ Mould or fungi.
- ◆ Damage, loss or injury that you or anyone acting for you deliberately caused.
- ◆ Flood, storm surge, the action of the sea, tidal wave, high water, or erosion.
- ◆ Landslide or subsidence except as detailed on page 19.
- ◆ Any event that does not occur within the period of insurance.
- ◆ Failure or inability of any item, equipment or computer software to recognise correctly,

to interpret correctly or to process correctly any date or to function correctly beyond any time when that item, equipment or computer software has not recognised, interpreted or processed correctly any date. We will pay for any resultant loss or damage that is covered by this policy, however we will not cover resultant loss or damage to any frozen food, computer equipment or computer software.

### Section 3 – Workers' compensation

This section of the policy only applies when your schedule shows that you have cover for workers' compensation.

If you have employees, in some circumstances workers' compensation cover is compulsory. If you are unsure, check with your local Workers' Compensation Authority.

We will pay the amount you are liable to pay if a person you employ is injured while working for you. We will only pay if the person is doing domestic work for you. We will not pay if the person is working for you in your business, profession, trade or occupation.

The amount we will pay is subject to the relevant workers' compensation legislation in your state or territory.

Please refer to page 7 under 'Who is the insurer'.

## Policy information

### When your cover does not apply

Your cover for your buildings, contents and valuable items will not apply if, for a continuous period of 100 days or more, no one has occupied your buildings, unless the loss or damage results from lightning, thunderbolt, riot and civil commotion, damage directly caused by impact by a vehicle, waterborne craft, space debris, aircraft, rocket, satellite, a branch, tsunami or earthquake. However, we do not insure you against any subsequent resultant damage such as rainwater entering any opening made by impact, or looting subsequent to a riot.

You can ask us to provide cover if your buildings are not going to be occupied for more than 100 days.

If we agree to provide cover, we will advise you in writing.

### You cannot give your rights away

You cannot give anyone else an interest in this policy without our written consent.

### What you are required to do for us

- ◆ You must pay us the premium for this insurance.
- ◆ You must tell us as soon as possible of anything that changes the facts or circumstances relating to your insurance.
- ◆ You must take reasonable precautions to prevent anything which could result in a claim under this policy.
- ◆ You must make sure that anyone doing anything on your behalf obeys all laws.
- ◆ You must comply with the conditions of this policy.

## Cancelling your policy before the due date

You can cancel this policy at any time. To do this you must tell us in writing. The policy will end when we receive your notification.

We can cancel this policy if you do any of the following:

- ◆ Make a misleading statement to us when you apply for your insurance.
- ◆ Fail to tell us anything you should tell us when you apply for this policy, renew this policy and when you change or reinstate this policy.
- ◆ Fail to comply with the conditions of this policy.
- ◆ Fail to pay the premium for this insurance.
- ◆ Are not fair and open in your dealings with us.
- ◆ Make a claim during the period of this policy that is not true. The claim does not have to be under this policy and can be with us or another insurance company.

We may cancel this policy if there is a change in the circumstances of the risk during the period of insurance.

If we cancel this policy, we will advise you in writing. To do this, a notice will be delivered or posted to you.

### Return of premium if your policy is cancelled before the due date

If your policy is cancelled before the due date:

- ◆ We will keep the premium for the period that the policy was in force.
- ◆ We will return to you the premium for the period from the date the policy ended to the due date of the policy.

## How the Goods and Services Tax affects your claim

Where we make a payment under this policy for the acquisition of goods, services or other supply, we will reduce the amount of the payment by the amount of any input tax credit that you are, or will be, or would have been entitled to under A New Tax System (Goods and Services Tax) Act 1999 in relation to that acquisition, whether or not that acquisition is actually made.

Where we make a payment under this policy as compensation instead of payment for the acquisition of goods, services or other supply, we will reduce the amount of the payment by the amount of any input tax credit that you would have been entitled to under A New Tax System (Goods and Services Tax) Act 1999 had the payment been applied to acquire such goods, services or other supply.

## The law that applies to this policy

Any disputes arising from this policy will be determined by the courts, and in accordance with the laws, of the state or territory of Australia where this policy is issued.

## How to make a claim

Please contact your nearest CGU Insurance office when something happens that you believe you can claim for.

## What you must do when you make a claim

You must make your claim as soon as possible after you suffer a loss. If you do not make your claim within 30 days, we may reduce what we pay you by an amount to take account of any disadvantage we suffer by the delay.

You must also:

- ◆ Take all reasonable steps to stop any further loss from occurring.
- ◆ Advise the nearest police station if your property is lost or stolen, vandalised or maliciously damaged. We may ask you to give us a written report from the police.
- ◆ Keep the property that has been damaged so we can inspect it.
- ◆ Tell us about any prosecution or inquest that may be held.
- ◆ Send us any document relating to your claim within 72 hours of you receiving the document.

## What you must not do when you make a claim

You must not do any of the following:

- ◆ Repair or replace any damaged property without our consent.
- ◆ Pay, promise to pay, or offer payment, or admit responsibility for a claim.

## You give us your rights to claim from anyone else

If you have a right to claim against someone else for a claim you made under this policy, you give us your rights to make that claim. You also give us your rights to conduct, defend or settle any legal action and to act in your name. You must not do anything which prevents us from doing this and you must give us all the information and cooperation that we require.

## Claim payment examples

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

◆ Claim Example 1

Policy type: Building Insurance

Buildings sum insured: \$250,000

Excess: \$100

Loss or damage: Storm damage to your roof.

How we settle your claim:

- We arrange for a builder to repair your roof for \$5,000
- We pay the builder \$4,900
- We ask you to pay the builder the \$100 excess.

◆ Claim Example 2

Policy type: Contents Insurance

Contents sum insured: \$100,000

Excess: \$100

Loss or damage: Theft of your television.

How we settle your claim:

- Replacement cost of television is \$2,700
- We pay the supplier \$2,600
- We ask you to pay the supplier the \$100 excess.

◆ Claim Example 3

Policy type: Building and Contents Insurance

Buildings sum insured: \$300,000

Contents sum insured: \$80,000

Excess: \$100

Loss or damage: Your buildings and contents are partially destroyed by fire.

We agree that you are unable to live in your buildings and you require alternative accommodation.

How we settle your claim:

- We choose to pay you directly for the damage
- We pay you \$47,900 as follows.
  - Building repairs \$30,000
  - Contents replacement \$8,000
  - Costs for alternative accommodation \$10,000
  - Less excess \$100
  - Total \$47,900

◆ Claim Example 4

Policy type: Special Valuables option

Item sum insured: Diamond ring - \$12,000

Loss or damage: Your diamond ring is stolen.

How we settle your claim:

- We pay the jeweller \$12,000 to replace your diamond ring. No excess is applicable

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## Notes

## claims contact

**Metropolitan enquiries:**  
1300 657 083

**Regional and  
rural enquiries:**  
1300 657 119

**Website:** [www.cgu.com.au](http://www.cgu.com.au)

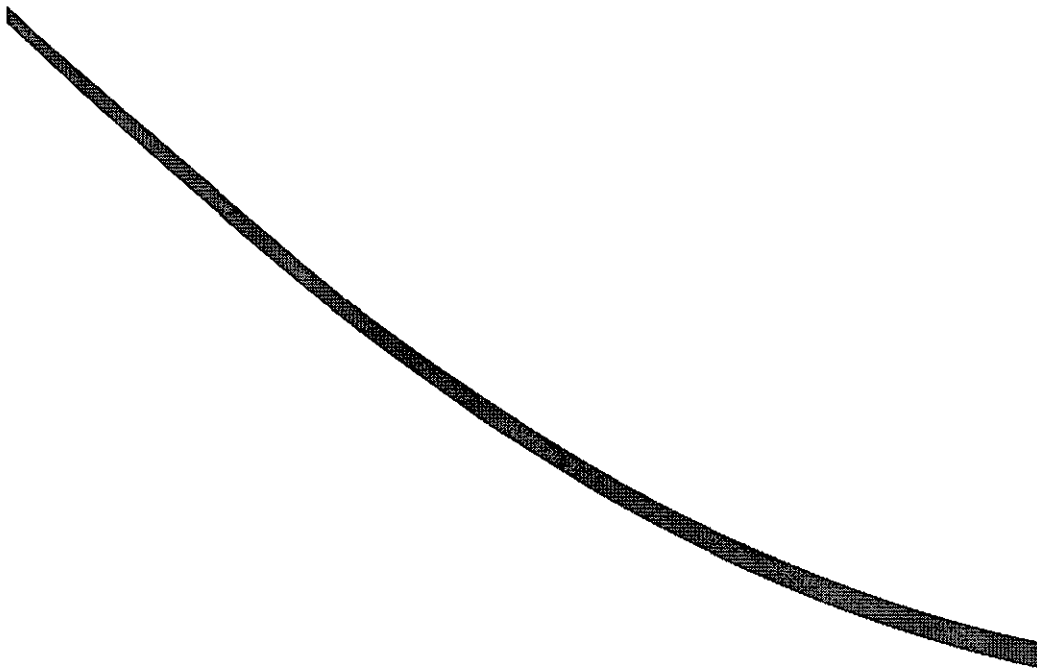


**Steadfast Group Limited**  
ABN 98 073 659 677  
AFS Licence No. 254928

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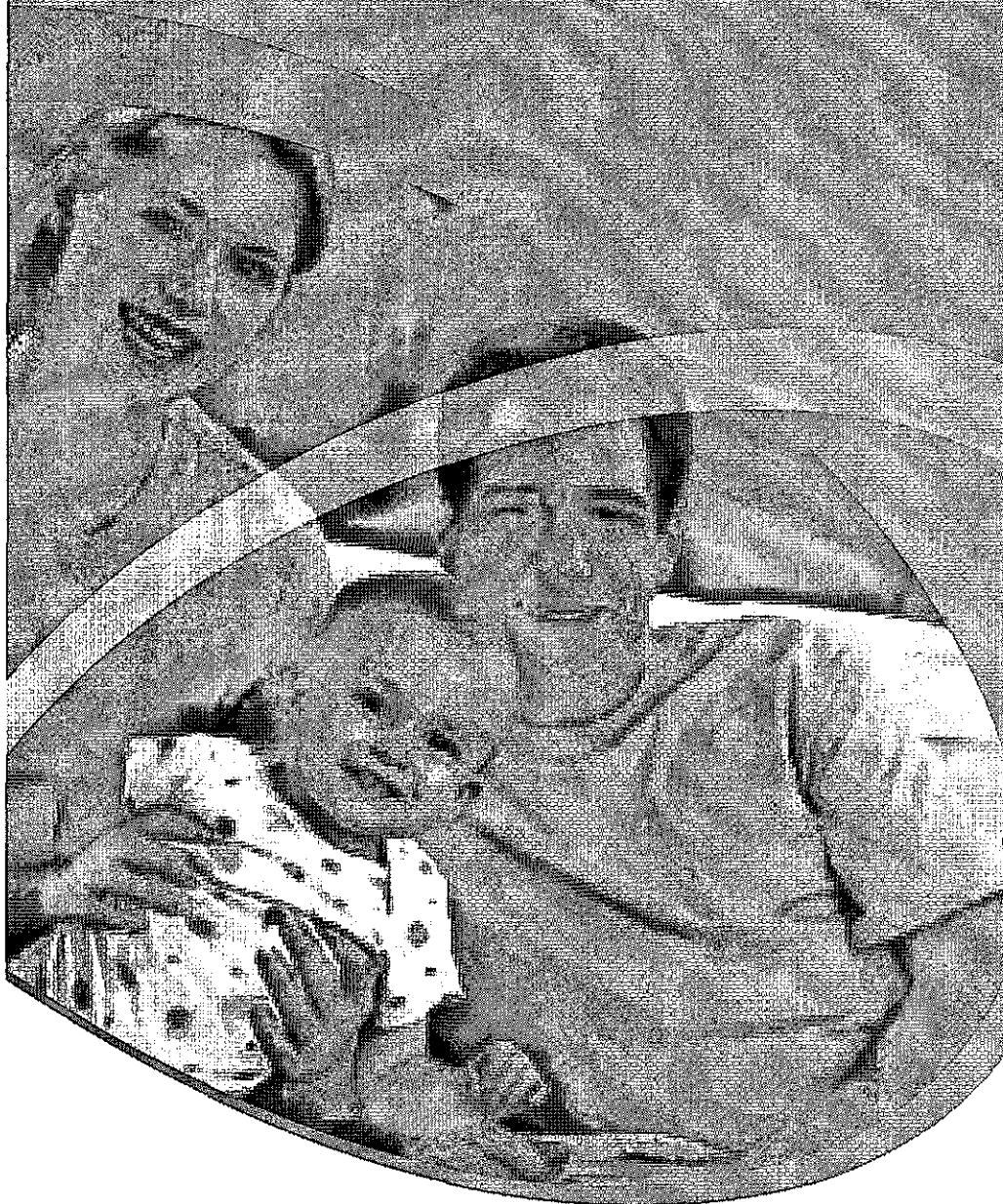
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**CGU Insurance Limited**  
ABN 27 004 478 371  
AFS Licence No. 238291



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# listed events home

insurance product disclosure  
statement and policy



Insurer

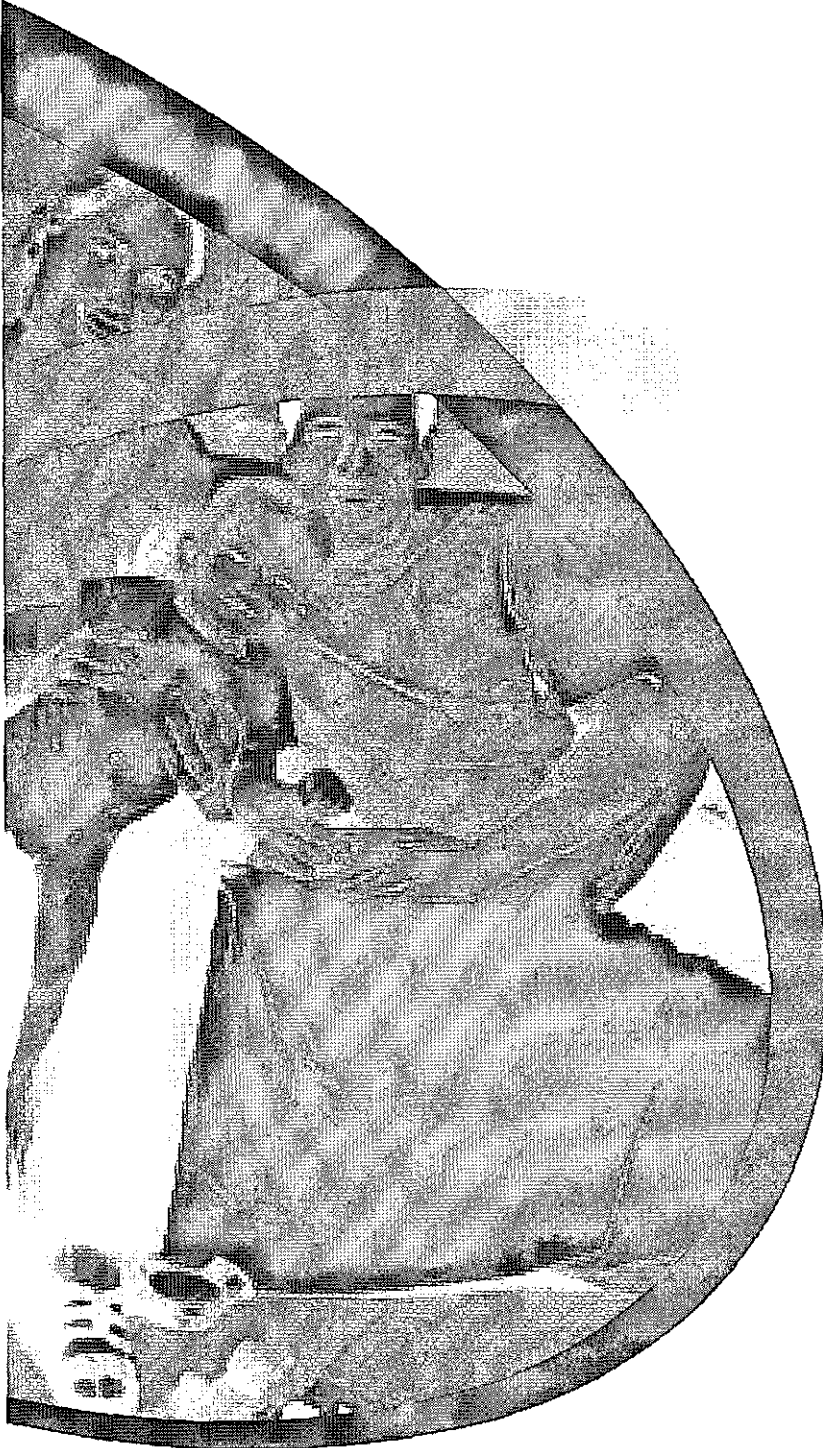


### **Updating Product Disclosure Statement**

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

# listed events home

**listed events**  
home insurance product  
disclosure statement and policy



Preparation date: 05/03/2010

Insurer: **CGU Insurance Limited**  
ABN 27 004 478 371  
AFS Licence No. 238291

# **Welcome to the Steadfast Listed Events Home Insurance Policy**

## **About Steadfast**

Steadfast is an unlisted public company comprising over 260 shareholders. Each shareholder is an independent insurance brokerage. This policy is available exclusively to you through shareholders of Steadfast Group Limited. Steadfast Group Limited does not issue, guarantee or underwrite this policy.

## **Important information about Steadfast's advice**

Any advice Steadfast gives about this policy does not take into account any of your particular objectives, financial situation or needs. For this reason, before you act on Steadfast's advice, you should consider the appropriateness of the advice taking into account your own objectives, financial situation and needs. Before you make any decisions about whether to acquire this policy, we recommend you read this PDS.

**Steadfast Listed Events  
Home Insurance  
Product Disclosure Statement**

This Product Disclosure Statement (PDS) contains two sections:

- ◆ **Important Information** – contains general information about your Listed Events Home Insurance Policy, and
- ◆ **The Steadfast Listed Events Home Insurance Policy** – contains the terms and conditions of your Listed Events Home Insurance Policy.

To assist you to locate specific items in this PDS, a table of contents is provided on page 3 and an index is provided at the back of this booklet.

Please read this PDS before you apply for insurance.

If we accept your application for insurance, you will receive a schedule that sets out details of the insurance you have taken out.

If you need more information about this PDS or your policy, please contact your insurance adviser.

**Table of contents**

An index is provided at the back of this booklet to assist you to locate specific items.

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## Important information

### The purpose of this PDS

The PDS has been prepared to assist you in understanding your Listed Events Home Insurance policy and making an informed choice about your insurance needs.

This PDS sets out important information about the insurance and the terms and conditions and limitations of the policy.

The policy terms and conditions are set out in this PDS under the heading 'The Steadfast Listed Events Home Insurance Policy' commencing on page 17.

### Who is the insurer

CGU Insurance Limited is the insurer providing the cover under 'Section 1 – Buildings and contents' and 'Section 2 – Valuable items'.

Our Australian Business Number is 27 004 478 371.

Our Australian Financial Services Licence Number is 238291.

Insurance Australia Limited ABN 11 000 016 722 trading as CGU Workers' Compensation is the insurer providing the cover under 'Section 3 – Workers' compensation' if your situation is in Western Australia, Tasmania or Northern Territory.

In this policy, the insurer is called 'we', 'us' or 'our'.

## How to contact us

You may contact us by any of the following ways:

- ◆ In person at any CGU Insurance office.
- ◆ By telephone on 13 15 32.
- ◆ By writing to us at CGU Insurance, GPO Box 9902 in your capital city.
- ◆ By email on our website [www.cgu.com.au](http://www.cgu.com.au)

## Your cooling-off period

We will refund all premium paid for cover under your policy if you request cancellation of the insurance policy within 30 days of its commencement.

To do this, you must advise us in writing and return the schedule to your nearest CGU Insurance office.

You will not receive a refund if you have made a claim under your policy.

## How to apply for insurance

Complete our application form. If we accept your application for insurance, you will receive a schedule that sets out details of the insurance you have taken out.

## How to make a claim

When something happens that you believe you can claim for, please contact your nearest CGU Insurance office, or call 13 15 32. Details about making a claim are shown in the insurance policy terms and conditions under 'How to make a claim'.

## Calculating your premium

The premium payable by you for this insurance will be shown on your schedule. The key factors that influence the premium calculation are reflected in the questions asked, and information sought, at the time of your enquiry or application for home insurance. These include factors relating to the type

of property being insured, where the property is located, the type of construction of the property and your previous insurance and claims history.

Premiums are subject to Commonwealth and state taxes, charges and levies. These include the Goods and Services Tax, stamp duty and fire service levy. The amount of these taxes, charges and levies will be shown on your schedule.

## Paying your premium

The insurance applies for the period for which you have paid us (or agreed to pay us) the premium.

You may pay your premium by cash, cheque or credit card. If your cheque or credit card is dishonoured by your financial institution, you are not insured.

You can also pay your premium by instalments direct from a financial institution account or from your credit card. You cannot make a claim under this policy if you owed us more than one month's premium when the event you want to claim for happened.

If you pay your premium by instalments and you are more than one month behind, we can cancel your policy without notice.

If you have a total loss, we shall deduct the instalments for the remaining period of insurance from the amount we pay you.

## How we handle your personal information

We are committed to handling your personal information in accordance with the Privacy Act.

We need to collect, use and disclose your personal information in order to consider your application and to provide the cover you have chosen.

You can choose not to give us some or all of your personal information, but this may affect our ability to provide you with cover.

### **When you provide your personal information to us**

You acknowledge and consent to us collecting and using your information to:

- ◆ consider your insurance application and any subsequent application for insurance,
- ◆ underwrite and price any policy issued by us or our related entities,
- ◆ calculate and offer discounts,
- ◆ issue you with a policy,
- ◆ administer the policy, and
- ◆ investigate, assess and pay any claim made by or against you.

For these purposes, you acknowledge and consent to us collecting your personal information from, and disclosing it on a confidential basis to, your intermediary\* or the third party who you have been dealing with in respect to this insurance policy and who referred you to us, other insurers, our related entities, insurance reference bureaus, law enforcement agencies, investigators and recovery agents, lawyers, any credit provider that has security over your property, assessors, repairers, suppliers retained by us to supply goods and services, advisers and/or the agent of any of these.

### **When you provide your personal information to us about another person**

You must be authorised to do so, and you must inform that person, unless informing them would pose a serious threat to the life or health of any individual:

- ◆ who we are,
- ◆ how we use and disclose their information, and
- ◆ that they can gain access to that information.

### **Privacy of your personal information – for marketing purposes**

In order to enhance its relationship with you, your intermediary may use your personal information that you have provided to us to offer you other products and services, which may be of benefit to you.

### **When you provide your personal information to us – for marketing purposes**

You acknowledge and consent to your personal information being used on a confidential basis by us or your intermediary to contact you by mail, phone or email to provide you information on offers, products and services or for planning, market research and product development.

In using your personal information for these marketing purposes, we and your intermediary may use and disclose your personal information to offer you our or your intermediary's product and services directly, or to any other organisation to carry out the above marketing purposes on our or your intermediary's behalf. However:

- ◆ CGU Insurance Ltd (CGU Insurance) and your intermediary will not use your information in this way if you have already told CGU Insurance or your intermediary not to.
- ◆ You must inform CGU Insurance or your intermediary if you do not want your personal information disclosed or used for these marketing purposes.

\*The intermediary is a company or individual through which you purchased this insurance, or the company named on the inside front cover of this booklet.

## **CGU Insurance Triple Guarantee**

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

### **Fair Dealing Guarantee**

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

### **Money Back Guarantee**

If you change your mind, we provide a cooling-off period which lets you cancel your policy within 30 days with a full refund of the premium paid. However, your cooling-off period no longer applies if you make a claim within this time.

### **Service Guarantee**

We will provide you with the highest standards of service.

## **General Insurance Code of Practice**

The purpose of the Code is to raise standards of practice and service in the general insurance industry.

### **The objectives of the Code are:**

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

## **Our commitment to you**

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

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

## **How to resolve a complaint or dispute**

### **1. Talk to us first**

If you have a complaint, the first thing you or your insurance adviser should do is speak to one of our staff. If your complaint relates specifically to a claim speak with the claims officer managing your claim.

If the staff member or claims officer are unable to resolve the matter for you, or your insurance adviser may speak to a manager. The manager will usually provide you with a response to your complaint within 15 days. If the timeframe is impractical for any reason such as the need for more information or further investigation, they will discuss with you alternative timeframes. If you are not satisfied with our response or we cannot agree with you on alternative timeframes, you can go to step 2.

### **2. Seek a review**

If the matter is still not resolved the manager will refer you or your insurance adviser to the relevant dispute handling department or area who will conduct a review of your dispute and will usually provide you with a response to your dispute within 15 business days. If the timeframe is impractical, we will discuss with you alternative timeframes.

If you are still not satisfied with our response to your dispute or we cannot agree on alternative timeframes, you can go to step 3.

### **3. Seek an external review**

You are entitled to seek an external review of our decision. We will provide you with information about options available to you, including, if appropriate, referring you to the external dispute

resolution scheme administered by the Financial Ombudsman Service Limited (FOS).

You will not be able to have your dispute resolved by the FOS if you are not eligible under the FOS's Terms of Reference.

Further information about our complaint and dispute resolution procedures is available by contacting us.

### **Your duty of disclosure**

When you take out, renew, or change or vary a policy, or when you make a claim, you have a duty to answer our questions truthfully and provide us with any information that could affect our decision to insure you, or the terms of your policy. This is called your 'duty of disclosure'.

### **What you must do when you apply to take out this policy**

When applying to take out insurance we will ask you certain questions. When answering these questions, you must be honest, and you have a duty under the Insurance Contracts Act 1984 to tell us anything:

- ◆ known to you, and
- ◆ which a reasonable person in the circumstances, would include in answer to any question.

We will use your answers to help us decide whether to insure you and anyone else under this policy, and on what terms.

### **Who you are answering the questions for**

It is important that you understand you are answering the questions in this way on behalf of yourself and anyone else that you want to be covered by the policy.

### **If you do not answer our questions in this way**

If you do not answer our questions in the way, we may reduce or refuse to pay a claim, or cancel the policy. If you answer our questions fraudulently, we may refuse to pay a claim and treat the policy as never being in place.

### **Renewal, variation, reinstatement or extension of your policy**

When your policy is renewed, varied, reinstated or extended you have a duty, under the Insurance Contracts Act 1984, to tell us anything that you

- ◆ know, or
- ◆ could reasonably be expected to know is relevant to our decision whether to accept the risk of insurance and on what terms.

Your duty does not require the disclosure of anything that:

- ◆ diminishes the risk to be undertaken by us,
- ◆ is of common knowledge,
- ◆ we know, or in the ordinary course of business, ought to know, or
- ◆ is a matter that we indicate your duty has been waived by us.

### **If you do not comply with your duty of disclosure**

If you fail to comply with your duty of disclosure, we may be entitled to reduce our liability under the policy in respect of a claim, or we may cancel the policy.

If your non-disclosure is fraudulent, we may also have the option of avoiding the contract from its beginning.

## Intermediary Remuneration

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

## The Steadfast Listed Events Home Insurance Policy

### Your policy

Your policy is a contract of insurance between you and us.

Your policy includes information on the following:

- ◆ When you are covered.
- ◆ Who is covered under your policy.
- ◆ What you are covered for.
- ◆ What your policy does not cover.
- ◆ Excesses that may apply.
- ◆ How we pay claims.

If we accept your application for insurance, you will receive a schedule that sets out details of the insurance you have taken out as described in this policy.

Our agreement with you is made up of your application, your current schedule and this policy, as well as any endorsements we send to you.

Together, they make up your insurance contract with us.

Read them carefully and store them together in a safe place.

We recommend that you keep receipts for major items you purchase.

### When you are covered

Your insurance begins when we accept your application. The commencement date of your insurance will be shown on the schedule we will send you.

We will not cover your buildings and your contents for a period of 48 hours from the time of the commencement of your insurance for loss or damage caused by:

- ◆ bushfire or grassfire, or
- ◆ a named cyclone.

We will provide cover however if:

- ◆ This insurance commences directly after another insurance policy covering the same property expired without a break in cover.
- ◆ You have entered into a contract of sale to purchase the property.
- ◆ You have entered into a contract to lease the property.

**Who is covered under your policy**

The person whose name is set out in the schedule is insured. The following people are also insured, as long as they normally live with that person named in the schedule.

- ◆ That person’s partner.
- ◆ Children of that person.
- ◆ Children of that person’s partner.
- ◆ That person’s parents.
- ◆ That person’s partner’s parents.

In this policy all these people are called ‘you’ or ‘your’.

**Words that have a special meaning**

In this policy there are words that have a special meaning. These words are listed below. If the meaning of a word is not shown below, we tell you on what page the meaning is printed.

**Your buildings** This is on pages 33 and 34 under ‘What are your buildings’.

**Your contents** This is on pages 34 to 36 under ‘What are your contents’.

**Excess** This is the amount of money you will pay if you have a claim. We will reduce the amount we pay you for your claim by the amount of your excess. The amount of your excess is shown on your schedule and the earthquake excess and application of the excess is shown on pages 39 and 40.

**Flood** The covering of normally dry land by water escaping or released from the normal confines of a watercourse or lake, whether or not it is altered or modified. Flood also includes water escaping from the confines of any reservoir, channel, canal or dam.

**Occupied** Your buildings are occupied if they are furnished so that they are comfortably habitable and you or someone with your consent has resided in the buildings overnight.

**Schedule** This is the most current document we give you which sets out the details of your insurance cover. You receive a schedule when you first take out your insurance and again when the policy is renewed or changed.

	Your schedule may be called a policy, renewal or endorsement schedule.
<b>Situation</b>	This is the place where the buildings and/or contents are located and is shown on your current schedule. We will show this place on all schedules we give you.
<b>Valuable items</b>	This is on pages 34-35 under 'Valuable items' and on page 52 under 'What are valuable items'.

## Section 1 – Buildings and contents

### Listed Events cover

#### What is covered

Your buildings and/or your contents as set out in your schedule are covered if they are destroyed, lost or damaged. They are covered only if you own them, or are liable for them.

If you only cover your buildings, the cover provided under the policy for destruction, loss or damage does not apply to your contents.

If you only cover your contents, the cover provided under the policy for destruction, loss or damage does not apply to your buildings.

Your buildings and your contents are covered while at your situation. Cover for your contents while away from your situation is provided subject to the conditions and limitations set out in pages 37–39.

We will cover your buildings and your contents for loss or damage from the events listed below.

- ◆ Fire or explosion.
- ◆ Smoke – excluding damage that occurs gradually and or out of repeated exposure to smoke or fire.
- ◆ Lightning or thunderbolt.
- ◆ Earthquake or tsunami. We will only cover loss or damage as a result of an earthquake if the loss or damage occurs within 72 hours of the earthquake.
- ◆ Burglary or housebreaking or an attempt at either. However, we will not cover burglary or housebreaking by a tenant.
- ◆ Theft. We will only cover theft of money or negotiable documents when force is used by someone to enter your buildings. We will not

cover your buildings or contents for loss or damage as a result of:

- Theft from any part of your buildings which you share with another person who is not insured under this policy.
- Theft by a tenant.
- ◆ Vandalism or a malicious act. However, we will not cover loss or damage as a result of vandalism or a malicious act by a tenant
- ◆ Deliberate or intentional acts. However, we will not cover loss or damage as a result of a deliberate or intentional act by a tenant.
- ◆ Liquid that escapes from:
  - A fixed pipe or something attached to a pipe, fixed gutter, fixed tank or a drain.
  - A bath, basin, sauna, spa, shower base or shower wall, sink, toilet or tiled floor that has drainage holes.
  - A washing machine or dishwasher.
  - An aquarium.
  - A waterbed.

We will also cover the cost of finding where the liquid escaped from, including the cost of repairing any damage that occurs while looking for the cause. We will not cover the cost of repairing the defective item that caused the escape of liquid or liquid escaped from.

- ◆ An electric motor burning out. If an electric motor burns out, we will repair, reinstate or replace it. We decide which one we will do. We will only do this if the electric motor is 15 years old or less.
- ◆ Accidental breakage. This cover applies when the item is fractured or chipped. Items covered for accidental breakage are:
  - If you have insured your buildings, any fixed glass in your buildings, including glass houses

and any window tinting or shatter proofing material attached to the glass. We also cover fixed shower bases, basins, sinks, spas, baths, toilets, chandeliers and pendant lights.

- If you have insured your contents, any mirrors, glassware, crystal, crockery or any glass in furniture. However, we will not cover glass that is part of a television, or a computer screen, or a computer monitor. Mirrors, glassware, crystal, crockery or china are not covered while they are being used, cleaned or carried by hand.
- If you have insured your contents and you are living in a rented property, you are covered for accidental breakage of fixed shower bases, basins, sinks, spas, baths and toilets. This cover only applies when your rental agreement makes you responsible for these items.
- ◆ Riots, civil commotions, industrial or political disturbances.
- ◆ Impact by an aircraft, spacecraft or satellite, or anything dropped from them.
- ◆ Impact by a falling tree or part of a tree, unless the damage is caused when you cut down or remove branches from a tree or you have someone do it for you. We will also pay the cost of removing and disposing of the fallen tree or parts and treatment of the stump to prevent regrowth.
- ◆ Impact by a falling television or radio antenna, mast or dish.
- ◆ Impact by any animal or bird that is not kept at your situation, unless the damage is caused by any animal or bird eating, chewing, clawing or pecking.
- ◆ Impact by vehicles or watercraft.
- ◆ If you have insured your contents, we will pay for storage charges necessarily and reasonably

incurred to protect them from further loss or damage following a claim by fire, storm or rainwater.

- ◆ Storm, rainwater, hail, or wind. This includes storm, rainwater, hail or wind damage to gates, fences or walls that are entirely or partly at the situation. We will not cover storm, rainwater, hail or wind damage:
  - Where water enters your buildings because of a structural defect, faulty design or faulty workmanship when your buildings were constructed.
  - Where water enters your buildings through an opening made for any building renovation or repair work.

We will not cover loss or damage by flood.

Flood is the covering of normally dry land by water escaping or released from the normal confines of a watercourse or lake, whether or not it is altered or modified. Flood also includes water escaping from the confines of any reservoir, channel, canal or dam.

- ◆ Landslide or subsidence. This includes loss or damage to any gates, fences or retaining walls that are entirely or partly at the situation. However, the cover only applies if the loss or damage occurs within 72 hours of, and as a direct result of, one of the following listed events:
  - Storm, tsunami, rainwater, hail, snow or wind.
  - Earthquake.
  - Explosion.
  - Liquid escaping from a fixed pipe or something attached to a pipe, fixed gutter, fixed tank apparatus or a drain.

### **Additional things we will pay for when you have insured your buildings**

If you have cover for your buildings, the following will be paid in addition to the sum insured as listed on your schedule.

We will only pay these costs when they relate to loss or damage from a listed event:

- ◆ If you are unable to live in your buildings after loss or damage has occurred, we will pay you to rent another property. We will pay an amount equal to the amount that your buildings could have been rented out for each week if the loss or damage had not occurred.

We will also pay the costs of alternative accommodation for your pets.

We will pay these costs for up to 12 months.

The most we will pay for these costs is 20 per cent of your buildings sum insured, as listed on your schedule.

We will only pay these costs if your buildings are unable to be lived in after loss or damage has occurred.

We will reduce the amount we pay you, or stop paying you, if:

- you receive any payment for rent from another source, or
- you do not need to rent another property.
- ◆ If you are unable to live in your buildings after loss or damage has occurred, we will pay for additional living expenses up to \$1000.
- ◆ We will pay your legal costs to discharge your mortgage if your claim is for a total loss.
- ◆ We will pay the reasonable costs of demolishing, removing and disposing of any buildings debris when loss or damage occurs.
- ◆ We will pay the reasonable costs of architects, surveyors and engineers and also pay any legal

fees that arise from reinstating your buildings when loss or damage occurs.

- ◆ We will pay to make modifications to your buildings if you are injured as a result of loss or damage to your buildings. We will only pay for modifications if the injury results in permanent paraplegia or permanent quadriplegia and the modifications are required for you to continue to live at the situation. The most we will pay is \$25,000.
- ◆ If a key to an external door lock of your buildings, or a key to an external window lock of your buildings, is stolen, or you have reason to believe that they have been duplicated, we will pay the reasonable and necessary costs of replacing the external lock, key or cylinder with a similar item. We decide which one we will do. The most we will pay is \$1,250.
- ◆ We will cover your trees, plants, shrubs or lawns for loss or damage by an insured event other than storm. We will pay up to \$1,000 for any one tree, plant or shrub. We will pay to replace your trees, plants, shrubs or lawns, up to \$5,000 in any one period of insurance. We will not pay for loss or damage caused by a weather related event.
- ◆ If we agree to pay you for loss or damage to your buildings, we will increase your sum insured for your buildings by the amount the Consumer Price Index (all groups) has increased since you took out your policy or last renewed it.
- ◆ You are fully insured again for your buildings for the amount shown in your schedule following a claim unless your claim is for a total loss. If your claim is for a total loss and we pay you the sum insured, then the cover for your buildings will end, however liability cover will remain in force until the expiry date of the policy.

- ◆ We will pay the costs necessary to meet the requirements of any statutory authority in connection with rebuilding or repairing the buildings at the situation. We will not pay any costs which resulted from any notice which a statutory authority served on you before loss or damage to your buildings occurred. The most we will pay in any one period of insurance is \$25,000.
- ◆ We will pay the cost of any damage caused to a television/radio antenna or mast. The most we will pay is \$1,000.
- ◆ We will pay to replace the Certificate of Title to your situation if it is destroyed or damaged. The most we will pay is \$2,000.

If you have cover for your buildings and you have entered a contract to sell your home, we will extend cover under the policy to the purchaser from when the purchaser becomes liable for any damage to the home until the contract is settled or terminated, or until the purchaser insures the home, whichever happens first.

#### **Additional things we will pay for when you have insured your contents**

If you have cover for your contents, the following will be paid in addition to the sum insured as listed on your schedule. We will pay these costs when they relate to loss or damage from a listed event.

- ◆ If your freezer or refrigerator breaks down, we will pay for the loss of any frozen or refrigerated food. We will also pay for loss of any frozen or refrigerated food caused by accidental damage to the freezer or refrigerator or by the failure of the electricity supply.
- ◆ We will pay to reinstate, reproduce or restore your documents if they are damaged while contained at the situation or in a bank vault. This includes the information contained on the documents.

- ◆ If any of your credit, debit or stored value cards are misused after they are stolen, or are used fraudulently on the internet, we will pay up to \$5,000 in total to the financial institutions that issued them. We will only pay if you complied with the terms on which the credit cards were issued.
- ◆ We will pay the reasonable costs of alternative accommodation. We will pay this amount for up to 12 months. The most we will pay for these costs is 20 per cent of your contents sum insured as listed on your schedule. We will only pay for these costs when, and only for the period for which, you are unable to live at your situation after loss or damage has occurred.  
We will reduce this payment, or stop paying you, if:
  - We pay you for rent following damage to your buildings.
  - You receive any payment for rent or accommodation from another source.
  - You do not need to pay for alternative accommodation.
- ◆ We will pay additional living expenses up to \$1,000, only for the period for which, you are unable to live at your situation after loss or damage has occurred.
- ◆ If you are unable to live at your situation after loss or damage has occurred, we will pay the reasonable costs to remove and store your contents while your situation is being repaired. We will pay this for up to 12 months. We will also cover your contents while they are in storage. We will only pay for this when you are unable to live at your situation.
- ◆ If guests, employees, exchange students or visitors to your situation bring their own contents with them, we will regard those contents as belonging to you. The most we will pay is \$5,000 if these contents are lost or damaged. This cover is subject to the list of

contents items and limits shown on pages 34 to 37 under 'What are your contents'. We will not pay if these contents are already insured under another policy by someone other than you.

- ◆ If money or negotiable instruments belonging to guests, employees, exchange students or visitors are lost or damaged, we will regard that money or negotiable instruments as belonging to you. The most we will pay is \$1,000. We will not pay if the money or negotiable instruments are already insured under another policy by someone other than you.
- ◆ We will cover your contents for loss or damage while they are in a commercial storage facility in Australia up to the total contents sum insured, as listed on your schedule.

You must tell us that your contents are in a commercial storage facility before they are put into storage and we must have agreed to cover them.

If we agree to cover your contents in a commercial storage facility, it will be listed on your schedule.

We will not cover jewellery, money or negotiable instruments.

- ◆ We will cover your contents for loss or damage while they are being transported by a vehicle to your situation, or to a commercial storage facility within Australia, up to the contents sum insured as shown on your schedule, during your period of insurance.

We will only cover your contents if there is a theft following violent or forcible entry, or loss or damage occurs as a result of fire, collision or overturning of the vehicle that is transporting your contents.

We will not cover loss or damage:

- to glassware, crystal, crockery mirrors or china, or

- caused by denting, scratching, chipping or bruising.

- ◆ If a key to an external door lock of your buildings, or a key to an external window lock of your buildings is stolen, or you have reason to believe that they have been duplicated, we will pay the reasonable and necessary costs of replacing the external lock, key or cylinder with a similar item. We decide which one we will do. The most we will pay is \$1,250.

- ◆ We will pay the reasonable costs of removing any contents debris when loss or damage occurs.

- ◆ We will pay the reasonable costs you have to pay a security firm to attend your situation in response to your monitored burglar alarm system. We will only pay these costs when there is:

- A burglary.
- An attempted burglary.

We will not pay these costs when there is:

- A false alarm.
- No evidence of an attempted burglary.

The most we will pay is \$1,250.

- ◆ If we agree to pay you for loss or damage to your contents, we will increase your sum insured for your contents by the amount the Consumer Price Index (all groups) has increased since you took out your policy or last renewed it. This increase does not apply to any special contents you have insured.
- ◆ You are fully insured again for your contents for the amount shown in your schedule following a claim unless your claim is for a total loss. If your claim is for a total loss and we pay you the sum insured then the cover for your contents will end.

### **Additional things we will pay for when you have insured your buildings and/or contents**

If you have cover for your buildings and/or contents, or both, the following will be paid in addition to the sum insured. If you have insured your buildings and contents, we will only pay once for an event.

- ◆ We will pay for the fees that you must pay to an accountant when your personal financial affairs are audited by the Federal Commissioner of Taxation. You must advise us of any such audit prior to the fees being incurred. The most we will pay during any one period of insurance is \$5,000.

We will not pay claims for:

- Any audit that relates to a criminal prosecution.
- Fees where the final assessment of your taxable income for the period being audited is 20 per cent, or more, higher than your original declaration.
- Fees for work performed outside the time limits allowed by the Federal Commissioner of Taxation.
- Any fines, penalties or adjustments of taxation.

- ◆ We will pay up to \$500 for the reasonable costs you have to pay the fire brigade or a similar authorised organisation to attend and protect your buildings or contents against an actual fire or other emergency.
- ◆ If you cannot live at the situation because a government authority denies you access, we will pay any increase in your living expenses that is necessary and reasonable to maintain your normal standard of living for up to 60 days. We will not cover loss due to cancellation of a lease or agreement.

- ◆ We will pay reasonable expenses to protect your buildings or contents from further damage following damage we have agreed to cover.
- ◆ We will pay up to \$750 for veterinary expenses if your pet is injured or killed as a result of a road accident, lightening, earthquake, burglary or attempted burglary.

- ◆ We will pay legal costs and expenses you are liable to pay following legal proceedings brought by you, or against you, in Australia.

You must advise us of any legal proceedings brought by you, or against you. We will only pay in relation to legal proceedings notified to us during the period of insurance shown on your current schedule. We will only pay the legal costs and expenses incurred with our prior written consent. The most we will pay during any one period of insurance is \$5,000.

We will not pay legal costs and expenses relating to:

- Spouse or partner disputes including, but not limited to, divorce, child maintenance, or custody and property disputes.
- Claims for death, bodily injury to, or disease of, any person.
- Claims where cover is available under a standard form of motor vehicle, homeowners or householders, motorcycle, caravan or boat insurance.
- Any criminal charge or prosecution brought against you.
- Any alleged or actual road traffic offence or boating offence committed by you.
- Any matter arising out of your business or profession.
- Any matter arising out of an incident where there is insurance required by law that

provides for your liability, or it was available to you, and you did not take it out.

- Any award of damages made against you.
- Any penalties, fines or awards of aggravated, exemplary or punitive damages made against you.
- ◆ If you or a member of your family normally living with you dies as a direct result of a physical injury caused by an accident within the buildings at the situation, we will pay \$15,000 to the estate of the deceased person.

The most we will pay in any one period of insurance is \$15,000 in total.

### What are your buildings

- ◆ Residential buildings you live in including any professional offices or surgeries in those buildings.
- ◆ Domestic outbuildings.
- ◆ Fixed coverings to walls, floors and ceilings. These do not include fixed carpets, curtains or internal blinds unless you are the contracting seller or purchaser in which case these items will be deemed buildings until settlement.
- ◆ Infrastructure for services, including infrastructure for the supply of electricity, gas, water, the internet and telephone.
- ◆ Items built in, or fixed to, or on, the buildings.
- ◆ Blinds or awnings on the outside of the buildings.
- ◆ Landscaping, paved terraces, paved pathways and paved driveways, retaining walls, fences and gates entirely or partly on the site.
- ◆ Jetties, wharfs, pontoons and moorings used for domestic purposes.
- ◆ Anything permanently built, permanently constructed or permanently installed on your

property for domestic purposes, including in ground swimming pools.

### What are not your buildings

- ◆ Property that a tenant is liable for under the terms of a rental agreement.
- ◆ Plants, shrubs, trees or grass except as provided for under 'Additional things we will pay for when you have insured your buildings'.

### What are your contents

- ◆ Household goods that are not used for earning income.
- ◆ Goods that you use for earning your income while they are at your situation. You would normally receive a taxation deduction for these. We will pay up to \$5,000 in total for these items. This does not include office and surgery equipment.
- ◆ Office and surgery equipment that you use for earning your income while it is at your situation. You would normally receive a taxation deduction for these.
- ◆ Carpets, curtains and internal blinds.
- ◆ Furniture and furnishings that are not built in.
- ◆ Portable domestic appliances that are not built in.
- ◆ Swimming pools, saunas and spas that are not permanently installed.
- ◆ Accessories for any swimming pools, saunas or spas.
- ◆ Clothing and personal effects.
- ◆ Valuable items
  - Jewellery and watches.
  - Items that contain gold or silver (this does not include items thinly covered with gold or silver).

- Collections of stamps, money or medals.

We will pay up to 25 per cent in total of the contents sum insured listed on your schedule for valuable items.

The most we will pay for any one item, pair, set, or collection of valuable items is \$5,000.

You can increase the level of cover for valuable items and add items as special valuable items by choosing additional cover for valuable items under Section 2.

- ◆ Items thinly covered with gold or silver that are not jewellery or watches.
- ◆ Paintings and prints, tapestries, Persian or similar rugs, antiques and any other works of art.
- ◆ Projectors and screens.
- ◆ Equipment for developing and enlarging photographs.
- ◆ Processed film, slides and prints. We will only pay the value of these items as unprocessed material, and the cost of processing them. However, if they were processed when you purchased them, we will pay the cost of replacement. We will not pay the costs of recreating any event.
- ◆ Tapes, cassettes, cartridges and discs, including computer software. We will only pay the value of these items when blank unless they were pre-recorded when you purchased them.
- ◆ Data stored on any computer, computer disk or computer tape (including the cost of restoring the data). We will pay up to \$1,000 in total for this.
- ◆ Money and negotiable instruments. We will pay up to \$1,000 in total for these.
- ◆ Accessories and spare parts for the following: motor vehicles, motorcycles, caravans, trailers, watercraft, golf buggies, ride-on mowers,

mobility scooters, wheelchairs, surfboards, sailboards, surf skis and canoes.

We will not pay if the accessories and spare parts are in, or on, motor vehicles, motorcycles, caravans, trailers, watercraft, golf buggies, ride-on mowers, mobility scooters, wheelchairs, surfboards, sailboards, surf skis and canoes. We will pay up to \$1,500 in total for these items.

- ◆ Landlords' fixtures and fittings that you are liable for under the terms of a rental agreement. We will not cover these fixtures and fittings if the body corporate has insured them.
- ◆ Fixtures and fittings that you have installed for your own use if you are a tenant, or the owner of a strata title unit. We will not cover these fixtures and fittings if the body corporate has insured them.
- ◆ Watercraft no more than four metres long and which do not require registration under state or territory legislation.
- ◆ Motorised golf buggies, mobility scooters, ride-on mowers, wheelchairs and motorcycles up to 125cc capacity and which do not require registration.
- ◆ Surfboards, sailboards, surf skis and canoes.
- ◆ Special contents which are listed on your schedule.

#### **What are not your contents**

- ◆ Unset precious and semi-precious stones.
- ◆ Plants and trees growing outdoors. This does not include plants and trees growing in pots or tubs.
- ◆ Animals, including birds and fish.
- ◆ Pedal cycles while they are in use for competitive racing or pacemaking.
- ◆ Equipment for taking photographs, including accessories and unprocessed film while they are being used to earn an income.

- ◆ Sporting equipment while it is being used.
- ◆ Motorcycles requiring registration.
- ◆ Motor vehicles, motorcycles exceeding 125cc capacity, motorised go-karts, caravans, trailers or aircraft other than model or toy aircraft.
- ◆ Motorcycles while they are used for competitive racing or pacemaking.
- ◆ Watercraft more than four metres long.
- ◆ Watercraft less than four metres long that require registration under state or territory legislation.
- ◆ Jet skis.

#### **Cover for your contents in the open air at your situation**

We will cover your contents while they are in the open air at your situation. Your contents are in the open air when they are not in a building that is fully enclosed. If they are damaged by storm, rainwater, wind or are stolen, we will pay up to \$5,000 in total.

This limit does not apply to any swimming pools, saunas or spas.

#### **Cover for your contents away from your situation**

Your contents are covered while they are away from your situation, anywhere in Australia up to 180 consecutive days. Your contents are not insured if they:

- ◆ Are on the way to, or from, or in commercial storage, unless we have agreed to cover them under 'Additional things we will pay for when you have insured your contents'.
- ◆ Are in transit during a permanent removal, unless we have agreed to cover them under 'Additional things we will pay for when you have insured your contents'.

- ◆ Have been removed permanently from your situation other than:
  - Sporting equipment that is stored within a club room.
  - Contents stored in a bank safe deposit box.
  - Students personal belongings including sporting equipment whilst you are away from home attending school, college or University.

We will only cover your contents for loss or damage as a result of storm, rainwater, wind or impact by a vehicle if they are:

- ◆ in a residential building, boarding house, motel, hotel, club, nursing home or hospital where you are staying, or
- ◆ sporting equipment stored within a clubroom.

We will not cover your contents for loss or damage as a result of storm, rainwater, wind or impact by a vehicle if they are in a tent, vehicle, caravan, trailer, aircraft or watercraft.

We will not cover your contents for theft while they are away from your situation, unless:

- ◆ The contents:
  - are in a residential building, boarding house, motel, hotel, club, nursing home or hospital where you are staying, or
  - are sporting equipment stored within a clubroom.

We will pay up to 25 per cent in total of the contents sum insured shown on your schedule, subject to the limits set out in pages 34–36.

- ◆ The contents are your wallet, handbag or other personal items and you are robbed of these items anywhere in Australia by virtue of violent physical assault and when supported by a police report. The most we will pay for money is \$300, and up to \$800 in total.

The following contents items are not covered while away from your situation:

- ◆ Accessories and spare parts for the following: motor vehicles, motorcycles, mini-bikes, caravans, trailers, watercraft, golf buggies, mobility scooters, ride-on mowers, wheelchairs, surfboards, sailboards, surf skis and canoes.
- ◆ Goods that you use for earning your income.
- ◆ Office and surgery equipment that you use for earning your income.

### **Moving your contents to a new situation**

If you are moving permanently to a new situation within Australia, we will cover your contents at the situation shown on your schedule and at your new situation. The most we will pay in total is the sum insured shown on your schedule. We will only cover your contents at your new situation for 45 days. This cover will commence from when you first start to move your contents to your new situation. We do not provide cover for your contents while they are being moved unless we have agreed to cover them under 'Additional things we will pay for when you have insured your contents'.

You must tell us that you are permanently moving your contents to a new situation within 45 days from the day you first start to move.

### **Paying claims**

#### **Excesses that apply when you make a claim**

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

In most instances you can select, at the time of your enquiry or application for insurance, the amount of the excess you wish to pay should you make a claim. When you select a higher excess amount we will normally reduce the amount of the premium you will have to pay.

We take into consideration a number of factors in setting the amount of the excess. These include factors relating to the type of property being insured, where the property is located, the type of construction and your previous insurance and claims history.

At the time of your enquiry or application for insurance, the amount of the excess will be advised to you.

For each claim for your buildings and your contents, we will reduce the amount we pay you for your claim by the amount of the excess. The amount of your excess is shown on your schedule.

Your excess will be increased by \$250 for any claim for loss or damage arising from an earthquake or tsunami. This loss or damage must occur within 72 hours of the earthquake.

When a claim is paid for loss or damage to your buildings and your contents, the excess amount will only be applied once. You will not be required to pay any excess in the event that your buildings or contents are a total loss.

When a claim is paid under 'Additional things we will pay for when you have insured your buildings' only, 'Additional things we will pay for when you have insured your contents' only, or 'Additional things we will pay for when you have insured your buildings and/or contents' only, your excess will not apply.

### **The most we will pay for your buildings or your contents**

The most we will pay for any claim for your buildings or your contents is the sum insured shown on your schedule. This does not apply to amounts payable under 'Additional things we will pay for when you have insured your buildings', or 'Additional things we will pay for when you have insured your contents', or 'Additional things we will pay for when you have insured your buildings and/or contents'.

There are some contents items that we will only cover up to a certain amount. See 'What are your contents' on pages 34 to 36 for details of these contents items and the amounts we will pay.

### **How we pay a claim for your buildings**

#### **When your schedule shows 'including replacement benefit'**

When loss or damage occurs to your buildings, we will pay the cost of rebuilding your buildings or repairing the damaged portions to the same condition as when they were new. We will only do this when your schedule shows 'including replacement benefit'.

We will also pay any additional costs required for your buildings to comply with government or local authority bylaws. We will not pay these additional costs if you were required to comply with these bylaws, and had not done so, before the loss or damage occurred.

Rebuilding or repairing your buildings must commence within six months of the loss or damage occurring. If it does not commence within six months, we will do one of the following:

- ◆ Reinststate or repair your buildings to the condition they were in just before the loss or damage occurred.
- ◆ Pay you the cost of reinstating or repairing your buildings to the condition they were in just before the loss or damage occurred.
- ◆ Pay you the value of the land and your buildings just before the loss or damage occurred. We will reduce this payment by the value of your land and your buildings after the loss or damage occurred.

We decide which one we will do.

We will pay for the damaged portion of fixed coverings to walls, floors and ceilings only in the room, hall or passage where the damage occurred.

We will try to match any material used to repair your buildings with the original materials. If we cannot, we will use the nearest equivalent available to the original materials. We will not pay any costs for replacing undamaged property.

If the damage was caused by liquid that escaped from a bath, basin, sauna, spa, shower base or shower wall, we will pay the costs to repair your buildings. We will not pay the costs to repair or replace the bath, basin, sauna, spa, shower base or shower wall.

#### **When your schedule does not show 'including replacement benefit'**

When loss or damage occurs to your buildings and your schedule does not show 'including replacement benefit', we will do one of the following:

- ◆ Reinstall or repair your buildings to the condition they were in just before the loss or damage occurred.
- ◆ Pay you the cost of reinstalling or repairing your buildings to the condition they were in just before the loss or damage occurred.
- ◆ Pay you the value of the land and your buildings just before the loss or damage occurred. We will reduce this payment by the value of your land and your buildings after the loss or damage occurred.

We decide which one we will do.

We will pay for the damaged portions of fixed coverings to walls, floors and ceilings only in the room, hall or passage where the damage occurred.

We will try to match any material used to repair your buildings with the original materials. If we cannot, we will use the nearest equivalent available to the original materials. We will not pay any costs for replacing undamaged property.

If the damage was caused by liquid that escaped from a bath, basin, sauna, spa, shower base or shower wall, we will pay the costs to repair your buildings. We will not pay the costs to repair or replace the bath, basin, sauna, spa, shower base or shower wall.

#### **How we pay a claim for your contents**

When loss or damage occurs to any contents item, we will do one of the following:

- ◆ Replace the item with the nearest equivalent new item.
- ◆ Repair the item to the condition it was in when new.
- ◆ Pay you the cost of replacement or repair.

We decide which one we will do.

We will pay for the cost of replacement for:

- ◆ carpets,
- ◆ wall, floor and ceiling coverings, and
- ◆ internal blinds and curtains,

only in the room, hall or passage where the loss or damage occurred.

When an item is part of a pair, set, system or collection, we will only pay for the value of the item itself. The most we will pay is the value that the item has as a proportion of the combined pair, set, system or collection. We will only pay the cost of replacing the item even though the pair, set, system or collection to which it belongs is less valuable because it is incomplete.

## Your Liability cover

### What you are covered for

- ◆ If your policy covers your buildings, we will cover you against any claim for compensation or expenses which you become legally liable to pay for:
  - the death of, or personal injury to, any person,
  - the loss of, or damage to, property,resulting from an occurrence during the period of insurance arising out of the ownership of your buildings or occupancy of your buildings.  
For this liability cover only, your buildings include land, trees, shrubs and other plant life.
- ◆ If your policy covers your contents and you live in a rented building, we will cover you against any claim for compensation or expenses which you become legally liable to pay for:
  - the death of, or personal injury to, any person,
  - the loss of, or damage to, property,resulting from an occurrence during the period of insurance arising out of the ownership of your contents or occupancy of the building.  
This does not include any amount you have to pay because you are the owner of your buildings.
- ◆ If your policy covers your contents and you own part of a building that is a strata titled residence, we will cover you against any claim for compensation or expenses which you become legally liable to pay for:
  - the death of, or personal injury to, any person,
  - the loss of, or damage to, property,resulting from an occurrence during the period of insurance arising out of the ownership of

your contents or occupancy of the part of the building you own.

- ◆ If your policy covers your contents, we will cover you against any claim for compensation or expenses which you become legally liable to pay for:
  - the death of, or personal injury to, any person,
  - the loss of, or damage to, property,resulting from an occurrence during the period of insurance anywhere in the world.  
This does not include any amount you have to pay because you are the owner or occupier of your buildings.

### Definitions for your liability cover

'Personal injury' means bodily injury, shock, mental anguish or mental injury, libel, slander or defamation of character, including death.

'Personal injury' does not include the publication or utterance of a libel or slander:

- ◆ made prior to the commencement of the period of insurance, or
- ◆ made by or at the direction of you with knowledge of its falsity, or
- ◆ relating to advertising, broadcasting or telecasting activities by or on behalf of you.

'Bodily injury' means physical bodily harm including sickness or disease that results from it and required care, loss of services and/or resultant death.

'Damage to property' means physical injury to or destruction of tangible property, and resulting loss of its use. Tangible property includes the cost of recreating or replacing stocks, bonds, deeds, mortgages, bank deposits and similar instruments but does not include the value represented by such instruments.

'Occurrence' means:

- ◆ A single incident that is not intended or expected.
- ◆ A series of incidents or continuous or repeated exposure to substantially the same general conditions, which:
  - are not intended or expected, and
  - have the same cause, or
  - are attributable to the same source.

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

### Limit of your liability cover

The most we will cover for any liability claim is \$20,000,000 for any one occurrence.

We do not pay more than this amount in total under all policies we have issued to you which cover the same liability.

### Additional benefits

If your policy covers your buildings or contents, or both, your liability cover includes the following additional benefits:

#### ◆ Defence costs

In addition to the limit of your liability cover, if we agree you are entitled to liability cover under this policy in respect of an occurrence, we will also pay legal costs incurred with our consent to defend the claim.

#### ◆ Expenses incurred in attending court

In addition to the limit of your liability cover, we will reimburse you for reasonable expenses incurred in attending court in relation to a liability claim covered by this policy at our

request up to \$250 per day but excluding the first day, and up to a total of \$5,000 in any one period of insurance for proven income loss. We will only reimburse income loss for days on which you are not able to conduct any income-earning activity whatsoever.

If you are:

- self employed or a working director, then 'income' means the gross daily income from such personal exertion after allowing for the costs and expenses incurred in deriving that income,
- an employee, then 'income' means the gross daily income from personal exertion, excluding overtime payments, bonuses, commissions or allowances.

In each case the amount of your income will be averaged over the 12 months immediately preceding our request or such shorter period during which you have been so engaged. You must provide any documentation, records, correspondence or other information that we request in support of any claim for lost income.

**If your policy covers your contents, your liability cover includes the following additional benefits:**

#### ◆ Motor vehicle liability

We will cover you against any claim for compensation or expenses which you become legally liable to pay resulting from an occurrence that occurs during your period of insurance for:

- the death of, or personal injury to, any person,
- the loss of or damage to property, arising from the ownership, custody, or use of any vehicle not required to be registered by law including:
  - Motorcycles up to 125cc capacity.

- Mobility scooters.
- Golf buggies.
- Ride-on mowers.
- Any motorised wheelchair.
- Any domestic trailer not attached to any vehicle.

We also insure you against any claims for compensation or expenses you become legally liable to pay for:

- The death of, or personal injury to, any person caused by you solely as a result of you being a passenger in a registered vehicle if the occurrence causing the death or personal injury occurs during your period of insurance.
- The death of, or personal injury to, any person arising from the ownership, custody, or use of any registered vehicle if the occurrence causing the death or personal injury takes place at the situation and occurs during your period of insurance.

The most we will pay for all claims arising out of any one occurrence under this additional benefit is \$20,000,000.

In addition to the limit of your liability cover, if we agree you are entitled to liability cover under this additional benefit in respect of an occurrence, we will also pay legal costs incurred with our consent to defend the claim.

We do not cover you:

- If you are entitled to be wholly or partly insured by any compulsory statutory insurance or accident compensation scheme, or would have been, but for failure to register the vehicle or to apply for cover under the insurance or scheme or to comply with a term or condition of the insurance or scheme,

- If you are entitled to be wholly or partly protected by any other policy of insurance which specifically covers compulsory third party motor vehicle liability,
- While any vehicle are used for competitive racing or pacemaking.

#### ◆ **Committee members/sporting or social clubs/ community organisations**

We cover you for any claim made against you for compensation or expenses which you become legally liable in Australia to pay following an alleged or actual act or omission. We will only pay for your liability in connection with your position as a committee member of a sporting or social club or community organisation. We will not cover you if you receive more than \$1,000 per year for holding this position.

The claim must be made against you within the period of insurance stated in the schedule. The most we will pay under this additional benefit, including legal costs, during any one period of insurance, is \$10,000.

#### **What you are not covered for**

These exclusions apply to your liability cover and additional benefits.

We will not cover any liability arising from:

- ◆ Use of a motor vehicle, motorcycle, mini-bike, aircraft or watercraft, however we will cover liability that:
  - arises from the ownership, custody or use of any:
    - Model or toy aircraft.
    - Surfboard, sailboard or surf ski.
    - Watercraft no more than four metres long and that do not require registration under

state or territory legislation. This does not include jet skis.

- we cover under 'Additional benefits – Motor vehicle liability'.

- ◆ Use of a caravan or trailer when the caravan or trailer is attached to a motor vehicle or motorcycle.
- ◆ Any agreement or contract you enter into. We will pay for your liability if you would have been liable without the agreement or contract.
- ◆ The use, removal of or exposure to any asbestos product or products containing asbestos.
- ◆ Gaining a personal profit or advantage that is illegal.
- ◆ A conflict of duty or interest.
- ◆ Any act or omission that is dishonest, fraudulent, criminal, wilful or malicious.
- ◆ Any loss that can be reimbursed by your sporting or social club or community organisation.
- ◆ Any alleged or actual act or omission committed, or alleged to have been committed, prior to the commencement of the policy.
- ◆ Any disease that is transmitted by you, or any member of your family who normally lives with you.
- ◆ Any business, profession, trade or occupation carried on by you. This does not include being a committee member of a sporting or social club/ community organisations provided that you do not receive more than \$1,000 per year for holding this position.
- ◆ Alterations, repairs, renovations or additions to your buildings that cost more than \$100,000.

We will not cover any:

- ◆ Penalties, fines or awards of aggravated, exemplary or punitive damages made against you.

- ◆ Personal injury to you, or any member of your family who normally lives with you, or any other person who normally lives with you.
- ◆ Personal injury to any person you employ and that injury arises from their employment with you.
- ◆ Damage to or loss of property that belongs to you, or any member of your family who normally lives with you, or any other person who normally lives with you.
- ◆ Damage to or loss of property that belongs to any person you employ and that damage or loss arises from their employment with you.

The general exclusions that apply to Section 1 and Section 2 on pages 55 and 56 also apply to your liability cover and additional benefits.

### Strata title mortgagee protection

This section of the policy only applies when your schedule shows that you have requested cover for mortgagee protection. It applies when you own part of a building that has been subdivided, usually into strata title units, and you have a mortgage on that part of the building.

We will cover the part of the building that you own for loss or damage on the same basis as set out in 'Section 1 – Buildings and contents'.

We will pay up to the amount you owe on your mortgage but no more than the buildings sum insured shown on your schedule. We will pay this to your mortgagee when you are required to pay your mortgage in full following a loss. We will only pay this when the body corporate has not insured the buildings, or it has not insured the buildings for damage that you can claim for under this policy.

## Section 2 – Valuable items

This section of the policy only applies when your schedule shows that you have requested cover for valuable items.

Contents are automatically covered whilst temporarily removed in accordance with 'Cover for your contents away from your situation' on pages 37–39 however limits apply. If cover for higher amounts is required please select this cover.

### What are valuable items

- ◆ Jewellery and watches.
- ◆ Items that contain gold or silver (this does not include items thinly covered with gold or silver).
- ◆ Collections of stamps, money or medals.
- ◆ Special valuable and personal items which are listed on your schedule.
- ◆ Clothing.
- ◆ Pedal cycles.
- ◆ Personal effects specifically designed to be worn or carried on the person.

### What are not valuable items

- ◆ Unset precious and semi-precious stones.
- ◆ Items thinly covered with gold or silver.
- ◆ Motor vehicles, motorcycles, caravans, trailers, aircraft or accessories or spare parts of any of these items.
- ◆ Watercraft more than four metres long.
- ◆ Watercraft less than four metres long that require registration under state or territory legislation.
- ◆ Personal water craft (for example, jet skis).
- ◆ Pedal cycles while they are being used.
- ◆ Money or negotiable documents.

### When we will pay

Your valuable items are covered for accidental loss or accidental damage, provided that the accidental loss or accidental damage happens within Australia or New Zealand. You only have cover for accidental loss or accidental damage that happens outside of Australia and New Zealand if the loss or damage occurs within 90 consecutive days after you leave Australia.

### When we will not pay

We will not pay if the accidental loss or accidental damage is caused by the following:

- ◆ Rust, corrosion, gradual deterioration, depreciation, wear or tear.
- ◆ A defect in the item.
- ◆ Rats, mice or insects.
- ◆ Processes of cleaning involving the use of chemicals other than domestic household chemicals.
- ◆ Mechanical or electrical breakdown other than an electric motor burning out. We will pay for any resultant damage following mechanical or electrical breakdown.

### Paying claims

#### How we pay a claim for a valuable item

When accidental loss or accidental damage occurs to a valuable item, we will do one of the following:

- ◆ Replace the item with the nearest equivalent new item.
- ◆ Repair the item to the condition it was in when new.
- ◆ Pay you the cost of replacement or repair.

We decide which one we will do.

When a valuable item is part of a pair, set, system or collection, we will only pay the value of the item itself. The most we will pay is the value that the item has as a proportion of the combined pair, set, system or collection. We will only pay the cost of replacing the item even though the pair, set, system or collection to which it belongs is less valuable because it is incomplete.

We will reduce any payment for loss of, or damage to, an item under this section by the amount we pay you for the same item under your contents cover.

### Limit for valuable items

The most we will pay for any one item, pair, set, collection or system is \$5,000 for valuable items.

You can insure items, pairs, sets, collections or systems that are worth more than the above limits for their actual value as 'special valuable' items.

To do this you must advise us and the items will be listed on your schedule. The most we will pay in total for all valuable items is the amount shown on your schedule.

### What Section 1 and Section 2 of the policy do not cover

We will not pay claims for loss, damage or liability arising from:

- ◆ War or warlike activity. War does not have to be declared. We do not provide cover for theft following this.
- ◆ Hostilities, rebellion, insurrection or revolution. We do not provide cover for theft following these events.
- ◆ Contamination by chemical and/or biological agents, which results from an act of terrorism. Terrorism is any act which may, or may not, involve the use of, or threat of, force or violence where the purpose of the act is to further a political, religious, ideological aim or to intimidate or influence a government (whether lawfully constituted or not) or any section of the public.
- ◆ Lawful destruction or confiscation of your property.
- ◆ Anything nuclear or radioactive.
- ◆ Damage to a heating element. We will pay for any resultant damage following damage to a heating element.
- ◆ Mildew, atmospheric or climatic conditions.
- ◆ Mould or fungi.
- ◆ Damage, loss or injury that you or anyone acting for you deliberately caused.
- ◆ Flood, storm surge, the action of the sea, tidal wave, high water, or erosion.
- ◆ Landslide or subsidence except as detailed on page 24.
- ◆ Any event that does not occur within the period of insurance.
- ◆ Failure or inability of any item, equipment or computer software to recognise correctly,

to interpret correctly or to process correctly any date or to function correctly beyond any time when that item, equipment or computer software has not recognised, interpreted or processed correctly any date. We will pay for any resultant loss or damage that is covered by this policy, however we will not cover resultant loss or damage to any frozen food, computer equipment or computer software.

## **Section 3 – Workers' compensation**

This section of the policy only applies when your schedule shows that you have cover for workers' compensation. If you have employees, in some circumstances workers' compensation cover is compulsory.

If you are unsure, check with your local Workers' Compensation Authority.

We will pay the amount you are liable to pay if a person you employ is injured while working for you.

We will only pay if the person is doing domestic work for you. We will not pay if the person is working for you in your business, profession, trade or occupation.

The amount we will pay is subject to the relevant workers' compensation legislation in your state or territory.

Please refer to page 7 under 'Who is the insurer'.

## Policy information

### When your cover does not apply

Your cover for your buildings, contents and valuable items will not apply if, for a continuous period of 90 days or more, no one has occupied your buildings, unless the loss or damage results from lightning, thunderbolt or earthquake.

You can ask us to provide cover if your buildings are not going to be occupied for more than 90 days.

If we agree to provide cover, we will advise you in writing.

### You cannot give your rights away

You cannot give anyone else an interest in this policy without our written consent.

### What you are required to do for us

- ◆ You must pay us the premium for this insurance.
- ◆ You must tell us as soon as possible of anything that changes the facts or circumstances relating to your insurance.
- ◆ You must take reasonable precautions to prevent anything which could result in a claim under this policy.
- ◆ You must make sure that anyone doing anything on your behalf obeys all laws.
- ◆ You must comply with the conditions of this policy.

### Cancelling your policy before the due date

You can cancel this policy at any time. To do this you must tell us in writing. The policy will end when we receive your notification.

We can cancel this policy if you do any of the following:

- ◆ Make a misleading statement to us when you apply for your insurance.

- ◆ Fail to tell us anything you should tell us when you apply for this policy, renew this policy and when you change or reinstate this policy.
- ◆ Fail to comply with the conditions of this policy.
- ◆ Fail to pay the premium for this insurance.
- ◆ Are not fair and open in your dealings with us.
- ◆ Make a claim during the period of this policy that is not true. The claim does not have to be under this policy and can be with us or another insurance company.

We may cancel this policy if you fail to notify us of a change in the circumstances of the risk during the period of insurance.

If we cancel this policy, we will advise you in writing. To do this, a notice will be delivered or posted to you.

### Return of premium if your policy is cancelled before the due date

If your policy is cancelled before the due date:

- ◆ We will keep the premium for the period that the policy was in force.
- ◆ We will return to you the premium for the period from the date the policy ended to the due date of the policy.

### How the Goods and Services Tax affects your claim

Where we make a payment under this policy for the acquisition of goods, services or other supply, we will reduce the amount of the payment by the amount of any input tax credit that you are, or will be, or would have been entitled to under A New Tax System (Goods and Services Tax) Act 1999 in relation to that acquisition, whether or not that acquisition is actually made.

Where we make a payment under this policy as compensation instead of payment for the acquisition

of goods, services or other supply, we will reduce the amount of the payment by the amount of any input tax credit that you would have been entitled to under A New Tax System (Goods and Services Tax) Act 1999 had the payment been applied to acquire such goods, services or other supply.

### **The law that applies to this policy**

Any disputes arising from this policy will be determined by the courts, and in accordance with the laws, of the state or territory of Australia where this policy is issued.

### **How to make a claim**

Please contact your nearest CGU Insurance office when something happens that you believe you can claim for.

### **What you must do when you make a claim**

You must make your claim as soon as possible after you suffer a loss. If you do not make your claim within 30 days, we may reduce what we pay you by an amount to take account of any disadvantage we suffer by the delay.

You must also:

- ◆ Take all reasonable steps to stop any further loss from occurring.
- ◆ Advise the nearest police station if your property is lost or stolen, vandalised or maliciously damaged. We may ask you to give us a written report from the police.
- ◆ Keep the property that has been damaged so we can inspect it.
- ◆ Tell us about any prosecution or inquest that may be held.
- ◆ Send us any document relating to your claim within 72 hours of you receiving the document.

### **What you must not do when you make a claim**

You must not do any of the following:

- ◆ Repair or replace any damaged property without our consent.
- ◆ Pay, promise to pay, or offer payment, or admit responsibility for a claim.

### **You give us your rights to claim from anyone else**

If you have a right to claim against someone else for a claim you made under this policy, you give us your rights to make that claim. You also give us your rights to conduct, defend or settle any legal action and to act in your name.

You must not do anything which prevents us from doing this and you must give us all the information and cooperation that we require.

### **Claim payment examples**

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

#### **◆ Claim Example 1**

Policy type: Building Insurance

Buildings sum insured: \$250,000

Excess: \$100

Loss or damage: Storm damage to your roof.

How we settle your claim:

- We arrange for a builder to repair your roof for \$4,000
- We pay the builder \$3,900
- We ask you to pay the builder the \$100 excess.

#### **◆ Claim Example 2**

Policy type: Contents Insurance

Contents sum insured: \$100,000

Excess: \$100

Loss or damage: Theft of your television

How we settle your claim:

- Replacement cost of television is \$2,700
- We pay the supplier \$2,600
- We ask you to pay the supplier the \$100 excess.

◆ Claim Example 3

Policy type: Building and Contents Insurance

Buildings sum insured: \$300,000

Contents sum insured: \$80,000

Excess: \$100

Loss or damage: Your buildings and contents are partially destroyed by fire.

We agree that you are unable to live in your buildings and you require alternative accommodation.

How we settle your claim:

- We choose to pay you directly for the damage
- We pay you \$37,900 as follows.
  - Building repairs \$20,000
  - Content replacement \$8,000
  - Costs for alternative accommodation \$10,000
  - Less excess \$100
  - Total \$37,900

◆ Claim Example 4

Policy type: Special Valuables option

Item sum insured: Diamond ring - \$8,000

Loss or damage: Your diamond ring is stolen.

How we settle your claim:

- We pay the jeweller \$8,000 to replace your diamond ring. No excess is applicable

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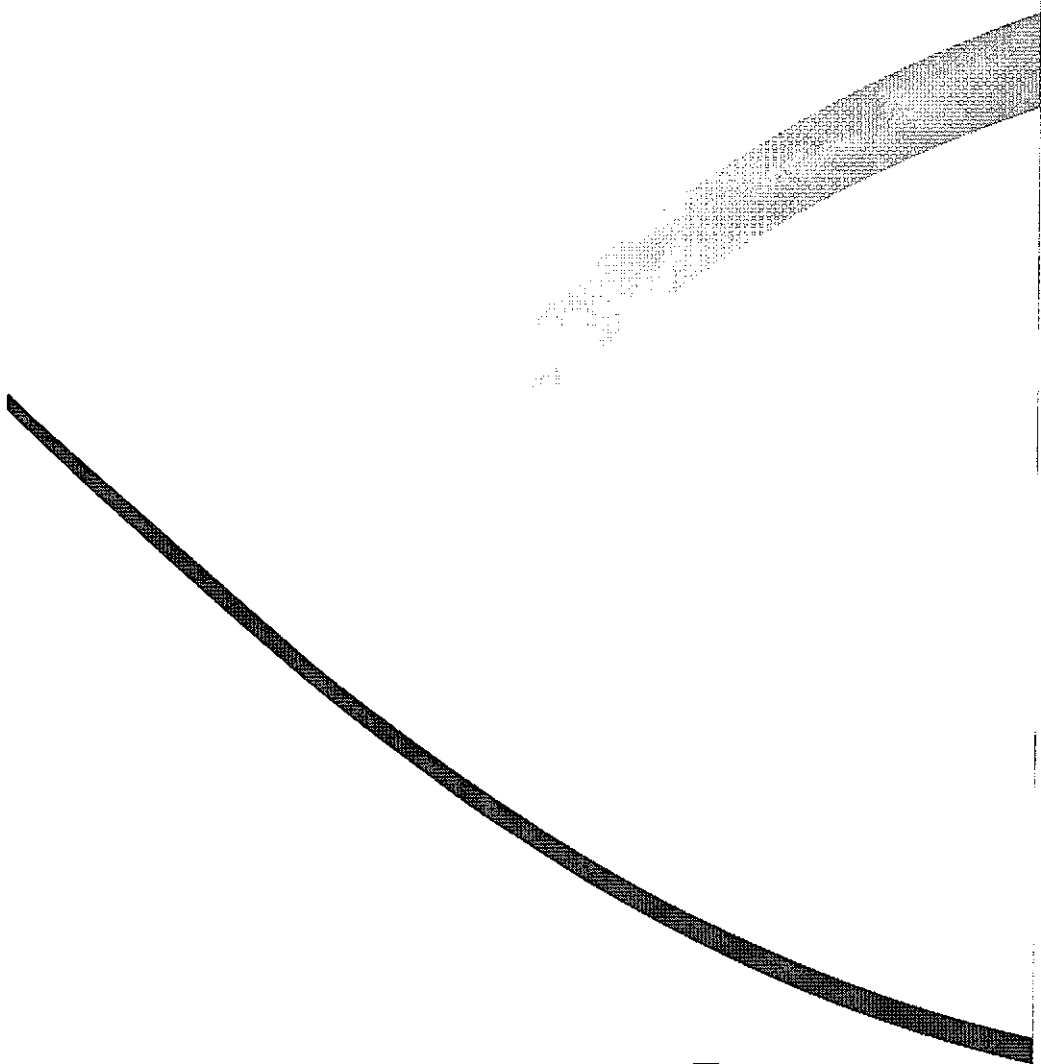
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## Notes



Insurer  
**CGU Insurance Limited**  
ABN 27 004 478 371  
AFS Licence No. 238291

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AFS Licence No. 254928

CID0077 REV4 3/10



Insurer  
**CGU Insurance Limited**  
ABN 27 004 478 371  
AFS Licence No. 238291



# home

insurance product disclosure  
statement and policy

Preparation date: 17/12/2010

Insurer: **CGU Insurance Limited**  
ABN 27 004 478 371  
AFS Licence No. 238291



home

**insurance** product disclosure  
statement and policy



Distributed by CGU  
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This Product Disclosure Statement (PDS) has been designed to help you get the most out of your policy.

Use the contents pages and topic index to help find what you are looking for. Important tasks such as taking out insurance or making a claim are explained in easy to follow steps. And we have included a glossary of words with a special meaning.

When you take out an insurance policy with us, the cover we agree to provide you is set out in your current schedule, and described in this PDS, as well as any Supplementary PDS we may issue. Together, they make up the terms and conditions of your insurance contract with us. Read them carefully and store them together in a safe place.

If you need more information about this PDS, please contact us or your insurance adviser.

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# Home Insurance -

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This home insurance allows you to choose from two types of insurance cover: Listed Events or Accidental Damage.

- Listed Events provides cover for loss or damage to your buildings or contents as a result of the incidents listed on pages 12 to 17.
- Accidental Damage provides even greater cover than Listed Events. It also covers accidental loss or damage, plus a range of incidents listed on pages 18 to 20 under specific conditions.

The type of insurance cover you have chosen will be listed on your current schedule.

This home insurance also provides a range of additional covers and cover for your legal liability.

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

You can also add options to your policy for domestic workers' compensation, strata title mortgagee protection, or to extend your valuables cover.

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

To find out what this policy covers, see next page ►

For exclusions to this cover, see page 39 ►



## Listed Events

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## Accidental Damage

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## Buildings we will cover

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

### **Your buildings include**

- residential buildings that you live in, including any professional offices or surgeries in those buildings
- domestic outbuildings
- fixed coverings to walls, floors and ceilings
  - these do NOT include fixed carpets, curtains or internal blinds
- infrastructure for services, including infrastructure for the supply of electricity, gas, water, internet and telephone
- items built in, fixed to, or on the buildings
- blinds or awnings on the outside of the buildings
- anything permanently built, constructed or installed on your property for domestic purposes.

### **Your buildings do NOT include**

- buildings that a tenant is liable for under the terms of a rental agreement
- plants, shrubs, trees or grass, **unless**
  - we are covering these under 'Trees, plants and shrubs replacement'.

*For Trees, plants and shrubs replacement, see page 32 ►*

---

## What we will pay for buildings

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

---

## Contents we will cover

We will cover household goods or personal effects not fixed or fitted to buildings that you own or are legally responsible for.

---

**Your contents include**

- accessories and spare parts for motor vehicles, motorcycles, mini-bikes, caravans, trailers and watercraft, that are not in, or on them
- items thinly covered with gold or silver that are not jewellery or watches
- carpets, curtains or internal blinds
- film, slides and prints, **however**
  - we will only pay the value of these items as unprocessed material, and the cost of processing them
  - if you purchased them already processed we will only pay their replacement value
  - we will not pay the costs of recreating any event
- tapes, cassettes, cartridges and discs, **however**
  - we will only pay the value of these items when blank unless they were pre-recorded when you purchased them
- computer software
- media purchased online, e.g. music, software, and videos
- landlords' fixtures and fittings that you are liable for under the terms of a rental agreement, **unless**
  - the body corporate or similar body has insured them
- fixtures and fittings that you have installed for your own use if you are a tenant, or the owner of a strata title unit, **unless**
  - the body corporate or similar body has insured them
- goods you use to earn an income at your home, **however**
  - goods do NOT include office and surgery equipment
- office and surgery equipment that you use to earn an income at your home
- unregistered motorised golf buggies, ride-on mowers and wheelchairs
- unregistered motorcycles or mini-bikes up to 250 cc that do not require registration by law, **unless**
  - they are being used for racing or pacemaking
- money and negotiable documents
- watercraft less than four metres long that is not powered by a motor, or is powered by a motor less than 10 hp
- sporting equipment
- valuable items as listed below
  - jewellery and watches
  - items that contain gold or silver (this does not include items thinly covered with gold or silver)
  - collections of stamps, money or medals

Continued next page ►

continued... Contents we will cover

- battery-powered items as listed below
  - ~ audio visual equipment
  - ~ camera equipment, including accessories and unprocessed film, **unless** they are being used underwater, or to earn your income
  - ~ electronic diaries
  - ~ GPS
  - ~ mobile or portable phones
  - ~ portable computers

You can increase the level of cover for valuable items by choosing the Other Valuables or Special Valuables option.

For a description of the *Other Valuables* and *Special Valuables* options, see pages 36-38 ►

#### **Your contents do NOT include**

- unset precious/semi-precious stones
- plants and trees growing outdoors, **unless**
  - they are growing in pots or tubs
- animals, including birds and fish
- pedal cycles while they are used for racing or pacemaking
- motor vehicles, caravans, trailers or aircraft other than model or toy aircraft
- registered motorcycles or mini-bikes
- unregistered motorcycles or mini-bikes over 250cc
- watercraft more than four metres long
- watercraft less than four metres long that is powered by a motor of more than 10 hp
- jet skis.
- sporting equipment whilst in use.

## What we will pay for contents

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

Continued next page ►

THE MOST WE WILL PAY	
<b>CONTENTS</b>	up to the contents sum insured as listed on your schedule (inclusive of GST) in total
any content item, pair, set, collection or system of contents items	\$20,000 (inclusive of GST) per item, pair, set, collection or system
office and surgery equipment - includes all battery-powered items under Valuable items	\$10,000 (inclusive of GST) in total
goods you use for earning your income in your buildings	\$7,500 (inclusive of GST) in total
<b>money and negotiable documents</b>	
under Listed Events	\$1,000 (inclusive of GST) in total
under Accidental Damage	\$1,500 (inclusive of GST) in total
watercraft less than 4 metres long that is not powered by a motor, or is powered by a motor less than 10 HP	\$5,000 (inclusive of GST) in total
accessories and spare parts for motor vehicles, motorcycles, mini-bikes, caravans, trailers and watercraft	\$2,000 (inclusive of GST) in total
<b>VALUABLE ITEMS INCLUDED IN CONTENTS</b>	
under Listed Events	up to 20 per cent of the contents sum insured as listed on your schedule, or up to \$5,000 (inclusive of GST), whichever is higher - this amount is included in your contents sum insured
under Accidental Damage	up to 20 per cent of the contents sum insured as listed on your schedule, or up to \$7,500 (inclusive of GST), whichever is higher - this amount is included in your contents sum insured
any one item, pair, set, collection or system of valuables	\$5,000 (inclusive of GST) per item, pair, set, collection or system

---

continued... What we will pay for contents

### **Nominating the amount we will pay for contents**

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

### **Increasing the amount we will pay for contents excluding valuable items**

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

### **Increasing the amount we will pay for valuables**

You can increase the total amount we will pay for your valuables by adding the Other Valuables option to your policy. This amount is in addition to your contents sum insured.

You can increase the maximum amount we will pay for an individual valuable item by adding the Special Valuables option to your policy. This amount is in addition to your contents sum insured.

For a description of the *Other Valuables* and *Special Valuables* options, see page 36-38 ►

---

## Where your contents are covered

Your contents are covered at your home.  
Your contents are also covered away from your home, anywhere in Australia.

### **Contents – at your home – at your home in the open air**

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

Under Listed Events, if your contents are at your home in the open air (not in a building that is fully enclosed) and they suffer loss or damage as a result of

- storm, rainwater or wind, or
- theft or attempted theft

the most we will pay is up to \$5,000 (inclusive of GST) in total. This limit does not apply to swimming pools, saunas or spas, or their accessories.

## Contents – away from your home

We will cover your contents away from your home, for loss or damage as a result of an incident we have agreed to cover. Under Listed Events, we will cover your contents anywhere in Australia. Under Accidental Damage, we will cover your contents anywhere in Australia and New Zealand, and in the world for up to 100 consecutive days from the time you leave Australia.

We will NOT cover

- accessories and spare parts for motor vehicles, motorcycles, mini-bikes, caravans, trailers and watercraft
- goods you use for earning an income
- office and surgery equipment you use for earning your income

while they are away from your home.

We will NOT cover your contents if they

- have been away from your home for more than 100 consecutive days, **unless**
  - the contents are sporting equipment stored within a club room, **or**
  - you are away from home attending, school, college or university, provided you are in Australia
- have been removed permanently from your home by you, **unless**
  - we have agreed to cover them
- are on the way to, or from, or are in a commercial storage facility, or in transit during a permanent removal, **unless**
  - we have agreed to cover them under 'Contents in transit' or 'Contents in a commercial storage facility'.

Under Listed Events, we will ONLY cover your contents for loss or damage as a result of storm, rainwater, wind or impact by a vehicle if they are

- in a residential building, boarding house, motel, hotel, club, nursing home, or hospital where you are staying, **or**
- sporting equipment stored within a club room.

Continued next page ►

---

continued... Where your contents are covered

continued...  
Contents -  
away from  
your home

- Under Listed Events we will NOT cover
- your contents for theft while they are away from your home, **unless**
    - they are sporting equipment locked in a clubroom
  - your contents for loss or damage as a result of storm, rainwater, wind, or impact by a vehicle if they are in a tent, vehicle, caravan, trailer, aircraft, or watercraft.

---

## Listed Events cover

If you have chosen Listed Events Home Insurance, we will cover your buildings or contents for loss or damage as a result of the incidents listed on pages 12 to 17.

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

Any cover we provide is subject to exclusions.

For exclusions to this cover,  
see page 39 ►

### Accidental breakage

BUILDINGS  
CONTENTS

Under Listed Events, we will cover your buildings or contents for loss or damage when an item is chipped or fractured through its entire thickness.

If you have insured your buildings, we will cover any

- fixed glass in your buildings, **including**
  - any window tinting or shatter proofing material attached to the glass
- fixed shower bases, basins, sinks, spas, baths and toilets.

Continued next page ►

continued...  
Accidental  
breakage

If you have insured your contents, we will cover any

- mirrors, glassware, crystal, crockery, **unless**
  - they are damaged while being used, cleaned or carried by hand
- glass in furniture, **however**
  - we will not cover glass that is part of a television, or a computer screen or monitor.

If you have insured your contents and live in a rental building, we will cover accidental breakage of fixed shower bases, basins, sinks, spas, baths and toilets, **however**

- this only applies when your rental agreement makes you responsible for these items.

**Burglary or  
break-in**

BUILDINGS  
CONTENTS

Under Listed Events, we will cover your buildings or contents for loss or damage as a result of a burglary or break-in, or an attempted burglary or break-in.

We will NOT cover loss or damage as a result of a burglary or break-in by a tenant.

The burglary or break-in, or attempted burglary or break-in, must be reported to the Police.

**Burning  
out of an  
electric  
motor**

BUILDINGS  
CONTENTS

Under Listed Events, we will cover the cost to repair or replace your electric motor if it burns out or fuses.

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

continued... incidents covered under Listed Events

## Deliberate or intentional acts

BUILDINGS  
CONTENTS

Under Listed Events, we will cover your buildings or contents for loss or damage as a result of a deliberate and intentional act.

We will NOT cover loss or damage as result of a deliberate or intentional act by a tenant.

## Earthquake or tsunami

BUILDINGS  
CONTENTS

Under Listed Events, we will cover your buildings or contents for loss or damage as a result of an earthquake or tsunami.

You must pay an additional excess of \$250.

We will only cover loss or damage as a result of an earthquake if the loss or damage occurs within 72 hours of the earthquake.

## Fire or explosion

BUILDINGS  
CONTENTS

Under Listed Events, we will cover your buildings or contents for loss or damage as a result of a fire or an explosion.

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

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

## Impact damage

BUILDINGS  
CONTENTS

Under Listed Events, we will cover your buildings or contents for loss or damage as a result of an impact.

We will ONLY cover loss or damage caused by the impact of

- an aircraft, spacecraft or satellite, or  
– anything dropped from them
- a falling television or radio antenna mast or dish
- vehicles or watercraft
- an animal or bird that is not kept at your home, **unless**  
– the loss or damage is caused by any animal or bird eating, chewing, clawing or pecking
- a falling tree or part of a tree, **unless**  
– the damage is caused when you, or someone else acting on your behalf, cuts down or removes branches from a tree.

We also pay the cost of removing and disposing of the fallen tree or parts.

## Landslide or subsidence

BUILDINGS  
CONTENTS

Under Listed Events, we will cover your buildings or contents for loss or damage as a result of a landslide or subsidence.

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

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

## Lightning or thunderbolt

BUILDINGS  
CONTENTS

Under Listed Events, we will cover your buildings or contents for loss or damage as a result of a lightning or thunderbolt.

## Riots or civil commotion

BUILDINGS  
CONTENTS

Under Listed Events, we will cover your buildings or contents for loss or damage as a result of riots, civil commotion, or industrial or political disturbances.

## Storm, rainwater or wind

BUILDINGS  
CONTENTS

Under Listed Events, we will cover your buildings or contents for loss or damage as a result of storm, rainwater or wind.

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

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

We will NOT cover

- swimming pool covers, **including** solar covers
- plastic liners for swimming pools
- water entering your buildings
  - through an opening made for any building, renovation or repair work
  - because of a structural defect, faulty design or faulty workmanship when your buildings were constructed
- free-standing fences made of corrugated fibrous material that do not have a supporting frame, **unless**
  - they have been installed and constructed according to the manufacturer's specifications
- free-standing gates, fences or walls that are made of timber and are more than 20 years old.

## Theft or attempted theft

BUILDINGS  
CONTENTS

Under Listed Events, we will cover your buildings or contents for loss or damage as a result of theft or attempted theft.

We will **ONLY** cover theft of money or negotiable documents when force is used by someone to enter your buildings.

We will **NOT** cover your buildings or contents for loss or damage as a result of

- theft from any part of the buildings which you share with another person who is not insured under this policy
- theft by a tenant.

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

## Vandalism or a malicious act

BUILDINGS  
CONTENTS

Under Listed Events, we will cover your buildings or contents for loss or damage as a result of vandalism or a malicious act.

We will **NOT** cover loss or damage as a result of vandalism or a malicious act by a tenant.

## Water or liquid damage

BUILDINGS  
CONTENTS

Under Listed Events, we will cover your buildings or contents for loss or damage caused by water or liquid. If we pay a claim for loss or damage caused by water or liquid, we will also cover the cost of finding where the water or liquid escaped from, including the cost of repairing any damage that occurs while looking for the cause.

We will **ONLY** cover loss or damage caused by water or liquid escaping from

- a fixed pipe or an object attached to a pipe, fixed gutter, fixed tank or a drain
- a bath, basin, sauna, spa, shower base or shower wall, sink, toilet or tiled floor that has drainage holes
- a washing machine or dishwasher
- an aquarium
- a waterbed.

We will **NOT** cover the cost of repairing the item that caused the escape of water or liquid.

# Accidental Damage cover

If you have chosen Accidental Damage Home Insurance, we will cover your buildings or contents for accidental loss or damage.

There are also a number of incidents we will cover under specific conditions. These are listed on pages 18 to 20.

If you make a claim, you must pay any excess that applies – you will only need to pay this amount once.

Any cover we provide is subject to exclusions.

For exclusions to this cover, see page 39 ►

## Incident cover provided under specific conditions

### Burning out of an electric motor

BUILDINGS  
CONTENTS

Under Accidental Damage, we will cover the cost to repair or replace your electric motor if it burns out or fuses. We will ONLY do this if your electric motor is 15 years old or less.

### Fire or explosion

BUILDINGS  
CONTENTS

Under Accidental Damage, we will cover your buildings or contents for loss or damage as a result of a fire or an explosion.

We will NOT cover loss or damage caused by a bushfire or grassfire within 48 hours of the start date of your policy, **unless**

- you took out your insurance with us immediately after another insurance policy covering the same buildings or contents expired, without a break in cover
- you took out your insurance with us immediately after the risk passed to you as purchaser of your buildings
- you took out your insurance with us immediately after you signed a lease contract for your buildings.

## Landslide or subsidence

BUILDINGS  
CONTENTS

Under Accidental Damage, we will cover your buildings or contents for loss or damage as a result of a landslide or subsidence.

We will **ONLY** do this if the loss or damage occurs within 72 hours of

- an earthquake or explosion
- a storm, including rainwater or wind, **or**
- liquid escaping from a fixed pipe, or an object attached to a pipe, fixed gutter, fixed tank or a drain.

## Storm, rainwater or wind

BUILDINGS  
CONTENTS

Under Accidental Damage, we will cover your buildings or contents for loss or damage as a result of storm, rainwater or wind.

We will **NOT** cover loss or damage caused by a named cyclone within 48 hours of the start date of your policy, **unless**

- you took out your insurance with us immediately after another insurance policy covering the same buildings or contents expired, without a break in cover
- you took out your insurance with us immediately after the risk passed to you as purchaser of your buildings
- you took out your insurance with us immediately after you signed a lease contract for your buildings.

We will **NOT** cover

- swimming pool covers, **including** solar covers
- plastic liners for swimming pools
- water entering your buildings
  - through an opening made for any building, renovation or repair work
  - because of a structural defect, faulty design or faulty workmanship when your buildings were constructed
- free-standing fences made of corrugated fibrous material that do not have a supporting frame, **unless**
  - they have been installed and constructed according to the manufacturer's specifications
- free-standing gates, fences or walls that are made of timber and are more than 20 years old.

continued... incidents covered under Accidental Damage  
with specific conditions

## Theft or attempted theft

BUILDINGS  
CONTENTS

Under Accidental Damage, we will cover your buildings or contents for loss or damage as a result of theft or attempted theft.

We will NOT cover your buildings or contents for loss or damage as a result of

- theft from any part of the buildings which you share with another person who is not insured under this policy
- theft by a tenant.

The theft or attempted theft must be reported to the Police.

## Water or liquid damage

BUILDINGS  
CONTENTS

Under Accidental Damage, we will cover your buildings or contents for loss or damage caused by water or liquid. If we pay a claim for loss or damage caused by water or liquid, we will also cover the cost of finding where the water or liquid escaped from, including the cost of repairing any damage that occurs while looking for the cause.

We will NOT cover your buildings or contents for loss or damage caused by

- flood
- landslide or subsidence, **unless**
  - we agree to cover the incident as described under 'Landslide or subsidence' on page 19
- water entering your buildings
  - through an opening made for any building, renovation or repair work
  - because of a structural defect, faulty design or faulty workmanship when your buildings were constructed.

We will NOT cover the cost of repairing the item that caused the escape of water or liquid.

---

# Additional cover included under Listed Events and Accidental Damage

Accidental Damage Home Insurance and Listed Events Home Insurance include a range of covers we refer to as 'additional cover'. These covers are listed on the following pages. The additional cover we provide depends on whether you have a buildings policy, contents policy or a combined buildings and contents policy.

The amount we will pay for these covers is in addition to the sum insured, as listed on your schedule.

If you make a claim for an additional cover, you will not need to pay an excess.

Any cover we provide is subject to exclusions.

For exclusions to this cover, see page 39 ►

## Accounting fees for a tax audit

### CONTENTS

If your personal financial affairs are audited by the Federal Commissioner of Taxation, we will cover any accountant's fees that you must pay as a result, up to \$5,000 (inclusive of GST) during your period of insurance.

You must advise us of any such audit.

We will NOT cover claims for

- any audit that relates to a criminal prosecution
- fees where the final assessment of your taxable income for the period being audited is 20 per cent higher than your original declaration
- fees for work performed outside the time limits allowed by the Federal Commissioner of Taxation
- any fines, penalties or adjustments of taxation.

continued... Additional cover included in this insurance

## Alternative accommodation

BUILDINGS  
CONTENTS

If your buildings or contents suffer loss or damage and you are unable to live in your home as a result, we will cover the costs of alternative accommodation for up to 12 months.

The loss or damage must occur as a result of an incident we have agreed to cover.

If you have buildings insurance, we will

- pay an amount that is equal to the weekly rental value of your buildings before the incident occurred
  - pay the reasonable costs of alternative accommodation for your pets
- up to 20 per cent of the buildings sum insured, as listed on your schedule.

We will NOT cover this, or we will reduce the amount we pay, if

- you receive any payment for rent from another source
- you do not need to pay for alternative accommodation.

If you have contents insurance, we will pay the reasonable costs of alternative accommodation, up to 20 per cent of the contents sum insured, as listed on your schedule.

We will NOT cover this, or we will reduce the amount we pay, if

- we have paid you for rent following loss or damage to your buildings
- you receive any payment for rent or accommodation from another source
- you do not need to pay for alternative accommodation.

## Arson reward

### BUILDINGS

We will pay a reward up to \$500 (inclusive of GST) for information which leads to an arson conviction in connection with damage to your buildings as a result of an incident we have agreed to cover. The reward will be paid to the person or persons providing the information.

## Contents in a commercial storage facility

### CONTENTS

We will cover your contents for loss or damage whilst they are in a commercial storage facility in Australia up to the total contents sum insured, as listed on your schedule.

You must tell us that your contents are in a commercial storage facility before they are put into storage and we must have agreed to cover them.

If we agree to cover your contents in a commercial storage facility, it will be listed on your schedule.

We will ONLY cover your contents if the loss or damage occurs as a result of an incident we have agreed to cover.

We will NOT cover jewellery, money or negotiable documents.

## Contents in transit

### CONTENTS

We will cover your contents for loss or damage whilst they are being transported by a vehicle to your home, or to a commercial storage facility within Australia, up to \$15,000 (inclusive of GST) during your period of insurance.

We will ONLY cover your contents if there is a theft following violent or forceable entry, or loss or damage occurs as a result of fire, collision or overturning of the vehicle that is transporting your contents.

We will NOT cover loss or damage

- to glassware, crystal, crockery, mirrors or china, or
- caused by denting, scratching, chipping or bruising.

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continued... Additional cover included in this insurance

### **Credit card and transaction card misuse**

#### **CONTENTS**

If your credit cards or financial transaction cards are

- misused after they are stolen, or
  - fraudulently used on the internet
- we will pay the financial institutions that issued them, up to \$5,000 (inclusive of GST).

We will **ONLY** cover this if you have complied with the terms on which the credit cards or financial transaction cards were issued.

Under Accidental Damage, we will also pay if your credit cards or financial transaction cards are lost.

### **Debris removal and demolishing**

#### **BUILDINGS CONTENTS**

We will cover the reasonable costs to demolish and remove any debris that results from loss or damage to your buildings or contents, up to 20 per cent of your buildings or contents sum insured.

The debris must occur as a result of an incident we have agreed to cover.

### **Document damage**

#### **CONTENTS**

If documents kept in your home or in a bank vault suffer loss or damage, we will cover the costs to reproduce or restore them, up to \$1,000 (inclusive of GST).

This includes the costs to reproduce or restore the information contained on the documents.

## Employees' belongings

### CONTENTS

If your employees' belongings suffer loss or damage, we will cover the cost to repair or replace them, up to \$5,000 (inclusive of GST).

We will ONLY cover your employees' belongings if the loss or damage occurs

- as a result of an incident we have agreed to cover
- while your employees are working at your home, and
- while your employees are doing domestic work for you.

We will NOT cover contents that are already insured under another policy by someone other than you.

## Extra costs of rein-statement

### BUILDINGS

We will pay the costs necessary to meet the requirements of any statutory authority in connection with rebuilding or repairing the buildings at your home. We will not pay any costs which resulted from any notice which a statutory authority served on you before loss or damage to your buildings occurred. The most we will pay in any one period of insurance is \$25,000 (inclusive of GST).

## Fire Brigade attendance fees

### BUILDINGS

If a fire brigade is called to protect your buildings against an emergency, we will pay up to \$500 (inclusive of GST) for any charges imposed by law

continued... Additional cover included in this insurance

## **Forced evacuation by Government Authority**

**BUILDINGS**

If you cannot live at your home because a government authority denies you access, we will pay any increase in your living expenses up to \$5,000 (inclusive of GST) that is necessary and reasonable to maintain your normal standard of living for up to 30 days.

The denial of access must be as a direct result of damage to neighbouring premises that would be classed as an incident that we would agree to cover under this policy. We will not cover loss due to cancellation of a lease or agreement.

## **Frozen food**

**CONTENTS**

Under Listed Events, we will cover the cost to replace the loss of any frozen food, up to \$1000 (inclusive of GST), if your freezer breaks down. We will ONLY do this if your freezer breaks down as a result of an incident we have agreed to cover.

Under Accidental Damage, we will cover the cost to replace the loss of any frozen food.

## **Funeral expenses**

**CONTENTS**

If you, or any member of your family dies, we will cover the funeral costs, up to \$10,000 (inclusive of GST).

The death must occur

- as a result of an incident we have agreed to cover
- within 12 months of the incident, **and**
- as a result of an incident that occurred at your home.

## Government declared catastrophe

### BUILDINGS

If you have Accidental Damage cover, we will pay up to an additional 20 per cent of the buildings sum insured if your buildings are damaged as a result of an event that the government declares a catastrophe or emergency.

We will only do this if:

- your buildings are considered by us to be a total loss
- the increased cost to rebuild or repair your buildings was caused solely by the event that the government declares a catastrophe or emergency
- the cost to rebuild or repair your buildings is greater than your buildings sum insured, and
- you rebuild or repair your buildings at your home.

We will not pay the cost necessary to meet the requirements of any statutory authority in connection with rebuilding or repairing your buildings at your home.

This benefit is only payable for additional building costs that have been caused as a result of increased demand on building material and labour costs by the catastrophe or emergency.

This benefit will not provide any shortfall caused in your rebuilding costs if you have underinsured your building.

If you have Listed Events cover, this Additional cover does NOT apply.

Example (does not include costs necessary to meet the requirements of any statutory authority)

Your Building Sum Insured \$200,000

Cost to rebuild your building immediately **prior** to event \$250,000

Cost to rebuild your building immediately **after** the event \$270,000

Benefit Payable \$20,000

continued... Additional cover included in this insurance

## Guests' or visitors' belongings

### CONTENTS

If contents belonging to your guests or visitors suffer loss or damage, we will cover the cost to repair or replace them, up to \$5,000 (inclusive of GST).

The loss or damage must occur as a result of an incident we have agreed to cover.

We will NOT cover contents that are already insured under another policy by someone other than you.

## Legal costs in Australia

### CONTENTS

We will cover any legal costs you are liable to pay following legal proceedings brought by you or against you, up to \$5,000 (inclusive of GST).

We will ONLY cover legal costs and expenses that

- occur during your current period of insurance
- you tell us about during your current period of insurance, and
- we have agreed to cover.

We will ONLY pay this once during your period of insurance.

We will NOT cover legal costs and expenses relating to

- spouse or partner disputes including, but not limited to, divorce, custody, child maintenance, or property disputes
- claims for death, bodily injury to, or disease of, any person
- claims where cover is available by a standard form of motor vehicle, home owners or householders, motorcycle, caravan or boat insurance

Continued next page ►

continued...  
Legal costs  
in Australia

We will NOT cover legal costs and expenses relating to

- any criminal charge or prosecution brought against you
- any road traffic offence or boating offence committed by you
- any matter arising out of your business, occupation or profession
- any matter arising out of any insurance cover required by legislation
- any award of damages against you
- any penalties, fines or awards of aggravated, exemplary or punitive damages made against you.

## Modifi- cations to your buildings

BUILDINGS

If you are injured as a result of loss or damage to your buildings, and the injuries lead to permanent paraplegia or quadriplegia, we will cover the cost of modifications to your buildings so you can live in them, up to \$15,000 (inclusive of GST).

The injury must occur as a result of an incident we have agreed to cover.

## Mortgagee discharge costs

BUILDINGS

If you make a claim for the total loss of your buildings, we will cover any legal costs associated with the discharge of any mortgage you have left owing.

The total loss must occur as a result of an incident we have agreed to cover.

## Rebuilding fees

BUILDINGS

If your buildings suffer loss or damage, and need to be rebuilt as a result, we will cover the costs of employing an architect or surveyor, and also pay any legal fees that arise from the rebuilding, up to 20 per cent of your buildings sum insured.

The rebuilding must occur as a result of an incident we have agreed to cover.

continued... Additional cover included in this insurance

## Replacing keys and repairs to, and re-coding of locks and barrels

BUILDINGS  
CONTENTS

Under Listed Events, if a key to an external door or window lock of your buildings is stolen, we will cover the reasonable costs to replace your keys and repair and re-code your locks and barrels, up to \$1,000 (inclusive of GST).

Under Accidental Damage, if a key to an external door or window lock of your buildings is stolen or lost, we will cover any reasonable costs to replace your keys and repair and re-code your locks and barrels.

The theft or loss of the keys must occur as a result of an incident we have agreed to cover.

The theft must be reported to the Police.

## Sale of your home

BUILDINGS

If you have entered into a contract to sell your home, we will extend your buildings cover to the purchaser until

- the contract settlement date
- the purchaser insures the home, **or**
- the purchaser becomes liable for damage to the home

whichever happens first.

This cover will stop immediately if

- the sale contract is terminated, **or**
- your buildings insurance comes to an end.

## Security firm to monitor your home

CONTENTS

If your monitored burglar alarm system is set off as a result of a theft or an attempted theft, we will cover the costs of a security firm to attend your home, up to \$2,000 (inclusive of GST).

We must have agreed to cover the theft or attempted theft.

This Additional cover will not apply when there is

- a false alarm, **or**
- no evidence of an attempted burglary.

## Service charges

BUILDINGS

We will pay for any additional electricity, gas, water, sewerage and similar charges you incur following damage to your buildings as a result of an incident we have agreed to cover.

The most we will pay is \$500 (inclusive of GST) for any one incident.

## Storage costs

CONTENTS

If buildings you live in suffer loss or damage and you are unable to live in them as a result, we will cover the reasonable costs to remove your contents and store them for up to 12 months.

The loss or damage must occur as a result of an incident we have agreed to cover.

We will also cover your contents while they are in storage.

## Sum insured

BUILDINGS  
CONTENTS

If we agree to pay you for a loss to your buildings or contents, we will increase your sum insured for buildings or contents by the amount the Consumer Price Index (all groups) has increased since you took out your policy.

However, we will NOT increase your sum insured for special contents.

You will be fully insured again for your buildings or contents for the amounts shown on your schedule, **unless**

- your claim is for a total loss and we pay you the sum insured, then your policy comes to an end, subject to any continuing liability cover and no refund of your premium is due.

---

## **Tank water replacement**

BUILDINGS  
CONTENTS

If you use water from your water tank to protect your buildings or its grounds against fire, we will replace your tank water.

The most we will pay is \$500 (inclusive of GST).

## **Trees, plants and shrubs replacement**

BUILDINGS

We will cover the cost to replace any trees, plants or shrubs that are stolen, burnt, maliciously damaged, or damaged by a vehicle.

We will not cover loss or damage to a lawn.

Under Listed Events, we will pay up to \$2,500 (inclusive of GST) during your period of insurance.

Under Accidental Damage, we will pay up to \$10,000 (inclusive of GST) during your period of insurance.

## **Veterinary expenses**

CONTENTS

If your pet is injured as a result of a road accident, we will cover the veterinary expenses, up to \$1,000 (inclusive of GST).

## **Waiver of excess if your property is a total loss**

BUILDINGS  
CONTENTS

You are not required to pay an excess if we agree to pay a claim as a result of damage that renders your buildings, contents or both beyond economic repair.

---

# Liability cover included in this insurance

We will cover your legal liability as a result of an incident that causes loss or damage to someone else's property, or death or bodily injury to other people, during your period of insurance. We will also cover claims in connection with your position as a committee member during your period of insurance.

Any cover we provide is subject to exclusions.

For exclusions to this cover, see page 39 ►

## Liability cover – general

BUILDINGS  
CONTENTS

We will cover liability claims up to \$20,000,000 (including GST) for any incident listed below.

This amount includes any legal costs that must be paid to defend the claim and any costs awarded against you.

If you have insured your buildings, including strata title or a similar scheme, we will cover you for the amount you have to pay as owner or occupier of the buildings.

If you have insured your contents and live in a rental building, we will cover you for the amount you have to pay as owner of your contents, or occupier of the building.

If you have insured your contents and you own part of the building that has been subdivided, we will cover you for the amount you have to pay as owner of your contents, or occupier of your part of the building.

Continued next page ►

continued... Liability cover included in this insurance

continued...  
Liability cover  
- general

BUILDINGS  
CONTENTS

If you have insured your contents, other valuables or special valuables, we will cover you for the amount you have to pay for any incident that happens

- anywhere in Australia
- anywhere in Australia in connection with your position as a committee member of a sporting or social club, **however**
  - we will NOT pay if you receive more than \$1,000 per year for holding that position
- anywhere in the world for 90 consecutive days, starting from the time you leave Australia.

We will NOT cover you for any amount you have to pay as owner or occupier of your buildings.

If you have insured your contents, we will cover you for any amounts you have to pay for any incident that happens anywhere in Australia arising out of the use of

- a watercraft that is less than 4 metres long and is not powered by a motor, or is powered by a motor less than 10 hp, **unless**
  - the watercraft is a jet ski
- unregistered motorcycles or mini-bikes up to 250 cc, which do not require registration by law, **unless**
  - they are being used for racing or pacemaking.

Liability  
cover -  
when your  
buildings  
are a total  
loss

BUILDINGS

If your buildings are a total loss, we will continue liability cover for any amount you have to pay as owner or occupier of the buildings for up to six months from the date your buildings were destroyed.

This cover will stop immediately if

- construction commences at the home
- you sell the land, or
- you take out a new buildings insurance policy for the home.

## Liability cover – for committee members

### CONTENTS

We will pay for claims made against you for an alleged or actual act or omission during any one period of insurance.

We will ONLY pay for your liability in connection with your position as a committee member of a sporting or social club. The most we will pay, including legal costs, is \$10,000 (inclusive of GST) during any one period of insurance.

We will not cover you if you receive more than \$1,000 per year for holding this position.

This cover does not apply to liability claims for loss or damage to someone else's property, or death or bodily injury to other people.

## Optional cover you can add to your policy

You can broaden the scope of your cover by adding any of the following options. You will need to apply for this cover and pay an additional premium. Any options that we agree to add to your policy will be listed on your current schedule.

Any cover we provide is subject to exclusions.

For exclusions to this cover, see page 39 ►

## Domestic Workers' Compensation

If you employ a person to do work around your home such as cleaning or gardening, you can add cover for the amount you are liable for if they are injured while working for you, subject to the relevant legislation in your State or Territory.

Continued next page ►

continued... Optional cover that can be added to your policy

continued...  
**Domestic  
Workers'  
Compensation**

If you choose this option, it will be listed on your schedule as 'Domestic Workers' Compensation'.

You will need to check with your local Workers' Compensation Authority as this cover may be compulsory.

The cover only applies to employees doing domestic work for your household and will not cover any person that is working for you in your business, profession, trade or occupation, or if you are a landlord.

An excess may apply to this option.

To find out who the insurer is for this option, see inside back cover ►

**Other  
Valuables**

With this option you can nominate an overall amount we will pay for accidental loss or damage to your valuables

- anywhere in Australia and New Zealand, **and**
  - anywhere in the world for up to 100 consecutive days from the time you leave Australia
- without listing them individually.

**Valuable items we will cover are listed below**

- jewellery and watches
- items that contain gold or silver (this does not include items thinly covered with gold or silver)
- collections of stamps, money or medals
- battery-powered items, as listed below
  - audio visual equipment
  - camera equipment, including accessories and unprocessed film, **unless** they are being used underwater, or to earn your income
  - electronic diaries
  - GPS
  - mobile or portable phones
  - portable computers

Continued ►

continued...  
Other  
valuables

- sporting equipment, **unless**  
– it is being used.

**Your valuable items do not include**

- unset precious/semi-precious stones
- items thinly covered with gold or silver
- motor vehicles, motorcycles, mini-bikes, caravans, trailers or aircraft or accessories, or spare parts of any of these items
- watercraft more than four metres long
- watercraft less than four metres long that is powered by a motor of more than 10 hp.

The most we will pay for this option is the amount you nominate, as listed on your schedule under 'Other Valuables'.

There are also set maximum amounts that we will pay when you make a claim.

VALUABLES	THE MOST WE WILL PAY
any one item, pair, set, collection or system of valuables	\$5,000 (inclusive of GST) per item, pair, set, collection or system

This option is

- not available for office and surgery equipment
- only available for contents policies.

No excesses apply to this option.

**Special  
Valuables**

With this option you can nominate an individual amount we will pay for accidental loss or damage to any one item, pair, set, collection or system of valuables

- anywhere in Australia and New Zealand, **and**
- anywhere in the world for up to 100 consecutive days from the time you leave Australia.

Continued next page ►

continued... Optional cover that can be added to your policy

continued...  
Special  
valuables

The most we will pay for this option is the individual amount you nominate, as listed on your schedule under 'Special Valuables'.

This option is

- not available for office and surgery equipment
- only available for contents policies.

No excesses apply to this option.

For a list of valuable items we cover, and a list of items we do not include as valuables, see *Other Valuables*, page 36 ◀

Strata Title  
Mortgagee  
Protection

With this option we will cover the amount you must pay to settle your mortgage following loss or damage to buildings that you own under a strata title or similar plan.

If you choose this option, the individual amount you nominate and any excesses that apply will be listed on your schedule under 'Strata Title Mortgagee Protection'.

We will pay up to the amount you owe on your mortgage, but no more than the sum insured as listed on your schedule.

We will pay this amount to your mortgagee when you are required to pay your mortgagee in full, **however**

- the loss or damage must occur as a result of an incident we have agreed to cover.

We will **ONLY** pay this when the body corporate

- has not insured the buildings, or
- has not insured the buildings for loss or damage you can claim for under this policy.

This option is available

- for contents policies, or
- as a stand alone policy.

An excess may apply to this option.

Listed Events, Accidental Damage, Additional cover and Strata Title Mortgagee Protection exclusions	40
Other Valuables and Special Valuables cover exclusions	41
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# Exclusions to your cover

Any cover we provide is subject to the following exclusions.

## Listed Events, Accidental Damage, Additional cover and Strata Title Mortgagee Protection exclusions

We will NOT cover any loss or damage as a result of, or caused by

- settling, shrinkage or any movement of earth
- erosion, rust, corrosion, gradual deterioration, depreciation, wear or tear
- rats, mice or insects
- roots from trees, plants, shrubs or grass
- any process of cleaning involving the use of chemicals other than domestic household chemicals
- a defect in an item, structural defects, or faulty workmanship or design
- breakage of mirrors, glassware, crystal, crockery or china while they are being used, cleaned or carried by hand
- malicious damage or vandalism by a tenant
- deliberate or intentional acts by a tenant
- theft by a tenant
- theft from any part of the buildings which you share with another person who is not insured under this policy
- mechanical or electrical breakdown other than an electric motor burning out, **unless**
  - the breakdown results in damage to your buildings or contents
- flood
- landslide or subsidence, **unless**
  - we agree to cover the incident as described under 'Landslide or subsidence'
- water entering your buildings
  - through an opening made for any building, renovation or repair work
  - because of a structural defect, faulty design or faulty workmanship when your buildings were constructed
- any consequential loss other than that specifically provided by this policy.

## Other Valuables and Special Valuables cover exclusions

We will NOT cover any loss or damage as a result of, or caused by

- rust, corrosion, gradual deterioration, depreciation, wear or tear
- a defect in an item
- rats, mice or insects
- any process or cleaning involving the use of chemicals other than domestic household chemicals
- mechanical or electrical breakdown other than an electric motor burning out, **unless**
  - the breakdown results in loss or damage to your buildings or contents
- any consequential loss other than that specifically provided by this policy.

## Liability cover exclusions

We will NOT cover any

- personal injury to you, or any member of your family who normally lives with you, or anyone else who normally lives with you
- personal injury to any person you employ where that injury arises from their employment with you
- loss or damage to property that belongs to you, or is under your control, or any member of your family who normally lives with you, or anyone else that normally lives with you
- loss or damage to property that belongs to any person you employ where that loss or damage arises from their employment with you
- penalties, fines or awards of aggravated, exemplary or punitive damages made against you
- loss that can be reimbursed by your sporting or social club.

We will NOT cover any liability as a result of, or arising from

- any alterations, repairs, renovations or additions to your buildings that cost more than \$100,000 (inclusive of GST)

continued...  
Liability cover  
exclusions

We will NOT cover any liability as a result of, or arising from

- any personal profit or advantage that is illegal
- any disease that is transmitted by you, or any member of your family who normally lives with you
- any business, profession, trade or occupation carried out by you, **unless**
  - the liability is as a result of, or arising from, you acting as a committee member of a sporting or social club and you receive no more than \$1,000 per year for holding this position
- any agreement or contract you enter into, **however**
  - if you would have been liable without the agreement or contract, we will pay for that liability
- the use, removal of, or exposure to any asbestos product or products containing asbestos
- a conflict of duty or interest
- any act or omission that is dishonest, fraudulent, criminal, wilful or malicious
- any alleged or actual act or omission committed, or alleged to have been committed, prior to the commencement of the policy
- the use of a caravan or trailer when the caravan or trailer is attached to a motor vehicle or motorcycle
- the use of a motor vehicle, motorcycle, mini-bike, aircraft or watercraft, however, we will cover liability that arises from
  - unregistered motorised golf buggies, ride-on mowers and wheelchairs.
  - model or toy aircraft
  - surfboard, sail board or surf skis
  - a watercraft that is less than 4 metres long and is not powered by a motor, or is powered by a motor less than 10 hp

continued...  
Liability cover  
exclusions

We will NOT cover any liability as a result of, or arising from

- unregistered motorcycles or mini-bikes up to 250 cc that do not require registration by law, **unless** they are being used for racing or pacemaking.

General  
exclusions

We will NOT cover any loss or damage, or liability as a result of, or arising from

- any incident that does not occur within your period of insurance
- landslide or subsidence, **unless**
  - we agree to cover the incident as described under 'Landslide or subsidence'
- war or warlike activity, **however**
  - war does not need to be declared
- hostilities, rebellion, insurrection or revolution
- contamination by chemical and/or biological agents, which results from an act of terrorism
- lawful destruction or confiscation of your property
- anything nuclear or radioactive
- mildew, atmospheric or climatic conditions
- damage to a heating element, **however**
  - we will pay for any loss or damage as a result of damage to a heating element

Continued next page ►

continued...  
General  
exclusions

We will NOT cover any loss or damage, or liability as a result of, or arising from

- failure or inability of any item, equipment or computer software to recognise correctly, to interpret correctly or to process correctly any data, or to function correctly beyond any time when that item, equipment or computer software has not recognised, interpreted or processed correctly any data, **unless**
  - it results in loss or damage to your buildings or contents that is covered under this policy. This does not include resultant loss or damage to any frozen food, computer equipment or computer software.
- deliberate or intentional acts by you, or anyone acting for you, to cause loss, damage or injury
- flood or storm surge
- erosion, the action of the sea, tidal wave or high water, **unless**
  - the loss or damage is the result of a tsunami.

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# Your duty of disclosure

When you take out, renew, or change or vary a policy, you have a duty to answer our questions truthfully and provide us with any information that could affect our decision to insure you, or the terms of your policy. This is called your 'duty of disclosure'.

## **What you must tell us when you apply to take out this policy**

When applying to take out insurance we will ask you certain questions. When answering these questions, you must be honest, and you have a duty under the *Insurance Contracts Act 1984* to tell us anything

- known to you, and
- which a reasonable person in the circumstances would include in answer to any question.

We will use your answers to help us decide whether to insure you and anyone else under this policy, and on what terms.

## **Who you are answering the questions for**

It is important that you understand you are answering the questions in this way on behalf of yourself and anyone else that you want to be covered by the policy.

## **If you do not answer our questions in this way**

If you do not answer our questions in this way, we may reduce or refuse to pay a claim, or cancel the policy, or do both. If you answer our questions fraudulently, we may refuse to pay a claim and treat the policy as never being in place.

## **Renewal, variation, reinstatement or extension of your policy**

When your policy is renewed, varied, reinstated or extended, you have a duty, under the *Insurance Contracts Act 1984*, to tell us anything that you

- know, or
- could reasonably be expected to know, and

is relevant to our decision whether to accept the risk of insurance and, if so, on what terms.

Your duty does not require disclosure of anything that

- diminishes the risk to be undertaken by us
- is of common knowledge
- we know or, in the ordinary course of business, ought to know, or
- is a matter that we indicate your duty has been waived by us.

---

**If you do not comply with your duty of disclosure**

If you fail to comply with your duty of disclosure, we may be entitled to reduce our liability under the policy in respect of a claim, or we may cancel the policy, or do both.

If your non-disclosure is fraudulent, we may also have the option of avoiding the contract from its beginning.

---

## Your responsibilities when you are insured with us

In addition to your duty of disclosure, there are other responsibilities that you must meet when you are insured with us.

**You must tell us if**

- your buildings will be unoccupied for a continuous period of 60 days or more
- any changes have been made to
  - the address or location where your buildings or contents are insured
  - the use of your buildings
  - your buildings due to renovation, extensions or demolition
  - the people who are insured under this policy
  - the sums insured to your buildings or contents
- any people who are insured under the policy have
  - been convicted of any criminal offence
  - made a claim that is not true under this policy or another insurance policy
- there are any changes in circumstances during the period of insurance.

If you tell us about any of these things, we may charge an additional premium, change the cover of your policy, impose special conditions, or cancel your policy.

In addition, you must also

- be truthful and frank in any statement you make in connection with your policy
- pay your premium, including paying instalments regularly
- take reasonable precautions to avoid a claim being made
- obey all laws and make sure anyone acting on your behalf obeys all laws
- follow the conditions of this policy

Continued next page ►

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continued... Your responsibilities when you are insured with us

- not make a fraudulent claim under this insurance policy or any other policy.
- 

## Your responsibilities when you are making a claim

When you make a claim, you must meet a number of responsibilities.

### **You must**

- be truthful and frank in any statement you make in connection with a claim
- take safe and reasonable steps to prevent any further loss, damage or liability occurring
- inform the Police as soon as possible if your buildings or contents suffer loss or damage as a result of theft or attempted theft, vandalism or a malicious act
- keep all damaged buildings or contents so we can inspect them if required
- give us any information or assistance we require to investigate and process your claim
- not pay or promise to pay for a claim, or admit responsibility for a claim
- not repair or replace any damaged buildings or contents without our consent.

In addition, you also give us your rights to claim from anyone else

- if you have a right to claim from anyone else for an incident covered by us, you give us your rights to make that claim, to conduct, defend or settle any legal action and to act in your name – *you must not do anything which prevents us from doing this and you must give us all the information and cooperation that we require.*
- 

## If you do not meet your responsibilities

If you do not meet your responsibilities, we may refuse or reduce a claim, cancel your policy, or do both. If we cancel your policy, we will advise you in writing.

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# The General Insurance Code of Practice

The purpose of the Code is to raise the standards of practice and service in the general insurance industry.

## **The objectives of the Code are**

- to promote better, more informed relations between insurers and their customers
- to improve consumer confidence in the general insurance industry
- to provide better mechanisms for the resolution of complaints and disputes between insurers and their customers, and
- to commit insurers and the professionals they rely upon to higher standards of customer service.

## **Our commitment to you**

We have adopted and support the Code and are committed to complying with it.

Please contact us if you would like more information about the Code.

See back cover for  
contact details ►

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# Our Guarantee

Our Guarantee assures you of quality insurance and service at all times.

## **Fair Dealing Guarantee**

We will meet any claims covered by your policy fairly and promptly.

## **Money Back Guarantee**

If you change your mind, we provide a cooling-off period which lets you cancel your policy within 30 days with a full refund of your premium. However, your cooling-off period no longer applies if you make a claim within this time.

## **Service Guarantee**

We will provide you with the highest standard of service.

---

# How we handle your personal information

We are committed to handling your personal information in accordance with the *Privacy Act*.

We need to collect, use and disclose your personal information in order to consider your application and to provide the cover you have chosen.

You can choose not to give us some or all of your personal information, but this may affect our ability to provide you with cover.

## **When you provide your personal information to us**

You acknowledge and consent to us collecting and using your information to

- consider your insurance application and any subsequent application for insurance
- underwrite and price any policy issued by us or our related entities
- calculate and offer discounts
- issue you with a policy
- administer the policy, and
- investigate, assess and pay any claim made by or against you.

For these purposes, you acknowledge and consent to us collecting your personal information from, and disclosing it on a confidential basis to your intermediary\* or the third party who you have been dealing with in respect to this insurance policy and who referred you to us, other insurers, our related entities, insurance reference bureaus, law enforcement agencies, investigators and recovery agents, lawyers, any credit provider that has security over your property, assessors, repairers, suppliers retained by us to supply goods and services, advisers, and/or the agent of any of these.

\*The intermediary is a company or individual through which you purchased this insurance, or the company named on the inside front cover of this booklet.

Continued next page ►

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continued... How we handle your personal information

**When you provide personal information to us about another person**

You must be authorised to do so, and you must inform that person, unless informing them would pose a serious threat to the life or health of any individual

- who we are
- how we use and disclose their information, and
- that they can gain access to that information.

**Privacy of your personal information – for marketing purposes**

In order to enhance its relationship with you, your intermediary may use your personal information that you have provided us to offer you other products and services which may be of benefit to you.

**When you provide your personal information to us – for marketing purposes**

You acknowledge and consent to your personal information being used on a confidential basis by us or your intermediary to contact you by mail, phone, or email to provide you information on offers, products and services or for planning, market research and product development.

In using your personal information for these marketing purposes, we and your intermediary may use and disclose your personal information to offer you our or your intermediary's products and services directly, or to any other organisation to carry out the above marketing purposes on our or your intermediary's behalf. However

- CGU Insurance Ltd (CGU Insurance) and your intermediary will not use your information in this way if you have already told CGU Insurance or your intermediary not to
- you must inform CGU Insurance or your intermediary if you do not want your personal information disclosed or used for these marketing purposes.

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## How to apply for insurance

- ① If you are taking out a policy with us for the first time, contact us or your insurance adviser, or apply on line at [www.cgu.com.au](http://www.cgu.com.au). You can also send correspondence to GPO Box 9902, in your capital city

If we agree to insure you, we will send you a schedule setting out the details of your policy.

- ② Pay your premium

See *Your premium*, page 56 ►

See *Your responsibilities when you are insured with us*, page 47 ◀

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## How to renew your insurance

- ① If you already have a policy with us, we may send you an offer to renew your insurance before your current policy expires

We will send you an updated schedule and quote a premium based on the information contained in your current policy.

If you have any questions, contact us or your insurance adviser

- ② Review the proposed policy and premium we offer

If you paid your last premium by instalments, we will continue to deduct payments from your nominated account. If you paid your last premium in one lump sum, we must receive your payment by the due date, otherwise your buildings or contents will not be insured.

- ③ Pay your premium

See *Your premium*, page 56 ►

---

## How to cancel your policy

- ① If you want to cancel your policy, contact us or your insurance adviser

We need your request in writing. If you cancel your policy before it ends, we will refund an amount for the unused premium. However, if this amount is \$30 or less, we may not return the premium to you.

---

# How to change your policy

- ① Contact us or your insurance adviser to change or vary your policy

You will be sent an endorsement schedule that includes any changes or variations you have requested and we have agreed to, and any special conditions we may have applied to that agreement.

- ② Check the changes

- ③ Pay your premium if it has increased

We will tell you if your premium has increased. If you pay your premium by instalments, we will adjust your instalments and continue to deduct the new amount from your nominated account. If you pay your premium in one lump sum, we must receive your additional payment within one month.

---

## If you move to a new home

- ① If you have buildings insurance and you move permanently to a new home within Australia

The cover for your original home will end and we will refund any unused premium to you. We will provide you with temporary cover for 30 days at your new home.

If you would like to continue to insure your buildings with us, contact us or your insurance adviser as soon as possible.

We will advise you if there are any changes to your premium or the terms of your insurance.

- ② If you have contents insurance and you move permanently to a new home within Australia

We will cover your contents at both your original home and your new home for 30 days, starting from the date you start moving your contents to your new home.

You must tell us that you are permanently moving your contents to a new home within 30 days from the day you first start to move.

We will advise you if there are any changes to your premium or the terms of your insurance.

---

# Your premium

## ① How we calculate your premium

We will base your premium on the type of cover you have chosen, including any options that you have added, your sum insured, the excess, the type, location, construction and age of your buildings or contents, the level of security you have, your previous insurance and claims history, and any special conditions that we have applied.

Premiums are also subject to Commonwealth and State taxes and/or charges. These include the Goods and Services Tax and stamp duty.

Your premium, including any taxes and charges, will be listed on your schedule.

## ② How to pay your premium

You can pay your premium in one lump sum, or by instalments.

If you pay your premium in one lump sum, you can pay by cash, cheque or credit card.

If you pay your premium by instalments, you can pay by credit card or by direct debit from a financial institution.

We may cancel your policy

- if you do not pay your premium
- if your cheque or credit card is dishonoured by your financial institution, or
- without notice, if you pay your premium by instalments and you are more than one month behind.

We may refuse to pay a claim if

- you pay by instalments and at least one instalment of the premium has remained unpaid for a period of at least 14 days.

If you are paying your premium to us by instalments, all outstanding instalments will be deducted from any total loss settlement.

---

## Your excess

An excess is the amount you pay when you make a claim on your policy.

The amount and type of excess that may apply to your policy is shown on your current schedule and in this PDS.

In most instances you can select, at the time of your enquiry or application for insurance, the amount of the excess you wish to pay should you make a claim. When you select a higher excess amount, we will normally reduce the amount of the premium you will have to pay.

We take into consideration a number of factors in setting the amount of the excess. These include factors relating to the type of property being insured, where the property is located, the type of construction and your previous insurance and claims history.

At the time of your enquiry or application for insurance, the amount of the excess will be advised to you.



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# How to make a claim

- ① Make sure you have all the information you need to support your claim

We will need

- contact details of any other people involved in the incident, including their name, current residential address and who they are insured with
- any letters, notices or court documents about the incident within 72 hours of receiving them
- the incident report number for any claims in relation to theft or attempted theft, vandalism or a malicious act
  - the Police will provide you with this number when you report the incident to them.

- ② Contact us or your insurance adviser to make a claim

You need to make your claim as soon as possible.

Any delays may

- reduce the amount that we pay, or
- prevent us from paying a claim.

We will give you immediate advice and assistance with your claim, 24 hours a day, 7 days a week.

We will ask you a range of questions to help us assess your claim. We may

- ask you to provide us with proof of ownership
- need to inspect your buildings or contents
- need quotations from a repairer.

- ③ If you need emergency repairs

If you need to make emergency repairs, we will arrange assistance through our preferred repairers and suppliers.

To find out how we settle a claim, see next page ►

---

# How we settle a buildings claim

## ① We will decide how we will settle your claim

If your buildings suffer loss or damage, we will decide whether to

- repair
- rebuild, or
- pay you the cost to repair or rebuild that part of your buildings that suffered loss or damage.

If we do, we will

- pay you up to the buildings sum insured, as listed on your schedule
- only repair, rebuild or pay you for the part or parts of the building that actually sustained loss or damage, including damaged portions of fixed coverings to walls, floors and ceilings only in the room, hall or passage where the damage occurred
- try to match any material used to repair your buildings with the original materials or nearest equivalent available to the original materials
- repair or pay you the costs to repair your buildings if the loss or damage was caused by water or liquid that escaped from a bath, basin, sauna, spa, shower base or shower wall, **however**
  - we will NOT pay the costs to repair or replace the bath, basin, sauna, spa, shower base or shower wall.

When we settle your claim, the law that will apply is the law of the State or Territory where the loss, damage or liability occurred.

## ② You must pay any excess that applies

If you make a claim, you will need to pay any excesses that apply.

If you are claiming for any loss or damage that occurs as a result of an earthquake or tsunami, you will need to pay an additional excess of \$250.

This loss or damage must occur within 72 hours of the earthquake.

For the excess that may apply,  
see your current schedule ►

Continued next page ►

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continued... How we settle a buildings claim

You must pay any excess to us, or to the builder  
– we will tell you who to pay the excess to.

If we choose to pay you, we may deduct the amount  
of excess from the amount we settle your claim for.

③ If we decide to repair or rebuild your buildings  
and your current schedule shows 'including  
replacement benefit'

We will repair or rebuild the part of your buildings  
that suffered the loss or damage to a condition as  
close as possible to when new, but not better.

If we rebuild your buildings, we will also pay the  
amount that you need to pay to ensure your  
buildings comply with government legislation and  
local authority bylaws, **unless**

- you were required to pay these amounts before the  
loss or damage occurred, and you did not do so.

You can choose your own repairer or tradesman  
or we can help you find one.

If we authorise repairs, we will deal directly with  
the repairer or tradesman about payment.

④ If we decide to repair or rebuild your buildings  
and your current schedule does not show  
'including replacement benefit'

We will

- repair your buildings to the condition they were  
in just before the loss or damage occurred
- pay you the cost of repairing your buildings to  
the condition they were in just before the loss  
or damage occurred, **or**
- pay you what the value of the land and your  
buildings was just before the loss or damage  
occurred, after deducting the amount we estimate  
as the value of your land and buildings after the  
loss or damage occurred.

Continued next page ►

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⑤ After we agree to settle a claim

The repair or rebuilding work on your buildings must start within six months of the loss or damage occurring, otherwise you will have to pay any increase in costs caused by the delay.

If the work does NOT commence in this period, we will do one of the following

- repair your buildings to the condition they were in just before the loss or damage occurred
- pay you the cost of repairing your buildings to the condition they were in just before the loss or damage occurred, or
- pay you what the value of the land and your buildings was just before the loss or damage occurred, after deducting the amount we estimate as the value of your land and buildings after the loss or damage occurred.

⑥ If your building is a total loss

If your buildings are a total loss, we will settle your claim after deducting

- any applicable excess,
- any unpaid premium, and
- any input tax credit you would have been entitled to under *A New Tax System (Goods and Services Tax) Act 1999* if you had paid to repair or rebuild your buildings.

If we pay you, then your policy comes to an end, subject to any continuing liability cover and no refund of your premium is due.

See also *Liability cover – when your buildings are a total loss*, page 34 ◀

---

# How we settle a contents or valuable items claim

## ① We will decide how we will settle your claim

If your contents or valuable items suffer loss or damage, we will decide whether to

- repair an item
- replace an item, **or**
- pay you the cost to repair or replace the item.

If we do, we will pay up to

- the contents or valuables sum insured in total, as listed on your schedule, **and**
- the maximum amount per item, set, pair, collection or system.

If the item is part of a pair, set, collection or system, we will only cover the value of the item itself, **however**

- the most we will pay is the value of the item as a proportion of the combined pair, set, collection or system.

## ② You must pay an excess that applies

If you make a claim, you will need to pay any excesses that apply, as shown on your current schedule.

If you are claiming for any loss or damage that occurs as a result of an earthquake or tsunami, you will need to pay an additional excess of \$250.

This loss or damage must occur within 72 hours of the earthquake.

You must pay any excess to us, or to the supplier or repairer – we will tell you who to pay the excess to.

If we choose to pay you, we may deduct the amount of excess from the amount we settle your claim for.

## ③ If we decide to repair your contents or valuable items

We will repair the damaged item to the condition it was when new.

If the item we are repairing is part of a pair, set, collection or system, we will only cover the part of the pair, set, collection or system that was damaged.

---

④ If we decide to replace your contents or valuable items

We will replace the item with the nearest equivalent new item.

We will ONLY replace wall, floor and ceiling coverings, including carpets, internal blinds and curtains, in the room, hall or passage where the loss or damage occurred.

We will NOT pay to re-carpet adjoining rooms, or your entire home.

Any salvage becomes our property.

⑤ If we decide to pay you the cost to repair or replace your contents or valuable items

We will pay you the fair and reasonable costs to repair or replace your contents or valuable items as described in Steps 1, 3 and 4, after deducting

- any excess, and
- any input tax credit you would have been entitled to under *A New Tax System (Goods and Services Tax) Act 1999* if you had paid to repair or replace your contents or valuable items.

We will ONLY pay the cost of replacing an item that is part of a pair, set, collection or system, even though the pair, set, collection or system to which it belongs is less valuable because it is incomplete.

Any salvage becomes our property.

⑥ If we decide to settle a claim

We will reduce any payment for damage to, or loss of, an Other Valuables or Special Valuables item by the amount we pay you for the same item under contents cover.

⑦ If your contents or valuable items are a total loss

If your contents or valuable items are a total loss, we will settle your claim after deducting

- any applicable excess,
- any unpaid premium, and
- any input tax credit you would have been entitled to under *A New Tax System (Goods and Services Tax) Act 1999* if you had paid to repair or replace your contents or valuable items.

If we pay you, then your policy comes to an end, and no refund of your premium is due.

---

# How to resolve a complaint or dispute

## ① Talk to us first

If you have a complaint, the first thing you or your insurance adviser should do is speak to one of our staff. If your complaint relates specifically to a claim, speak with the claims officer managing your claim.

If the staff member or claims officer are unable to resolve the matter for you, you or your insurance adviser may speak to a manager. The manager will usually provide you with a response to your complaint within 15 days. If the timeframe is impractical for any reason such as the need for more information or further investigation, they will discuss with you alternative timeframes. If you are not satisfied with our response or we cannot agree with you on alternative timeframes, you can go to step 2.

## ② Seek a review

If the matter is still not resolved, the manager will refer you or your insurance adviser to the relevant dispute handling department or area who will conduct a review of your dispute and will usually provide you with a response to your dispute within 15 business days. If the timeframe is impractical, we will discuss with you alternative timeframes. If you are still not satisfied with our response to your dispute or we cannot agree on alternative timeframes, you can go to step 3.

## ③ Seek an external review

You are entitled to seek an external review of our decision. We will provide you with information about options available to you, including, if appropriate, referring you to the external dispute resolution scheme administered by the Financial Ombudsman Service Limited (FOS).

You will not be able to have your dispute resolved by the FOS if you are not eligible under the FOS's Terms of Reference.

Further information about our complaint and dispute resolution procedures is available by contacting us.

---

# Claim payment examples

These Claim payment examples show you how a claim settlement may be calculated based on some practical scenarios. Any actual claim settlement amount will depend upon the facts of each case. For the purpose of the scenarios, you are not registered for GST.

## Claim Example 1

Policy type: Building Insurance

Buildings sum insured: \$250,000

Excess: \$100

**Loss or damage: Storm damage to your roof.**

**How we settle your claim:**

- We arrange for a builder to repair your roof for \$4,000
- We pay the builder \$3,900
- We ask you to pay the builder the \$100 excess.

## Claim Example 2

Policy type: Contents Insurance

Contents sum insured: \$100,000

Excess: \$100

**Loss or damage: Theft of your television**

**How we settle your claim:**

- Replacement cost of television is \$2,700
- We pay the supplier \$2,600
- We ask you to pay the supplier the \$100 excess.

## Claim Example 3

Policy type: Building and Contents Insurance

Buildings sum insured: \$300,000

Contents sum insured: \$80,000

Excess: \$100

**Loss or damage: Your buildings and contents are partially destroyed by fire**

We agree that you are unable to live in your buildings and you require alternative accommodation.

---

**How we settle your claim:**

- We choose to pay you directly for the damage
- We pay you \$17,900 as follows.
  - Building repairs \$10,000
  - Content replacement \$5,000
  - Costs for alternative accommodation \$3,000
  - Less excess \$100
  - Total \$17,900

**Claim Example 4**

Policy type: Special Valuables option

Item sum insured: Diamond ring - \$8,000

**Loss or damage: Your diamond ring is stolen.**

**How we settle your claim:**

- We pay the jeweller \$8,000 to replace your diamond ring. No excess is applicable.

**Claim Example 5**

Policy type: Contents Insurance (Liability cover)

**Loss or damage: Liability to pay for damages for personal injury to a third party**

**How we settle your claim:**

- We pay the legal costs of \$2,000
- We pay the medical expenses incurred by the third party of \$12,000

**accidental loss or damage**

damage to, loss or destruction of the buildings that make up your home, or your contents and valuable items, when it is caused by an unintentional act, or an unforeseen and uncontrollable incident.

**endorsement schedule**

a document that includes any information from the existing schedule that has not changed or varied, and confirms any alteration to the coverage, terms and conditions of your policy.

**excess**

the amount you pay when you make a claim on your policy. The amount and type of excess that may apply to your policy is shown on your current schedule and in this PDS.

**fixtures and fittings**

any household items or household equipment that are permanently attached to your buildings.

**flood**

the covering of normally dry land by water escaping or released from the normal confines of a watercourse or lake, whether or not it is altered or modified. Flood also includes water escaping from the confines of any reservoir, channel, canal or dam.

**goods you use for earning your income**

stock and tools of trade. You would normally receive a tax deduction for these items. They do not include office and surgery equipment.

**incident**

a single occurrence or a series of occurrences, including an accident or series of accidents, arising out of one event.

**malicious act**

an act done with intent and without your consent.

**office and surgery equipment**

items that are normally needed in an office or surgery that you use for earning your income in your own business. You would normally receive a tax deduction for these items. They do not include tools of trade.

**period of insurance**

the length of time between the start date and end date of your policy, as listed on your current schedule.

**pet**

a domestic animal that you keep in your home or at your home.

**premium**

the total amount you pay for your insurance that includes applicable government taxes such as GST, and any duties or charges payable by you. It is shown on your current schedule. You can pay your premium annually in one lump sum, or by instalments.

**schedule**

your current schedule is a document outlining the details of your insurance cover. Your schedule may be called a policy, renewal or endorsement schedule.

**special conditions**

exclusions, restrictions or extensions to cover that are imposed on specific matters or people.

**sporting equipment**

equipment designed to be used in a leisure activity that involves some element of physical activity or competition, excluding pedal cycles.

**strata title**

title under a strata title or similar community title scheme where separate parts of the scheme building(s) have a separate legal title. Strata title usually applies to high rise apartments, townhouses, villas or duplexes.

**sum insured**

your nominated replacement value at today's prices for your buildings or contents. This will be listed on your schedule.

**Supplementary Product Disclosure Statement (SPDS)**

a separate document that updates, corrects or adds to the information contained in this PDS.

**terrorism**

any act which may involve the use of, or threat of, force, violence or biological or chemical warfare, or nuclear pollution or contamination or explosion where the purpose of the act is to further a political, religious, ideological aim, or to intimidate or influence a government or any section of the public.

**total loss**

when we decide that it is uneconomical to repair or rebuild your buildings or contents.

**unoccupied home**

a home that no-one has lived in for 60 consecutive days or more.

**us, we and our**

refers to:  
CGU Insurance Limited  
ABN 27 004 478 371.

**you and your**

the person or people named as the insured on your current schedule.

If more than one person is named as the insured, we will treat a statement, act, omission or claim by any one of these people as a statement, act, omission or claim by them all.

If you are making a claim, 'you' also includes your domestic partner, you or your partner's unmarried children, and you or your partner's parents who normally live with you.

**your buildings**

buildings that you own or are legally responsible for.

**your contents**

contents that you own or are legally responsible for.

**your contents at your home in the open air**

contents at your home that are not in a fully enclosed building (e.g. carport).

**your home**

where your buildings or contents are located. This includes any land or other area that touches your home and for which any statutory authority has made you responsible, but it does not include the nature strip outside your home. Your home is located at the situation shown on your current schedule.

**your policy**

the contract between you and us which provides you with insurance cover in exchange for a premium. Your policy is made up of two documents

- this Product Disclosure Statement and policy booklet (PDS) and any supplementary PDS, plus
- your current schedule.

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### **The Insurer - Domestic Workers' Compensation**

If your home is in Western Australia, Tasmania or the Northern Territory, the insurer providing the Domestic Workers' Compensation optional cover is Insurance Australia Limited trading as CGU Workers Compensation, ABN 11 000 016 722.

### **Financial Claims Scheme**

You may be entitled to payment under the financial claims scheme in the event that CGU Insurance Limited becomes insolvent. Access to the scheme is subject to eligibility criteria. Information about the scheme can be obtained from the Australian Prudential Regulation Authority (APRA) website at [www.apra.gov.au](http://www.apra.gov.au) and the APRA hotline on 1300 13 10 60.

### **Intermediary Remuneration**

CGU Insurance Limited pays remuneration to insurance intermediaries when we issue, renew or vary a policy the intermediary has arranged or referred to us. The type and amount of remuneration varies and may include commission and other payments. If you require more information about remuneration we may pay your intermediary, you should ask your intermediary.

### **Updating Product Disclosure Statement**

Information in this PDS may need to be updated from time to time where required and permitted by law. You can obtain a paper copy of any updated information without charge by calling us on the contact details provided in this document. If the update is to correct a misleading or deceptive statement or an omission that is materially adverse from the point of view of a reasonable person deciding whether to acquire the Policy, we will provide you with a new PDS or a Supplementary PDS.

## contact details

GPO Box 9902  
in your capital city

Enquiries tel: 131 532

Website: [cgu.com.au](http://cgu.com.au)

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Insurer  
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ABN 27 004 478 371  
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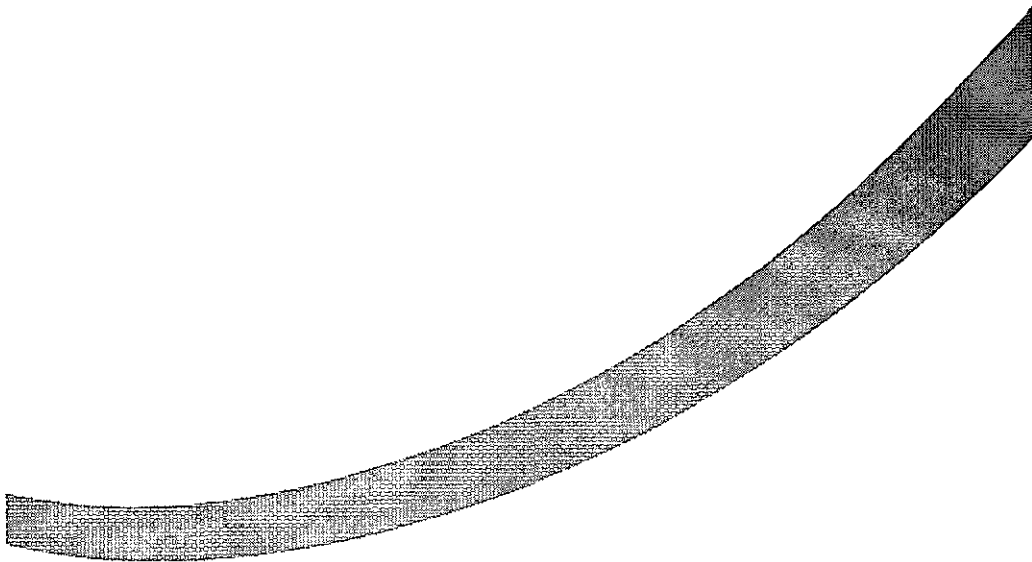
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## **Annexure 5**

Flood is not an event that is covered under your policy. I will lodge a claim for you to capture details of the damage to your property. A Claims Management Consultant will be in touch with you to further evaluate the circumstances surrounding your particular situation.

<b>What if the customer wants a definitive answer re: if they are covered?</b>	<p>We are unable to give them a definitive answer at this point except to say that flood is not an insured event under their policy – Consultant to refer to pg 62 of policy wording and if appropriate read to the customer.</p> <p>Advise the customer that if they would like to lodge a claim the Claims Management Consultant will discuss coverage with them further when they call the customer. The CMC will be able to explore the circumstances of the event with the insured to better understand the cause of the damage/loss.</p>
<b>The insured has not sustained damage, however is wanting to confirm coverage:</b>	<p>Advise the insured that flood is not an event that is covered under your policy. We are unable to give them a definitive answer at this point except to say that flood is not an insured event under their policy – Consultant to refer to pg 62 of policy wording and if appropriate read to the customer.</p>
<b>Not good enough – why do we have insurance, im going to switch insurers:</b>	<p>I understand that you would be upset that your policy does not cover flood. Flood is a general exclusion within your policy (Page 40). Your policy covers you for events such as Storm, Fire, Theft etc.</p> <p>If you feel the need to review your policy to ensure that you are covered for flood in the future, then we would encourage you to do so.</p>
<b>Suncorp are offering coverage for flood under their policy:</b>	<p>In order to provide correct and accurate information, I am unable to comment on the type of coverage offered by another insurer. I can only provide you with information surrounding the coverage offered by CGU.</p> <p>If you would like to enquire further on a policy that is offered by a different insurer, it would be best for you to give them a call.</p>



## **Annexure 6**



## CGU PROPERTY ASSESSMENT REPORT



Date:     /     /    

Company Name: \_\_\_\_\_

Assessor's Name: \_\_\_\_\_

Customer Name: \_\_\_\_\_

Property Address: \_\_\_\_\_

Claim No: \_\_\_\_\_

**The assessor to ask the insured the questions as those below , but in addition MUST do the following;**

Check list/Tick off

- 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?

*\*Insert comment*

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'?

0) " Was there any and if so what damage caused by rainwater through the roof or by overflowing gutters ? ".



## **Annexure 7**



**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 ? ".**

**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?**

**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?**

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)?**

**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?**

**The assessor to ask the insured the questions as those below , but in addition MUST do the following;**

Check list/Tick off

- 1) Take photographs of the property , buildings , home etc , particularly those that show maximum level of water inundation.
- 2) Photos that identify any nearby watercourse and that indicate directional flow of floodwater
- 3) 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?**

--

*\*Insert comment*

## DISCUSSIONS:

(What was discussed with the insured in point form. Question set to be noted later in the report, this section for general discussion)

## OTHER NOTES:

## SCOPE OF WORK:

(Building damage)

## STATEMENT OF LOSS:

(Contents items)

CLAIM NUMBER:  
CUSTOMER NAME:  
PROPERTY ADDRESS:  
ASSESSORS NAME:  
DATE:

CLAIM:  
EXCESS:  
PHOTOS TAKEN:

MAKE-SAFE REQUIRED:  
(If so give details)

EXPERT REPORT REQUIRED:  
(Identify report required and reason)

ANY ADDITIONAL ASSESSMENT REQUIRED:  
(Contents/Building)

OBSERVATIONS:  
Describe the damage- (the area affected and what damage sustained as a result of the listed event and any other damage that exists due to other non insured factors. Flood observations to be noted later in report.)

1

## **Annexure 8**



Many Government-sponsored and community programs continue to place heavy emphasis on emergency response and civilian response-preparedness. While important, this focus often fails to emphasise the individual and collective actions that can be taken prior to a disaster and may even promote a sense of public helplessness. Risk awareness and education efforts should place emphasis on concrete risk reduction tools and strategies that can be adopted; moreover, to be fully effective and efficient, these efforts should take place at, and be targeted to, every level of society – at the individual, business, community, and governmental levels. As shown by recent events, the social and economic impact of large-scale catastrophes leads to human tragedy, and hinders growth and development. Building a comprehensive education/awareness program is widely recognised as a key plank in developing more resilient societies.

It is in the insurance industry's interest to educate the community on how to become more resilient to increasingly severe weather events such as floods, as well as how to reduce their impact on the environment. This includes conducting and sharing research which can feed directly into building and zoning codes.

The OECD has developed a comprehensive guidance paper for the development of a national education framework in respect of natural perils. Details of the OECD Paper are outlined in Attachment 1.

## **Section 2**

### **Terms of Reference**

#### ***The performance of private insurers in meeting their claims responsibilities***

##### **Claims**

Details of IAG (NRMA Insurance and CGU) claims numbers arising from the Queensland floods are outlined in **confidential** attachment 1.

##### **CGU**

##### **Policy Coverage**

CGU's standard home and business insurance policies provide cover for storm, hail and wind damage, but not for damages caused by flood. This is clearly stated within the 'exclusions' section of our policies.

##### **Definition of Flood**

Under most CGU policies, flood is defined as "the covering of normally dry land by water escaping or released from the normal confines of a watercourse or lake, whether or not it is altered or modified. Flood also includes water escaping from the confines of any reservoir, channel, canal or dam."

##### **Claims Handling**

CGU responded to the Queensland floods in a number of ways:

- Providing and promoting a 24 hour claims hotline;
- Forming a dedicated local response team in Brisbane, utilising our most experienced claims staff, to deal specifically with claims from the Queensland floods;
- Dividing claims into three categories according to level of damage and prioritising those customers who were most in need;
- Employing extra claims staff to deal with increased workload;
- Following a process to accurately assess claims and inform customers of the outcome as quickly as possible (see 'Claims Assessment Process');
- Forming an internal 'Flood Panel', from across the business, to determine more complex claims;

## Claims Assessment Process

In any major event, the key priorities from a claims assessment perspective are to accurately establish the cause and severity of the damage and to assist customers.

As CGU's standard policies exclude flood, in the case of a major weather event it is a priority to establish whether damage was caused by an insured event (storm damage) or a non-insured event (flood damage).

Customer feedback from previous large weather events was that customers want to reach a resolution as soon as possible and be spared excess bureaucracy.

CGU assesses claims on a case-by-case. Accordingly, each claim may require a different level of information to make an assessment. This has an impact on the time taken to reach a decision in each case.

The process CGU followed to assess claims from the Queensland storms and floods were as follows:

1. CGU encouraged customers to contact us on our 24-hour Claims Hotline (1800 252 461) or to lodge a claim through their insurance broker or adviser;
2. CGU Claims team reviewed information relating to the claim before calling the customer back. This information may have included area assessor reports, aerial photography, information from customers, weather data and area hydrology reports;
3. CGU Claims team then called the customer to either advise the outcome of the claim or to arrange for further investigations to be made in order to reach a decision on the claim (see '6');
- 4a. If the claim was accepted our staff then discussed next steps with the customer. This may have included arranging make-safe repairs, obtaining quotes from builders, appointing an assessor or agreeing a cash settlement;
- 4b. If the claim was rejected, the customer was informed by phone and sent a letter to confirm the decision. The letter included details of the options to pursue if the customer wished to dispute the outcome of the claim;
5. Where further information was required to make an accurate assessment of the claim, CGU arranged for an individual site assessment and/or a site specific hydrology report;
6. The claim was then reviewed and accepted or rejected on the basis of the additional information gathered; and
7. If a customer wished to dispute the outcome of a claim, they were able to refer their claim to our Internal Dispute Resolution (IDR) team (see Dispute Resolution Process section).

Despite the challenges presented by multiple weather events in Queensland and around Australia CGU resolved over 80% of claims relating to the floods and storms within six weeks of the event.

## Assessing

CGU has an internal assessing team. The function was brought in-house in 2010 to ensure a more rapid response to severe weather events and to improve customer service.

CGU aims to have its assessing team on the ground as soon as possible following major events. For instance, in the case of the Queensland floods we had an assessing team on the ground in Toowoomba within 48 hours of the storm. The team stayed in the area for two weeks, visiting customers, making assessments and completing paperwork so that claims could be concluded as soon as possible.

In many cases our assessing team cash settled claims with customers, if that was their preferred option.

## **CGU approach to claims in relation to the Queensland Floods**

When there was uncertainty over the proportion of damage caused by storm or flood water, CGU was pragmatic in its interpretation of policy wording.

For example, if damage was caused by a mixture of storm and flood water and the storm element of the damage could be identified, CGU accepted the storm proportion of the claim.

In other cases, CGU accepted claims where the flood proportion of the damage was minimal or hard to identify.

Despite these efforts, there were some properties which were obviously damaged by flood water and these claims were rejected, as flood is excluded from CGU's standard home and business policies.

## **Dispute Resolution Process**

CGU's Internal Dispute Resolution (IDR) process follows the guidelines established by the General Insurance Code of Practice, and is in line with the Financial Ombudsmen Services *Terms of Reference*, and ASIC Regulatory Guidance.

The IDR process provides the customer with a review of their claim independent of the original decision maker and to also present any additional information they feel may add to the validity of their claim.

If the claim denial is maintained, CGU will give the customer a 'final decision letter'. If the customer doesn't accept our final decision, due within 45 calendar days from receipt of the initial complaint, the customer may escalate their dispute to the Financial Ombudsman Service. CGU proactively provide information and support to help them do this.

## **NRMA Insurance**

### **Definition of Flood**

NRMA Insurance Queensland provides cover for storm damage including damage caused by a sudden, excessive run-off of water ("storm water run-off") as a direct result of storm in the local area refer page 15 of the *NRMA Home Insurance Product Disclosure Statement (PDS) and Policy Booklet* available at <http://www.nrmagld.com.au/documents/policy-booklets/home-policy.pdf>. This is sometimes referred to colloquially as flash flooding.

NRMA Insurance Queensland does not cover damage caused by flood which is defined to mean:

*"the covering of normally dry land by water escaping or released from the normal confines of a watercourse or lake, whether or not it is altered or modified. Flood also includes water escaping from the confines of any reservoir, channel, canal or dam."*

NRMA Insurance Queensland will cover damage by storm water run-off which happens at the same time as a flood. For example, water flow from a river mixes with overland run-off caused by local torrential rain and causes damage to a customer's property. It does not cover riverine flooding where floodwaters have flowed downstream from upper catchments outside the local area. This is advised during the telephone sales process and it is stated in our Product Disclosure Statement which is sent to all customers. NRMA Insurance Queensland reinforces this at other customer communication points, including claims lodgement, assessment and through claims progress calls we make to our customers.

### **Policy Coverage**

Within four days of the first flood event, NRMA Insurance Queensland began making contact with impacted home customers to inform them of their coverage under our policy. Since then, NRMA Insurance Queensland has completed all assessments. NRMA Insurance Queensland is covering the vast majority of claims under our policy.



## **Annexure 9**



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**INSURANCE AUSTRALIA GROUP**

# **January 2011 South-east Queensland Weather Event Updated Ipswich Area Specific Report**

**8<sup>th</sup> July 2011**

**Issue No 2**

**301015-02484\_03**

## **Water Resources**

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# WorleyParsons

resources & energy

INSURANCE AUSTRALIA GROUP

## JANUARY 2011 SOUTH-EAST QUEENSLAND WEATHER EVENT

### Updated Ipswich Area Specific Report

#### Disclaimer

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**PROJECT 301015-02484\_03**

## JANUARY 2011 SOUTH-EAST QUEENSLAND WEATHER EVENT

### Updated Ipswich Area Specific Report

REV	DESCRIPTION	ORIGINAL	REVIEW	WORLEY- PARSONS APPROVAL	DATE	CLIENT APPROVAL	DATE
1	Draft Report	CRT/AM	CRT		8/6/11		
2	Final Report	CRT/AM	CRT		14/7/11		



## **OVERVIEW**

On the 7th of January 2011, a low pressure system formed off the south-east coast of Queensland. Over the following two days, this low pressure system moved closer to the coast and intensified, forming a trough that extended from Mackay to the NSW border. The presence of a high pressure zone near New Zealand led to an influx of warm moist air into the region. This, in combination with the low pressure system, led to the formation of substantial volumes of cloud.

On the 9th of January 2011, the low pressure system rapidly intensified leading to extensive rainfall over the coastal areas of South-east Queensland. This rainfall cell progressed in a westerly direction with the coast receiving continuous moderate intensity rainfall. By the 10<sup>th</sup> of January 2011, the elevated upper catchment regions of the Great Dividing Range began to experience more intense rainfall. This coincided with the southward movement of a monsoonal low which joined the low pressure system that led to the rainfall.

While rainfall was almost continuous along the coastal areas, rainfall in the upper catchment showed a distinct increase in intensity on the 10<sup>th</sup> of January 2011. This led to the generation of large volumes of runoff.

In the high energy upper catchment, runoff flowed rapidly overland through local depressions and gullies, continuing along the many small stream channels in the region that forms the headwaters of the Brisbane and Condamine Rivers. Most streams were overtopped and adjoining areas were inundated. Floodwaters discharged via the stream channels and as overland flow on both sides of the Divide, leading to large scale inundation of overbank areas across the middle and lower catchments over the following days.

Floodwaters discharging to the east ultimately drained to the Brisbane River via the Lockyer Creek and the Bremer River. Flooding of the Brisbane and Bremer Rivers occurred over the period from the 11<sup>th</sup> to 12<sup>th</sup> January, leading to inundation of low lying areas of Ipswich and Brisbane.

This report summarises the meteorological conditions, rainfall and river responses within the Brisbane River Catchment due to the January 2011 South-east Queensland Weather Event. It focuses on affected areas in the Bremer River catchment, particularly downstream of One Mile Bridge Gauge, in the Lockyer Creek catchment and the metropolitan area of Brisbane. It also provides an interpretation of areas inundated according to the Storm versus Flood Categorisation System and flood data that was available at the time of writing.



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## APPENDICES

Appendix A – Storm versus Flood Classification System

Appendix B – Application of Classification System



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INSURANCE AUSTRALIA GROUP

## **JANUARY 2011 SOUTH-EAST QUEENSLAND WEATHER EVENT**

### **Updated Ipswich Area Specific Report**

---

## **1. INTRODUCTION**

WorleyParsons was engaged by IAG to assess the intense weather event which occurred across South-east Queensland from the 7<sup>th</sup> to 14<sup>th</sup> of January 2011. The findings were summarised in a report titled '*Impact of January 2011 South-east Queensland Weather Event on Brisbane and Ipswich*', dated 21<sup>st</sup> February 2011. The report contained an overview of the weather event, analysis of the recorded rainfall across the region and classification of flooding in the Brisbane River catchment and its associated sub-catchments, including the Lockyer Valley and Bremer River.

The findings presented in the February report were based on the rainfall and river level gauge data available at the time of writing. Subsequent to this, the Bureau of Meteorology (*BoM*) released an expanded set of gauge data for the region. This data prompted a review of the original report and in some instances allowed a greater level of confidence to be attained in the findings presented. This includes the severity of the rainfall intensity across the Brisbane River catchment and interpretation of the resultant inundation, particularly within the Bremer River sub-catchment.

Accordingly, the February report has been updated to incorporate the new data (*where applicable*) and to provide greater certainty regarding the conclusions made. The findings are presented in this current report.



## **2. METEOROLOGICAL SEQUENCE OF EVENTS**

On the 7<sup>th</sup> January 2011, a low pressure system derived from a monsoonal trough moved southwards along the east coast of Queensland in the vicinity of Mackay. Over the next day this localised low pressure system gradually moved closer to Fraser Island. However, it did not lead to the generation of significant rainfall at this time due to its orientation relative to the monsoonal trough located to the north and a series of high pressure systems located to the south-east.

Throughout the 8<sup>th</sup> of January 2011, the low pressure system remained relatively stationary. It eventually moved closer to the south-east Queensland coast and intensified on the 9<sup>th</sup> of January to form a trough that spanned from the NSW border to Mackay. Through the early hours of the 9<sup>th</sup> January, this trough rotated towards south-east Queensland and generated large volumes of rain as warm moist air was forced upwards over the region by a high pressure cell located near New Zealand.

This process continued throughout the 9<sup>th</sup> of January, with the trough reducing in span and generally remaining stationary off the coast. Moderate intensity rainfall was experienced across the region with the greatest concentration centred around the coastal sections of the Brisbane and Caboolture Rivers Catchments.

Early on the 10<sup>th</sup> of January, the upper atmospheric trough dissipated. However, the low pressure system intensified further and moved slightly closer to the south-east Queensland coast. This led to a brief cessation in rainfall, particularly in the upper catchment areas to the west. At this time, a monsoonal trough descended from the north of Queensland to the central coast. The low pressure centre located in the south moved in a northerly direction where it merged with the trough. This in combination with the orientation of the high pressure system feeding the region with warm moist air, led to the further generation of large volumes of rainfall.

While not strictly an East Coast Low, the system functioned in a similar way, producing gale force winds and widespread rain across the coastal region south of the low pressure system. Orographic effects are likely to have exacerbated the effects of the rainfall in the upper catchment areas inland from the coast.

Through the latter part of the 10<sup>th</sup> of January 2011, the low pressure system and monsoonal trough moved to the north and west, resulting in the cessation of intense rainfall across the eastern catchments. On the following day intense rainfall occurred on the western side of the Great Divide as the system continued to move in a westerly direction.

**Figure 1** shows the progression of meteorological events leading to the generation of rainfall during the South-East Queensland Weather Event which extended from the 7<sup>th</sup> to the 10<sup>th</sup> of January 2011.

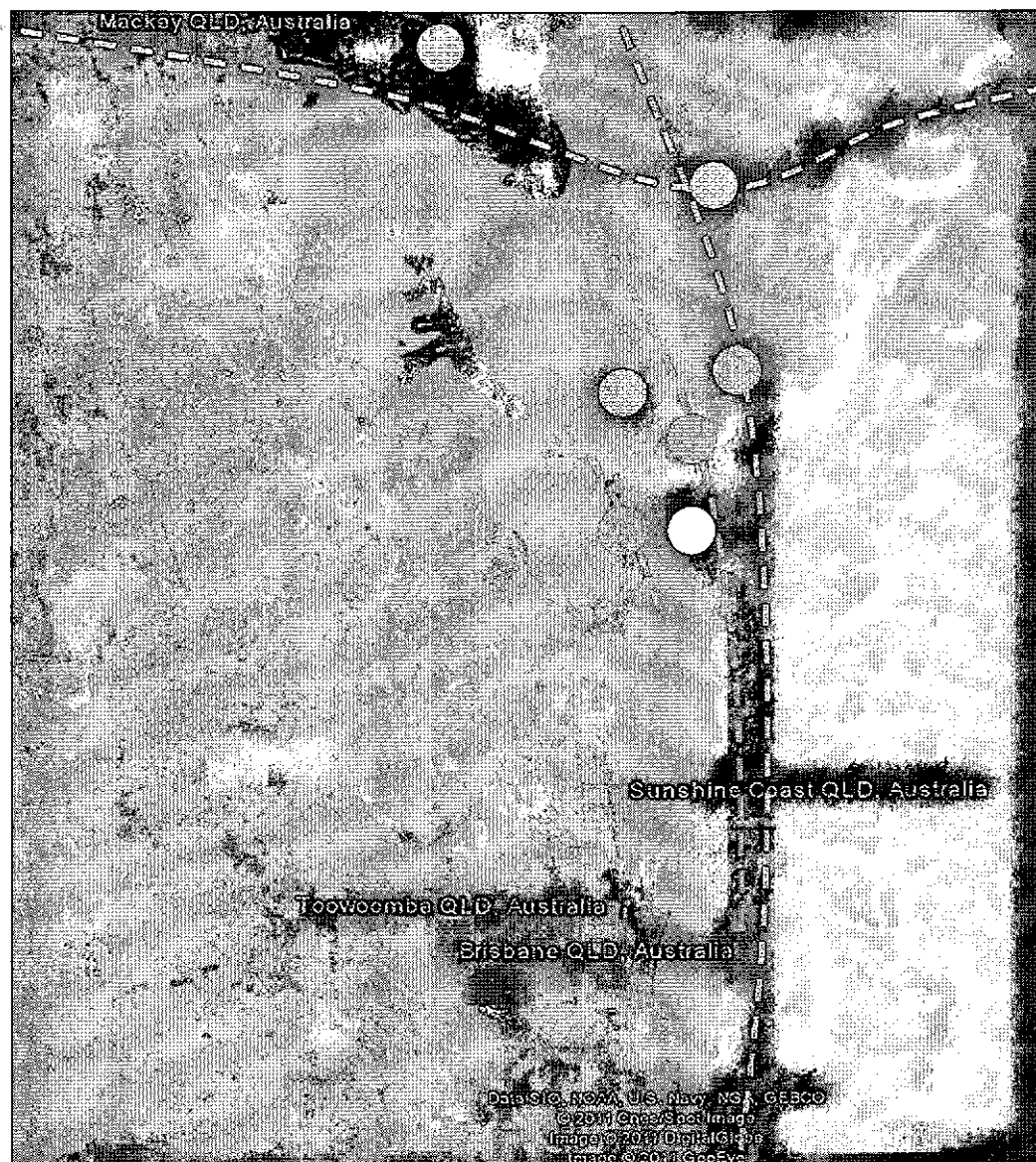
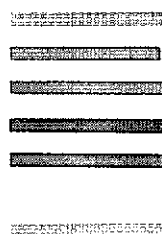


Figure 1: Progression of Meteorological Conditions

**Notes:** The dotted lines represent a trough when present.  
The circles represent a the low pressure centre

**Legend:**



Date	Minimum Low Pressure
23:00 7 <sup>th</sup> January	1004 HPa
23:00 8 <sup>th</sup> January	1005 HPa
11:00 9 <sup>th</sup> January	1003 HPa
17:00 9 <sup>th</sup> January	1002 HPa
23:00 9 <sup>th</sup> January	1003 HPa
05:00 10 <sup>th</sup> January	1000 HPa
11:00 10 <sup>th</sup> January	1002 HPa



### **3. RAINFALL ANALYSIS**

Rainfall during the South-East Queensland Weather Event was generally more continuous and less intense on the coast than on inland areas of the upper catchment.

In coastal regions of south-east Queensland within the lower Caboolture and Brisbane Rivers Catchments, the intensification of the coastal low pressure system on the 9<sup>th</sup> of January led to the generation of sustained rainfall. Rainfall generally progressed from the north to the south extending across areas of the lower Caboolture Catchment which experienced the start of the storm from about 04:00 hours (*recorded at Beerburrum*). In the lower Brisbane River Catchment, the storm began between 09:00 and 10:00 hours (*recorded at Brisbane, Redcliffe and Archerfield*).

The accumulation of rainfall generally followed a similar pattern. Areas of the lower Caboolture Catchment recorded up to 155 mm until midday on the 10<sup>th</sup> of January 2011, while areas of the lower Brisbane River Catchment recorded between 75 and 130 mm. On the coastal edge, rainfall was relatively minor, with a total accumulation of no more than 30 mm (*recorded at Cape Moreton*).

Over the next 12 hours the low pressure system moved in a northerly direction and rainfall accumulations decreased markedly. However, significant rainfall over the region recommenced once the low pressure system merged with the descending monsoonal trough. A further accumulation of between 30 and 40 mm over the following 36 hours was recorded in the lower Brisbane River Catchment and up to 70 mm in the lower Caboolture River Catchment. This indicates that the system was centred over the coastal areas of the Caboolture River Catchment.

In the central section of the Brisbane River Catchment and across the upper Caboolture Catchment, the onset of the storm generally began with moderate intensity rainfall from about 10:00 hours on the 9<sup>th</sup> of January 2011. However rainfall accumulations were generally lower than those experienced to the east, with generally no more than 75 mm recorded until midday on the 10<sup>th</sup> of January 2011.

In the lower Bremer Catchment, the onset of the storm generally began with moderately intense rainfall from about 10:00 hours on the 9<sup>th</sup> of January 2011. However, rainfall accumulations were generally lower than those experienced in the east with generally no more than 75 mm recorded until midday on 10<sup>th</sup> January 2011 (*as recorded at Amberley*).

As the low pressure system moved north and merged with the southward moving trough, the region experienced a sharp rise in rainfall intensity beginning from 09:00 on the 11<sup>th</sup> of January 2011 with an accumulation of up to 130 mm over the following 24 hours.

In the upper Bremer Catchment, the onset of the storm generally began with moderately intense rainfall from about 10:00 hours on the 9<sup>th</sup> January. Rainfall accumulations were generally lower than those experienced in the east, with generally no more than 74 mm being recorded until 8am on 10<sup>th</sup> January 2011 (*as recorded at Grandchester*). From 8am to 1:00pm on 10<sup>th</sup> January 2011, the first high intensity rainfall was recorded in the upper Bremer River Catchment, with up to 72 mm recorded in this period (*as recorded at Mt Castle, which is adjacent to the Bremer –Lockyer boundary*).



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The upper Bremer Catchment experienced a sharp rise in rainfall beginning 6 am on 11<sup>th</sup> January 2011. Rainfall accumulations of up to 283 mm were recorded until 3:00pm on 11<sup>th</sup> January 2011 at Grandchester.

Further west, rainfall showed a continuing trend to be less intense prior to the amalgamation of the low pressure system and the monsoonal trough, with rainfall beginning from 13:00 hours on the 9<sup>th</sup> of January 2011. Accumulations of between 60 and 70 mm were recorded until approximately 00:00 hours on the 10<sup>th</sup> of January when the northward movement of the low pressure system and the alignment of the high pressure cell feeding the region led to the cessation of rainfall in the upper catchment.

As the monsoonal trough moved south, warm moist air from the north ascended into the upper atmosphere over these upper catchment regions. Intense rainfall began to occur in the upper Brisbane River Catchment (*recorded at Toowoomba and Gatton*) from between 12:00 hours on the 10<sup>th</sup> of January and 02:00 hours on the 11<sup>th</sup> of January 2011.

This and the onset of intense rainfall around Amberley, highlights the west-to-east progression of intense rainfall in the upper Brisbane River Catchment over the 10<sup>th</sup> and 11<sup>th</sup> of January 2011.

Intense rainfall took longer to occur in the upper Condamine River Catchment, beginning from 13:00 hours on the 11<sup>th</sup> of January 2011 (*recorded at Oakey*). Over the following 36 hours, an accumulation of up to 150 mm was recorded. However, the rainfall intensity in this region varied significantly with a large portion of the rainfall accumulated occurring over a period of several hours. Orographic effects are likely to have contributed to the sharp increase in rainfall intensity in these upper catchment areas.

Further to the south-west within the upper Condamine Catchment, rainfall only began with the movement of the monsoonal low on the 10<sup>th</sup> of January 2011 (*recorded at Warwick*). Accumulations of up to 60 mm were recorded in these areas over the following 36 hours.

Over the period from the 9<sup>th</sup> until the 12<sup>th</sup> of January 2011, the following total rainfall accumulations were recorded:

- Grandchester – 419 mm
- Toowoomba - 230 mm
- Beerburum - 230 mm
- Amberley - 220 mm
- Oakey - 185 mm
- Gatton - 160 mm
- Brisbane – 175 mm
- Redcliffe – 170 mm
- Archerfield – 120 mm
- Warwick – 60 mm
- Cape Moreton – 40 mm



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Figures 2 to 4 show the daily accumulated rainfall in Queensland from the 9<sup>th</sup> through to the 11<sup>th</sup> of January 2011.

Figure 5 shows the accumulated rainfall in Queensland for the week preceding the 13<sup>th</sup> of January 2011.

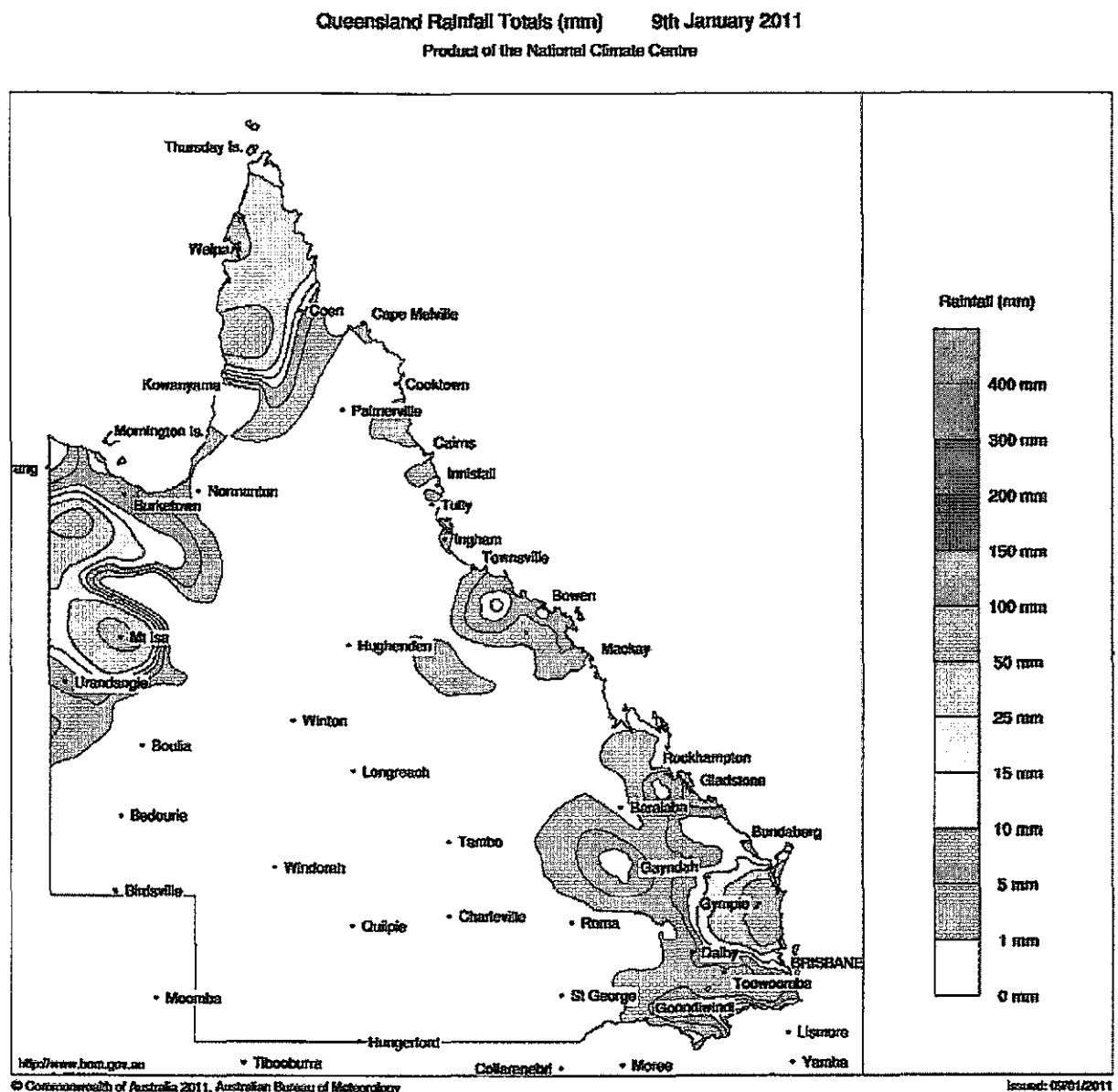


Figure 2: Daily Accumulated Rainfall for the 9<sup>th</sup> of January 2011<sup>1</sup>



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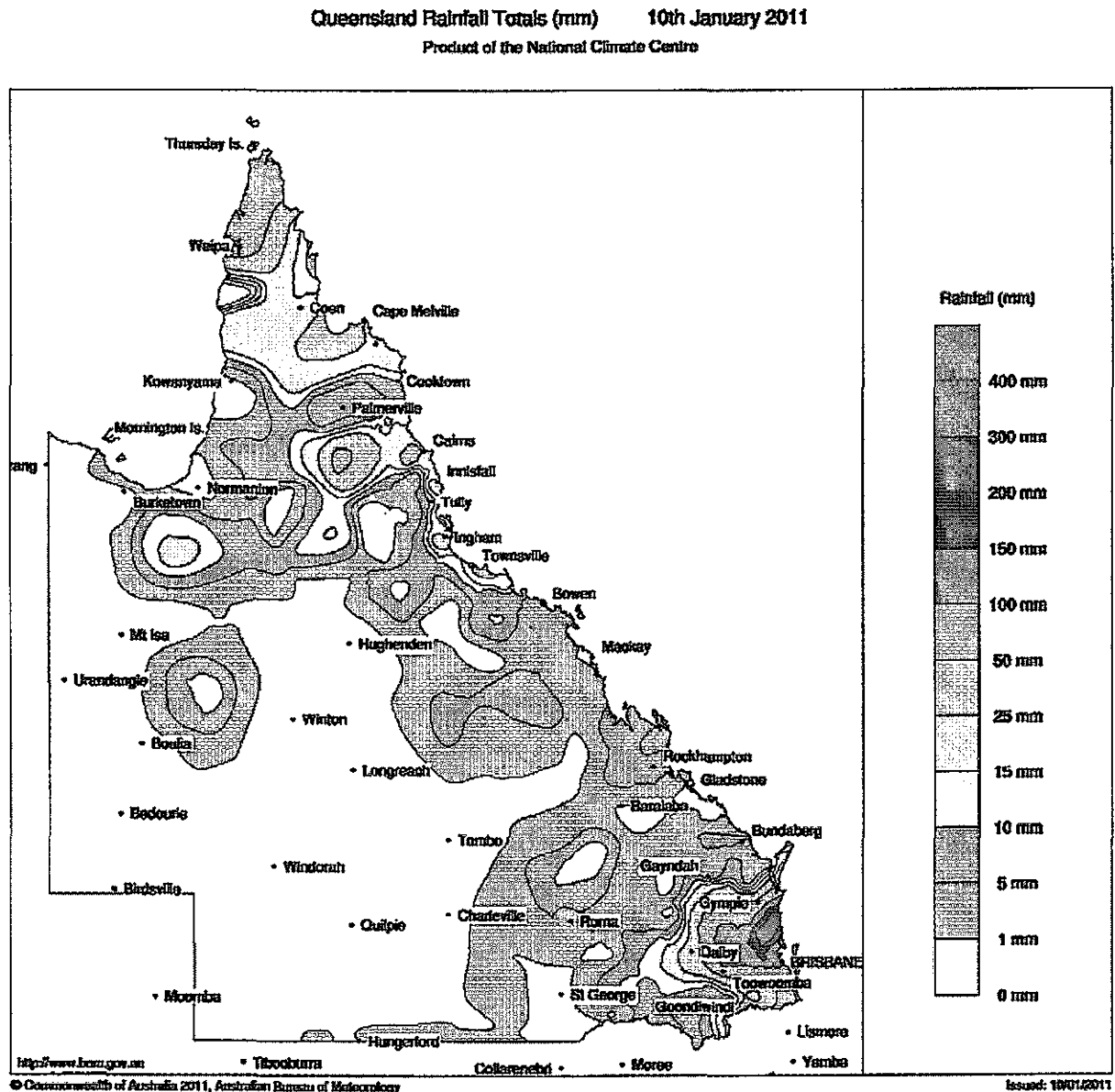


Figure 3: Daily Accumulated Rainfall for the 10<sup>th</sup> of January 2011<sup>1</sup>





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Queensland Rainfall Totals (mm) Week Ending 13th January 2011  
Product of the National Climate Centre

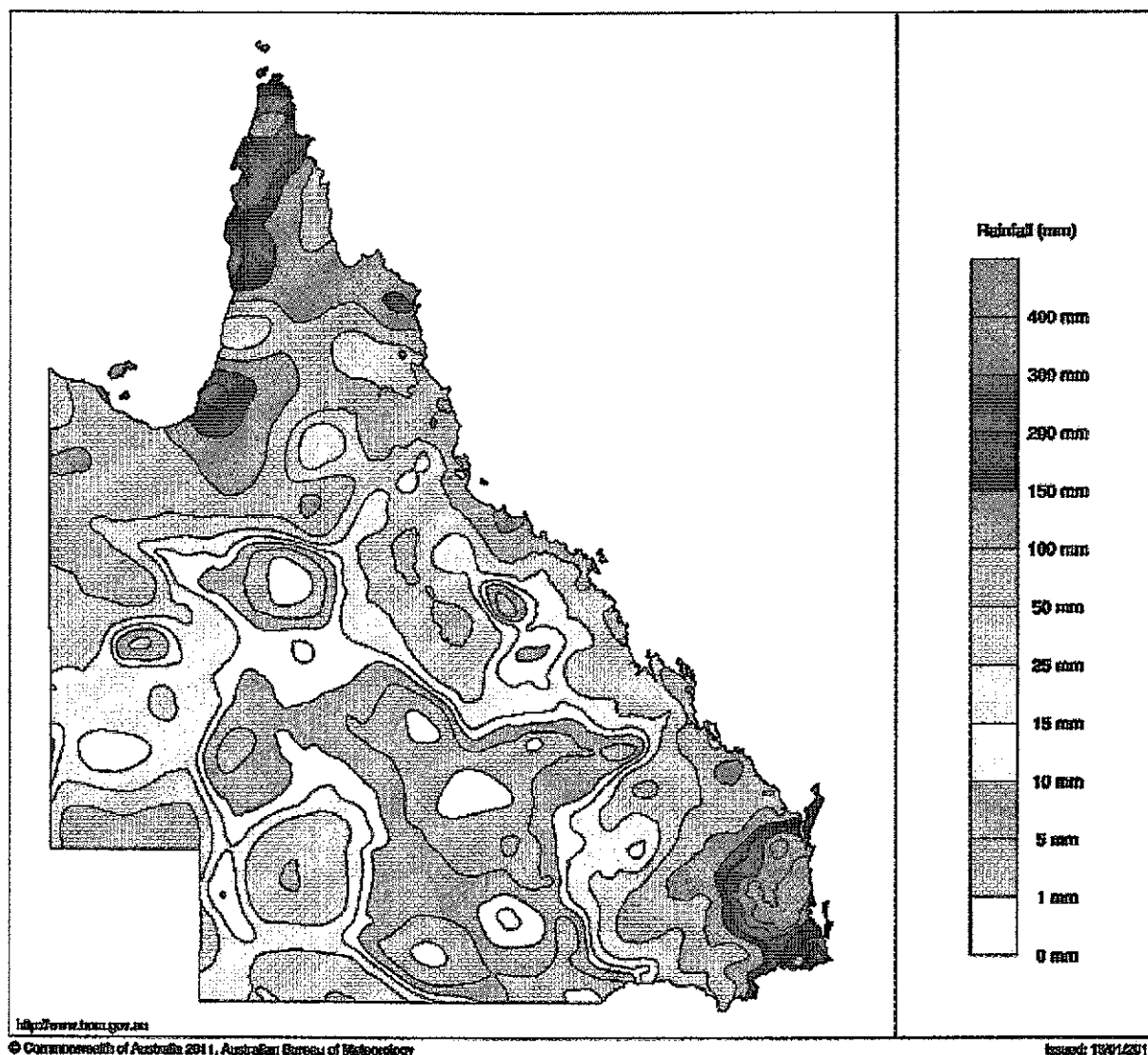
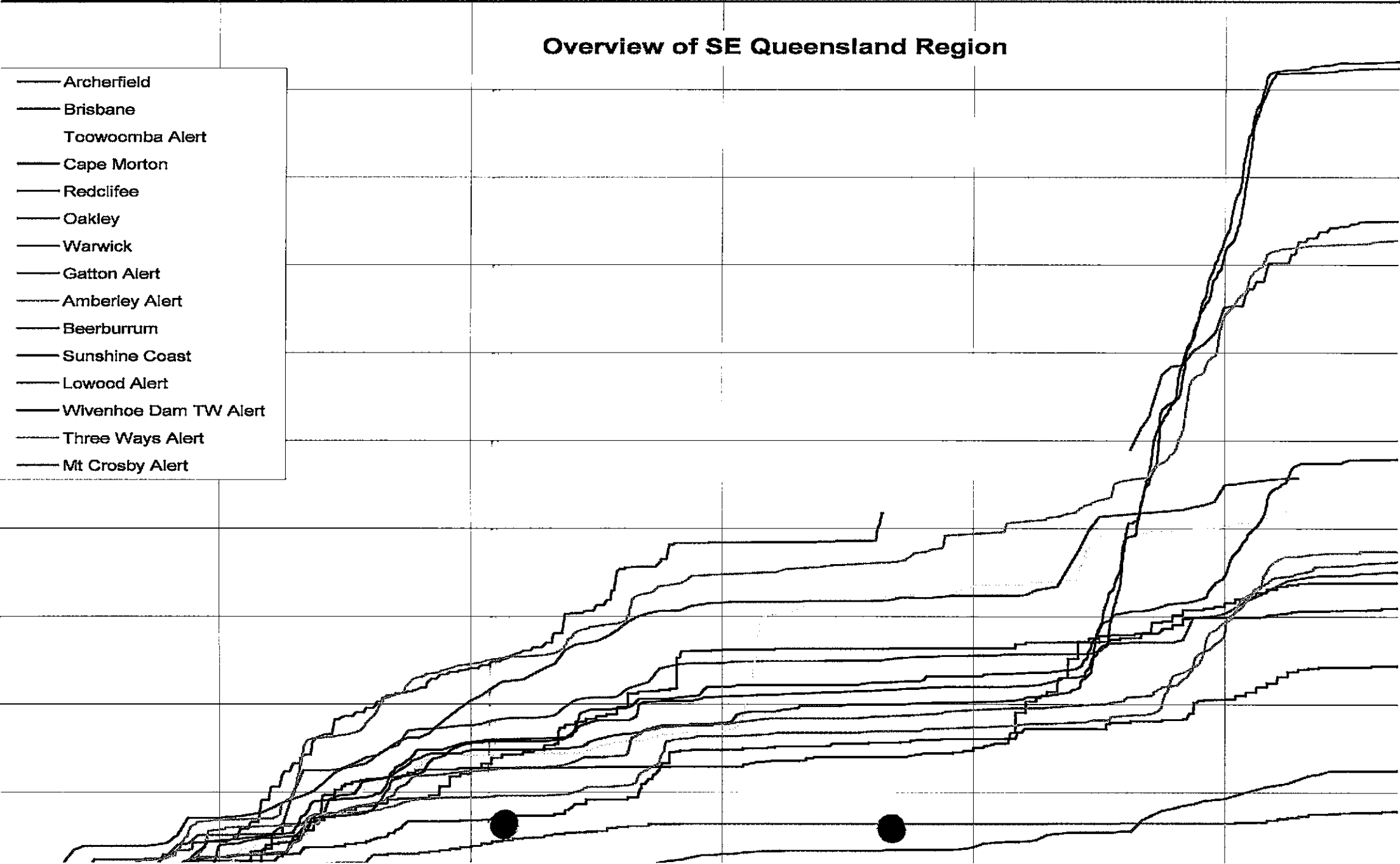
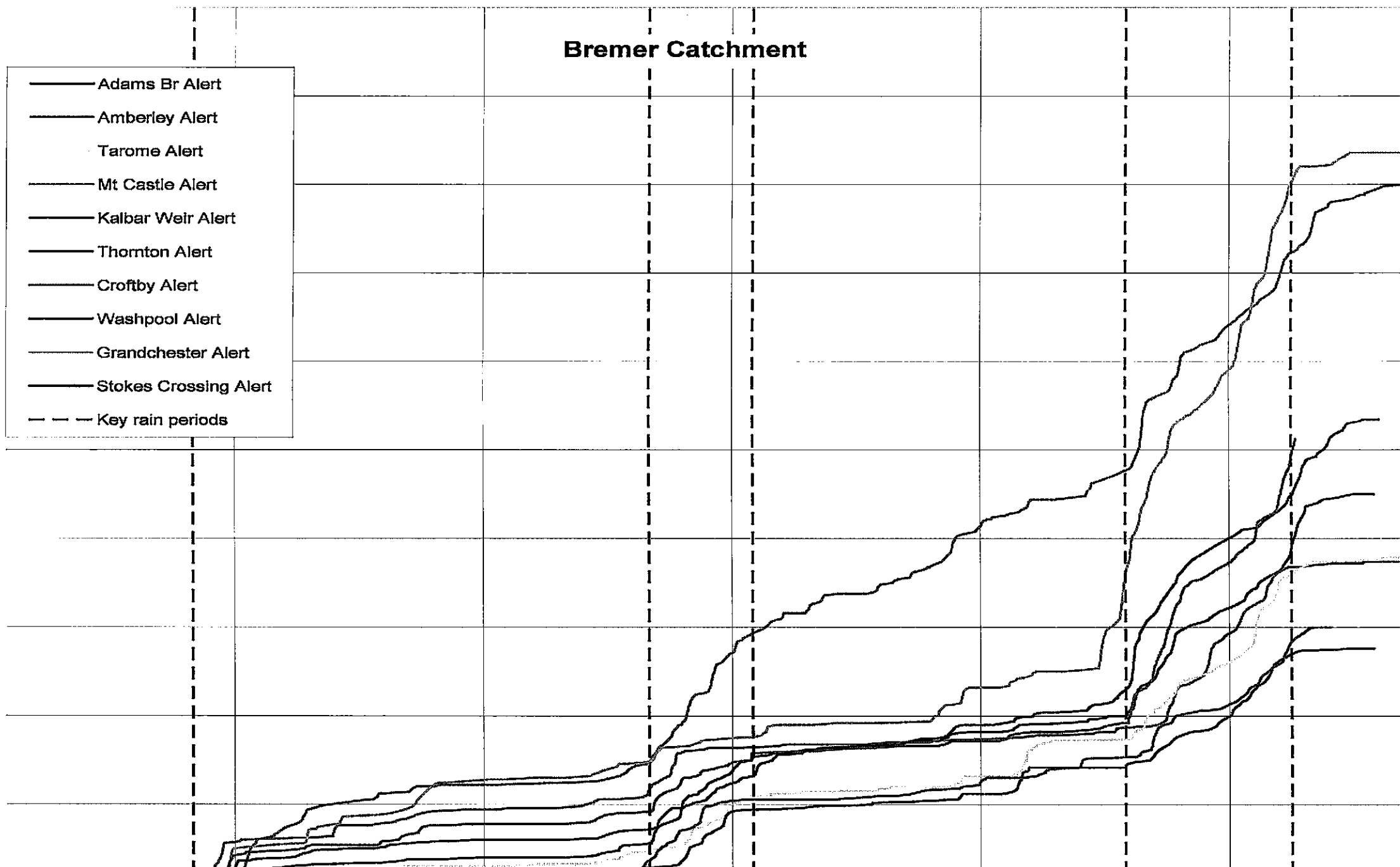


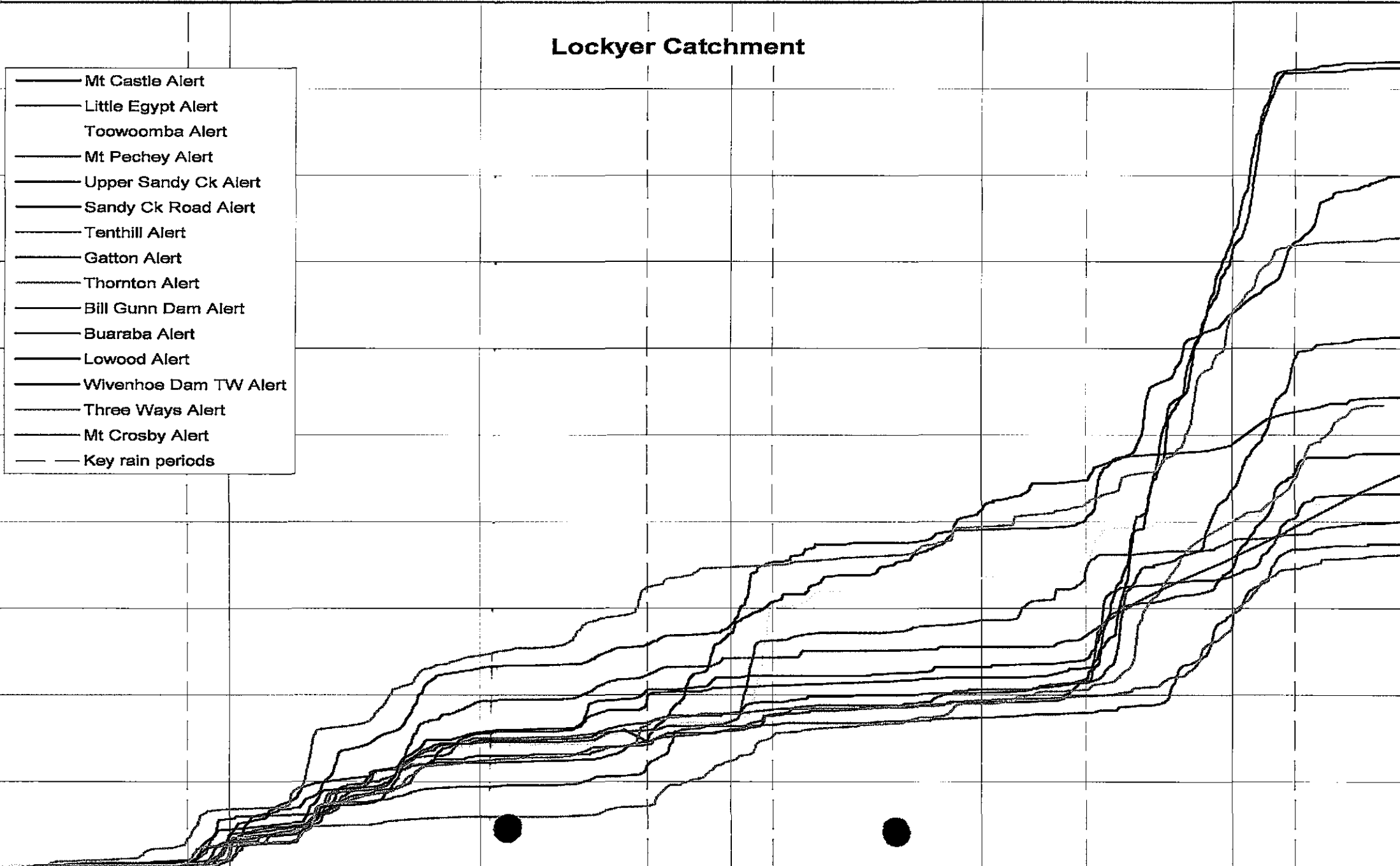
Figure 5: Accumulated Rainfall for the Period from 7<sup>th</sup> to 13<sup>th</sup> January 2011<sup>1</sup> (Inclusive) which Corresponds to the time when the Storm affected South-east Queensland.

Time-varying rainfall data was obtained from primary gauges located in relevant towns in the Brisbane, Caboolture and Condamine Rivers Catchments of South-east Queensland (*operated by the BoM*). Data for the period from the 9<sup>th</sup> until the 12<sup>th</sup> of January 2011 was compiled and is plotted in Figure 6 as cumulative rainfall for each location. Rainfall data specific to the Bremer River and Lockyer Creek Catchments is provided in Figure 7 and Figure 8 respectively.

<sup>1</sup> © Copyright Commonwealth of Australia 2011, Bureau of Meteorology









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Figure 9 gives a measure of the rainfall that Queensland had experienced over the months prior to the January 2011 weather event. This data essentially compares the recorded rainfall accumulations in Queensland over the last few months with all data that the BoM holds for these catchments (*dating back to the early 20<sup>th</sup> Century*). It shows that prior to the January 2011 weather event, the whole south-east Queensland region had experienced rainfall accumulations that were very much above average with some of the highest accumulations on record.

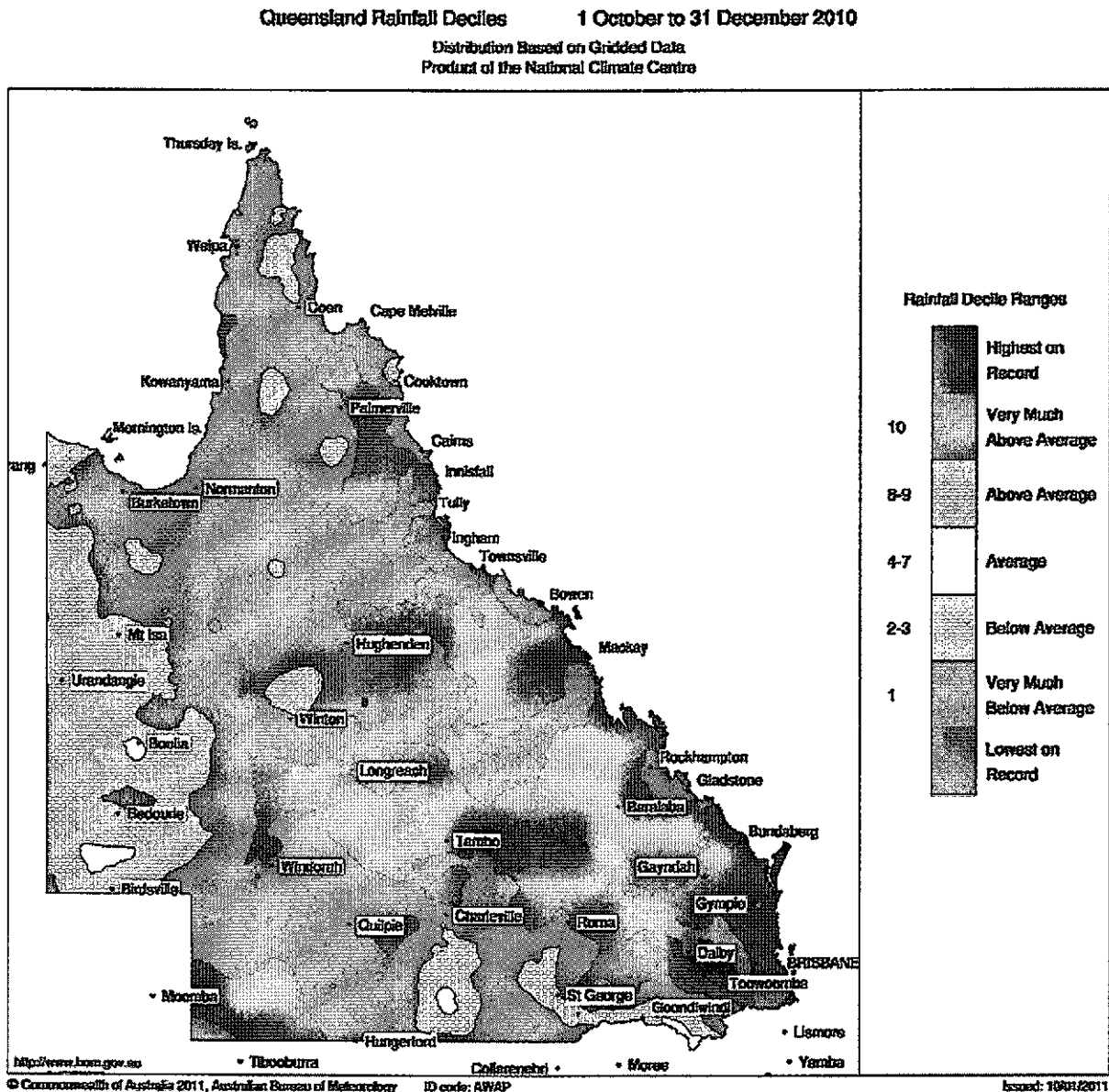


Figure 9: Rainfall Deciles for the period 1<sup>st</sup> of October until 31<sup>st</sup> of December 2010<sup>1</sup>



## **4. RUNOFF, OVERLAND FLOW AND RIVER LEVELS IN THE BRISBANE RIVER CATCHMENT**

Rainfall intensity and its regional recurrence interval are most significantly linked to the generation of runoff. In other words, the runoff derived from rainfall is dependent on how "usual" or "unusual" the rainfall intensity was for a given catchment. Catchments that are located to the east of the Great Dividing Range in eastern Australia typically require higher rainfall intensities than those on the western side of the Dividing Range to generate a similar response in runoff and stream levels.

For example, if a region experienced a rainfall intensity of 50 mm per hour and this was equivalent to an Average Recurrence Interval (ARI) of 1 year, then the catchment would not be expected to respond with widespread inundation. If this same rainfall intensity occurred across a region where this was more unusual and the Average Recurrence Interval was closer to 100 years, the catchment would be expected to respond much more rapidly, with likely widespread inundation due to runoff, overland flow and stream overtopping. Therefore, while areas of the upper Condamine River Catchment received much less rainfall than the Caboolture and Brisbane Rivers Catchments, responses were significant because this rainfall was unusual.

The rainfall intensities at key gauges were calculated and compared with regional data documented in *'Australian Rainfall & Runoff' (1998)*. This analysis highlights the areas where rainfall was most unusual and where local overland flow and flow from small streams was likely to have occurred.

A comparison of the peak rainfall ARI for key gauges is shown in **Table 1** according to data from *'Australian Rainfall & Runoff' (1998)*.

**Table 1: Summary of How Usual or Unusual the Peak Rainfall Intensity was at Key Locations in the Affected Catchments**

<b>Rainfall gauge Location</b>	<b>Regional ARI Data Location</b>	<b>(sub) Catchment Location</b>	<b>Peak Rainfall Intensity ARI</b>
Brisbane	Brisbane	lower Brisbane	<b>Between 1 and 2 years</b>
Toowoomba	Toowoomba	upper Brisbane / upper Condamine	<b>Between 50 and 100 years</b>
Oakey	Dalby	upper Condamine	<b>Between 20 and 50 years</b>
Warwick	Warwick	upper Condamine	<b>Between 2 and 5 years</b>
Amberley	Ipswich	middle Brisbane (lower Bremer)	<b>Between 5 to 10 years</b>
Grandchester	Ipswich	middle Brisbane (upper Bremer)	<b>Greater than 100 years</b>
Beerburum	Caboolture	Pine-Caboolture	<b>Between 2 and 5 years</b>



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This data shows that the two areas where the peak rainfall intensity was most unusual were in the upper Bremer catchment, where it had an ARI greater than 100 years and around Toowoomba where it had an ARI of between 50 and 100 years.

Furthermore, the rainfall intensity recorded at Oakey Airport on the western side of the Divide was also unusual, with a peak ARI of between 20 and 50 years. This data shows that the upper Brisbane, upper Bremer and Condamine Catchments were the focus of unusually intense rainfall and indicates that these areas could be expected to have generated large volumes of runoff in response to rainfall that was experienced.

Rainfall intensities were less unusual in the middle reaches of the Brisbane River Catchment, having a peak ARI of between 10 and 20 years. However, rainfall of this frequency would have led to some significant runoff and overland flow, with the possibility of overflow from small streams. However, rainfall of this magnitude across the upper catchment could have been expected to cause medium sized streams in this region such as the Bremer River to overflow.

A comparison between the recorded rainfall in the upper and lower sections of the Bremer River Catchment indicates there was significant variation in the severity of the peak intensity. In general the peak intensity of the rainfall recorded reduces in an easterly direction. The total rainfall recorded in the western and north-western areas of the catchment was much heavier than in the eastern and south-eastern parts of the catchment.

In the lower Brisbane River Catchment, rainfall was not particularly unusual, with a peak ARI of no more than 2 years. Therefore the upper catchment rainfall would have been the primary cause of overflows of large sized streams in this region such as the Brisbane River.

The Pine-Caboolture Rivers Catchment experienced a peak rainfall intensity that had an ARI that did not exceed 5 years. This most probably did not lead to significant inundation as a result of overland flow, but would have led to the smaller-scale overflow of small and medium sized streams in this region.

This data shows that the upper catchment regions would have contributed directly to the generation of flow that progressed downstream and inundated overbank areas in the middle and lower catchment. In other words, the rainfall in the upper catchment regions of the Brisbane and Condamine Catchments led directly to the high stream levels in middle and lower catchment regions.

Equally important to rainfall intensity is how saturated a catchment is due to recent rainfall as this affects the rainfall infiltration and therefore the volume of runoff generated. A catchment that is well-saturated with high antecedent soil moisture will lead to a more rapid accumulation of runoff resulting in possibly more severe levels of inundation from overland flow and streams. **Figure 9** and the associated commentary on page 12 indicates that rainfall had been unusually high over the months prior to the January 2011 weather event, with many catchments still saturated from flows derived from an extreme weather event that occurred near the end of December 2010.

Another important factor that significantly contributes to the response of the catchment is the spatial size that significant rainfall occurs over. The greater the proportion of the catchment covered by intense rainfall, the greater the volume of runoff generated within the catchment meaning that stream levels would respond more severely.



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During the January 2011 Weather Event, the entire Caboolture Catchment and a large majority of the Brisbane River Catchment experienced intense rainfall, which combined with the saturated catchment condition, led to the rapid rise in stream levels that occurred. Conversely, only the upper most portions of the Condamine Catchment were affected by the January 2011 weather event, leading to a more gradual stream level response along downstream reaches.

The following sections summarise the hydrologic, geomorphic and topographic characteristics of the Brisbane River Catchment and its sub-catchments.

### 4.1 The Brisbane River Catchment

The Brisbane River basin is located in the South-east corner of Queensland where approximately 80% of Queensland's population resides. Several urban centres including Brisbane and Ipswich are located in the south-eastern section of the catchment.

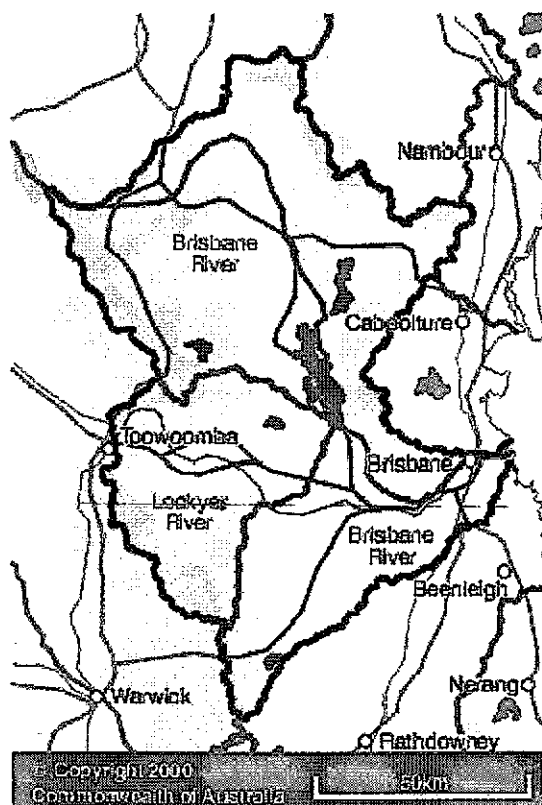


Figure 10: The Brisbane River Catchment <sup>2</sup>

The Brisbane River rises in the Brisbane Range which is located 40 kilometres east of Kingaroy. Major tributaries of the upper Brisbane River include Cooyar, Emu and Cressbrook Creeks which all enter the river from the east and travel in a south-easterly direction eventually passing into Wivenhoe Dam.

<sup>2</sup> © Australian Government (Australian Natural Resource Atlas)



The Stanley River is also a major tributary of the upper Brisbane River. It rises in the Conondale Ranges southeast of Maleny and travels in a south-westerly direction through one of the heaviest rainfall areas in Australia and into Somerset Dam and then eventually into Wivenhoe Dam.

The catchment above Wivenhoe Dam drains an area of approximately 7,000 square kilometres. The total area of the Brisbane River Catchment is about 13,500 km<sup>2</sup>. The catchment is characterised by flat coastal plains and steep ranges. Streams in the west of the catchment are fast flowing high energy streams that gradually decrease in gradient to form broader moderate energy systems that meander across the coastal plain.

Land use is diverse in the basin, encompassing major urban areas along the coast, grazing, mining, some intensive agriculture and forested areas in the ranges. Due to population pressures, a large proportion of the basin has been fully developed.

Lockyer Creek drains the upper catchment extending west to Toowoomba and joins the Brisbane River near Lowood, which is just downstream of Wivenhoe Dam. The Bremer River drains the area extending to the south and flows through Ipswich before discharging to the Brisbane River near Moggill. It has an upstream catchment of approximately 2,000 km<sup>2</sup>.

Intense rainfall in the upper catchments of the Lockyer and Bremer Valleys can lead to the rapid increases in stream water level and inundation of the adjoining floodplain. In contrast, the upstream catchment of the Brisbane River is large and requires intense rainfall over a substantial area in order to generate rapid rises in river water level.

Flooding in the Brisbane City area can also be caused by flooding of local creeks such as Oxley and Bulimba Creeks on the south side, and Kedron Brook, Moggill and Enoggera Creeks in the northern and western suburbs. The small size of these creeks means that they would respond to intense local catchment rainfall well before any significant flooding of the Brisbane River.

#### **4.1.1 Lockyer Creek Sub-Catchment**

The Lockyer Valley is a major sub-catchment of the Brisbane River catchment. Lockyer Creek and its tributaries have a total catchment area of about 2,800 square kilometres, which is about one-quarter of the total area of the Brisbane River catchment.

Lockyer Creek flows in an easterly direction for about 100 kilometres from the Great Dividing Range to its confluence with the Brisbane River near Lowood. Its major tributaries include the Laidley, Tenthill, Ma Ma and Buaraba Creeks, which have sub-catchment areas equivalent to about half of the Lockyer Creek catchment.

#### **4.1.2 Bremer River Sub-Catchment**

The Bremer River Catchment is also a major sub-catchment of the Brisbane River. It rises in the Macpherson Range and has a catchment area of about 2,000 km<sup>2</sup>. The tributaries of the Bremer River have their headwaters in the Little Liverpool range to the southwest and drain in a north-easterly direction into the Bremer River, which joins the Brisbane River at Moggill. The Bremer River Catchment is generally steep and lightly forested, except in the lower north-eastern areas, which drain through the City of Ipswich.



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Warrill Creek is the largest tributary of the Bremer River and drains an area of approximately 1,150 km<sup>2</sup>. Other significant tributaries include Bundamba Creek, Purga Creek, Ironpot Creek, Deebing Creek, Mihi Creek, Sandy Creek, Western Creek and Franklin Vale Creek. The upper reaches of all these creeks are predominantly rural, but the lower reaches of some tributaries contain significant areas of urban development. Moogerha Dam is located in the upper reaches of Warrill Creek.

Flooding in reaches of the Bremer River can be generated by a range of causes, including:

- Heavy rainfall in the Macpherson Range can cause major flooding of rural areas as well as widespread traffic hazards and disruptions in downstream urbanised areas around Ipswich.
- Flooding in the Ipswich area can be caused by local creek flooding, which can rise very quickly and can cause significant flooding in urban areas.
- Flooding in the lower reaches of the Bremer River can also occur due to backwater flooding from the Brisbane River when it is in major flood.



## **5. INTERPRETATION OF INUNDATED AREAS**

### **5.1 General**

The following sections rely on the summary of meteorological and flooding conditions provided in the previous sections to characterise the impacts of the January 2011 South-east Queensland Weather Event on reported inundation at Ipswich and Brisbane. Upstream catchment rainfall data was used to characterise stream level response. Local rainfall was referenced to determine the potential for runoff and the nature of overland flow.

Interpretations were typically based on the recorded or predicted response of the primary stream channels downstream of Ipswich; that is, along the Bremer and Brisbane Rivers. In all cases there is the possibility of exceptions, especially where smaller tributaries, streams or drainage channels exist.

The interpretation was based on the response of the primary stream channel with reference to the Storm versus Flood Categorisation System as defined in **Appendix A** and by McConnell (2010).

The interpretations given represent the “most likely” outcomes based on available meteorological, rainfall and river level data, and will naturally have “grey areas” around the borders where interpretations may change as a function of any localised responses to rainfall and river levels.

As discussed in the introduction, an expanded rainfall and river level data set, which was recorded during the January 2011 South-east Queensland Weather Event, has been provided subsequent to the original Brisbane-Ipswich Area Specific Report (*prepared in February 2011*). As a consequence, the original report has been updated to incorporate the additional data (*where applicable*). The expanded data set has also allowed the assessment of rainfall intensity and the interpretation of inundation areas to be presented with a greater level of certainty.

The interpretations provided cover the portion of the Brisbane River Catchment extending downstream from Lowood to the coast. This includes the lower Bremer sub-catchment which extends from Amberley through Ipswich to the Brisbane River confluence near Mogill (*refer Figure 10*). The interpretations should be read with reference to the **Figures B1 to B3** which are contained in **Appendix B**.

### **5.2 Assessment of Classification**

The January 2011 South-east Queensland Weather Event led to extensive rainfall across the western sections of the Brisbane River and Lockyer Valley Catchments. Rainfall recorded across the upstream catchment at Toowoomba, Gatton and Grandchester had the greatest impact on water levels in the lower Brisbane and Bremer Rivers. As discussed above, rainfall intensities at Toowoomba had frequencies of between 50 and 100 year ARI for a range of storm durations, while rainfall in the upper Bremer exceeded design rainfall estimates for the 100 year ARI event.



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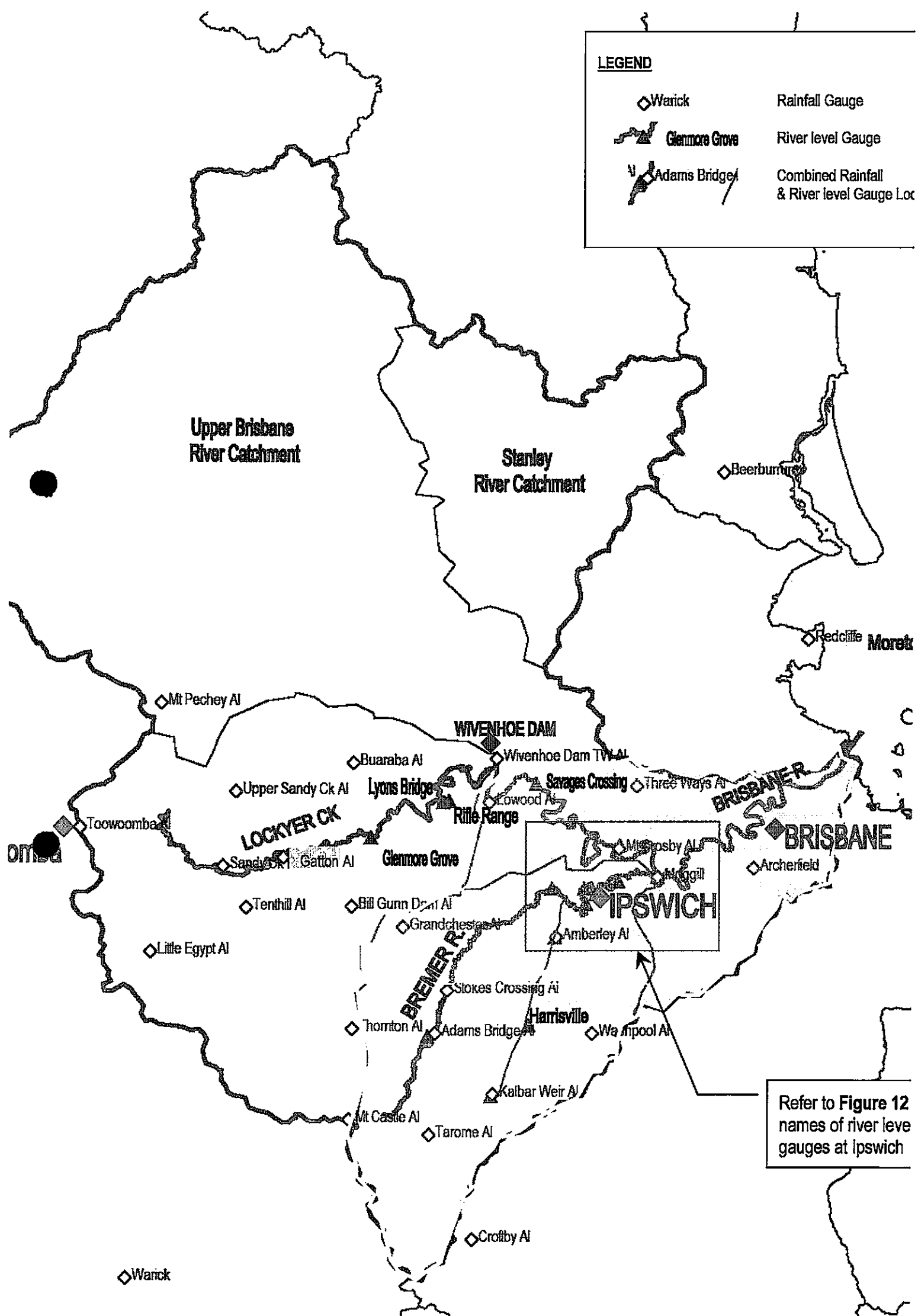
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Rainfall gauges located in the lower catchment at Amberley, Archerfield and Brisbane indicate that rainfall was less intense in the lower catchment and smaller accumulations occurred compared with those recorded in the upper catchment areas (*particularly in the Lockyer sub-catchment and upper Bremer Catchment*).



Refer to Figure 12  
names of river level  
gauges at Ipswich



## **5.2.1 Lower Brisbane River Catchment**

Rainfall began in the lower catchment at approximately 9:00 hrs on the 9<sup>th</sup> of January 2011 with relatively minor intensities and accumulations occurring until 16:00 hrs on the 11<sup>th</sup> of January 2011. A total rainfall accumulation of 120 mm, 170 mm and 165 mm was recorded at the Archerfield, Brisbane and Redcliffe, respectively. Within this period, rainfall accumulations slowed from 10:00 hrs on the 10<sup>th</sup> of January 2011 until early on the 11<sup>th</sup> of January 2011, after which time the intensity of rainfall increased again (refer Figure 6).

Notwithstanding, an assessment of this data indicates that peak rainfall intensities over this period did not exceed an ARI of 2 years.

This highlights that the storm produced less intense rainfall in the lower compared to that in the areas to the west and north. While some local drainage systems may have been overwhelmed by the runoff that was generated, it is unlikely that a significant number of properties at Ipswich and downstream along the Brisbane River would have been affected directly by runoff or overland flow.

The elevated levels that were observed in the lower Brisbane River were primarily a response to the intense rainfall that occurred in the upper catchment areas to the west, including heavy rainfall in the headwaters of the Lockyer and Bremer Rivers, combined with releases from Wivenhoe Dam.

A river level gauge on the Brisbane River at Mount Crosby, which is approximately 10 km upstream of the confluence of the Bremer River, recorded a steady rise in levels that exceeded the BoM's "Moderate" designation at 04:00 hr on the 10<sup>th</sup> January 2011. This initial rise in river water levels was the result of initial catchment-wide rainfall that started as early as the 9<sup>th</sup> January.

The hydrograph generated from the Mount Crosby gauge record (refer Appendix B) shows a clear change at approximately 09:00 on the 11<sup>th</sup> of January 2011, at which time levels began to increase more rapidly. This was likely a result of the arrival of inflows from the upper Lockyer Creek Catchment. Flood levels surpassed the BoM's "Major" designation at approximately 16:00 hrs on the 11<sup>th</sup> of January before peaking at approximately 26.0 metres gauge height at 10:00 hrs on the 12<sup>th</sup> of January 2011.

A gauge on the Brisbane River at Moggill shows a similar response to that of the Brisbane River at Mount Crosby. This gauge is located about 5 kilometres downstream from the Bremer River confluence.

Gauge records show a steady rise in levels on the 10<sup>th</sup> of January and then display an increasingly rapid rise from approximately 11:00 hrs on the 11<sup>th</sup> of January.

Levels surpassed the BoM's "Minor", "Moderate" and "Major" designations at approximately 14:00 and 20:00 on the 11<sup>th</sup> of January and 04:00 on the 12<sup>th</sup> of January, respectively. A peak flood level of approximately 17.8 metres gauge height was recorded at 14:00 hrs on the 12<sup>th</sup> of January.



Further downstream, a gauge located on the Brisbane River at Brisbane City recorded a largely tidal hydrograph up to the 10<sup>th</sup> of January which was progressively dampened on the 11<sup>th</sup> of January, in response to the arrival of flows derived from the upper catchment. Levels surpassed the BoM's "Minor" designation of 1.70 metres gauge height at approximately 12:00 hrs on the 11<sup>th</sup> of January, continuing and surpassing the BoM's "Moderate" and "Major" designations of 2.60 and 3.50 metres gauge height at approximately 02:00 and 08:00 hrs on the 12<sup>th</sup> of January, respectively. A peak level close to 4.5 metres gauge height was recorded at approximately 02:00 on the 13<sup>th</sup> of January.

## **5.2.2 Lower Bremer River Catchment**

Levels recorded at a gauge on the lower Bremer River at Ipswich show a distinct similarity with those recorded at Mount Crosby and Moggill on the Brisbane River, which is only a short distance upstream and downstream of the Bremer – Brisbane River junction. The data shows levels rising steadily on the 10<sup>th</sup> of January, surpassing the BoM's "Minor" designation at 16:00 on the 10<sup>th</sup> January and the "Moderate" designation at 04:00 on the 11<sup>th</sup> of January.

This initial response is most likely a result of direct catchment runoff into the Bremer River and backwater flooding from the Brisbane River in response to the steady rainfall that had occurred across the wider catchment since 9<sup>th</sup> January.

However, at approximately 11:00 hrs on the 11<sup>th</sup> of January 2011, levels began to increase more rapidly, surpassing the BoM's "Major" designation at approximately 14:00 hrs and continuing to rise another 8.0 metres to peak at a level of approximately 19.6 metres gauge height at 12:00 hrs on the 12<sup>th</sup> of January 2011. The shape and timing of this peak indicates the ultimate influence of backwater flows from the Brisbane River on flooding of the lower Bremer River.

It is recognised that flooding in the Ipswich area was also influenced by local catchment run-off and the run-off produced by intense rainfall generated in the upper Bremer River Catchment.

The frequency of the recorded rainfall in the lower Bremer River Catchment was typically in the order of 5 to 10 year ARI. Rainfall of this frequency is unlikely to have made a significant contribution to the flooding recorded in the Ipswich area.

The high intensity rainfall recorded in the western and northern sections of the Bremer River Catchment resulted in flooding along the Bremer River and its associated tributaries. The available streamflow gauge data (*refer Figures B2 and B3*) suggests that the flood peak from high intensity rainfall in the Bremer River catchment occurred some time prior to the flood peak at Ipswich, which was ultimately defined by backwater flooding from the Brisbane River.

However, the exact contribution of these different sources to the flood peak at Ipswich is beyond the scope of this report and would require detailed modelling of the flood event.

The following is noted in terms of the extent of the backwater influence from the Brisbane River on the flood peak in Bremer River:



- A review of the river gauge data suggests that backwater flooding from the Brisbane River has ultimately defined the flood peak in the Bremer River at least as far upstream as the Brassall gauge (*refer Figure B2*).
- Conversely, the Walloon gauge record shows the flood peak occurring 18 hours prior to the flood peak at Brassall and that the flood levels fell at Walloon, while simultaneously rising at Brassall. This indicates that the flood peak in the stretch of the Bremer River upstream of the Walloon gauge is defined solely by the local flood event, rather than backwater flooding from the Brisbane River. The nature of flooding at Walloon and upstream is discussed further in **Section 5.2.3**.
- Between these two gauges, it can be inferred that the influence of backwater flooding from the Brisbane River on the peak level in the Bremer River has gradually reduced in an upstream direction. For example, the flood peak at the One Mile Bridge gauge (*located approximately one third of the distance between Walloon and Brassall upstream of Brassall*) occurred approximately ten hours prior to the peak at Brassall. However, the shape of the hydrograph indicates that flood levels including the peak at One Mile Bridge were still influenced by backwater flooding from the Brisbane River, which prevented local Bremer River flows from escaping downstream.

### **5.2.3 Upper Bremer River Catchment**

The available river gauge data for the upper Bremer River indicates that peak flood levels upstream of the Walloon Gauge remained largely free of backwater flooding from the Brisbane River.

The Walloon Gauge shows a gradual response to rainfall across the upper catchment until approximately 10 am on 11<sup>th</sup> January 2011. From this time, levels at Walloon rose sharply, reaching a peak of approximately 31.87 mAHD at around 5:00pm on 11<sup>th</sup> January 2011.

It is noted that the gradual recession of the hydrograph's falling limb as shown in **Figure B2** (*i.e. in the period following the flood peak*) indicates that backwater effects were to some extent impeding the discharge of flows downstream. However, this is a separate issue to the flood peak itself, at which point backwater effects were considered to exert negligible influence.

Further upstream at the Adams Bridge Gauge, the record shows that there were three local flood events down the Bremer River over the period from Sunday 9<sup>th</sup> January to Tuesday 11<sup>th</sup> January. The maximum of these three peaks occurred at approximately 2pm on 11<sup>th</sup> January 2011. The river remained at or near the peak for close to 7 hours, until approximately 9pm Tuesday 11<sup>th</sup> January. The stream response indicates that there would be minimal influence due to backwater flooding from the Brisbane River this far upstream at any time during the flood.

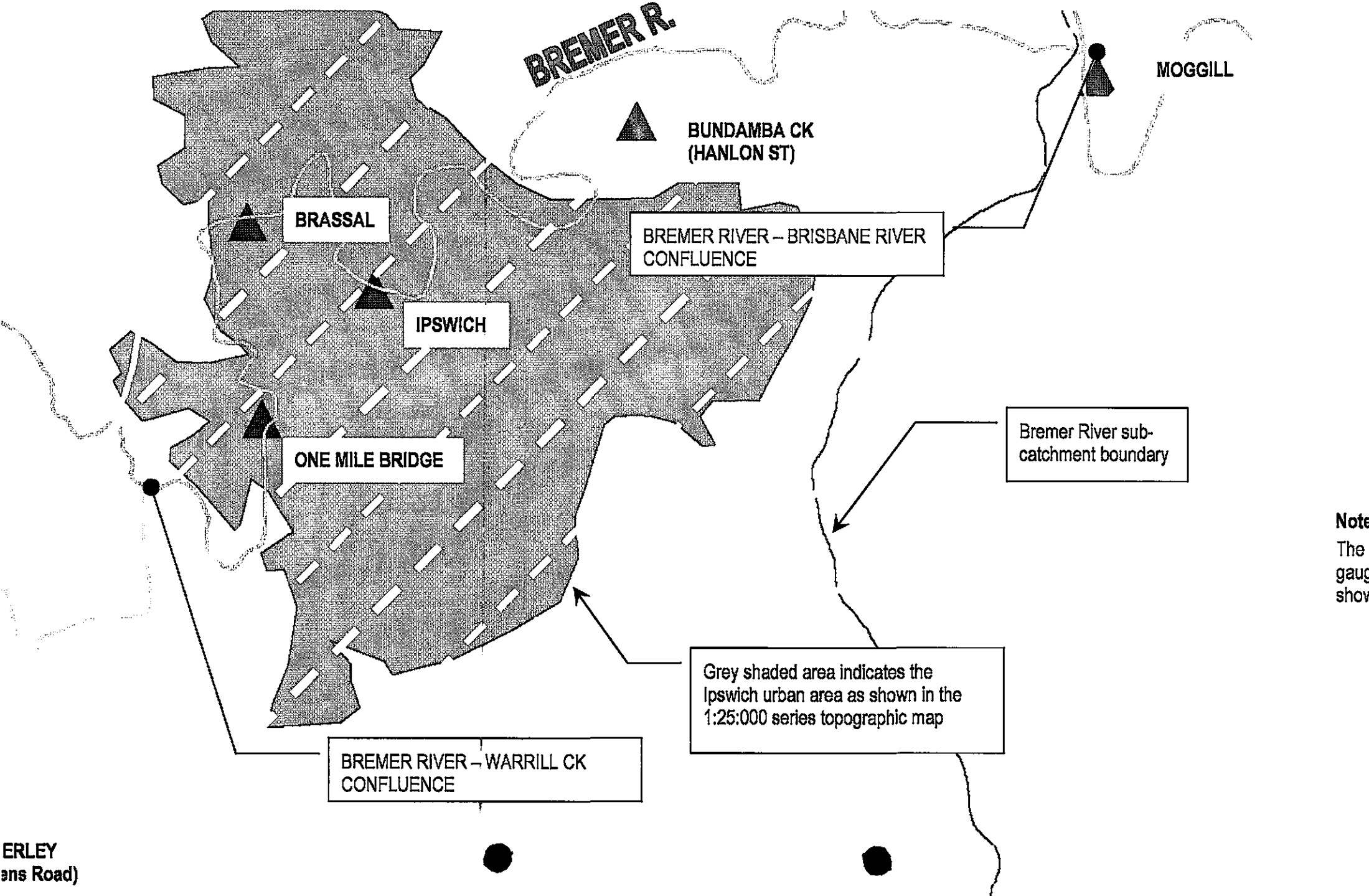


## **5.3 Conclusions**

Comparison of the response of the Brisbane and lower Bremer Rivers with the intensity, temporal and spatial distribution of rainfall in the upstream catchment, indicates that the Ipswich and Brisbane Metropolitan Areas are considered to fall within Categories 4 or 5 of the Storm versus Flood Categorisation Scheme (refer **Appendix B**).

That is, properties affected by overflow of the Brisbane or Bremer Rivers downstream of the confluence of the Bremer River and Warrill Creek, would fall within categories 4 or 5. The westerly extent of this area is highlighted in **Figure 12**.

However, properties affected by flows in the upper Bremer River along with the upper portions of its associated tributaries, such as Warrill Creek, are likely to fall within categories 2 and 3. This refers to most properties on the River reach upstream of the Walloon gauge





## 6. REFERENCES

- Bureau of Meteorology, Commonwealth of Australia; Various data through <http://www.bom.gov.au>
- Commonwealth of Australia; Various data through [www.connectedwater.gov.au](http://www.connectedwater.gov.au).
- Department of Sustainability, Environment, Water, Population and Communities, Commonwealth of Australia; Various data through <http://www.environment.gov.au>.
- Institution of Engineers, Australia (1998); '*Australian Rainfall and Runoff, - A Guide to Flood Estimation – Volumes 1 & 2*', edited by D.H. Pilgrim.
- Insurance Australia Group (2011), '*Impact of January 2011 South-east Queensland Weather Event on Brisbane and Ipswich*', prepared by WorleyParsons, February 2011.
- Insurance Council of Australia (2011), '*Flooding in the Brisbane River Catchment January 2011, Volume 3 Flooding in Ipswich City LGA*', prepared by the ICA Hydrology Panel, February 2011.
- McConnell, D; '*A Flood or Not a Flood – The Insurance Conundrum*'; Proceedings of 50<sup>th</sup> Annual Floodplain Management Authorities Conference, Gosford, February 2010.
- Queensland Department of Environment and Resource Management; Various data through [www.derm.qld.gov.au](http://www.derm.qld.gov.au).
- Weatherzone©; Fairfax Digital; various data through <http://www.weatherzone.com.au>.



## Appendix A

### Classification Scheme

This scheme describes aspects of the meteorological event and subsequent flow of water that led to inundation at the region of interest. It classifies inundation broadly by its origin e.g. a watercourse or overland flow and the timing of maximum inundation depth relative to critical rainfall of the meteorological event. Where Category 1 describes inundation occurring during or very soon after intense local rain and is not related to a watercourse and Categories 2 – 5 describe watercourse-based inundation where the timing of inundation varies according to where the rain fell and the nature and size of the upstream catchment.

**Table 1: Storm Classification** *(to be used in concert with the accompanying descriptions)*

Category	Storm	River System	Rain in a local area	Local overland inundation	Subsequent floodplain inundation (short timeframe)	Subsequent floodplain inundation (long timeframe)
1	Intense local rain	N/A	X	X		
2	Widespread heavy rain	Small (up to 10km length & 50km <sup>2</sup> area) to Medium	X	X	X	
3	Light local & heavy upper catchment rain	Medium (to 70 km length & 3000 km <sup>2</sup> area)	X		X	
4	Spatially & temporally variable rain	Medium to Large	X			X
5	Intense upper catchment rain	Large				X

**Category 1** is essentially heavy localised rainfall leading to overland flow, usually during or very soon after the rainfall. The location may be near a small stream but the stream is not the cause of inundation at the region of interest.

**Category 2** relates to small to medium streams at the location being considered (*up to 70km in length and 3000 km<sup>2</sup> in area*) under heavy regional rainfall where overland flow occurs initially, followed a short time (*up to several hours*) later by excessive flows inundating the floodplain of the stream.



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**Category 3** relates to a medium sized stream at the location being considered where the rainfall is concentrated in the upper (*steeper*) catchment, there is no local overland flow but the stream exceeds its channel capacity and occupies the floodplain within a short timeframe of the critical rain (*typically 2 to 8 hours*).

**Category 4** relates to a medium to large river where the majority of rain occurs over the upper and possibly middle catchments. The long response time of the river system to Regions within the lower catchment results in flooding commencing some time after the critical rainfall (*typically more than 8 hours for medium streams and a day or more for large streams*).

**Category 5** is the classic 'sunny day' flood where rainfall in the upper catchment of a large river system generates flooding in the middle and downstream reaches several days to weeks later.

#### Interpretation of the Classification Scheme

While a procedure for classifying a storm's outcomes has been articulated, it cannot be absolutely prescriptive and will require some interpretation to accommodate the specific nature of individual storms and stream systems. For example, a medium stream at the upper end of the medium scale with a high intensity rainfall in the upper catchment would typically generate a Category 3 outcome because of the likely rapid response by the stream. If lower intensity longer duration rainfall occurred, a Category 4 outcome would be generated due to the delayed catchment / stream response.



## Appendix B

### Application of Classification System

This section provides a visual representation of the response of the Lockyer, Bremer and Brisbane Rivers to the intense rainfall that occurred during the January 2011 South-east Queensland Weather Event. It provides a basis for determining the Storm versus Flood Classification that should apply to most areas of Ipswich and Brisbane.

The "critical rainfall" refers to the causative rainfall for flooding in a particular location. The time interval specified between the critical rainfall and inundation refers to the time between the end of the critical rainfall and the peak of the flood recorded at the relevant gauge. It is noted that the end of the critical rainfall does not necessarily correspond to the time when rainfall ceased.

### Lockyer Creek and Brisbane River

The following figures show the relevant rainfall associated with the central and upper Brisbane Catchment aligned temporally with the response of Lockyer Creek and Brisbane River from upper to lower catchment at selected gauges. These figures highlight where the transition between Categories 2/3 and 4 occurs with reference to the Storm versus Flood Categorisation System.

From this data, areas upstream along Lockyer Creek of Rifle Range can be interpreted as being within Category 2 or 3 while those downstream of Savages Crossing on the Brisbane River are within Category 4 or 5.

The timing of the critical rainfall, along with the flood peak at the Gauges investigated is summarised in **Table B1**.



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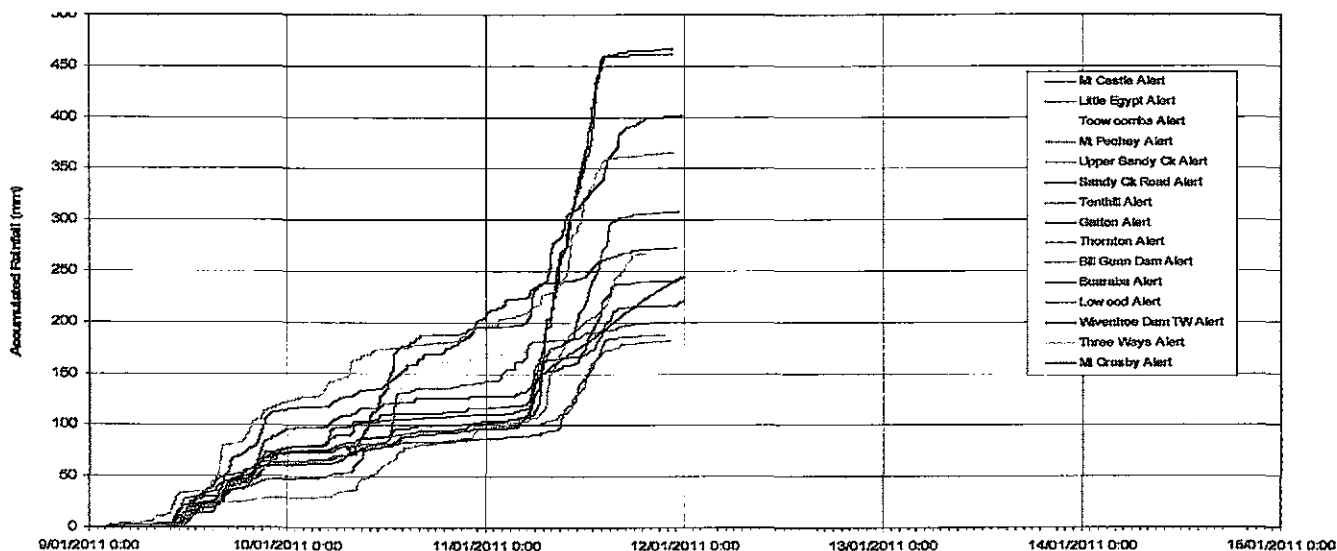
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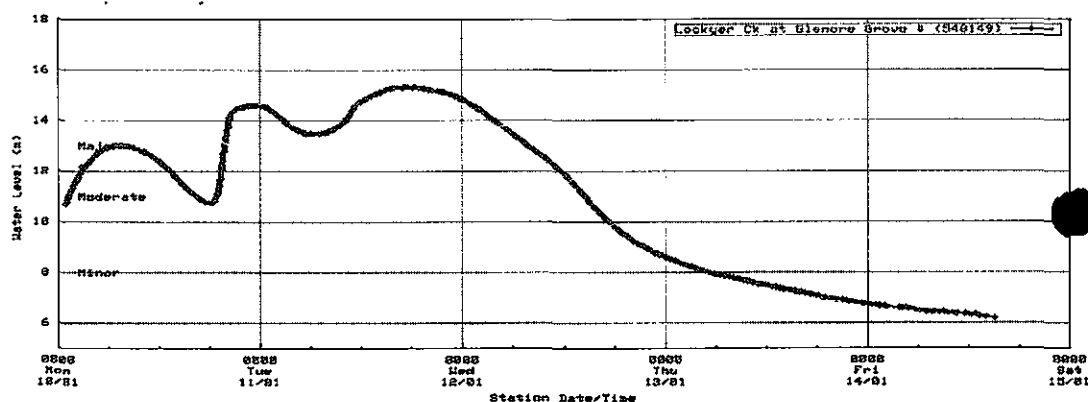
Table B1 SUMMARY OF TIMING OF CRITICAL RAINFALL AND FLOOD PEAK FOR LOCKYER CREEK

GAUGE LOCATION	RIVER GAUGE	CATCHMENT CLASSIFICATION	RAINFALL GAUGE FOR CRITICAL RAINFALL	APPROXIMATE END OF CRITICAL RAINFALL	APPROXIMATE TIME AND DATE OF FLOOD PEAK	TIME DIFFERENCE BETWEEN CRITICAL RAIN & FLOOD PEAK (hours)
LOCKYER CREEK	Glenore Grove (540149)	medium	Toowoomba / Gatton	3:00 pm 11 <sup>th</sup> January 2011	5:00pm 11 <sup>th</sup> Jan 2011	2
	Lyons Bridge (540174)				6:00pm 11 <sup>th</sup> Jan 2011	3
	Rifle Range Road (040017)				6:00pm 11 <sup>th</sup> Jan 2011	3
BRISBANE RIVER (middle Catchment)	Savages Crossing (540150)	large	Wivenhoe Dam	3:00pm 11 <sup>th</sup> January 2011	01:30 12 <sup>th</sup> Jan 2011	10.5



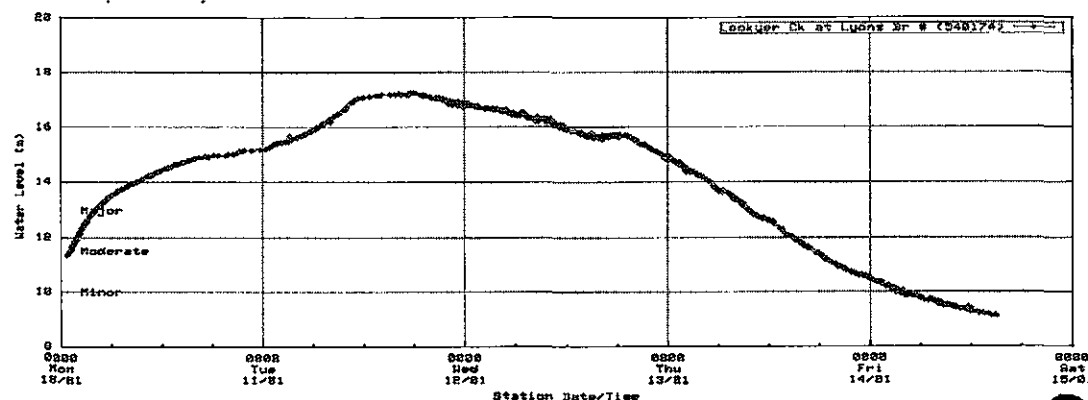
from Lockyer Creek at the More Grove Gauge.

Peak response of the stream region is within a relatively time frame of the critical rainfall (approximately 2-4 hours).



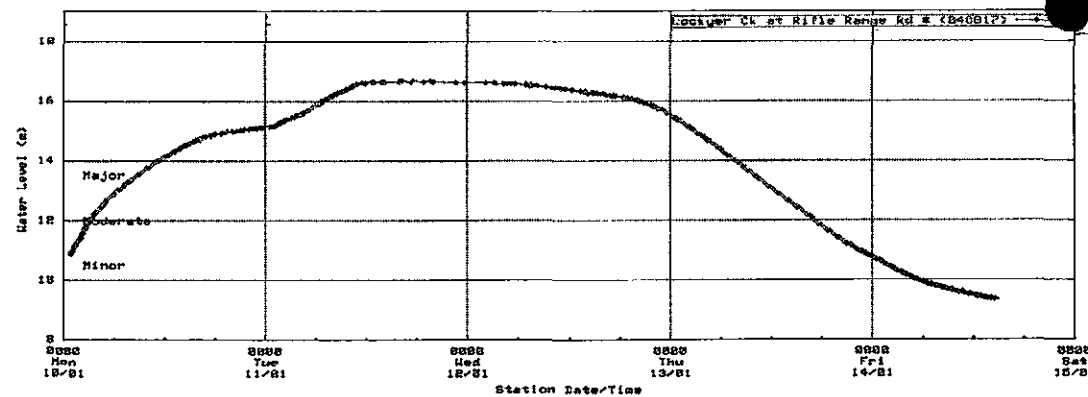
from Lockyer Creek at the Bridge Gauge (upstream of Range).

Peak response of the stream region is within a relatively time frame of the critical rainfall (approximately 3-5 hours).



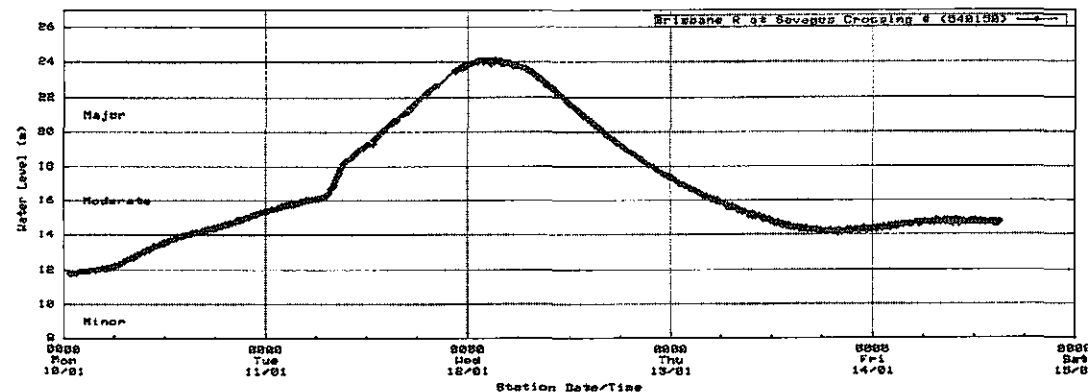
from Lockyer Creek at the Range Gauge.

Peak response of the stream region is within a relatively time frame of the critical rainfall (approximately 3-5 hours).



from the Brisbane River at Wages Crossing Gauge (stream of Lowood and Wivenhoe Dam).

Peak response of the stream region is within a longer time frame of the critical rainfall (approximately 10.5 hours).





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### **Bremer River (and Warrill Creek)**

The following figures show the relevant rainfall associated with the central and upper Brisbane Catchment aligned temporally with the response of the Bremer River and Warrill Creeks from upper to lower catchment at selected gauges. These figures highlight where the transition between Categories 2/3 and 4 occurs with reference to the Storm versus Flood Categorisation System.

From this data, areas upstream along the Bremer River above Walloon would be classified as Category 2 or 3, while those downstream of One Mile Bridge would be classified as Category 4 or 5.

The time to the flood peak at the gauges included in **Figure B2** and **Figure B3**, together with the time between the critical rainfall and the flood peak is summarised in **Table B2**.



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Table B2 SUMMARY OF TIMING OF CRITICAL RAINFALL AND FLOOD PEAK FOR BREMER RIVER CATCHMENT

GAUGE LOCATION	RIVER GAUGE	CATCHMENT CLASSIFICATION	RAINFALL GAUGE FOR CRITICAL RAINFALL	APPROXIMATE END OF CRITICAL RAINFALL	APPROXIMATE TIME AND DATE OF FLOOD PEAK	TIME DIFFERENCE BETWEEN CRITICAL RAIN & FLOOD PEAK (hours)
UPPER BREMER RIVER	Adams Bridge (540157)	medium	Thornton <sup>1</sup>	12:00pm	2:00pm 11 <sup>th</sup> January 2011	2
	Walloon (540081)	medium	Grandchester	3:00pm	5:00pm 11 <sup>th</sup> January 2011	2
MID/LOWER BREMER RIVER	One Mile Bridge <sup>2</sup> (040836)	medium	Grandchester	3:00pm	1:30am 12 <sup>th</sup> January 2011	10.5
	Brassall <sup>2</sup> – (Hancocks Bridge) (540250)	medium			11:00am 12 <sup>th</sup> January 2011	20
	Ipswich <sup>2</sup> (040831)	medium			2:00pm 12 <sup>th</sup> January 2011	23



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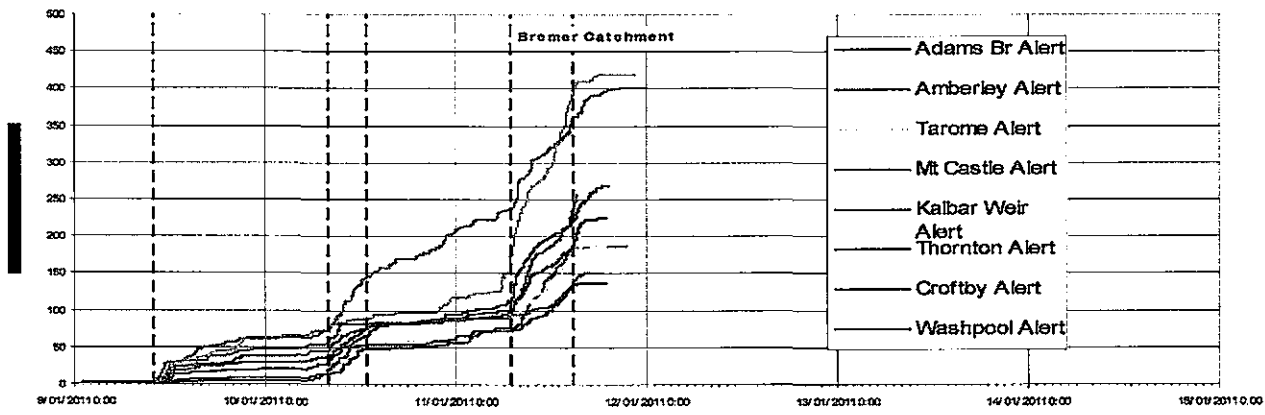
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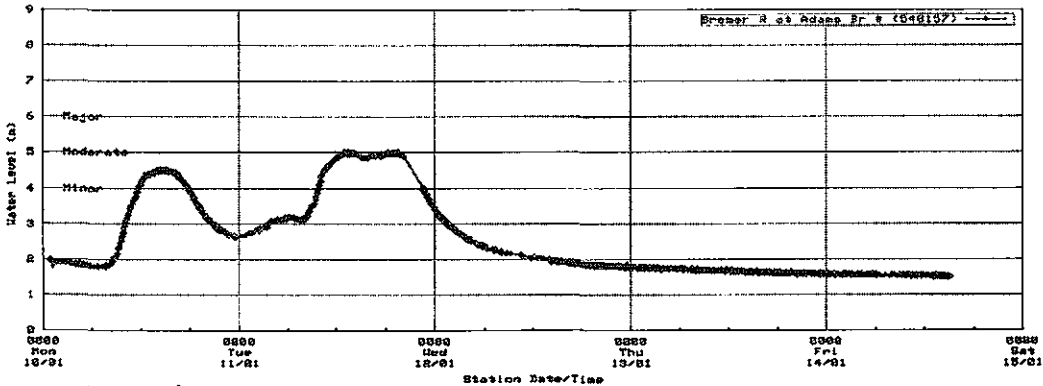
GAUGE LOCATION	RIVER GAUGE	CATCHMENT CLASSIFICATION	RAINFALL GAUGE FOR CRITICAL RAINFALL	APPROXIMATE END OF CRITICAL RAINFALL	APPROXIMATE TIME AND DATE OF FLOOD PEAK	TIME DIFFERENCE BETWEEN CRITICAL RAIN & FLOOD PEAK (hours)
WARRILL CREEK	Kalbar Weir (540058)	medium	Grandchester	3:00pm	8:00pm 11 <sup>th</sup> January 2011	5
	Harrisville (540154)	medium			9:00 pm 11 <sup>th</sup> January 2011	6
	Amberley - (Greens Road) <sup>2</sup> (540180)	medium			11:00 am 12 <sup>th</sup> January 2011	20

1. It is recognised that strictly speaking the Thornton gauge is located in the Lockyer Valley and not the Bremer Catchment. However, it is approximately 2 kilometres from the Bremer – Lockyer catchment boundary, and 14 kilometres from the Adams Bridge gauge. Accordingly, it is considered to constitute a representative rainfall for assessing the end of critical rainfall at the gauge.
2. It is noted that while Grandchester has been taken to be the rainfall gauge for determining the critical rainfall, each of these gauges was also showed evidence that the site was affected by backwater flooding from the Brisbane River.



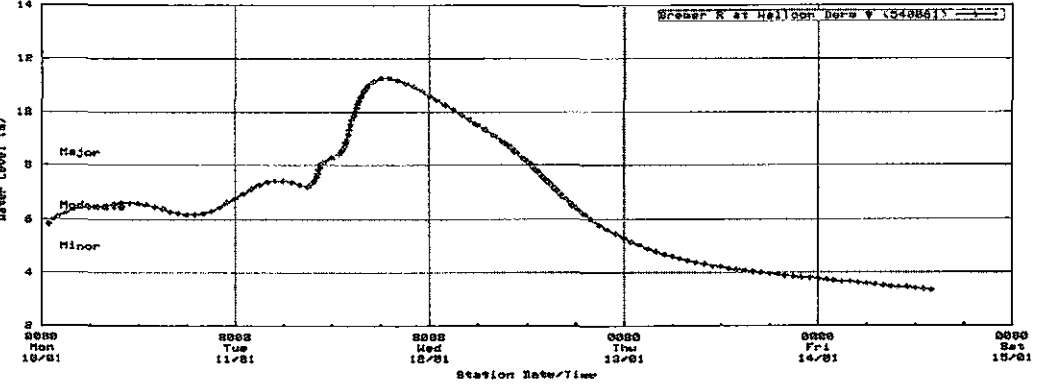
**a from the Bremer River at Adams Bridge Gauge**

peak response of the stream  
is region is within a relatively  
t time frame of the critical  
fall (approximately 2-4 hours).



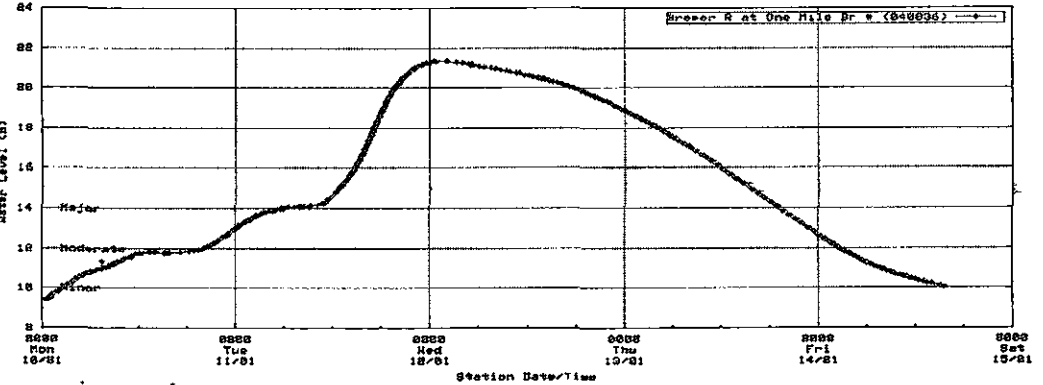
**a from the Bremer River at Walloon Gauge**

peak response of the stream  
is region is within a relatively  
t time frame of the critical  
fall (approximately 2-4 hours).



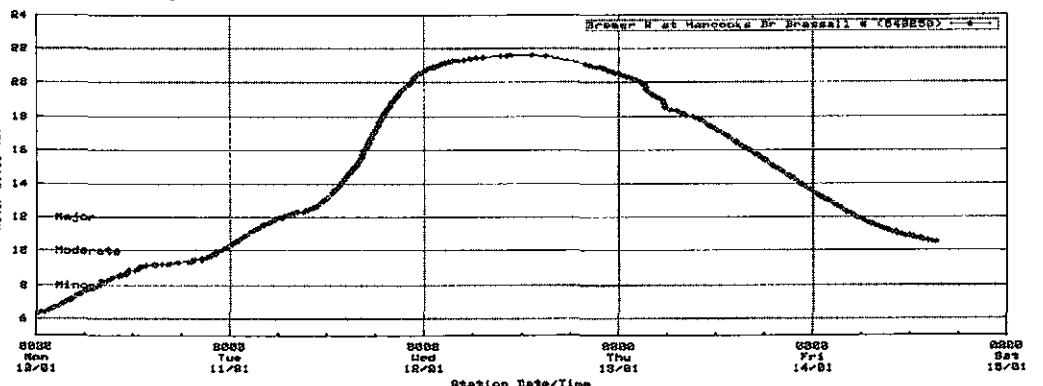
**a from the Bremer River at One Mile Bridge gauge (in the-west Ipswich)**

peak response of the stream  
is region is within a longer  
frame of the critical rainfall  
proximately 10-12 hours).

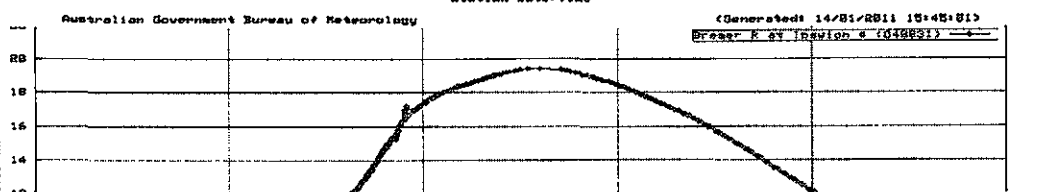


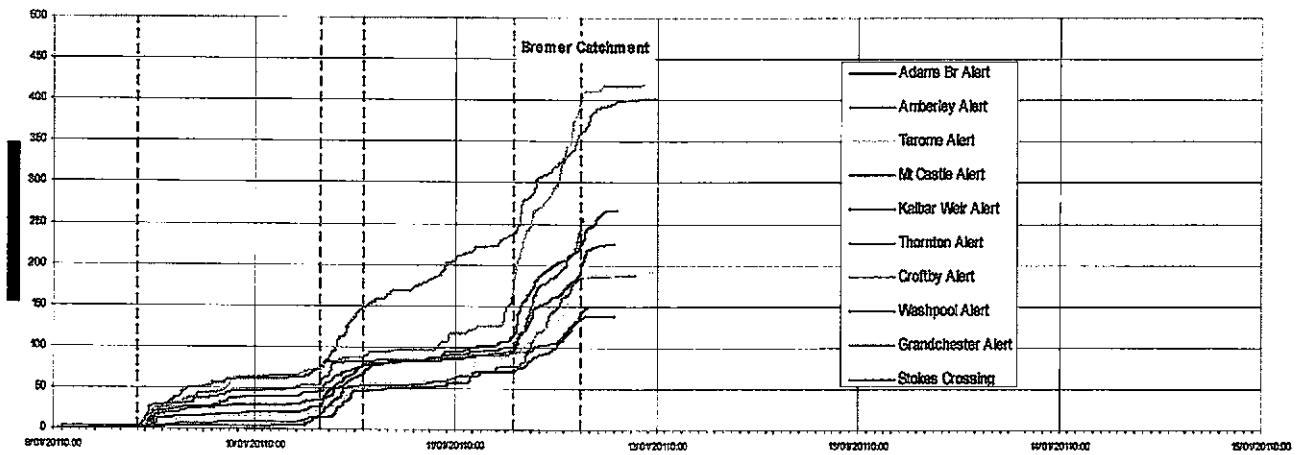
**a from the Bremer River at Brassall Gauge (in north- Ipswich)**

peak response of the stream  
is region is within a longer  
frame of the critical rainfall  
roximately 20-22 hours).



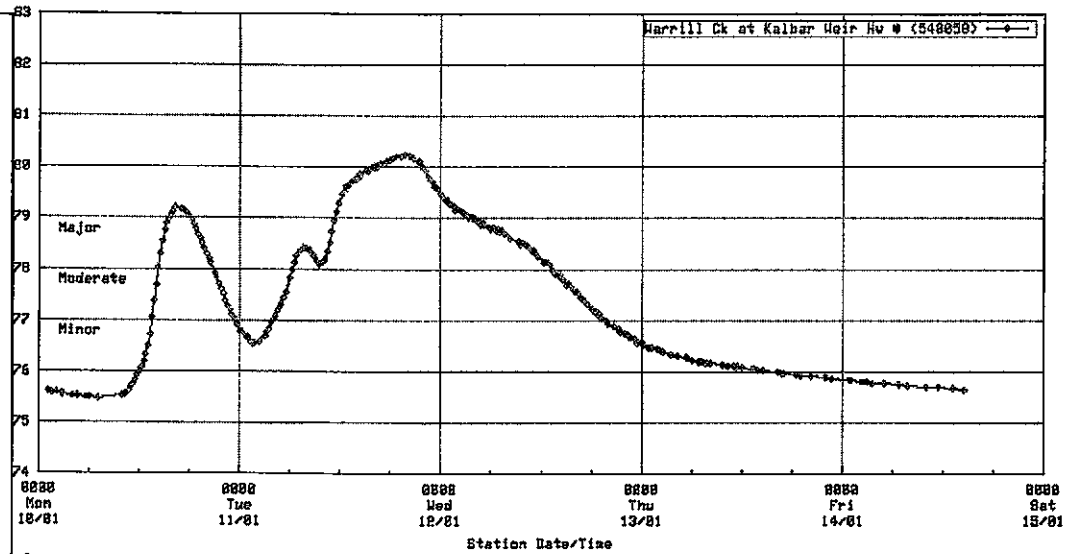
**a from the Bremer River at Ipswich Gauge (in central ipswich)**





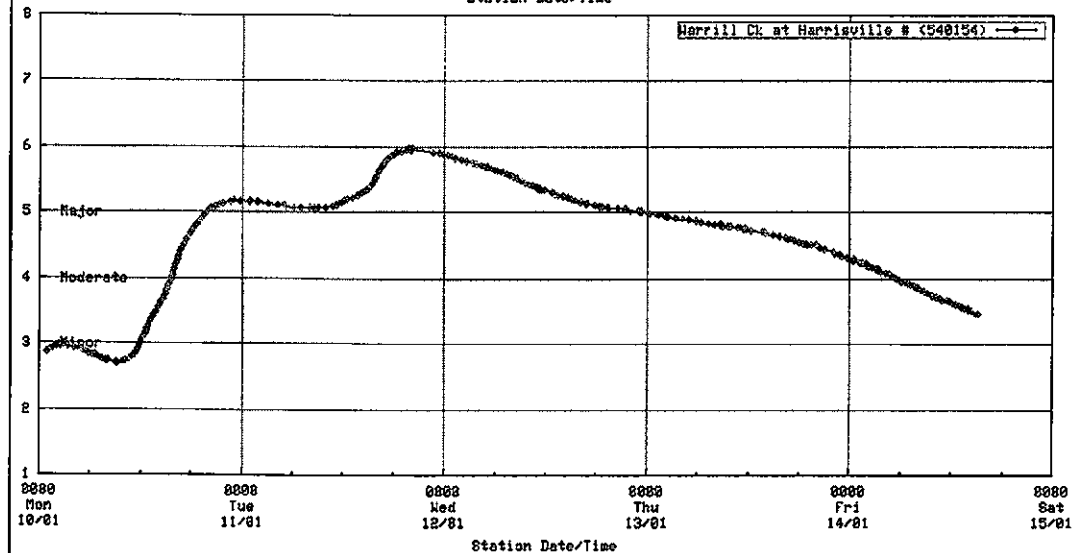
### ata from Warrill Creek at the albar Weir Gauge

re peak response of the stream this region is within a relatively short time frame of the critical infall (approximately 5-7 hours).



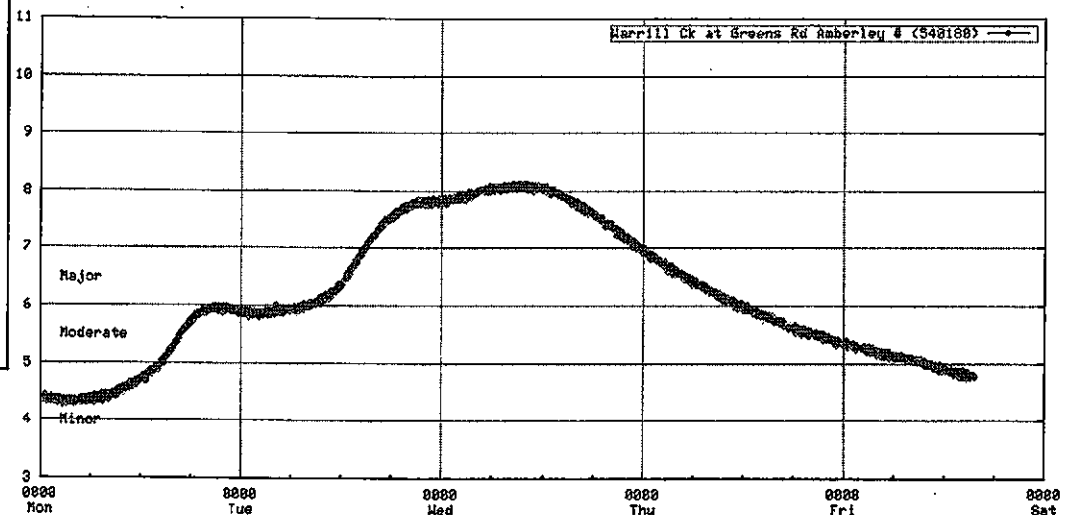
### ata from Warrill Creek at the arrisville Gauge

re peak response of the stream this region is within a relatively short time frame of the critical infall (approximately 6-8 hours).



### ata from Warrill Creek at the mberley Gauge

re peak response of the stream this region is within a longer time frame of the critical rainfall (approximately 20-22 hours).





## **Annexure 10**



## **Schedule of Work No 2: Hydrology Reports**

**Commencement Date:** December 2010

**Termination Date:** Termination of a schedule of work on the provision of 5 days written notice as per relevant schedule of work.

### **1. Services**

The Services consist of the preparation of the following Hydrology Reports utilising the Protocol at paragraph 2 below relating to inundation arising from storms in Australia:

1. an overarching Hydrology Reports for specified regions (Regional Report)
2. Individual Property Reports.

Where we require either a Regional Report or an Individual Property Report to be prepared (collectively "Hydrology Reports"), we will provide You with written instructions ( via an email) regarding the report and timeframes for delivery.

The Hydrology Reports must be produced in accordance with the Report Template detailed in paragraph 3 below.

You agree that any reports that You prepare may be subject to further peer review by another qualified hydrologist.

In providing the Services you will utilise suitably qualified personnel located in the state or territory where the region or the individual property is located. Where such personnel are not available to provide the Services, you will contact us to discuss whether staff from other states or territories may be available to undertake the work.

Where required, Your personnel will meet with Us to discuss any of the reports prepared by them.

You grant Us a Licence to use the Reports under this SOW for the Specified Purposes in clause 1.7 (c) of the LOA. This Licence extends to the use of the Reports by any of our related Australian companies.

### **2. Protocol**

This report outlines how to create a assessment of a storm event resulting in some degree of inundation that affects properties of interest in one or more regions. The objective is to:

- Describe the meteorological event and subsequent flow of water that led to the inundation on a regional basis. Part of this description will utilise a classification scheme outlined below.
- From that description, identify whether the inundation was caused by a watercourse, overland flow, or a combination of the two.

This protocol describes the key areas that must be included in an overarching flood event report

## 2.1 Classification Scheme

This scheme describes aspects of the meteorological event and subsequent flow of water that led to inundation at the region of interest. It classifies inundation broadly by its origin e.g. a watercourse or overland flow and the timing of maximum inundation depth relative to critical rainfall of the meteorological event. Where Category 1 describes inundation occurring during or very soon after intense local rain and is not related to a watercourse and Categories 2 – 5 describe watercourse-based inundation where the timing of inundation varies according to where the rain fell and the nature and size of the upstream catchment.

Table 1: Storm Classification (to be used in concert with the accompanying descriptions)

Category	Storm	River System	Rain in a local area	Local overland inundation	Subsequent floodplain inundation (short timeframe)	Subsequent floodplain inundation (long timeframe)
1	Intense local rain	N/A	X	X		
2	Widespread heavy rain	Small (up to 10km length & 50km <sup>2</sup> area) to Medium	X	X	X	
3	Light local & heavy upper catchment rain	Medium (to 70 km length & 3000 km <sup>2</sup> area)	X		X	
4	Spatially & temporally variable rain	Medium to Large	X			X
5	Intense upper catchment rain	Large				X

**Category 1** is essentially heavy localised rainfall leading to overland flow, usually during or very soon after the rainfall. The location may be near a small stream but the stream is not the cause of inundation at the region of interest.

**Category 2** relates to small to medium streams at the location being considered (up to 70km in length and 3000 km<sup>2</sup> in area) under heavy regional rainfall where overland flow occurs initially, followed a short time (up to several hours) later by excessive flows inundating the floodplain of the stream.

**Category 3** relates to a medium sized stream at the location being considered where the rainfall is concentrated in the upper (steeper) catchment, there is no local overland flow but the stream exceeds its channel capacity and occupies the floodplain within a short timeframe of the critical rain (typically 2 to 8 hours).

**Category 4** relates to a medium to large river where the majority of rain occurs over the upper and possibly middle catchments. The long response time of the river system to Regions within the lower catchment results in flooding commencing some time after the critical rainfall (typically more than 8 hours for medium streams and a day or more for large streams).

**Category 5** is the classic 'sunny day' flood where rainfall in the upper catchment of a large river system generates flooding in the middle and downstream reaches several days to weeks later.

## **2.2 Interpretation of the classification scheme**

The time between the critical rainfall and inundation of properties is a key element in the interpretation of the scheme.

Short streams with relatively small catchments will invariably have short timeframes of a few hours, and for bigger river systems a short timeframe would be say the order of half a day or the duration of the meteorological event.

In all cases when interpreting the impacts for a region, the scope of the stream should relate to the catchment upstream of the area under consideration. Thus for a town situated in the upper catchment of a large river system, it is not the large river system that should form the basis of assessment but the upstream portion which may only be medium or small sized.

Whilst a procedure for classifying a storm's outcomes has been articulated, it cannot be absolutely prescriptive and will require some interpretation to accommodate the specific nature of individual storms and stream systems. For example, a medium stream at the upper end of the medium scale with a high intensity rainfall in the upper catchment would typically generate a category 3 outcome because of a rapid response by the stream, but with a lower intensity longer duration rainfall would generate a category 4 outcome characterised by a delayed response.

## **2.3 Data Collection**

The methodology for preparing the report necessarily involves the collection and collation of meteorological, hydrological and anecdotal data related to the event. The datasets must include the following

- Rainfall summaries for the spatial and temporal extent of the event,
- Pluvlograph data (*where available*) or daily total rainfalls for gauges managed by the Bureau of Meteorology (*BoM*) throughout the affected and upper catchment areas over the duration of the event,
- The sequence of synoptic charts (*BoM*) leading up to and over the event,
- The sequence of weather radar images (*BoM*) for the event,
- *BoM* and relevant state agency river level records over the duration of the event at all available sites in the affected area,
- Google Maps or equivalent images of the affected area and communities, including road maps, terrain maps and satellite images,
- Media and agency reports on the flooding from ABC and newspaper web sites, SES and state agency web sites.

Much of this data is available throughout and for a short period after the event on the BoM's web site. Other data should be ordered from the BoM and relevant state agencies after the event and after the data has been quality checked. Some of this data can take up to 2 to 3 weeks to become available.

## **2.4 Data Processing**

Analysis and presentation of the data is essential in substantiating the narrative of the event and the interpretation of flooding on the affected Regions as presented in the report.

The sequence of synoptic charts, radar images and accumulated rainfall charts should be used to describe the evolution of the meteorological event and the elements that led to the rainfall, such as troughs, low pressure cells, monsoonal troughs, east coast lows, cyclones, sequence of fronts, and etc.

A schematic map showing the progression of the event is useful and should be included where this information is available and it is relevant to the report.

The temporal sequence of cumulative rainfall at all available gauges should be graphed and compared by region or stream system, and the pattern of the storm described on the basis of continuity of rainfall, regional distribution, high intensity periods, etc.

Corroborating this data with media reports (where available) can assist in identifying the critical rainfall period, and rainfall intensities can be extracted from the graphs and used with AR&R and AUSIFD to characterise return intervals as a reference for the storm's rarity. Variation in rainfall ARI along the axis of a stream from upper to middle to the lower catchment is also useful in identifying the scope of the event in terms of local, upper catchment or widespread effects.

Where sufficient data is available, the temporal river level data should be graphed and compared within and between stream systems (*depending on the number of gauges and extent of the event*) to characterise the response of the various streams to the rainfall and to the evolution of the flood as it progresses downstream. As time is a critical factor in the classification scheme, an analysis of the time of inundation to the timing of the volume of rain critical to the inundation of the region of interest together with river level hydrographs is an essential part of the report.

## **2.5 Interpretation for Regions Affected**

Each region identified as being of interest should be presented with a map showing the relevant stream together with a description of the relevant nearest rainfall accumulation and the peak intensity ARI, the timing of the rainfall (*nearby and/or upper catchment*) relevant to the region, and details of relevant recorded peak levels.

An interpretation of the regions inundated and likely effects on properties relevant to the classification scheme should be developed based on available information.

### 3. Report templateIntroduction or Foreword

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- present a broad overview of the event, the temporal & spatial pattern of the rainfall, the communities or regions affected, and the general outcomes

#### 3.2 Metrological Setting

- provide an overview of the key meteorological components that led to the storm

#### 3.3 Sequence of Events

- describe the evolution of the meteorological components (*troughs, fronts, lows, etc*) that formed the storm including their features, path of travel, regions covered, dates & times, etc
- provide a map showing the sequence

#### 3.4 Rainfall Analysis

- provide a description of the rainfall induced by the event referring to the meteorology
- identify the regions where the rain predominantly fell and identify possible orographic or other effects likely to modify the rainfall patterns
- summarise the accumulated rainfall and present the BoM's daily and weekly rainfall total maps to characterise the evolution of the event, identifying the area of interest as appropriate
- use pluviograph data to produce comparative cumulative rainfall plots on a regional or river system basis as appropriate to the extent of the event
- describe the cumulative rainfall plots with reference to the continuity of rainfall, initial rain, rainfall breaks, and most importantly critical heavy rainfall periods (*if present*) that may have led to the ultimate peak flooding
- where feasible, extract the intensities of these critical rainfall periods and plot them on regional IFD curves (*AR&R & AUSIFD*) to characterize the ARI and rarity of the rainfall event

#### 3.5 Runoff, Overland Flow & River Levels

- introduce each catchment descriptively, including catchment size, affected and comment on the relationship between the rarity of the rainfall and likely runoff for the region including comments on antecedent conditions
- introduce each region with its location, stream or tributary, upstream catchment area, position within the river system, etc and
- describe how each of the stream systems within their upper, middle and lower catchments are likely to respond giving some indication of the expected severity of flooding

- present plots of the river level hydrographs and where possible include a map of each river system showing the gauge locations and the area of interest
- comment on the shapes of the hydrographs, the progression of the flood through each stream system and relating the time back to the critical rainfall period, identify when the peak occurred and when overbank flows may likely have commenced for the different parts of the catchment
- Include anecdotal evidence if available to support findings. This could include region of observations and evidence of inundation.

### **3.6 Damage**

- General discussion of damage, including fatalities, houses, crops, infrastructure, power, health concerns.
- Discussion on maximum inundation depth, velocity of water, quality of water, eg very muddy, sewage content.

### **3.7 Summary of Findings**

- Summarise the meteorological and catchment characteristics that lead to inundation to the regions of interest with reference to the classification scheme.
- Identify whether the inundation at the region of interest was watercourse based.

## **4. Timeframes**

You will provide hydrology reports as follows:

- **Overarching Reports-** within 5 Business Days of the request for the preparation of the Report
- **Individual Property Reports-** within 10 Business days of the request for the preparation of the Report.

The parties may agree in writing to an amended timeframe for the preparation of any report.

## **5. Fees**

5.1 Prior to commencing work on any Hydrology report, You must provide Us with a written estimate of the fees for such report based on the following:

### **a. Hourly rates –**








3.Senior hydrologist \$ 240 per hour

4.Hydrologist and engineers \$170 per hour

**b. Travel expenses-** where the provision of a report requires travel within the State, We will reimburse you for travel expenses reasonably incurred in travelling to the location including; travel time, accommodation, costs of vehicle. Travel expenses must align with LAG standards.

c. Accommodation costs- these must be aligned with IAG standards for accommodation.

Once we confirm our acceptance of the estimate, You will prepare the report.

 Signature	  Signature 21/03/2011
  Print name	  Print name
For and on behalf of	For and on behalf of
WorleyParsons Services Pty Ltd ABN 61 001 279 812	IAG RE Australia Limited ABN 96 001 948 278



## **Annexure 11**

## **List of documents**

### **December 2010**

Overview Hydrologist Report Flood Event at Emerald, December 2010 dated 20 January 2011 by RPS Australia East Pty Ltd

Preliminary Overview of the December 2010 Flood at Emerald Qld, dated 27 January 2011 by WRM Water & Environment Pty Ltd

Overview Hydrology Report Flood Event at Bundaberg December 2010 dated 9 February 2011 by RPS Australia East Pty Ltd

Overview Hydrology Report flood event in the lower Burnett River December 2010 dated 16 February 2011 by RPS Australia East Pty Ltd

Preliminary Report: Bundaberg Flooding December 2010 dated 20 January 2011 by MCS Group Holdings Pty Ltd

Overview of the December 2010/January 2011 flooding at Rockhampton dated 10 February 2011 by WRM Water & Environment Pty Ltd

Overview of the December 2010 to January 2011 flooding at Theodore dated 18 February 2011 by WRM Water & Environment Pty Ltd

Overview Hydrologist Report Flood Event at Dalby December 2010 and January 2011 dated 8 February 2011 by RPS Australia East Pty Ltd

Overview Hydrologist Report Flood Events at Chinchilla December 2010 and January 2011 dated 4 February 2011 by RPS Australia East Pty Ltd

### **January 2011**

Preliminary Report January 2011 Flood Event at Oakey dated 27 January 2011 by RPS Australia East Pty Ltd

Overview of the 10 January 2011 Storm Event at Toowoomba dated 20 January 2011 by WRM Water & Environment Pty Ltd

Preliminary Report on QLD Weather Event 9-11 January 2011 by Worley Parsons Services Pty Ltd dated 13 January 2011.

Impact of January 2011 South East Queensland Weather Event at Brisbane and Ipswich dated 17 February 2011 by Worley Parsons Services Pty Ltd

South East Queensland Weather Event Report January 2011 dated 18 February 2011 by Worley Parsons Services Pty Ltd

SE Queensland Rivers: background Information. River sub catchments affecting river flows through south east Queensland Internal IAG Report

IAG Re Significant Weather Report January 2011; Event Ref No 263: 4-12 January 2011 Internal IAG Meteorologist Report

South East Queensland Flood Event of January 2011: Background Weather Information Internal IAG Meteorologist Report



## **Annexure 12**



# handling your complaint



## **Handling Your Complaint**

**Are you unhappy with a decision made by CGU Insurance regarding your insurance and/or do you wish to make a complaint?**

At CGU, we value all our customers.

We understand that occasionally some customers are not satisfied with the services or products we provide or do not agree with decisions we make in relation to their insurance.

We have a process to help you if you wish to make a complaint or have a dispute managed.

## **CGU's Complaints Process**

### **Step 1. Talk to us first**

The first thing you should do is contact us. You can contact your nearest CGU Insurance office or talk with a relevant staff member in the department concerned. If you do not have the relevant contact details you can call us on the numbers featured on the back cover. If you let a staff member know what your complaint concerns, they may be able to resolve the issue for you. If not, they will refer you to an appropriate manager.

The Manager or a senior staff member in the Manager's area will review and respond to your complaint.

A response to your complaint will usually be provided within 15 business days from receipt of your complaint.

**Step 2. Have your complaint reviewed by the relevant CGU Insurance dispute resolution area**

If the Manager or senior staff member cannot resolve your complaint, they will refer it to the relevant CGU Insurance dispute resolution area. Alternatively, you can ask the Manager or senior staff member to refer you to the relevant dispute resolution area.

The relevant dispute resolution area will treat your complaint as a dispute and one of their staff members will liaise with you in relation to the dispute. They will review your dispute and provide you with a decision usually within 15 business days.

**Step 3. Seek an External Review of the decision**

If you are unhappy with this decision, you may wish to seek an external review of the decision. The relevant dispute resolution area's letter outlining its decision will provide you with information on external review option(s), such as, if appropriate, referring you to the dispute resolution scheme run by the Financial Ombudsman Service (FOS). The toll free number for the FOS is 1300 780 808. Or you can contact them via their website: [www.fos.org.au](http://www.fos.org.au).



**'our commitment to  
customer service'**

## contact details

**Adelaide**  
80 Flinders Street  
Adelaide SA 5000  
Tel (08) 8405 6300  
Fax (08) 8405 6444

**Ballarat**  
The Gordon  
1-3 Bath Lane  
Ballarat VIC 3350  
Tel (03) 5329 4100  
Fax (03) 5329 4194

**Brisbane**  
189 Grey Street  
South Bank QLD 4101  
Tel (07) 3135 1900  
Fax (07) 3212 7698

**Hobart**  
Level 5 188 Collins Street  
Hobart TAS 7250  
Tel (03) 6230 4748  
Fax (03) 6230 2740

Website: [www.cgu.com.au](http://www.cgu.com.au)

**Melbourne**  
181 William Street  
Melbourne VIC 3000  
Tel (03) 9601 6222  
Fax (03) 9279 5450

**Newcastle**  
3rd Floor The Metro  
Chr Scott & Watt Streets  
Newcastle NSW 2300  
Tel (02) 4935 7100  
Fax (02) 4935 7110

**Perth**  
46 Colin Street  
West Perth WA 6005  
Tel (08) 9254 3600  
Fax (08) 9254 3601

**Sydney**  
388 George Street  
Sydney NSW 2000  
Tel (02) 8224 4000  
Fax (02) 8224 4025



Your insurance adviser is

Insurer  
**CGU Insurance Limited**  
ABN 27 004 478 371



## **Annexure 13**



CGU Insurance  
National Decision Review Office  
GPO box 390D Melbourne 3001

e [cgu.idr@cgu.com.au](mailto:cgu.idr@cgu.com.au)

7<sup>th</sup> September 2011

█  
C/- Legal Aid Queensland  
PO Box 2448  
Brisbane  
QLD 4001

Dear Mr █

Our Reference: █ █

Policy#; █

RE: Mr █ █ Newcastle Street, Fairfield QLD 4103  
Claim for Property Inundation on or about 12 January 2011

We refer to the above matter and your correspondence of 15<sup>th</sup> August 2011, requesting for this matter to be reviewed as part of the Internal Dispute Resolution (IDR) process.

In consideration of the issues raised within your correspondence, we outline the following responses:

1. Alleged misrepresentation by Credit Union Australia, as agent for CGU Insurance at time of policy inception.

We note your correspondence to indicate the following description from our client:

*"At the time we purchased the policy we were banking with CUA and they told us that they did insurance through CGU, so we decided to go through them. CUA told us that they looked at the best value insurance on offer and CGU is who they chose to go with. We trusted CUA as they say the chose CGU as the best value insurance on offer".*

The statement provided indicates to CGU that our Client enquired with CUA about Home Insurance, and were informed of the CGU product available through CUA.

CUA acts as an agent for CGU, and thus only presents to our or other potential customers the insurance product on offer. It is and remains our customer's and any other prospective customer's responsibility to familiarise themselves with the insurance products on offer, from CUA or any other Insurer/agent, and determine whether that insurance product is suitable to their insurance needs or requirements.

At the time of policy inception, our client was provided with a copy of the Policy Booklet/Product Disclosure Statement (PDS). This does not appear to be in dispute.

Further the policy provides a 21 day money back guarantee so that, if upon review of the documentation, the policy terms and conditions were not suitable to our client, the policy could have been cancelled at no expense to our client.

Our client has elected to proceed with the policy and further continued with the selected policy upon the numerous renewals offered since policy inception.

With respect to the assertion raised that 'CGU Insurance provided them with insurance capable of protecting their major asset from damage', our clients have elected for a 'Listed Events' based Contents Only policy, which provides cover for specific insurance events listed within the policy documentation, subject to specific exclusions.

CGU considers that it would be unreasonable for our clients to assume that they had cover for everything and that no circumstance would be excluded from cover. Certainly a reasonable person in the circumstance of taking out insurance would not have considered that an insurance cover being taken out had no conditions or exclusions to the cover.

The policy booklet/PDS which was provided to our client at inception outlined the terms and conditions, including exclusions, which applied to their insurance policy.

CGU contends that our client was clearly informed on the type of insurance policy they had elected, and the assertion of misrepresentation has not been demonstrated and is denied by both CUA or CGU Insurance.

## 2. Exclusion relied upon by you (definition)

We confirm the applicable PDS is the CGU First Choice Home Policy (CV417 REV 07/08).

Per your correspondence, we also agree with your confirmation that 'Flood' is clearly defined in the policy on page 62 as:

*"the covering of normally dry land by water escaping or released from the normal confines of a watercourse or lake, whether or not it is altered or modified. Flood also includes water escaping from the confines of any reservoir, channel, canal or dam."*

We also agree with your confirmation that 'Flood' is indexed within our policy as follows:

- Page 36 – Exclusions for Listed Events, Accidental Damage, Additional Cover and Strata Title Mortgagee Protection.
- Page 40 – General exclusions
- Page 62 – Glossary (definitions)

We do however, disagree with your referencing of 'Flood' indexation on pages 26, 30 or 56 of the PDS *"without a definition or any reference to the definition"*, as 'Flood' is not indexed or mentioned on any of these outlined pages.

With regards to your referencing of 'storm, rainwater or wind' and 'water or liquid damage' from page 18 to 20 of the PDS, we advise that these sections of the PDS relate to Accidental Damage cover, not Listed Events cover.

You have raised the judgement in the case *Marsh v CGU Insurance limited*, however have failed to accurately quote the principle in that case, when Their Honours of the Northern Territory Court of Appeal in *Marsh v CGU Insurance Ltd* said:

*"Whether the policy wording 'clearly informed' the Insured that there was no cover for flood, was a question of fact to be determined by an examination of the document. It was not necessary for the relevant exclusion to be prominently displayed in bold letters over the front cover in order for the Insurer to succeed on this question.*

*"There were a large number of 'prescribed events' such as flood which were*

*required to be excluded by clearly informing the Insured that they were not covered risks, and it would have been impractical to require them all to be so displayed. Furthermore, the language of Sec 35(2) of the Act suggested that the Insured could have been clearly informed by providing a copy of the policy which showed the exclusion in clear unambiguous terms.*

*"Even though Section 35 of the Act was plainly beneficial language, a fair reading of Sec 35(2) did not warrant the conclusion that the result needed to go further than providing for the relevant exclusion in the policy wording in clear unambiguous language and in a manner in which a person of average intelligence and education was likely to have little difficulty in finding and understanding if that person read the policy in question". (77-055).*

*"There's no lack of clarity in the wording of the policy. It is quite clear from the definition, for example, that when water overflows from a river onto normally dry land that is a flood". (77-054) (per Mildren J. - Bailey J. concurring).*

Further, in the case of Hams and Anor v CGU Insurance Ltd (2002) 12 ANZ Ins Cas 61-525, His Honour Justice Einfeld stated:

*"I certainly do not accept that as a general rule it would be incumbent upon an insurer to provide along with a document containing the provisions, either a text on insurance law or an annotated Policy identifying and explaining either the general principles of insurance law or the principles dealing with the proper approach to the construction of policy provisions. The fact is that the principles which underpin the law of insurance are often complex in the extreme and it could not be the case as it seems to me, that a condition precedent to an Insurer establishing that it had **clearly informed them** in writing of the relevant limitation required the Insurer to annotate the Policy by reference to the principles of insurance law". (See page 76,200).*

In essence, provision of a copy of the policy wording, which shows an exclusion in clear unambiguous terms satisfies the requirements of Section 35 of the ICA.

In addressing whether the 'Flood' exclusion is set out in the policy in clear unambiguous terms, one must consider how a person of reasonable intelligence would read through the policy documentation.

Your correspondence ignores the simple techniques that everyone knows for understanding how a document is laid out, i.e., reference to introductory statements and the "contents" page as well as the "index".

The "contents" page (page 2) directs the reader to, *inter alia*, "About this insurance", "What this policy covers" (and a further more detailed directory), "Exclusions to your cover", "Glossary of words with a special meaning" and "Index".

Page 1 of the booklet spells out:

*"This Product Disclosure Statement (PDS) has been designed to help you get the most out of your policy.*

*Use the contents pages and topic index to help find what you are looking for. Important tasks such as taking out insurance or making a claim are explained in easy to follow steps. And we have included a glossary of words with a special meaning.*

*When you take out an insurance policy with us, the cover we agree to provide you is set out in your current schedule, and described in this PDS, as well as any Supplementary PDS we may issue. Together, they make up the terms and conditions of your insurance contract with us. Read them carefully and store them together in a safe place.*

*If you need more information about this PDS, please contact us or your insurance advisor".*

Finding "What this policy covers", "Exclusions to your cover" and the special meanings assigned to certain words is easy, and is clearly set out. The exclusion of "loss or damage as a result of, or caused by, flood" from "Listed Events cover, Additional cover and Strata Title Mortgagee Protection" is clear, concise and effective.

Page 3 "About this insurance" goes on to explain:

*"First Choice Home Insurance allows you to choose from two types of insurance cover: Listed Events or Accidental Damage.*

- *"Listed Events provides cover for loss or damage to your buildings or contents as a result of the incidents listed on pages 12 to 17.*
- *"Accidental Damage provides even greater cover than Listed Events. It also covers accidental loss or damage, plus a range of incidents listed on pages 17 to 20 under specific conditions.*

*"The type of insurance cover you have chosen will be listed on your current schedule.*

*..."*

Page 5 "What this policy covers" clearly sets out that the "Listed Events cover" is to be found on pages 12 to 17, while "Accidental Damage cover" and "Incident cover provided under specific conditions" under the Accidental Damage "Choice" are on pages 17 to 20.

As previously mentioned, our client had elected for a 'Listed Events' Contents Only cover, as outlined within their Certificate of Insurance issued at inception and every renewal. The 'Listed Events' are outlined within pages 12 to 17 of the PDS.

In reading the PDS, prior to any 'Listed Events' being outlined, page 12 of the PDS states:

***"Listed Events Cover***

*If you have chosen Listed Events Home Insurance, we will cover your buildings or contents for loss or damage as a result of the incidents listed on pages 12 to 17.*

*If you make a claim, you will need to pay any excesses that apply – you will only need to pay this amount once.*

*Any cover we provide is subject to exclusions.* {Emphasis / highlight added}

*For exclusions to this cover, see page 35"* {Emphasis / highlight added}

The above clearly informs the reader that any cover provided by the policy is subject to exclusions and are subsequently clearly directed/referenced to the 'exclusions' section of the PDS, wherein "Flood" is clearly and unambiguously outlined as an 'exclusion'.

It appears to us that in trying to support your argument that the policy does not make "clear, concise and effective" disclosure of the policy terms and conditions, you are feigning misunderstanding, through referring to passages on pages 18 to 20, which clearly have no relevance to our client's Listed Events policy, and ignoring the simple techniques that everyone knows for understanding how a document is laid out, i.e., reference to introductory statements and the "contents" page as well as the "index".

CGU is of the opinion that this relevant policy documentation is clear, concise and unambiguous in outlining the exclusion of 'Flood', as is required per Section 35 of the ICA.

### 3. "Storm, Rainwater, Escape of Liquid" – Assumptions about cause of water damage

We note your reference to the fact that the policy covers loss or damage as a result of "storm, rainwater or wind" and "escape of liquid", and that there is no definition of same. CGU agrees that in the absence of specific definitions for these terms that their ordinary meaning should be considered.

However, CGU believes that whatever the ordinary meaning for these terms is is immaterial, as each of the "Listed Events" (ie. 'storm, rainwater or wind' and 'escape of liquid') are subject to the same policy terms and conditions, including the exclusion within pages 35 to 40 that addresses loss or damage as a result of "flood", and in consideration of relevant principles and law.

The applicability and compliance of the policy exclusions have already been discussed within 'Point 2' above.

Whilst noting your assertion that the Greater Brisbane region was subjected to storm activity with heavy rainfalls, which may have resulted in or contributed to the inundation of our client's property, we refer your attention to the following:

#### (a) CGU Telephone records

*"[02/02/2011 09:54:07, Boots, Kevin, Claims Consultant, QLD CGU DP/Direct CAC]  
spoke with Oi Dale, Oi advised that the his home is a 2 storey property, and advised the water reached up the window level of the 2nd level. Oi advised the Brisbane River had broken its banks causing flood water to inundate low lying area. Oi advised the water which inundated his home was brown, muddy. ...."*

#### (b) Aerial Photography obtained from 'www.nearmaps.com.au', clearly depicts water which inundated our client's property and the surrounding areas as originating from water overflowing the banks of the nearby Brisbane River.



- (c) Brisbane City Council 'Flood Flag Map' (refer to Appendix A) clearly outlines our Client's property susceptibility to inundation by "Creek, River or Tidal Flooding"
- (d) Brisbane City Council 'Flood Wise Property Report' (refer to Appendix B) shows the topography of our Client's property to vary between 4.3m to 5.0m (AHD - Australian Height Datum), with the January 2011 inundation reaching an approximate height of 7.8m AHD.

The technical summary section of this report, indicates the primary source of inundation from the January 2011 event as 'River'. The report does however indicate that the property is susceptible to inundation from 'Overland flow is the excess run-off during high rainfall events.' {Refer to following Point (e)}

- (e) In consideration of whether our client's property was inundated by riverine or overland water, our office has reviewed records of collective site specific Hydrologist reports within our client's local area.

CGU has identified two hydrologist reports representing inspections to properties situated within 300 meters of our client's property on:

- William Parade, Fairfield (refer to Appendix C)

The following are extracts taken from the Worley Parsons Hydrologist report for the William Parade property:

*"Cause of Inundation*

*The local stormwater catchment covers an area of approximately 3.9 km<sup>2</sup> (390 hectares) (refer Figure 5). The response times for such small catchments would be expected to be less than an hour.*

*The total volume of rainfall that fell on catchment during the rainfall event that occurred between 10:00 and 15:00 on Tuesday 11th January 2011 (known to have been a 1 to 2 year ARI rainfall event) was calculated as being approximately 135,720 m<sup>3</sup>.*

*Taking a conservative, worst-case scenario approach and supposing that all of the runoff from the catchment flowed directly into the 0.42 km<sup>2</sup> (42 hectare) low-lying area adjacent to the site (refer Figure 5), the maximum depth of ponding that could have occurred is only around 0.3 metres.*

*As much of the low-lying area have levels of less than 4 m AHD, local runoff could not have made any contributions to the inundation that occurred in the area between Sunday 9th January 2011 and Thursday 13th January 2011.*

*As such, the floodwaters that inundated the area around XX Williams Pde in Fairfield can be attributed to flows from the Brisbane River.*

*Published aerial photography of the area taken on Thursday 13th January 2011 (as the flood levels were receding) confirms that a continuous body of water existed between the river and the site at XX William Parade during the event.*

*According to river level information at the Oxley and Brisbane City gauges, the peak river level adjacent to the property occurred at around 00:00 on Thursday the 13th January 2011, reaching a level of approximately 8 m AHD.*

*Therefore, the levels of the inundation observed at XX William Parade and in the local*

*coincide with the levels observed at the nearby stream gauging stations on the Brisbane River.*

*Based on the terrain elevation contour information for the area, this peak level would have caused flood waters from the Brisbane River to rise via the stormwater drain to the north of the property shown in Figure 4 and inundate the property (and dwelling)."*

➤ **Brougham Street, Fairfield (refer to Appendix D)**

The following are extracts taken from the Worley Parsons Hydrologist report for the Brougham Street property:

*"Cause of Inundation*

*Due to the limited size of the local stormwater catchment that drains to the site and the relatively low intensity rainfall (2 to 5 year ARI), it is unlikely that there was sufficient local stormwater runoff for this to be a contributory factor to the inundation that occurred on the property. Additionally, aerial photography of the site that was taken on 13<sup>th</sup> January 2011 shows a continuous water surface from the site from the Brisbane to the site. Therefore, it is assumed that the floodwaters that inundated the area of Fairfield around Brougham Street can almost entirely be attributed to flows from the Brisbane River.*

*According to river level information at the Oxley and Brisbane City gauges, the peak river level directly northwest of the property occurred between 00:00 and 03:00 on Thursday the 13<sup>th</sup> January 2011. The interpolated level in the Brisbane River directly northwest of the property at 02:00 on Thursday 12<sup>th</sup> January 2011 was approximately 7.8 m AHD. This level can be taken as the approximate peak level of the January 2011 flood event at this location.*

*Based on the terrain elevation contour information for the area available from Brisbane City Council, this peak level would have caused flood waters from the Brisbane River to overtop the banks of the River located the northwest of the site and inundate the site directly to the depths indicated by the flood marks."*

In review of a street directory, we note that Newcastle Street Fairfield (our Client's property) is located in between and in close proximity to the above listed site specific inspections.

In both reports, the hydrologist have confirmed that due to the limited size of the local stormwater catchment, as a worst case scenario, the maximum depth of any stormwater runoff would be 0.3 meters, being significantly less than the 4.3m AHD lowest point on our Client's property.

In particular, Figure 5 within page 6 of the Williams Pde Hydrologist's report (Appendix C) denotes the area of Newcastle St, where our Client's property is situated, to be within the extent of area with less than 5.0m AHD, and further to be within the same stormwater catchment area subject to consideration of that report.

This demonstrates that local stormwater runoff could not and did not affect the client's property, and the source of water inundation to be from the Brisbane River overflowing its banks whilst in flood.

In consideration of all available information, CGU maintains that the Client's property was inundated by water from the Brisbane River overflowing its banks and flooding property and surrounding areas.

As the claim has resulted from 'flood' which is specifically excluded from the CGU First Choice Home Policy, we maintain the decision that the policy will not respond in this instance.

**We sincerely hope that this further consideration of your claim and further explanation resolves the**

matter, however if you contend that our decision is incorrect and you have relevant information that we have not previously been given, please submit it to this Office within fourteen days of the date of this letter so that we can consider it, or at least let us know within that time that further information is to be submitted.

If you do not have further relevant information to submit for our consideration, you should take this as the final decision of CGU Insurance. If you then still contend that our decision is incorrect you may, if you wish, approach Financial Ombudsman Service Limited, at

GPO Box 3,  
Melbourne VIC 3001  
Telephone: 1300 780 808

Financial Ombudsman Service Limited is independent and administers the external segment of the general insurance industry's alternative dispute resolution scheme, approved by the Australian Securities and Investments Commission.

Please note that Financial Ombudsman Service Limited will not consider your dispute unless it is lodged before the earlier expiry of the following time limits:

- a) within six years of the date when you first became aware (or should reasonably have become aware) that you suffered a loss; and
- b) within two years of the date of our final decision,

Please note that there are other qualifying criteria to utilisation of Financial Ombudsman Service Limited.

Yours sincerely

  
Senior Case Manager

CGU Insurance  
National Decision Review Office

Tel: 1300 651 227

Encl:

- *Appendix A – Brisbane City Council 'Flood Flag Map'*
- *Appendix B – Brisbane City Council 'Flood Wise Property Report'*
- *Appendix C – Worley Parsons Hydrology Report (William Parade, Fairfield)*
- *Appendix D – Worley Parsons Hydrology Report (Brougham Street, Fairfield)*
- *Appendix E – 'www.whereis.com' map depicting proximity of our client's property to William Pde and Brougham St.*

# APPENDIX A

*Brisbane City Council - Flood Flag Map*

# APPENDIX B

## *Brisbane City Council - Flood Wise Property Report*

# APPENDIX C

*Worley Parsons Hydrology Report  
(William Parade, Fairfield)*

# APPENDIX D

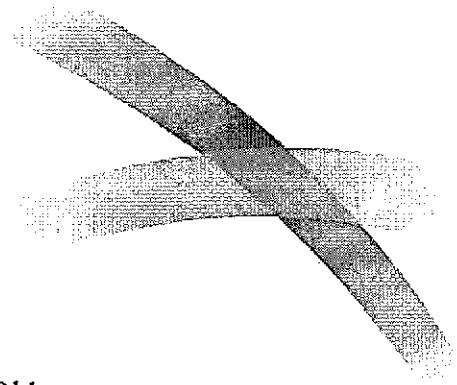
*Worley Parsons Hydrology Report  
(Brougham Street, Fairfield)*

# APPENDIX E

*“www.whereis.com” map - Depicting  
proximity of our client’s property to  
William Pde and Brougham St, Fairfield.*



CGU Insurance  
Decision Review Office  
GPO box 390D Melbourne 3001  
T 1300651227 F 1300 760 683



Ms [REDACTED]  
PO Box 2112  
GRACEVILLE QLD 4075

13 July 2011

Dear Ms [REDACTED]

Our Reference

Type

Re

[REDACTED]  
First Choice Home – Accidental Damage Policy  
Denial of claim due to flood

We refer to the above matter and acknowledge your request this matter be reviewed as part of the CGU Internal Dispute Resolution process.

We have completed our review of this matter in accordance with our dispute resolution process.

Your dispute in regards to flood has been referred for consideration, we apologise for the delay due to each claim having to be reviewed.

We note from the information available that the claim has been denied as flood is not covered under the policy. Flood is referred to in page 32, 36 and 58. CGU Home Claims have referred to the flood clause in their letter dated 13 May 2011 which is correct.

A hydrologist, Worley Parsons resources and energy was requested to attend your property and report their findings. They have advised the following:

- Oxley Creek, a major metropolitan tributary of the Brisbane River, flows in an easterly direction about 100 metres south of the property towards its confluence with the Brisbane River
- A small tributary of the Oxley Creek flows in a southerly direction adjacent to the eastern side of the property
- The Flood Flag Map prepared by Brisbane City Council for Graceville shows that the property is within the "Creek, River or Tidal Flooding" extent.
- Rainfall data for the general vicinity was collected from the rain gauge at Archerfield Airport
- The gauge shows a moderate intensity, continuous rainfall falling from 09:00 on 9/1/11.
- Approximately 70mm of rain fell over a 24 hour period
- After this period a further 30mm fell in the 6 hours between 09:30 and 15:30 on 11/1/11

- River level information was obtained from Oxley Creek Mouth gauge, 200 metres downstream of the property
- The river gauge information indicates that levels in Oxley Creek were affected from early 9/1/11
- There was a steady rise in levels until approximately 09:00 on 11/1/11
- From this time, all gauges show a steep rise in flood levels
- First inundation of the property (ground floor level) would have occurred at approximately 00:30 on 12/1/11
- The water would have remained higher than ground floor elevation until approximately 00:30 on 14/1/11.
- The river level gauges indicate a peak at approximately 23:45 on 12/1/11
- Your property is approximately 6 m AHD
- The peak was 9.3m AHD
- Aerial photos on 13/1/11 shows your property inundated
- Relatively low rainfall intensities at Archerfield, combined with a small local catchment would have been insufficient to overwhelm the local stormwater systems
- WP have concluded that the property was inundated by flows exceeding the normal confines of the Brisbane River and backing up nearby watercourses, namely Oxley Creek and its tributaries.

The information from the hydrologist confirms that the Brisbane River, Oxley Creek and its tributaries have flooded causing your property to become inundated with water. We therefore concur with the decision made by CGU Home Claims to disallow your claim as flood is an exclusion in the policy.

We sincerely hope that this further consideration of your claim and further explanation resolves the matter, however if you contend that our decision is incorrect and you have relevant information that we have not previously been given, please submit it to this Office within fourteen days of the date of this letter so that we can consider it, or at least let us know within that time that further information is to be submitted.

If you do not have further relevant information to submit for our consideration, you should take this as the **final** decision of CGU Insurance. If you then still contend that our decision is **incorrect** you may, if you wish, approach Financial Ombudsman Service Limited at GPO Box 3, Melbourne Vic 3001, telephone: 1300 780808, fax: (03) 96136399. web: [www.fos.org.au](http://www.fos.org.au), email: [info@fos.org.au](mailto:info@fos.org.au)

Financial Ombudsman Service Limited is independent and administers the external segment of the general insurance industry's alternative dispute resolution scheme, approved by the Australian Securities and Investments Commission.

Please note that Financial Ombudsman Service Limited will not consider your dispute unless it is lodged, by documenting the basis on which you contend that our decision is incorrect, before the earlier expiry of the following time limits:

- a) within six years of the date when you first became aware (or should reasonably have become aware) that you suffered a loss; and
- b) within two years of the date of our final decision

Yours sincerely

[REDACTED]  
Senior Case Manager  
CGU Insurance  
t [REDACTED]  
e [cgu.idr@cgu.com.au](mailto:cgu.idr@cgu.com.au)



CGU Insurance

12 April 2011

Internal Dispute Resolution Department  
GPO Box 9902  
ADELAIDE SA 5001

Direct Line:  
Facsimile:

Michelangelo St  
FIG TREE POCKET QLD 4069

Dear Mr & Mrs

CLAIM NUMBER:  
POLICY NUMBER:  
DISPUTE: Flood Damage  
DATE OF LOSS: 12 January 2011

I refer to your request to have this matter reviewed under CGU Insurances' internal dispute resolution process.

Your policy 3, is CGU Insurances "Listed Events" Home Insurance product disclosure statement and policy wording, covering your property at Michelangelo St, Fig Tree Pocket QLD, written on a direct basis and inception on 8 January 1999. During the policy period 8 January 2011 – 8 January 2012, we agreed to insure your "Buildings" for a sum insured of \$332,500.00 and your "Contents" for a sum insured of \$149,900.00, subject to the terms, conditions and exclusions of the policy wording. All property claims accepted under the policy are subject to the basic excess of \$100.00. Our policy wording/s, new business and renewal schedules have been provided to you via your postal address, detailing the cover it provides.

On the 18 January 2011, our Claims Department received notification of damage arising from "water has backed up from storm water drain flooding lower level of property", causing damage to your home and contents. You were advised that as it was highly likely the damage was for Flood, which was not covered under our policy; your claim would be reviewed by our "Flood Team".

You have sought contact over the status of your claim, as you had not had any contact from our "Flood Team", who were at that stage "reviewing all claims". At your insistence you were provided with a list of CGU's preferred builders, on the understanding that no decision had been made with regards to coverage. You have expressed dissatisfaction with CGU not appointing an assessor, as other insurers had arranged for your neighbours.

On 25 January 2010 our Claims Consultant from the "Flood Team" has contacted you to discuss the circumstances and policy coverage. You advised that the property was inundated by 2m of water. You also advised that a neighbour had taken footage of storm water drains at the end of your street, with water rising up out of the drains.

2.

Our Claims Consultant advised *"the water rising from the storm water drains is from the Brisbane River, which is flood water"*. From aerial photos, our Claims Consultant has identified your home being located *"approximately 200m from the Brisbane River on one side. The Brisbane River continues around and our Insured property would be approx 450m away from it's furthest point"*. Mr [REDACTED] was advised *"that Flood is excluded from your policy"* and our denial letter would be sent, outlining our dispute process. Mrs [REDACTED] discussed the position with our Claims Consultant, querying our decision to deny the claim, without an assessor inspecting the property and viewing the footage of the overflowing drains.

Our Claims Consultant confirmed that based on the aerial flood mapping, your description and its similarity to other cases, your home had been flooded and the loss was excluded by your policy.

Approximately 1,600 domestic claims were reported to our offices as a result of the January flood event. Due to the extensive disruption immediate resources were limited, which necessitated a review of the process CGU would *"normally"* engage in our disaster response, with an attendance on site by our appointed assessors, adjusters, builders and hydrologists. If each was to be physically inspected that process would take many months before all could be attended, delaying any site clean up and decision on policy entitlement.

CGU Management decided that in those cases in which it could be clearly identified that the cause of the damage arose solely from *"Flood"*, a peril excluded under our Home policies, then a physical inspection of the damage would not be required before the claim was denied. In cases where some evidence of independent *"storm water"* was a factor, appointment of our service providers would occur.

On 27 January 2011 our Claims Consultant confirmed in correspondence that the policy did not provide insurance for losses caused by flood, which was clearly defined and as *"we conclude that the loss for which you have claimed was caused by flood. As a result we are not in a position to pay your claim"*. I understand that to date you have not received a copy of that letter.

On 31 January 2011 you have discussed the denial with our Team Manager. As your home's location was in an area that was severely affected by the flooding of the Brisbane River and that any failure of the drains would be attributable to the water being unable to drain into the river system either because it was already in flood, or the river level had risen above the exit point of the storm water drain; you were advised by our Team Manager that based on the facts as relayed, the cause of the loss was flood and not covered by the policy.

You did not accept this decision and sought a review by this Department.

On 3 February 2011 we have discussed your claim and I have outlined the dispute process to you. You agreed to provide a letter outlining your concerns, which was received on 21 February 2011. In your letter you have outlined the following issues for my consideration:

1. *"Conservatively CGU will be looking at a claim of \$50,000.00"*.
2. *"We have sought advice from a variety of sources and areas of expertise...attending public meetings...where people devastated by the events...have an opportunity to share their experiences"*.

3.

3. You "have written two letters to the General Manager of CGU but have yet to receive a response which appears to be typical of CGU personnel";
4. Have "followed media reports and am not surprised by the deservedly bad publicity and attention the insurance industry is receiving".
5. You have "been heartened by the support and stance taken by a number of politicians...at different levels of government".
6. "Clearly there is no one definition of flooding; there is no one clear reason as to why thousands of people and houses have been inundated with water; insurance companies are not consistent in differentiating between storm water, riverine flooding and rain damage".
7. "...what is clear is that insurance companies as a whole are putting profits before people – people like us who have invested thousands of dollars over 20 years".
8. "that the hydrologists employed by the insurance companies have a vested interest in toeing the company line and the sooner the insurance industry is regulated and monitored more closely the better".
9. You will not "give in or give up. All we want is our legitimate claim to be honoured".

Arrangements were subsequently made on 8 March 2011 to appoint our internal Home Assessor, to attend your property inspecting the damage and your evidence.

You have written on 7 March 2011, following the publication of a newspaper article appearing in the Courier Mail, headed "Wivenhoe secrecy as to report points to dam".

10. "My question is why did Insurance Australia Group (who owns NRMA and CGU) commission this report whilst adamantly telling policy holders who lodge claims that the damage caused to their homes was the result of flooding".
11. "It seems to me that the 'flooding argument' cannot be supported by independent hard evidence so CGU and NRMA are looking for somewhere else to apportion the blame/ responsibility and the Queensland Government seems to be the target in this case even though Worley-Parsons – 'a member of the insurance industry's panel of independent experts' based its reports and findings on very limited information – something that CGU does when it 'assesses' and reviews policy holders claims".
12. "It appears that CGU is grasping at straws and is looking at more ways to delay paying out on legitimate claims thereby ensuring the company and shareholders continue to enjoy healthy profits".
13. "I sincerely hope that policy-holders contributions were not used to finance this report – something I imagine CGU would not admit even if it were the case".
14. "CGU may have difficulty apportioning the blame on the Queensland Government because our definition of flood (page 61 of the policy document) reads 'Flood also includes water escaping from the confines of any reservoir, dam etc'. This water did not 'escape'. It was 'released'. You do not consider these "different terms/ meanings" are interchangeable.
15. "...the Courier Mail article states that the report written for IAG Claims that the releases from the Wivenhoe Dam combined with the intense rain flooded hundreds of homes..."

4.

16. *"The question I would like to pose to you....is how much of the damage caused to my home was the result of the intense rain and how much the release of the water from the Wivenhoe Dam. Water that has been released as a result of intense rain. It all comes back to rain and we are covered (page 16 of the policy) for damages as a result of storm, rainwater and wind".*
17. You would appreciate a copy of your letter being sent to the CEO of CGU.
18. You *"have no problems in forwarding a copy to Anna Bligh, the Premier of Queensland, the Courier Mail and other interested parties".*
19. *"CGU needs to meet its commitments to its policyholders and not just on making a sizeable profit for the company and its shareholders. It is a sad day when companies and those who work for them put money before people".*
20. *"People are emotionally, physically, psychologically and financially bankrupt and in increasing numbers because people who gain financially from the situation condone the actions of a company who does not place much value on people and the quality of their lives".*
21. *"As I am insured with CGU I expect CGU to meet my claims. If CGU then seeks reimbursement from the Queensland Government then that is their prerogative".*

You have written on 8 March 2011, advising of the following additional issue:

22. *"The data reflects that the flooding was the result of INTENSE HEAVY RAIN and a massive RELEASE of water from the WIVENHOE DAM".*

You have written on 9 March 2011, advising of the following additional issues:

23. A newspaper clipping from the Courier Mail, which states Worley Parsons, one of the appointed Hydrologist firms, *"Produced reports for the Commonwealth Bank and Insurance Australia Group used by CGU, NRMA and Comminsure to deny claims".*
24. This *"makes a mockery of the process for lodging claims" and "obviously a decision has already been made. All claims will be denied, irrespective of the evidence produced because the 'experts' employed by CGU.....have already been given their brief..."*.

Our internal loss assessor attended your property on 15 March 2011. You advised of your personal circumstances and frustration with CGU. With regard to this loss you provided photos, building quotations and list of contents damaged and advised that storm water released from the dams had risen from the drains, with the flood waters rising to 2.0 metres throughout your house. The days of heaviest rain was the 10<sup>th</sup> and 11<sup>th</sup> of January. You evacuated around 11.00am, 12 January 2011. The property was inundated by flood waters later that day. You confirmed that no water entered through the roof or overflowing gutters.

You have written on 22 March 2011, advising of the following additional issue:

25. You had received from the writer, instead of a copy of the denial letter sent by our Claims Consultant on 27 January 2011, correspondence addressed to another CGU client, over an unrelated issue. You returned that letter, for which I thank you but are *"understandably concerned where the letter addressed to me has been sent"*. I have since confirmed that I printed your letter from our system and immediately retrieved the only piece of correspondence on the printer and sent it to you, without confirming

it was your letter. Your letter failed to print. I sincerely apologise for my error and confirm that your letter did not print and was not sent inadvertently to another party. I have attached a copy of the denial letter sent by our Claims Consultant to you on 27 January 2011.

Following the appointment of Worley Parsons hydrologists, Mr Merhebi attended your home and provided his site specific report which was received by CGU on 4 April 2011. I have provided you with a full copy of this report, but have included sections below, underlining the pertinent points:

"The property at [redacted] Michelangelo Street, Fig Tree Pocket is located on a peninsula that is formed by a large meander in the Brisbane River. The closest portion of the Brisbane River is located approximately 230 metres to the south-east of the property. The peninsula is generally lowest in elevation in the centre and increasing in elevation along the crest of the banks of the Brisbane River where the majority of the residential development in the area is located. The low area in the centre of the peninsula, to the east of the property, forms a wetland area.

Several saddle points form natural flow paths that intersect the higher bank areas linking the central low area with the Brisbane River. One of these saddle points is located to the north of the property (north of Botticelli Street) and is marked as a small, unnamed tributary of the Brisbane

River. Another of these saddle points intersects Michelangelo Street approximately 5 to 10 metres south of the property and has been urbanised and integrated into the local stormwater system.

It should be noted that the local stormwater drainage system on the peninsula of Fig Tree Pocket is connected through piping to the Brisbane River.

The property at 14 Michelangelo Street, Fig Tree Pocket consists of a two story house constructed as slab on ground on a slope in elevation down towards the south.

WorleyParsons met Mr and Mrs Hudson at the property at [redacted] Michelangelo Street, Fig Tree Pocket on the 16th of March, 2011 at approximately 11:30. Mr and Mrs Hudson provided information on the property and their recollections with respect to the inundation of his property.

A summary of these recollections is as follows:

Mrs Hudson recalled that on the Monday (10th January) and Tuesday (11th of January) prior to the inundation of her property, there were several intense bursts of rainfall.

Mrs Hudson reported that they decided to evacuate as a precaution at approximately 10:00 or 11:00 on Wednesday (the 12th).

Mrs Hudson reported that at this time there was some water at the intersection of Ormsby Street and Fig Tree Pocket Road preventing access however the owners of the equestrian paddock to the west of this intersection opened gates allowing an alternative evacuation route.

Mrs Hudson reported that she was told by neighbours that on the Wednesday (12th of January) water started to come up from the drain located at the low point of Michelangelo Street and pictures of this were taken (these pictures were supplied to WorleyParsons by Mrs Hudson).

Mrs Hudson reported that they were unable to return to the property until Saturday (the 15th of January).

Mrs Hudson reported that when they returned to the house, it was apparent that it had been inundated by approximately 2 metres of water leaving some mud on the floors.

Mrs Hudson reported that the depth was not sufficient to affect the second storey of the house.

Mrs Hudson reported that in 20 years of living at the property they had never experienced a similar event and at no time during this period had the drains overflowed onto the streets in the area preventing vehicular access.

Mr and Mrs Hudson stated that they believed the cause of inundation were the failure of the stormwater drains (that the water came out of the stormwater drains, particularly those located on the low area of Michelangelo Street approximately 5-10 metres south of the property).

### **WORLEYPARSONS' OBSERVATIONS**

WorleyParsons were given access to the property at 14 Michelangelo Street, Fig Tree Pocket by Mr and Mrs Hudson.

Two large stormwater drains were observed at the low point in Michelangelo Street approximately 5 to 10 metres south of the property. If the capacity of these drains was exceeded, flow would naturally pool on the road within the curb and gutter system on Michelangelo Street and possibly extend onto adjacent properties.

Observations of the stormwater system in the local area indicate that the drains on the saddle point of Michelangelo Street are ultimately linked to the low wetland area in the centre of the peninsula. The line of low ground (refer Figure 1) provides a connection to the Brisbane River in times of rain/high stormwater flows. The wetland area is shown in Figure 2.

The property at [REDACTED] Michelangelo Street, Fig Tree Pocket was at the time of inspection under repair due to the damage sustained. Mr and Mrs [REDACTED] indicated the approximate peak depth of inundation on the property and this was confirmed with a water level mark on the adjacent property and indicates a depth of approximately 2 metres on the north side of the property.

Gauge data that describes the progression and temporal distribution of rainfall in the upstream and local catchment during the weather event has been described broadly in the *Event Overview* and data from the Archerfield Airport gauge is considered to be most representative of rainfall that occurred in the local area (located approximately 5 km to the south-east of the property).

Records from the Archerfield and other Brisbane gauges show that rainfall with a minor to moderate intensity occurred in the local area through the period of the 9<sup>th</sup> to the 12<sup>th</sup> of January, 2011 with a peak intensity that had an ARI of less than 2 years.

### **CAUSE OF INUNDATION**

Due to the limited size of the local catchment that drains to the lake in Biambi Yumba Park (approximately 0.3 km<sup>2</sup>), it is highly unlikely that there was sufficient local stormwater runoff for this to be a contributing factor to the inundation of the area that occurred at the property. Therefore, it is likely that the floodwaters that inundated the area of Fig Tree Pocket around Michelangelo Street can largely be attributed to the flows from the Brisbane River.

River level data was obtained from a number of gauges in the region surrounding the property including a gauge on the Brisbane River at Jindalee Bridge (Jindalee #040713 approximately 2.3 km upstream of the property) and a gauge at the confluence of the Brisbane River and Oxley Creek (Oxley Creek Mouth #540274 approximately 8.2 km downstream of the property).

Data from both these gauges show a similar response as a result of the inflows derived from the intense upper catchment rainfall. Levels begin to slowly rise from the 10<sup>th</sup> of January increasing more rapidly on the 11<sup>th</sup> and 12<sup>th</sup> of January, 2011. Levels surpassed the BoM's "Major" designations at the Jindalee and Oxley gauges at approximately 02:00 on the 12<sup>th</sup> of January and 22:30 on the 11<sup>th</sup> of January, respectively before peaking at approximately 12.90 m AHD and 9.27 m AHD respectively were recorded at approximately 18:00 and 23:30 on the 12<sup>th</sup> of January, 2011.

Topographic data shows the elevation of the low point on Michelangelo Street where the insured observed water pooling to be in the order of 8.7 m AHD. Stormwater drains at this location would have started to overflow onto the road near the property when rising levels in the Brisbane River exceeded 8.7 m AHD. In other words, overflow from the Brisbane River would have first inundated the low area surrounding the property by passing through the stormwater system prior to the overflow of the river's banks.

This is consistent with the insured's recollections and the photos obtained from the insured that show the area around the drains on Michelangelo Street pooling with water prior to surrounding areas.

Based on a linear interpolation of the hydrographs recorded at the Jindalee and Oxley gauges, levels in the Brisbane River on the west side of the Peninsula (where the stormwater system likely connects with the Brisbane River) would have first started to overflow through the local drainage system on Michelangelo Street from approximately 00:00 to 03:00 on the 12<sup>th</sup> of January, 2011.

River level information at Jindalee Bridge and the mouth of Oxley Creek indicates that the peak river level at Fig Tree Pocket would have occurred at 22:00 on Wednesday 12<sup>th</sup> January 2011 with

interpolated levels in the Brisbane River on the western and eastern sides of Fig Tree Pocket approximately 12.1 mAHD and 11.5 mAHD, respectively. These levels can be taken as the approximate peak levels of the January 2011 flood event at these locations. At these levels the flood waters would have inundated the wetland area and extended into the lower lying areas of the surrounding residential areas.

Topographic data also indicates that the ground elevation at ■■■ Michelangelo Street, Fig Tree Pocket is in the order of 10 m AHD. Therefore, the depth of inundation experienced at the property as a result of the overflow of the Brisbane River would have been in the order of 2.1 metres which is in good agreement with the water level marks observed in the local area and the recollections of the insured.

### **CONCLUSION**

The inundation of the property at ■■■ Michelangelo Street, Fig Tree Pocket was a result of overflow of the Brisbane River. Peak flood levels are likely to have occurred late on the 12th January, 2011 and would have first started to inundate the local area by back-flowing through the stormwater system into low areas prior to overtopping the banks of the Brisbane River.

In our opinion, the inundation of the property at ■■■ Michelangelo Street, Fig Tree Pocket was a result of the overflow of a watercourse, namely the Brisbane River.

Following your receipt of this report you have sent an email to the writer on 6 April 2011:

26. "How did the hydrologists determine that the overflow through the storm water drain as per our photographic evidence was the result of water overflowing from the Brisbane River rather than water overflowing as the result of intense rain or the result of water released from the Wivenhoe Dam which was rapidly filling up as a result of intense storms".

27. "A report written by Worley Parsons for the Insurance Australia Group that owns CGU and reported in the Courier mail 7/3/2011 details how releases from the Wivenhoe dam combined with intense rainfall flooded hundreds of homes and businesses. How did the hydrologists determine what percentage of water the overflowed from the storm water drain was the result of (a) rain (b) release of water from the Wivenhoe Dam (a dam not being a river) (c) overflow from the river".

In the report mentioned above, the finding is that the "elevated levels observed in the lower Brisbane River were primarily a response to the intense rainfall et al combined with releases from the Wivenhoe Dam."

28. "The overflow from the storm water drain, I would argue, was most likely the result of rain or the release of water from the dam rather than riverine flooding.

As we are covered for rain damage, storm damage and by omission from any mention in the policy of release of water from the dam, I would question the validity of the hydrologist's report and your decision to dismiss our claim".

29. "I do expect a response to my queries – otherwise I will seek advice from the Ombudsman and the legal fraternity.

I appreciate the report commissioned by the Insurance Australia group was to apportion blame and responsibility to the Queensland Government. I am not interested in blame but justice – I want my claim honoured".

The reference to the newspaper report of 7 March over the "Wivenhoe Secrecy" appears to refer to a site specific report commissioned by IAG's NRMA Insurance, who provided it to their Insured, who released the details to the media.

The Insurance Council of Australia have commissioned an independent panel of hydrologists to prepare for publication their opinions on the causes of the flooding which are available in full on their website: <http://www.insurancecouncil.com.au/>

The issue of the Wivenhoe Dam was addressed in their report:

**FLOODING IN THE BRISBANE RIVER CATCHMENT JANUARY 2011  
VOLUME 1 AN OVERVIEW**

"SEQWater has not released data or information relating to releases from Somerset and Wivenhoe Dams. The maximum release from Wivenhoe Dam was reported in the press as being 7,450 m<sup>3</sup>/s and this probably occurred sometime during the period from 0600 hours on Tuesday 11 January until 0300 hours on the morning of Wednesday 12 January. It is not known for how long this peak release was maintained or the variation in releases from the dam over this period.

This report does not quantify the relative contributions of releases from Wivenhoe Dam and floodwaters from Lockyer Creek and the Bremer River to flows in the Brisbane River or along the lower reaches of these two tributaries. Notwithstanding this fact, on the basis of recorded water level behaviour, it is concluded that releases from Wivenhoe Dam was the principal immediate cause of flooding along the reach of the Brisbane River downstream of the Dam, along the lower reaches of Lockyer Creek and the Bremer River, and along tributaries further downstream. However, performance of Wivenhoe Dam during the January 2011 flood event is more complex than simply assigning flood causation to "dam releases". The dam sits astride the Brisbane River; all upstream runoff must flow into the dam and become "dam release". In January 2011, Wivenhoe Dam was called upon to accommodate massive inflows made up of surface runoff from the upstream catchment area, releases from Somerset Dam, and direct rainfall. All of this water – generated by natural meteorological processes – had to pass through the dam. The greater the volume and peak discharge of an incoming flood, the less effective are dams at mitigating flood flows, and the more constrained "management options" (releases) become for dam operators. Pertinent questions in relation to the performance of Wivenhoe Dam during the January 2011 flood event are:

- Would the flooding have been worse in the absence of Somerset and Wivenhoe Dams? In other words, did the dams mitigate the incoming flood? If the peak inflow discharge occurred when water levels in the dam were rising (ie when inflow was greater than outflow), the peak flood discharge will have been reduced. If the peak flood inflow occurred when water levels in the dam reached their maximum, the dam outflow at this time will have been equal the peak inflow (no mitigation). In the former case, downstream communities will have suffered less flooding than in the absence of the dams. In the latter case, downstream communities will have experienced (more-or-less) the same "natural" flood that would have occurred in the absence of the dams.

- Were releases from the dam unnecessarily high? Or did releases reflect prudent operations of the dam during the passage of a major flood event.

- Would a different pattern of releases reduced downstream flooding to a significant extent? Or was the volume of water in the flood so great as to eliminate options for effective mitigation.

It is beyond the scope of this Report to address the above questions. However, this information is needed to provide a full interpretation of the primary cause of flooding in January 2011. Thus, whilst correct, it is simplistic to assign the primary cause of flooding to "releases from Wivenhoe Dam" (dam release flooding according to the terminology of this Report). As noted above, all inflows to the dam ultimately become "releases", and it may be more appropriate to assign flood

causation to “succeeding storm events over the catchment area of the dam, each characterized by exceptionally heavy rainfalls and massive surface runoff volumes”.

## 8.4 OPERATION OF WIVENHOE DAM

### 8.4.1 Operating Procedures

SEQWater has developed four operating procedures, W1 to W4, to guide the release of water from Wivenhoe Dam when inflows occur. These procedures are aimed at protecting the structural integrity of the dam, whilst minimizing the negative impacts of floods passing through the dam on areas upstream and downstream of the dam. The procedures are briefly described in Appendix D.

### 8.4.2 Dam Water Level Behaviour

Figure 8.2 also shows the variation of water levels in Wivenhoe Dam over the period 6-16 January. A peak water level of 74.97 m AHD was recorded between 1900-2000 hours on Tuesday 11 January. Water levels in the dam remained above 74.9 m AHD for the six-hour period 1800-2400 hours on Tuesday 11 January. The following aspects of water level behaviour in Wivenhoe Dam are noted:

- Water levels in the dam increased steadily to a maximum of about 68.7 m AHD on Saturday 8 January to cater for the first two smaller flood events;
- The water level then fell to about 68.5 m AHD at around 1200 hours on Sunday 9 January, when inflows to the dam from the first major flood event commenced (Flood Event No. 3 at Gregors Creek). Water levels in the dam then rose rapidly to about 73.0 m AHD at 2100 hours on Monday 10 January.
- The rate of water level increase then eased, water levels reaching a maximum of about 73.5 m AHD at 0600 hours on Tuesday 11 January, when inflows from the second major flood event (Flood Event No. 4 at Gregors Creek) commenced. Outflows from Somerset Dam are expected to have substantially increased around this time (see Section 8.4.3). Water levels then rose rapidly to a peak of 74.97 m AHD around 1900-2000 hours on Tuesday 11 January.
- Water levels then fell back to around 74.8 m AHD and remained around this level until 0000 hours on Thursday 13 January, before slowly declining thereafter.

### 8.4.3 Peak Daily Releases from Wivenhoe Dam

No official data are publically available from SEQWater concerning outflows from Wivenhoe Dam over the critical period in January. Figure 8.4 is a plot of peak daily outflows, as reported in *The Australian* newspaper (The Australian, 2011a). The veracity of these data is unknown, as is the within-day variation of the outflows.

Over the period 7-10 January, the peak outflow discharge was limited to 2,000 m<sup>3</sup>/s, in accordance with Operating Procedure W1 (see Section D5 in Appendix D for details). On Tuesday 11 January, the peak outflow discharge was increased to 7,450 m<sup>3</sup>/s to address the rapidly increasing flood levels associated with the second major flood event upstream of the dam, reducing to 2,500 m<sup>3</sup>/s or less on the 12 and 13 January.

It is expected that releases from the dam will have been increased to their maximum value of some 7,450 m<sup>3</sup>/s during the rising limb of the second inflow flood and maintained until dam water levels ceased to rise, ie from sometime around 0600 hours on Tuesday 11 January until around 0300 hours on Wednesday 12 January. From Figure 8.2, it is seen that over the period from about 2000 hours on Tuesday 11 January to 0600 hours on Wednesday 12 January, water levels in Wivenhoe fell slightly, before levelling off at around 74.8 m GH. It is expected that this draw down in peak water levels is associated with the final period of maximum outflow from Wivenhoe.

10.

- The start time for high releases is confirmed by the stage hydrographs at Lowood and Savages Crossing (see Figure 8.2), which display a pronounced increase in the rate of water level rise starting around 0700 hours on Tuesday 11 January.

- The end time of high releases is also confirmed by the stage hydrographs at Lowood and Savages Crossing. Water levels at both stations peaked around 0000-0200 hours on Wednesday 12 January, before starting to fall.

Thus, for the purposes of this report, maximum outflow from Wivenhoe Dam is inferred to have occurred sometime during the period 0600 hours on Tuesday 11 January to around 0100 hours on Wednesday 12 January. Release hydrographs for the Dam from SEQWater are required to make a more definite statement".

I have reviewed the policy wording and how it has been applied to your claim. These are attached to this letter, for your information.

Your policy provides cover against *"Listed Events"* caused by *"Storm, Rainwater"* and *"Water Damage"* escaping from a fixed pipe or drain but specifically excludes damage caused by *"Flood"*. The policy defines the term *"Flood"* as the covering of normally dry land by water escaping from the normal confines of a watercourse, lake, reservoir, channel, canal or dam.

The suburb of Fig Tree Pocket was flooded by water escaping from the confines of the Brisbane River and extensive evidence exists to support that this was a major flood event. You have advised that the time of inundation was on 12 January 2011, through waters arising from the storm drains. We have referred to the flood mapping provided by the Brisbane City Council on the website address: <http://elbqra-139728069.ap-southeast-1.elb.amazonaws.com/qrainteractive/> which shows that your property was inundated by flood water from the Brisbane River.

The Bureau of Meteorology records from their Archerfield Station that the peak rainfall fell in the local area on 10 January 2011, being 61.0mm, 28.4mm fell on the 11th and 30.8mm on the 12th.

From our Hydrologists report *"Records from the Archerfield and other Brisbane gauges show that rainfall with a minor to moderate intensity occurred in the local area through the period of the 9th to the 12th of January, 2011 with a peak intensity that had an ARI of less than 2 years"*. The topography and limited size of the local catchment (0.3 km<sup>2</sup>) which drains to the lake, makes it *"highly unlikely"* that there was sufficient local stormwater runoff for that to have been a contributing factor to the inundation at your home. Due to the topography and storm water pipe positioning they consider *"it is likely that the floodwaters that inundated the area of Fig Tree Pocket around Michelangelo Street can largely be attributed to the flows from the Brisbane River"*.

If *"storm water"* is the source of inundation, the damage occurs around the same time as the peak rainfall falls. The water rises quickly and drains away quickly once the rainfall slows or stops. However, there was a delay from the time the peak rainfall occurred to the time the water inundated your home and the water level in the suburb remained elevated for a long period of time; further evidence that the source of the inundation was flood water.

With regard to the release of waters by local authorities from the Wivenhoe Dam, CGU considers that these waters are still floodwaters. The water was released from the dam into the river and subsequently the river flooded, with water escaping through storm drains and breaking banks inundating the surrounding properties. The water that inundated the properties would be a mixture of storm water and flood water or flood water alone and is excluded from our cover.

Whether any “negligence” attaches to the decisions made by the local authorities before or during a catastrophe, is not a factor which alters your policy entitlement with this Company

With regard to your view cover should be considered because of the “*overflow from the storm water drain*” caused the loss, hydrological evidence confirms that when storm water drains into the river system, the storm water drain exit point in the river/creek system is at a point above the normal river height (even rivers influenced by tidal variation). However if the river level rises above the storm water outlet a backflow occurs in which the river water flows back up the storm water drainage system and discharges onto property.

This water is either river water or a mixture of storm water and river water and is the source of inundation of many of the properties affected by these initial flows in Brisbane. It is addressed in detail in the combined hydrology report prepared by WRM, Water Matters International and Worley Parsons in Volume 1 of the report dated 20 February 2011. It is also highlighted in figure 2.1 on page 5 of the report and embraced by the explanatory notes on page 5 and 6 of that report.

Insurance policies are legal contracts and previous disputes have been decided before the Courts, creating legal precedent. In your circumstance it is clear that this is the “flood” water as defined by the policy of insurance and as a result of the application of current Australian law, (see in particular, K Sika Plastics v Cornhill Insurance, Peterson v Union Des Assurances De Paris IARD and Wayne Tank and Pump Co Limited v Employers Liability Assurance Corp Limited. See also Provincial Insurance Australia Pty Ltd v Consolidated Wood Products Pty Ltd and Mitor Investments Pty Ltd v General Accident Fire and Life Assurance Corporation Ltd.). These cases confirm that the proximate cause of the damage claimed to be “storm water”, is in fact “flood”. Applying the law as it currently stands in Australia, your loss is excluded from our policy’s cover.

With regard to other issues you have raised, I provide these responses:

- The Insurance Council of Australia has stated their reasoning to obtain independent hydrologist reports as *“The purpose of these reports is to present a simple, clear and factual description of flooding behaviour that can be used by the general public and individual insurers to better understand ‘what happened’ and why. The foundation of these reports is rainfall and water level data recorded by federal and state government agencies (the Commonwealth Bureau of Meteorology; the Queensland Department of Environment and Resource Management and SEQWater) and by local councils. These reports offer no comment or analysis of the management of ‘flood risk’ during the flood events, ie flood forecasting and warning, together with flood preparation, response, relief and recovery activities, or the roles played by various agencies in these flood risk management activities. The reports are confined to rainfall and water level behaviour leading up to and during the flood events. To foster*

*understanding, various technical terms relevant to floods and flooding are defined in the report and a general description is given of the different types of floods and their causes".*

- Insurance Australia Group's subsidiary companies are all signatories to the General Insurance Code of Practice and as part of our obligations are to have a formalised dispute process. Our domestic policy holders are entitled to have any denial, interpretation, settlement and service issue reviewed by the relevant Team Manager and if not satisfied with the outcome, this Department. Following the provision of our final decision, if our customers are not satisfied they are entitled to escalate their dispute to the Financial Ombudsman Service (FOS) Ltd. At that stage, CGU presents its legal case and supporting evidence to justify its position. Our policy holders then have the right of response to FOS, who will in due course make a decision as to whether our position was justified and if not, determining the correct course of action. As a signatory company, CGU has no right of appeal against a FOS Determination. If the customer is not satisfied with their Determination they can, at all stages, refer the matter to the Courts. The FOS scheme is free to consumers.

It is only when storm water, independent of any flood water, inundates a premise that we are able to accept the damage as being caused by storm water and not flood. When water inundates a premises through back flowing drains which were unable to cope due to the flood waters, this is defined as damage by flood.

Rainfall records show that the peak rainfall intensity in the local area was on 10 January 2011. However your home was damaged by Flood on 12 January 2011, which is in accordance with the water coming from the Brisbane River and its catchment and confirmed by the hydrological evidence.

Accordingly, I must maintain that as your home was proximately damaged by "Flood", which is excluded under the "Listed Events" policy wordings you are not entitled to receive settlement for the damage which has occurred.

Whilst we sincerely regret your loss, unfortunately the damage sustained to your home and contents are not covered by your policy of insurance.

This should be taken as the final decision of the Company.

Should you not accept our decision, you may wish to contact the Financial Ombudsman Service (FOS) Ltd, GPO Box 3, MELBOURNE, 3001, for their advice. They will give you full details of their service by telephoning 1300 780 808. In order for them to consider this matter, they require notification within 2 years of you receiving this letter.

You may of course, refer the matter to your own solicitor.

Yours faithfully

██████████  
Senior Case Manager  
Internal Dispute Resolution Department  
Phone ██████████

# listed events home insurance product disclosure statement and policy

CV480 REV0 7/08

P3

## Listed Events Home Insurance

**Listed Events Home Insurance covers your buildings or contents for loss or damage as a result of any incident listed in this pds.**

We also provide cover for a range of additional covers and your legal liability.

You can choose to take out a buildings policy, a contents policy, or a combined buildings and contents policy.

You can also add options to your policy for domestic workers' compensation, strata title mortgagee protection, or to extend your valuables cover.

Your buildings or contents will be covered up to the sum insured, as listed on your current schedule.

To find out what this policy covers, see next page

**For exclusions to this cover, see page 35**

P6

## Buildings we will cover

**We will cover residential buildings, their fixtures and fittings and any structural improvements at your home.**

Your buildings include

•

P7

## Contents we will cover

**We will cover household goods or personal effects not fixed or fitted to buildings that you own or are legally responsible for.**

Your contents include

•

P12

## Listed Events cover

**We will cover your buildings or contents for loss or damage as a result of the incidents listed on the following pages.**

If you make a claim, you will need to pay any excesses that apply – you will only need to pay this amount once.

**Any cover we provide is subject to exclusions.**

**For exclusions to this cover, see page 35**

P16

## Storm, rainwater or wind

Buildings / contents

**We will cover your buildings or contents for loss or damage as a result of storm, rainwater or wind.**

We will not cover loss or damage caused by a named cyclone within 48 hours of the start date of your policy, unless

- you took out your insurance with us immediately after another insurance policy covering the same buildings or contents expired, without a break in cover
- you took out your insurance with us immediately after the risk passed to you as purchaser of your buildings
- you took out your insurance with us immediately after you signed a lease contract for your buildings.

**We will not cover**

- swimming pool covers, including
  - solar covers and plastic liners
- water entering your buildings
  - through an opening made for any building, renovation or repair work
  - because of a structural defect, faulty design or faulty workmanship when your buildings were constructed
- free-standing fences made of corrugated fibrous material that do not have a supporting frame, unless
  - they have been installed and constructed according to the manufacturer's specifications
- free-standing gates, fences or walls that are made of timber and are more than 15 years old.

P17

**Water or liquid damage**

**Buildings / contents**

**We will cover your buildings or contents for loss or damage caused by water or liquid. We will also cover the cost of finding where the water or liquid escaped from, including the cost of repairing any damage that occurs while looking for the cause.**

**We will only cover loss or damage as a result of water or liquid escaping from**

- **a fixed pipe or an object attached to a pipe, fixed gutter, fixed tank or a drain**
- a bath, basin, sauna, spa, shower base or shower wall, sink, toilet or tiled floor that has drainage holes
- a washing machine or dishwasher
- an aquarium
- a waterbed.

**We will not cover the cost of repairing the item that caused the escape of water or liquid escaped from.**

P36

**Exclusions to your cover**

**Any cover we provide is subject to the following exclusions.**

**Listed Events cover, Additional cover and Strata Title Mortgagee**

**Protection exclusions**

**We will not cover any loss or damage as a result of, or caused by**

- settling, shrinkage or any movement of earth
- erosion, rust, corrosion, gradual deterioration, depreciation, wear or tear
- rats, mice or insects
- roots from trees, plants, shrubs or grass
- any process of cleaning involving the use of chemicals other than domestic household chemicals
- a defect in an item, structural defects, or faulty workmanship or design
- breakage of mirrors, glassware, crystal, crockery or china while they are being used, cleaned or carried by hand
- malicious damage or vandalism by a tenant
- deliberate or intentional acts by a tenant
- theft by a tenant
- theft from any part of the buildings which you share with another person who is not insured under this policy
- mechanical or electrical breakdown other than an electric motor burning out, unless
  - the breakdown results in loss or damage to your buildings or contents
- **flood**
- landslide or subsidence, unless
  - we agree to cover the incident as described under 'Landslide or subsidence'
- water entering your buildings
  - through an opening made for any building, renovation or repair work
  - because of a structural defect, faulty design or faulty workmanship when your buildings were constructed.

## **General exclusions**

**We will not cover any loss or damage, or liability as a result of, or arising from**

- any incident that does not occur within your period of insurance
- landslide or subsidence, unless
  - we agree to cover the incident as described under 'Landslide or subsidence'
- war or warlike activity, however
  - war does not need to be declared
- hostilities, rebellion, insurrection or revolution
- contamination by chemical and/or biological agents, which results from an act of terrorism
- lawful destruction or confiscation of your property
- anything nuclear or radioactive
- mildew, atmospheric or climatic conditions
- damage to a heating element, however
  - we will pay for any loss or damage as a result of damage to a heating element.
- failure or inability of any item, equipment or computer software to recognise correctly, to interpret correctly or to process correctly any data, or to function correctly beyond any time when that item, equipment or computer software has not recognised, interpreted or processed correctly any data, unless
  - it results in loss or damage to your buildings or contents that is covered under this policy. This does not include resultant loss or damage to any frozen food, computer equipment or computer software
- deliberate or intentional acts by you, or anyone acting for you, to cause loss, damage or injury
- flood or storm surge
- erosion, the action of the sea, tidal wave or high water, unless
  - the loss or damage is the result of a tsunami.

## **glossary of words with a special meaning**

### **flood**

the covering of normally dry land by water escaping or released from the normal confines of a watercourse or lake, whether or not it is altered or modified. Flood also includes water escaping from the confines of any reservoir, channel, canal or dam.

19 September 2011

Internal Dispute Resolution Department  
GPO Box 9902  
ADELAIDE SA 5001

Direct Line:  
Facsimile:

[REDACTED]  
Kilkenny Drive  
BURPENGARY QLD 4505

Dear Mr [REDACTED] and Mrs [REDACTED]

CLAIM NO: [REDACTED]  
POLICY NUMBER: [REDACTED]  
DISPUTE TYPE: FLOOD  
DATE OF LOSS: 11 JANUARY 2011

I refer to your request that this matter be reviewed as part of CGU Insurance's internal dispute resolution process.

Your policy [REDACTED] is our "First Choice Home Insurance" policy, inceptioned through our agent CUA Loan Qld on 28 July 2008.

During the policy period 28 July 2010 to 28 July 2011 we agreed to insure at [REDACTED] Kilkenny Drive, Burpengary Qld, your "buildings" for \$236,300.00 and "contents" for \$147,000.00 against "accidental damage" subject to the terms, conditions and exclusions of the policy wording, with a standard policy excess of \$250.00. Our policy wording, new business and renewal schedules, detailing the cover which applies, have been provided to your home address.

On 13 January 2011 March 2011 you called CGU's Claims Department advising that "timber and mesh fencing and a ride on mower at property have been damaged as the result of flooding approximately 55 metres of fence has been damaged"; claim number [REDACTED] was assigned to the building claim and [REDACTED] was assigned to the contents claim.

Subsequently CGU arranged for Mr [REDACTED] a CGU "In House" Loss Adjuster and Mr [REDACTED], Hydrologist of WorleyParsons Pty Ltd to determine the cause of the inundation of water at your property.

Mr [REDACTED] attended your property on 2 June 2011 and provided a report which was received by CGU on 20 June 2011. CGU has provided you with a full copy of this report, but I have included relevant extracts below:

# HYDROLOGY REPORT RELATING TO THE JANUARY 2011 WEATHER EVENT

Prepared by : [REDACTED] ENGINEER, WORLEYPARSONS

Prepared for : CGU

Claimant : [REDACTED]

Property : KILKENNY DRIVE, BURPENGARY, QLD

Reference : [REDACTED]

## EVENT OVERVIEW

On the 7<sup>th</sup> of January 2011, a low pressure cell derived from a monsoonal trough moved southwards along the east coast of Queensland in the vicinity of Mackay. Over the next day this localised low pressure system gradually moved closer to Fraser Island. However, it did not lead to the generation of significant rainfall at this time due to its orientation relative to the monsoonal trough located to the north and a series of high pressure systems located to the south-east. Throughout the 8<sup>th</sup> of January 2011, the low pressure system remained relatively stationary. It eventually moved closer to the south-east Queensland coast and intensified on the 9<sup>th</sup> of January to form a trough that spanned from the NSW border to Mackay. Through the early hours of the 9<sup>th</sup> of January, this trough rotated towards south-east Queensland and formed large volumes of rain as warm moist air was forced upwards over the region from a high pressure cell located near New Zealand.

This process continued throughout the 9<sup>th</sup> of January, with the trough reducing in span and generally remaining stationary off the coast.

The intensification of the coastal low pressure system on the 9<sup>th</sup> of January led to the generation of sustained rainfall across coastal regions of south-east Queensland within the lower Caboolture and Brisbane Rivers Catchments. Rainfall generally progressed from the north to the south with the start of the storm occurring from 04:00 (recorded at Beerburrum) and leading to rainfall across areas of the lower Caboolture River Catchment. In the lower Brisbane River Catchment, the storm began between 09:00 and 10:00 (recorded at Brisbane, Redcliffe and Archerfield). The accumulation of rainfall generally followed a similar pattern, with areas of the lower Caboolture River Catchment recording up to 155 mm until midday on the 10<sup>th</sup> of January 2011, while areas of the Brisbane River Catchment recorded between 75 and 130 mm.

Over the following 12 hours the low pressure system moved north and rainfall accumulations decreased markedly. However, as the low pressure centre merged with the descending monsoonal trough, significant rainfall was generated over the region. A further accumulation of between 30 and 40 mm over the following 36 hours was recorded in the lower Brisbane River Catchment and up to 70 mm in the lower Caboolture River Catchment, indicating that the focus of the system was on the Caboolture River Catchment in these coastal regions.

While not strictly an East Coast Low, the system functioned in a similar way, producing gale force winds and widespread rain centred on the coastal region south of the centre of the low pressure cell.

In the most upper sections of these catchments, rainfall was less intense prior to the amalgamation of the low pressure centre and the monsoonal trough. Rainfall began from 13:00 on the 9<sup>th</sup> of January 2011, with accumulations of between 60 and 100 mm recorded until midday on the 10<sup>th</sup> of January. The northward movement of the low pressure cell and the alignment of the high pressure cell feeding the region, led to the temporary cessation of rainfall in the upper catchment

To the east, in more central regions of the Brisbane River Catchment and the upper Caboolture River Catchment, the onset of the storm generally began with moderate intensity rainfall from 10:00 on the 9<sup>th</sup> of January 2011. However, rainfall accumulations were generally lower than those in the lower catchment, with generally no more than 75 mm recorded until midday on the 10<sup>th</sup> of January 2011 (recorded at Amberley).

Daily rainfall accumulations as measured at Caboolture reached a peak of 68 mm on January 10<sup>th</sup> before easing over several days and eventually ceasing on January 13<sup>th</sup>.

## Site Description

The property at [REDACTED] Kilkenny Drive (refer Figure 1) is located in the suburb of Burpengary, about 36 kilometres north of the Brisbane CBD. The property comprises of a single storey residential building and a detached garage. The property abuts the Burpengary Creek floodplain on the western boundary, with the creek located about 170 metres from the house (refer Figure 2.)

Rainfall is represented by the Burpengary Alert gauge (Station 540245), some 2 km southeast of the property in the upper catchment.

River level information was obtained from the Burpengary Rowley Street Alert gauge (Station 540245) and the Burpengary Dale Street Alert gauge (Station 540242). The Rowley St gauge is located 2.1 kilometres upstream of the property, and the Dale St. gauge is located about 1.5 kilometres downstream of the site. River levels were estimated through an interpolation of levels between the two gauges.

#### **The Insured Recollections**

The Insured was at the property in the lead up to the event, but safely evacuated before the peak water level occurred. WorleyParsons conducted a property inspection and interview with Mrs [REDACTED] on Thursday the 2<sup>nd</sup> of June 2011

The Insured noted the following points in the discussion:

- The previous days to the inundation saw heavy rain, which became light on the day of the inundation.
- The water came up in the morning on either January 11<sup>th</sup> or 12<sup>th</sup> (The Insured was not sure of the date.)
- The water rose quickly.
- The water level had reached the sandbox (in the backyard, between the house and the garage) in the late afternoon.
- At this point, the Insured evacuated the property to higher ground.
- The Insured was back at the property on the next day and noted that the water had receded.
- The Insured has been in the property for 5 years.
- A previous flood occurred in 2009 and reached the garage.
- A neighbour has been in the area for 15 years and prior to 2009 had not seen the Creek flood before.

#### **WorleyParsons' Observations**

The terrain at [REDACTED] Kilkenny slopes generally from east-to-west, towards Burpengary Creek. A railway line is located about 130 metres east of the property and is built up higher than the surrounding terrain, forming the eastern catchment boundary.

The yard slopes noticeably from east-to-west with the garage at a lower elevation than the house. From here, the terrain evens out at the floodplain with only a slight grade towards Burpengary Creek. A small pond resides at the lowest point on the property, near the western fence line. An inundation mark left in the garage (refer Figure 4) shows a peak water depth of 850 mm at the lower end of the property. The Insured noted that several sections of collapsed fence line (refer Figure 5) were also a result of inundation damage. The damaged fences were aligned perpendicular to the axis of the Creek, indicating high flows along the Creek line.

#### **Cause of Inundation**

The Burpengary (Dale Street) river gauge downstream of the property shows that levels in the Creek first responded to catchment inflows on midday Sunday 9<sup>th</sup> January with a fast rising water surface over several hours. A peak level of 8.8 mAHD was reached late on 9<sup>th</sup> January and sustained over 24 hours before eventually receding. The level then began to rise again from early Tuesday 11<sup>th</sup> January before peaking at 12.0 mAHD by midday. The level then receded over the following 24 hours.

The peak level at the property, based upon interpolation of river gauges, is estimated to have been 12.1 mAHD and occurred at about 12:00 on Tuesday 11<sup>th</sup> January 2011. This timing roughly coincides with the Insured's recollections that the water levels rose through the morning and reached the sandbox (i.e., between the house and the garage and approximately near peak levels) by approximately midday. The Insured then evacuated the premises.

The Burpengary Alert gauge (Station 540245) represented rainfall in the upper catchment. The total daily accumulations in the upper catchment were: 48 mm on Friday (7<sup>th</sup> January), 11 mm on Saturday (8<sup>th</sup> January), 12 mm on Sunday (9<sup>th</sup> January), and 68 mm on Monday (10<sup>th</sup> January.) These rainfall accumulations represent an Annual Recurrence Interval (ARI) of less than a 2-year ARI event for Caboolture (8.5 kilometres north.) However, it is likely that periods of intense rainfall would have occurred during the 24 hour periods with a higher recurrence interval.

The relatively low rainfall intensities combined with a limited catchment between the creek and railway line in the vicinity of the property would not have produced sufficient runoff in the local area to cause significant inundation by local stormwater runoff. This makes damage due to an initial

inundation by local stormwater runoff unlikely at this property.

### **CONCLUSIONS**

In our opinion, the inundation at [REDACTED] Kilkenny Drive, Burpengary, was caused by flows exceeding the normal confines of the Burpengary Creek, a defined watercourse based upon available mapping.

On 21 June 2011 our Claims Consultant confirmed by letter that "Your CGU policy covers inundation by storm but does not provide insurance coverage for losses caused by flood"

On 12 August 2011 you wrote to our Claims Department asking that your claims be independently reviewed by the Disputes Resolution Team based on the following points:

- A similar event happened on 20/05/2009 and the CGU Insurance had paid us out 100%
- How can CGU Insurance, pay out one claim and not the other, when both claims are as of Similar Storm Water Events?
- Not taken into consideration at the time of the Site Assessment report: Is the fact that all the properties on our side of the street, have the storm water run-off, (buildings and properties) running down towards the back of all the properties, not onto the street for the street is higher than the properties.
- The build up of storm water happened over a period of approximately 3 weeks time. WorsleyParsons Hydrology Report, (Event Overview) started on the date of 7<sup>th</sup> January 2011, low pressure system. This Event overview does not state, before 7<sup>th</sup> January, as to when it first started raining. It rained, (down pouring), (on and off) for approximately around 3 weeks prior to the Burpengary Creek flooding its banks on 11<sup>th</sup> January 2011. This is clearly, storm water build up, on to the back yards of all the properties on our side of the street
- Storm water built up in all the low lying areas, eventually joining together to form larger pools of Storm Water, on all properties first, before the Burpengary, creek flooded its banks.
- Burpengary Creek flooded its banks, because of the creek not coping with amount of Storm Water, collected and running into the Creek.
- WorsleyParsons Hydrology Report clearly that there was a low air pressure system at the time which clearly signifies a Storm, there producing Storm Water.
- The inundation of our property was not caused by 100% flooding of the Burpengary Creek. Storm water build up was also a major contributing factor towards the inundation of our property
- A Hydrology Report was also performed two houses away from our house, (company not provided), producing the results of both flash flooding and stormwater run-off damage. This therefore concluded an insurance claim pay out. (a copy can be provided)

You raise the issue "How can CGU Insurance, pay out one claim and not the other, when both claims are as of Similar Storm Water Events". While I can understand your dilemma CGU examines all claims on their individual merits and the fact that a claim for a similar event is paid does not set a precedent that means all future claims are paid. It would appear that your previous claim was also as a result of "flood" and not covered by your policy.

As far as the Hydrologist report on a nearby property I wrote to you on 2 September 2011 requesting a copy. As this has not been received I have based my review on information available on your claim file.

I have reviewed the policy wording and how it has been applied to your claim. This is attached to this letter for your information. Your "First Choice Home" policy covers damage caused by "storm rainwater or wind" but "flood" is specifically excluded. "Flood" is defined as: "the covering of normally dry land by water escaping or released from the normal confines of a watercourse or lake, whether or not it is altered or modified. Flood also includes water escaping from the confines of any reservoir, channel, canal or dam."

The Hydrologist report concludes that "In our opinion, the inundation at [REDACTED] Kilkenny Drive, Burpengary, was caused by flows exceeding the normal confines of the Burpengary Creek" and that "property would not have produced sufficient runoff in the local area to cause significant inundation by

*local stormwater runoff. This makes damage due to an initial inundation by local stormwater runoff unlikely at this property.* While water may have "pooled" on yours and neighbouring properties, based on the hydrological evidence, this alone could not have entered and damaged your property.

Insurance policies are legal contracts and previous disputes have been decided before the Courts, creating legal precedent. In your circumstances it is clear that this is "flood" water as defined by the policy of insurance as a result of the application of current Australian law, (see in particular, *K Sika Plastics v Comhill Insurance*, *Peterson v Union Des Assurances De Paris IARD* and *Wayne Tank and Pump Co Limited v Employers Liability Assurance Corp Limited*. See also *Provincial Insurance Australia Pty Ltd v Consolidated Wood Products Pty Ltd* and *Mitor Investments Pty Ltd v General Accident Fire and Life Assurance Corporation Ltd.*). These cases confirm that the proximate cause of the damage is "flood" and that CGU has complied with our legal and policy obligations to you.

It is only when "storm water" independent of any "flood water", inundates a property that we are able to accept the damage as being caused by "storm water" and not "flood". In your letter you state that. *"the Burpengary Creek flooding its banks on 11<sup>th</sup> January 2011" and "Burpengary Creek flooded its banks, because of the creek not coping with amount of Storm Water"* You also advised the hydrologist *"A previous flood occurred in 2009 and reached the garage."* and *"A neighbour has been in the area for 15 years and prior to 2009 had not seen the Creek flood before"*. All floods are inarguably caused by a storm of one form or another and the water which has damaged your property was due to floodwaters overflowing from Burpengary Creek.

Accordingly, I must maintain that you are not entitled to receive settlement for the damage proximately caused by Flood, as it is excluded under your "First Choice Home" policy wording.

This should be taken as the final decision of the Company.

Should you not accept our decision, you may wish to contact the Financial Ombudsman Service (FOS) Ltd, GPO Box 3, MELBOURNE, 3001, for their advice. They will give you full details of their service by telephoning 1300 780 808. In order for them to consider this matter, they require notification within 2 years of you receiving this letter. You may of course, refer the matter to your own solicitor.

Yours faithfully

██████████  
Senior Case Manager  
Internal Dispute Resolution Department  
Phone ██████████

Policy CV417 REVO 7/08

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Storm, rainwater or wind

Under Accidental Damage, we will cover your buildings or contents for loss or damage as a result of storm, rainwater or wind

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## Exclusions to your cover

Any cover we provide is subject to the following exclusions.

We will not cover any loss or damage as a result of, or caused by

Flood

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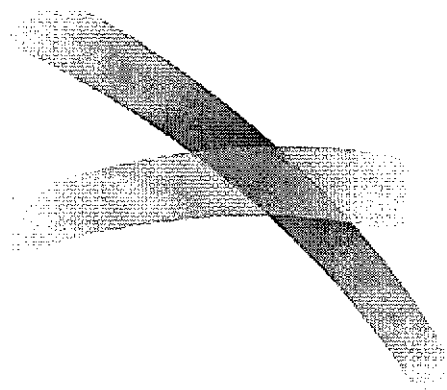
flood

the covering of normally dry land by water escaping or released from the normal confines of a watercourse or lake, whether or not it is altered or modified. Flood also includes water escaping from the confines of any reservoir, channel, canal or dam.



CGU Insurance  
Decision Review Office  
GPO box 390D Melbourne 3001

[REDACTED]



03/03/2011

[REDACTED]

[REDACTED] Drovers Pl,  
Sumner,  
QLD, 4074

Dear [REDACTED]

Claim number: [REDACTED]

We refer to the above matter, and your request for review. As part of CGU's Internal Dispute Resolution process we have reviewed your case and have concluded the following.

Our review of your claim has found that the issue in contention is the denial of your claim for damaged resulting from the Brisbane floods in January 2011. Our review of your letter of 23<sup>rd</sup> February 2011 found that your argument was that there was a difference between the level of the 1974 flood and the 2011 flood which you considered to be the result of stormwater and that you considered that rainfall contributed to the flood was the main issue of dispute.

In respect of the damage to your property at [REDACTED] Drovers Place, Sumner it was found that the peak rainfall had ceased prior to the inundation of your property. The peak rainfall occurred on the 10<sup>th</sup> January 2011 whereas the flood water inundated your property on the 12<sup>th</sup> January 2011. When storm or rain water is the cause of inundation to a property, the inundation will occur at around the same time as the peak in the rainfall. However the data for the rainfall at your property demonstrated that there was a delay of two days between the time the rainfall peaked on the 10<sup>th</sup> and the peak of the flood waters which inundated your property.

We note your contention that stormwater contributed to the flood. When stormwater falls and runs off into a catchment it mixes with water from other sources such as water released from dams, river run off and tide water. Had stormwater been the cause of the loss to your property the inundation would have occurred on the day that the peak rainfall occurred on the 10<sup>th</sup> January 2011; however this was not the case. The inundation of your property did not occur at the time of the peak rainfall and did in fact occur more than a day later due to a rise in water from the Brisbane River and Wolston Creek therefore your loss did not result from stormwater; it resulted from flood. Stormwater may have drained into and mixed with the flood water but so did water from a great many other sources. Your property is downstream

from a large river catchment area which many water sources drain into. The Brisbane River is tidal and high tide will also cause the river level to rise. Once the water in the creek or river overflows its normal confines it is considered to be flood as defined by your CGU Home insurance policy.

In respect of your point about your Defined Flood Level (DFL), it states on the front page under point 2 that these Defined Flood Levels *“may change if more detailed information becomes available, or changes are made in the method of calculating flood levels”*. In the Explanations in point one it states that, *“the flood information supplied does not represent the highest possible flood level that could occur on this property. A flood level more severe than the defined flood level can occur, although, such events are rare”*. In point six it states that this *“is a guide only and should not be used or relied upon for development purposes”*. The DFL is not a hard and fast maximum possible flood level. It is evident that a flood more severe than the DFL did occur in January this year. It is not relevant to your claim to explain how the Brisbane flood of 2011 was higher than the flood of 1974 or any other flood for that matter; the fact is that the flood did rise above the Brisbane City Council DFL and this flood did inundate your property. The Brisbane City Council DFL states that a flood higher than this can occur and it did as demonstrated by the recent flood. The flood level may well have been different from other previous events but that is not for CGU to explain why. Floods are naturally occurring events which are contributed to by many factors all of which are highly variable. The rainfall which occurred at your insured premises on 10<sup>th</sup> January 2011 would have dissipated by the time the flood waters arrived the following day and inundated your property two days later. Stormwater may have been mixed with the flood water but in situations where a claim is equally contributed to by a combination of events, and one of those events is excluded from cover by the policy of insurance that the claimant seeks to claim on, the insurer may rely on the excluded circumstance to refuse the claim. In this instance it is evident that the water that was responsible for the loss was floodwater as defined by your CGU Accidental Damage Home insurance policy. It is noted that your Signed Site Plan states at the very top that your property was *“Subject to Flooding”*. It would seem that the information you have provided from Brisbane City Council and your Signed Site plan indicates that you had been made aware that flooding was a distinct possibility. Even if there had been a minor or equal contribution by rain or storm water then CGU would still be entitled to refuse your claim as the proximate cause of the loss was flood; an excluded circumstance. It is important to remember that the DFL is derived from mathematical modelling whereas the Brisbane flood of 2011 was a real life occurrence. Real life events can not always be predicted by mathematical modelling as is evident from this event.

Your CGU Accidental Damage insurance policy defines flood as stated in the policy wording excerpt below;

#### *Flood*

*The covering of normally dry land by water escaping or released from the normal confines of a watercourse or lake, whether or not it is modified. Flood also includes water escaping from the confines of any reservoir, channel, canal or dam.*

This definition of flood also extends to include rain water mingling with flood water. Despite the possibility that there may have been contributions by storm or rain water, the claimed damage to your property was the result of flood as defined by your CGU Accidental Damage

Home insurance policy. The exclusion of flood legally extends to encompass rain water mingling with flood water as an excluded circumstance. Where more than one circumstance contributes to a loss, and one of these causes is an excluded circumstance, the insurer is entitled to rely upon the excluded circumstance to refuse the claim. Even in the event that there may have been contributions by rain water, the claimed damage to your property has been demonstrated to be the result of flood as defined by your CGU Accidental Damage Home insurance policy. Only in circumstances where rain water is the sole source of water, that is, with no contribution by an excluded circumstance such as flood water or high water, can your policy respond to claims for damage by rain water.

In conclusion the available information confirms that the water that inundated your property, was caused by floodwater from Wolston Creek and the Brisbane River. Your CGU Accidental Damage Home insurance policy regards the water coming from the creek and river as flood water. Accordingly it is our view that the evidence demonstrates that the inundation of your property was caused by flood water or a mixture of storm and flood water. As the cause of the damage was flood water as defined by your policy of insurance, the damage caused by the flood is not covered by your CGU Accidental Damage Home insurance policy.

We sincerely hope that this further consideration of your claim and further explanation resolves the matter, however if you have relevant information that we have not previously been given, please submit it to this department as soon as possible for consideration.

Yours sincerely

  
Senior Case Manager, Decision Review Office

You can telephone this department for the cost of a local call from anywhere in Australia on 1300 651 227

Should you have no further information that you wish us to consider, you should take this as note as the final decision of CGU Insurance. If you still contend that our decision is incorrect you may refer the matter to a solicitor, or if you come within the definition of applicant as stated in the Terms of Reference, you may have the right to refer the matter to the Financial Ombudsman Service Limited (FOS Ltd), at PO Box 3, Melbourne, 3001, telephone: 1300 780 808, fax: (03) 96136399, web: [www.fos.org.au](http://www.fos.org.au), email: [info@fos.org.au](mailto:info@fos.org.au).

Financial Ombudsman Service Limited is independent and administers the external segment of the general insurance industry's alternative dispute resolution scheme, approved by the Australian Securities and Investments Commission.

Please note that Financial Ombudsman Service Limited will not consider your dispute unless it is lodged, by documenting the basis on which you contend that our decision is incorrect, before the earlier expiry of the following time limits:

- a) within six years of the date when you first became aware (or should reasonably have become aware) that you suffered a loss; and

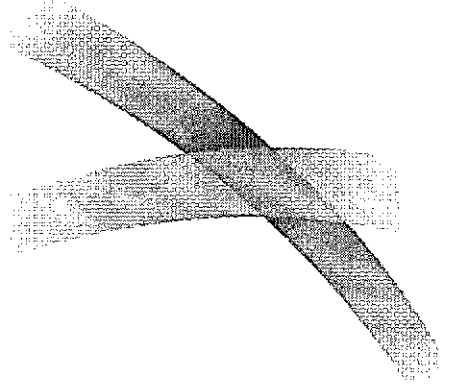
b) within two years of the date of our final decision,  
and there are other qualifying criteria.

Please also note that the FOS have reviewed cases of flood previously and have maintained the insurer's position in cases where the insurer has demonstrated that flood, as defined by the insurance policy, has occurred.



CGU Insurance  
Decision Review Office  
GPO box 390D Melbourne 3001

[REDACTED]  
[REDACTED]



19/04/2011

[REDACTED]  
[REDACTED] Drivers Pl,  
Sumner,  
QLD, 4074

Dear Mr [REDACTED]

**Claim number:** [REDACTED]

We refer to the above matter, and your letter dated 30<sup>th</sup> March 2011.

Your building plans state that your property is subject to flooding. You would have to enquire with Brisbane City Council why they authorized building in an area subject to flooding.

Rainwater is covered by your insurance policy however your property was not damaged by rainwater; it was damaged by flood.

Flood, as defined by CGU Insurance, is when water escapes from the normal confines of a river or water course regardless of the inputs into the river system. In this instance the Wivenhoe Dam was certainly a contributing factor to the flood however this was one water input into the Brisbane River; there are many inputs in the catchment area of the Brisbane River. The crucial factor in the case of the Brisbane flood was that the Brisbane River and its tributaries overflowed their normal confines and therefore constitute flood as defined by your CGU Home insurance policy.

If a claimed event, that was covered by insurance, was caused by a third party, the insurer, after paying the claim, would seek recovery of the insured loss from the party responsible if liability could be demonstrated. In this case as the claimed event, the Brisbane flood, is not covered by your insurance policy CGU do not have to seek recovery as CGU do not incur any loss from this event. The ability to recover any loss from a responsible party creates no obligation on an insurer to cover a claim that is not otherwise covered by a policy of insurance. CGU are not a recovery agency and will not seek to recover an uninsured loss.

We sincerely hope that this further consideration of your claim and further explanation resolves the matter, however if you have relevant information that we have not previously been given, please submit it to this department as soon as possible for consideration.

Yours sincerely

  
**Senior Case Manager, Decision Review Office**

You can telephone this department for the cost of a local call from anywhere in Australia on 1300 651 227

Should you have no further information that you wish us to consider, you should take this as note as the final decision of CGU Insurance. If you still contend that our decision is incorrect you may refer the matter to a solicitor, or if you come within the definition of applicant as stated in the Terms of Reference, you may have the right to refer the matter to the Financial Ombudsman Service Limited (FOS Ltd), at PO Box 3, Melbourne, 3001, telephone: 1300 780 808, fax: (03) 96136399, web: [www.fos.org.au](http://www.fos.org.au), email: [info@fos.org.au](mailto:info@fos.org.au).

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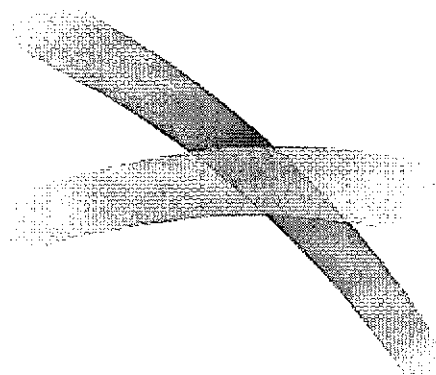
- a) within six years of the date when you first became aware (or should reasonably have become aware) that you suffered a loss; and
- b) within two years of the date of our final decision,

and there are other qualifying criteria.

Please also note that the FOS have reviewed cases of flood previously and have maintained the insurer's position in cases where the insurer has demonstrated that flood, as defined by the insurance policy, has occurred.



CGU Insurance  
National Decision Review Office  
GPO box 390D Melbourne 3001  
t 1300 651 227  
f 1300 760 683  
e [cgu.idr@cgu.com.au](mailto:cgu.idr@cgu.com.au)



29 April 2011

[REDACTED]  
Moore's Pocket Road  
Tivoli QLD 4305

Dear Mr and Mrs [REDACTED]

RE: Policy No. [REDACTED]

Claim No. [REDACTED]

I write in reference to your request for the denial of your claim for damage to your property at [REDACTED] Moore's Pocket Road, Tivoli, Queensland which occurred on 11 or 12 January 2011, to be reviewed by the National Decision Review Office.

We have completed our review of this matter in accordance with our dispute resolution process.

On review of your claim I can advise that I concur with the original decision of the Claims department to deny indemnity under your policy.

For your reference I have attached an over-arching hydrology report for the flood event of the South East Queensland area which was undertaken by Worley Parsons. I also encourage you to read Volume 3 of the hydrology report put together by Worley Parsons, Water Matters International and WRM Water & Environment which is available on the Insurance Council website. We have not attached a copy of the report with this letter due to its large size however it is available for public reading on the Insurance Council website.

The closest rainfall station to your property that we have data for is that of the Brassall gauge, approximately 3 kilometres away. Rainfall records show that the Brassall gauge recorded only 24mm of rain on Tuesday 11 January. This is not considered a large amount of rain and would not have been sufficient to cause storm water inundation to your property, particularly to the roof level of your house.

It is clear from the hydrological evidence that many, if not all, the storm water drains either exit into the sea or the river/creek system. In such a situation the storm water drain exit point in the creek/ river (or sea) is at a point above the normal river height (even rivers influenced by tidal variation). However if the river level rises above the storm water outlet a backflow occurs in which the river water flows back up the storm water drainage system and discharges onto property. This water is either river water or a mixture of storm water and river water and this is the source of inundation of many of the properties affected by these

initial flows in Brisbane and Ipswich.

Rising storm water that cannot drain into a watercourse because that watercourse is already in flood is also considered flood water. This includes water coming up through drains because the water cannot drain into the storm water system because the river or creek that the storm water system drains into is already in flood. This forms part of the commonly accepted definition of flood and has been established by case law. The legal precedent for this was set by the New Zealand Court of Appeal case of K Sika Plastics v Cornhill Insurance. In the *Sika* case the High Court ruled that the insurer was not liable for the insured's damage as the inundation was caused by rising storm water that could not drain into a watercourse as that watercourse was already in flood.

Flood water rarely acts alone and in most cases will have storm water intermingled with the flood water to inundate a premises. Sometimes the storm water will assist in pushing flood waters higher inside a home. Flood water that mixes with stormwater runoff which then subsequently inundates property is viewed as damage by floodwater. The legal precedent for this is known as the Wayne Tank principle. The decision in Wayne Tank and Pump Co Limited v Employees Liability Assurance Corp Limited (1973) 3 All ER 825 laid down the principle that where there are two effective causes of a loss, one of which is excluded and the one included, the excluded cause prevails to over-ride the included cause, thus excluding the totality of the loss from coverage under the policy. This principle was further confirmed in the case of Peterson v Union Des Assurances De Paris IARD (1995) 8ANZ Ins case 61244.

It is only when storm water, **independent of any flood water**, inundates a premises that we are able to accept the damage as being caused by storm water and not flood. When storm water inundates a premises along with flood waters this is defined as damage by flood. Flood is not a Listed Event under your policy for which you have cover and flood is also specifically excluded from coverage.

I refer you to page 40 of your CGU Listed Events Home Insurance Product and Disclosure Statement and Policy document which advises that your policy does not cover damage caused by flood:

**General Exclusions**

*We will not cover any loss or damage, or liability as a result of, or arising from*  
• *flood or storm surge*

The initial story given to CGU by yourself was that the water came from the Bremer River however then your story changed to say that the water came from the storm water drains. However even had water been backing up out of the storm water drain, this water would have been water that was being pushed back by the river. This constitutes flood water.

There is no doubt that this was a major flood event and your property is situated very close to the Bremer River with water inundating to almost roof height. On the balance of probabilities the source of the water that inundated your home was flood water and no information is available to suggest otherwise.

**We sincerely hope that this further consideration of your claim and further explanation**

resolves the matter, however if you contend that our decision is incorrect and you have relevant information that we have not previously been given, please submit it to this Office within fourteen days of the date of this letter so that we can consider it, or at least let us know within that time that further information is to be submitted.

If you do not have further relevant information to submit for our consideration, you should take this as the **final** decision of CGU Insurance. If you then still contend that our decision is **incorrect** you may, if you wish, approach Financial Ombudsman Service Limited, at

GPO Box 3, Melbourne Vic 3001  
telephone: 1300 780808  
fax: (03) 96136399  
web: [www.fos.org.au](http://www.fos.org.au)  
email: [info@fos.org.au](mailto:info@fos.org.au)

Financial Ombudsman Service Limited is independent and administers the external segment of the general insurance industry's alternative dispute resolution scheme, approved by the Australian Securities and Investments Commission.

Please note that Financial Ombudsman Service Limited will not consider your dispute unless it is lodged, by documenting the basis on which you contend that our decision is incorrect, before the earlier expiry of the following time limits:

- a) within six years of the date when you first became aware (or should reasonably have become aware) that you suffered a loss; and
- b) within two years of the date of our final decision, and there are other qualifying criteria.

Yours sincerely

  
Senior Case Manager





46 Colin St  
West Perth WA 6005  
GPO Box M929  
Perth WA 6843

27 June 2011



PO Box 7270  
East Brisbane QLD 4169

Dear Mr. & Mrs. [REDACTED]

CLAIM NUMBER:  
POLICY NUMBER:  
DATE OF LOSS:  
SITUAION OF RISK:

12 January 2011  
[REDACTED] Malcolm St Hawthorne QLD 4171

We refer to the above claim and your request that this matter be reviewed as part of our internal dispute resolution process.

A review of this matter has now been conducted. This has included the information you had provided to us and the material provided to me by our Claims Department.

An incident occurred on or around 12 January 2011 whereby due to heavy rains, flooding had damaged your premises and contents therein. Following notification of your loss on 19 January 2011, and a subsequent site specific hydrologist assessment, it was deemed your home was inundated with flood waters as defined and your claim was formally declined in a letter dated 25 March 2011. Flood damage is a specific exclusion under your home insurance policy.

The matter in dispute is the Claims Department's denial of your claim due to the cause of the damage being flood. You disagreed with CGU's decision and consider your home did not flood.

In respect to the damage to your premises at [REDACTED] Malcolm St Hawthorne, your home's location was in an area that was severely affected by the flooding of the Brisbane River and that any failure of storm water drains, would be attributable to the water being unable to drain into the river system either because it was already in flood or the river level had risen above the exit point of the storm water drain, you were advised that you had no entitlement for this loss. Our Claims Consultant advised that based on the facts, the cause of the loss was flood and not covered by the policy.

Your property is approximately 140 meters from the Brisbane River. You stated that the water was gushing out of the drains within the property on 11 January and continued through 12 & 13 January 2011. The water receded within 2 to 3 days.

I refer to the relevant sections of your CGU First Choice home insurance product disclosure statement and policy read as follows:-

Page 12

**"Accidental Damage cover**

*If you have chosen Accidental Damage Home Insurance, we will cover your buildings or contents for any accidental loss or damage.*

*There are also a number of incidents we will cover under specific conditions. These are listed on pages 17 to 20.*

...

*Any cover we provide is subject to exclusions.  
For exclusions to this cover, see page 35"*

Page 35      **"exclusions to your cover"**  
*Any cover we provide is subject to the following exclusions.  
We will not cover any loss or damage as a result of, or caused by*  
...  
**• flood"**

Pages 39-40      **"General exclusions"**  
*We will not cover any loss or damage, or liability as a result of, or arising from*  
...  
**• flood or storm surge**  
**• erosion, the action of the sea, tidal wave or high water, unless**  
**– the loss or damage is the result of a tsunami."**

Page 62      **"glossary of words with a special meaning"**  
...  
**flood**  
*the covering of normally dry land by water escaping or released from the normal confines of a watercourse or lake, whether or not it is altered or modified. Flood also includes water escaping from the confines of any reservoir, channel, canal or dam."*

The proximate cause of the damage to your home is 'Flood' not solely storm water run off. The term "Flood" is defined as the covering of normally dry land by water escaping or released from the normal confines of a watercourse, lake, reservoir, channel, canal or dam. The Insurance Council of Australia have commissioned an independent panel of hydrologists to prepare for publication their opinions on the causes of the flooding which are available in full on their website: <http://www.insurancecouncil.com.au/>.

The Brisbane suburb of Hawthorne was flooded by water escaping from the confines of the Brisbane River and extensive data exists to support that this was a major flood event. The "ICA FLOODING IN BRISBANE CITY LGA Report Volume 2" has detailed the disaster. In section 9 "Causes and nature of flooding.....", commencing on P59 it reports that the most significant rains fell across the Brisbane City LGA between 0600 & 1600hrs on Tuesday 11 January. Rainfall effectively ceased in Brisbane at 1800hrs. Peak water levels resulting from this rainfall event occurred in the afternoon and evening of Tuesday 11 January, coinciding with the peak water levels in the Brisbane River, which indicates that flooding was driven by backwater effects. At that time there were high releases from the Wivenhoe Dam, in response to receiving massive inflows of surface runoff from the upstream catchment area. These releases caused a flood wave in the Brisbane River (dam release flooding). The report states that in low-lying urban areas (especially in Brisbane and Ipswich cities) significant areas of land are separated from the Brisbane River and its tributary waterways by an intervening area of higher land. It is likely that high tailwater levels in the receiving waterways caused backflow up the piped drainage system, leading to inundation in the low lying areas, ie pipe backflow inundation.

The Bureau of Meteorology records from Brisbane Station show the peak rainfall fell in the local area on 10 January 2011 was 110.8mm and a low 15.4mm fell on the 11 January 2011. If storm water/rain water is the source of inundation, the damage occurs around the same time as the peak rainfall falls. The water rises quickly and drains away quickly once the rainfall slows or stops. However, there was a delay from the time the rainfall occurred to the time the water inundated your home and the water level remained elevated for a relatively long period of time; further evidence that the source of the inundation was flood water.

Your property was flooded by water escaping from the confines of the Brisbane River. We have referred to the flood mapping provided by the Brisbane City Council on the website address: <http://elbqra-139728069.ap-southeast-1.elb.amazonaws.com/qrainteractive/> which shows that your property was inundated by flood water from the Brisbane River.

This water is either river water or a mixture of storm water and river water and this is the source of inundation of many of the properties affected by these initial flows in Brisbane and Ipswich. It is addressed in detail in the combined hydrology report prepared by WRM, Water Matters International and Worley Parsons in Volume 1 of the report dated 20 February 2011. It is also highlighted in figure

2.1 on page 5 of the report and embraced by the explanatory notes on page 5 and 6 of that report.

Insurance policies are legal contracts and previous disputes have been decided before the Courts, creating legal precedent. In your circumstance it is clear that this is "flood" water as defined by the policy of insurance and as a result of the application of current Australian law, (see in particular, K Sika Plastics v Cornhill Insurance, Peterson v Union Des Assurances De Paris IARD and Wayne Tank and Pump Co Limited v Employers Liability Assurance Corp Limited. See also Provincial Insurance Australia Pty Ltd v Consolidated Wood Products Pty Ltd and Mitor Investments Pty Ltd v General Accident Fire and Life Assurance Corporation Ltd.). These cases confirm that the proximate cause of the damage claimed to be "storm water", is in fact "flood".

Flood water rarely acts alone and in most cases will have storm water intermingled with the flood water to inundate a premises. Sometimes the storm water will assist in pushing flood waters higher inside a property. Flood water that mixes with storm water runoff which then subsequently inundates a property is viewed as damage by flood water. The legal precedent for this is known as the 'Wayne Tank' principle. The decision in Wayne Tank and Pump Co Limited v Employees Liability Assurance Corp limited (1973) 3 All ER 825 laid down the principle that where there are two effective causes of a loss, one of which is excluded and the one included, the excluded cause prevails to over-ride the included cause, thus excluding the totality of the loss from coverage under the policy. This principle was further confirmed in the case of Peterson v Union Des Assurances De Paris IARD (1995) 8ANZ Ins case 61244.

Furthermore, rising storm waters that cannot drain into a watercourse because that watercourse is already in flood is also considered flood water. This includes water coming up through drains because the water cannot drain into the storm water system for the reason that the river or creek that the storm water system drains into is already in flood. This forms part of the commonly accepted definition of flood and has been established by case law. The legal precedent for this was set by the New Zealand Court of Appeal case of K Sika Plastics v Cornhill Insurance. In the Sika case the High Court ruled that the insurer was not liable for the insured's damage as the inundation was caused by rising storm water that could not drain into a watercourse as that watercourse was already in flood. The definition of flood that we have used to deny this claim is the widely accepted definition.

It is only when storm water, **independent of any flood water**, inundates a premises that we are able to accept the damage as being caused by storm water and not flood. When storm water inundates a premises along with flood waters this is defined as damage by flood.

Where more than one circumstance contributes to a loss, and one of these causes is an excluded circumstance, the insurer is entitled to rely upon the excluded circumstance to refuse the claim. Even in the event that there may have been contributions by rain water and released dam water, the claimed damage to your property has been demonstrated to be the result of flood as defined by your CGU insurance policy. Only in circumstances where rain water is the sole source of water, that is, with no contribution by flood water, can your policy respond to claims for damage by rain water.

With regard to the release of waters by local authorities from the Wivenhoe Dam, CGU considers that these waters are still floodwaters. The water was released from the dam into a river and subsequently the river flooded, inundating the surrounding properties. The water that inundated the properties would be a mixture of storm water and flood water or flood water alone and is excluded from our cover. Whether any "negligence" attaches to the decisions made by the local authorities during a catastrophe, is not a factor which alters your policy entitlement with this Company.

It is only when "storm water", independent of any flood water, inundates a premises that we are able to accept the damage as being caused by storm water and not flood. The rainwater which fell on your property did not enter your home as it flowed towards the watercourse. When all or some returned with the flood waters of the Brisbane River, this is defined as damage by flood.

Rainfall records show that the peak rainfall intensity in the local area was on 10 January 2011. However your home was damaged by Flood commencing on 11 January 2011, which is in accordance with the water coming from the Brisbane River.

The flood water came from the watercourse, or the mixture of storm water and flood discharging up through the storm water system is flood water and, as a consequence any property inundation caused by this water, resulting in property damage, is not covered by your policy of insurance.

In this instance the Brisbane and Ipswich flooding was a major event affecting much of Brisbane and

Ipswich which was a widely covered event in the media. The balance of probabilities on that basis alone suggests that your property was damaged by flood given your premises proximity to the Brisbane River and the Brisbane City Council mapping of the flood waters which your property is within. The evidence provided by a Hydrologist demonstrates that flood was the cause of the loss. No evidence has been provided which suggests that storm water alone was the proximate cause of damage. The fact that the inundation occurred more than a day after the peak rainfall had ceased on 10 January 2011, demonstrates that it was not storm water which inundated your property.

In conclusion the data and findings of the Hydrologist substantiate that the water that inundated your premises was caused by floodwater from the Brisbane River. The Hydrologist concludes "As the water level in the Brisbane River began to rise on 11 January 2011, water backed up the local sub surface drainage system and spilled out into the property" Accordingly it is our view that the evidence demonstrates that the inundation of your property was caused by flood water or a mixture of storm and flood water. As the cause of the damage was flood water as defined by your policy of insurance, the damage is not covered by your CGU Home insurance policy.

There is no evidence to suggest that storm water alone had inundated your property. On the facts provided, flood water or a mixture of flood and storm water had inundated your home. As flood is an excluded event, there is no entitlement under you policy and denial of your claim is maintained.

I have provided for your perusal a copy of the site specific hydrology report together with Brisbane Flood maps that include those provided by the Brisbane City Council that may assist you in understanding the flood event that had damaged your property.

We sincerely hope that this further consideration of your claim and further explanation resolves the matter, however if you have relevant information that we have not previously been given, please submit it to this Department as soon as possible for consideration.

If you do not have further relevant information to submit for our consideration, you should take this as the final decision of CGU Insurance. If you then still contend that our decision is incorrect you may, if you wish, approach Financial Ombudsman Service Limited, at :-

GPO Box 3, Melbourne Vic 3001

Telephone: 1300 780 808

Fax: (03) 9613 6399

Web: [www.fos.org.au](http://www.fos.org.au)

Email: [info@fos.org.au](mailto:info@fos.org.au)

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- a) within six years of the date when you first became aware (or should reasonably have become aware) that you suffered a loss; and
- b) within two years of the date of our final decision,

Furthermore, there are other qualifying criteria.

Yours faithfully,

Senior Case Manager  
Internal Dispute Resolution Department



# WorleyParsons

resources & energy

## Infrastructure and Environment

Level 12, 141 Water Street  
North Sydney NSW 2060 Australia  
Telephone: +61 2 8923 8856  
Facsimile: +61 2 8923 6877  
WorleyParsons Services Pty Ltd  
ABN 61 001 279 812

### Disclaimer:

This report has been prepared on behalf of and for the exclusive use of CGU and is subject to and issued in accordance with the agreement between CGU and WorleyParsons Services Pty Ltd. WorleyParsons Services Pty Ltd accepts no liability or responsibility whatsoever for it in respect of any use of or reliance upon this report by any third party.

Copying this report without the permission of CGU or WorleyParsons Services Pty Ltd is not permitted.

Ref: 301015-02484.01-AB3-REP-0001 - [REDACTED] Malcolm St, Hawthorne.doc

## HYDROLOGY REPORT RELATING TO THE JANUARY 2011 STORM

Prepared by : T MCCLUSKEY, ENGINEER, WORLEYPARSONS  
Prepared for : CGU  
Claimant : [REDACTED]  
Property : [REDACTED] MALCOLM ST, HAWTHORNE, QLD  
Reference : [REDACTED]

### PROJECT 301015-02484.01 AB3

REV	DESCRIPTION	ORIG	REVIEW	WORLEY- PARSONS APPROVAL	DATE	CLIENT APPROVAL	DATE
A	ISSUED FOR INTERNAL REVIEW	TM T MCCLUSKEY	DMC [REDACTED]	N/A [REDACTED]	18-3-2011	N/A	
B	FINAL	TM T MCCLUSKEY	[REDACTED]	[REDACTED]	23-3-2011	N/A	

EcoNomics



## EVENT OVERVIEW

On the 7<sup>th</sup> of January 2011, a low pressure cell derived from a monsoonal trough moved southwards along the east coast of Queensland in the vicinity of Mackay. Over the next day this localised low pressure system gradually moved closer to Fraser Island. However, it did not lead to the generation of significant rainfall at this time due to its orientation relative to the monsoonal trough located to the north and a series of high pressure systems located to the south-east.

Throughout the 8<sup>th</sup> of January 2011, the low pressure system remained relatively stationary. It eventually moved closer to the south-east Queensland coast and intensified on the 9<sup>th</sup> of January to form a trough that spanned from the NSW border to Mackay. Through the early hours of the 9<sup>th</sup> of January, this trough rotated towards south-east Queensland and formed large volumes of rain as warm moist air was forced upwards over the region from a high pressure cell located near New Zealand.

This process continued throughout the 9<sup>th</sup> of January, with the trough reducing in span and generally remaining stationary off the coast.

The intensification of the coastal low pressure system on the 9<sup>th</sup> of January led to the generation of sustained rainfall across coastal regions of south-east Queensland within the lower Caboolture and Brisbane Rivers Catchments. Rainfall generally progressed from the north to the south with the start of the storm occurring from 04:00 (*recorded at Beerburrum*) and leading to rainfall across areas of the lower Caboolture River Catchment. In the lower Brisbane River Catchment, the storm began between 09:00 and 10:00 (*recorded at Brisbane, Redcliffe and Archerfield*). The accumulation of rainfall generally followed a similar pattern, with areas of the lower Caboolture River Catchment recording up to 155 mm until midday on the 10<sup>th</sup> of January 2011, while areas of the Brisbane River Catchment recorded between 75 and 130 mm.

Over the following 12 hours the low pressure system moved north and rainfall accumulations decreased markedly. However, as the low pressure centre merged with the descending monsoonal trough, significant rainfall was generated over the region. A further accumulation of between 30 and 40 mm over the following 36 hours was recorded in the lower Brisbane River Catchment and up to 70 mm in the lower Caboolture River Catchment, indicating that the focus of the system was on the Caboolture River Catchment in these coastal regions.

While not strictly an East Coast Low, the system functioned in a similar way, producing gale force winds and widespread rain centred on the coastal region south of the centre of the low pressure cell.

In the most upper sections of these catchments, rainfall was less intense prior to the amalgamation of the low pressure centre and the monsoonal trough. Rainfall began from 13:00 on the 9<sup>th</sup> of January 2011, with accumulations of between 60 and 100 mm recorded until midday on the 10<sup>th</sup> of January. The northward movement of the low pressure cell and the alignment of the high pressure cell feeding the region, led to the temporary cessation of rainfall in the upper catchment.

To the east, in more central regions of the Brisbane River Catchment and the upper Caboolture River Catchment, the onset of the storm generally began with moderate intensity rainfall from 10:00 on the 9<sup>th</sup> of January 2011. However, rainfall accumulations were generally lower than



those in the lower catchment, with generally no more than 75 mm recorded until midday on the 10<sup>th</sup> of January 2011 (*recorded at Amberley*).

As the monsoonal trough moved south, warm moist air from the north ascended into the upper atmosphere over the upper regions of these catchments. Intense rainfall began to occur from about midday on the 10<sup>th</sup> of January in the upper Brisbane Catchment (*recorded at Toowoomba*). Over the following 36 hours an accumulation of up to 150 mm was recorded. However, the rainfall intensity in this region varied significantly with a large portion of the rainfall accumulation occurring over a period of only hours. Orographic effects are likely to have contributed to the sharp increase in rainfall intensity in these upper catchment areas.

As the focus of the system moved to the south-east, a sharp rise in rainfall intensity was recorded beginning from 02:00 on the 11<sup>th</sup> of January at Gatton and from 09:00 at Amberley, with an accumulation of up to 130 mm over the following 24 hours.

A total accumulation of 200 to 230 mm was recorded within the upper Brisbane Catchment between the 9<sup>th</sup> and 12<sup>th</sup> of January, 2011.

The initial sustained rainfall across the catchment between the 9<sup>th</sup> January and midday on the 10<sup>th</sup> January would have generated significant runoff and flow into streams and rivers. The subsequent intense upper catchment rainfall would have generated additional large volumes of runoff that would have been channelled through tributaries and streams into the upper Brisbane River in the central part of the catchment. Controlled releases from Wivenhoe Dam would also have contributed to the peak water level in the Brisbane River.

The majority of the rainfall that fell across south-east Queensland is characterised by high accumulations with low to medium intensity. In contrast, the short period of high intensity rain in the upper Brisbane Catchment, exceeding an Average Recurrence Interval (ARI) of 100 years (*recorded at Toowoomba and Gatton*) would have elicited a rapid response from tributary streams, especially Lockyer Creek. Levels in the upper Bremer sub-Catchment, although experiencing significant rainfall intensities during the period when focus of the system moved towards the south-east, responded more moderately compared to the Lockyer sub-Catchment. The lower reaches of the Bremer River, although experiencing significant inflows from its own catchment, ultimately experienced peak levels as a result of backwater from the Brisbane River.

The property at 110 Malcolm Street is considered to be within the floodplain of the Brisbane River, which is located approximately 140 metres to the west of the property (*refer Figure 1*). The Flood Flag Map prepared by Brisbane City Council for Hawthorne shows the property lies within the "Creek, River or Tidal Flooding" extent.

The property contains a double storey residential dwelling, including an uninhabitable ground level, located between Gordon Street and Barton Street (*refer Figure 2*). Terrain elevation contour mapping available from the Brisbane City Council shows that the site lies within a local depression, which has an area of approximately 11.6 hectares (*refer Figure 2*).

River level information for the Brisbane River was obtained from the Brisbane City gauge (540198), which is located 5.7 km upstream from the site (*refer Figure 3*). River level information



was also obtained for the gauge at the mouth of Breakfast Creek (540286), which is located approximately 2.1 km downstream of the property (refer Figure 3). It is considered appropriate to interpolate between the river level information for these gauges to determine water levels in the vicinity of the property.

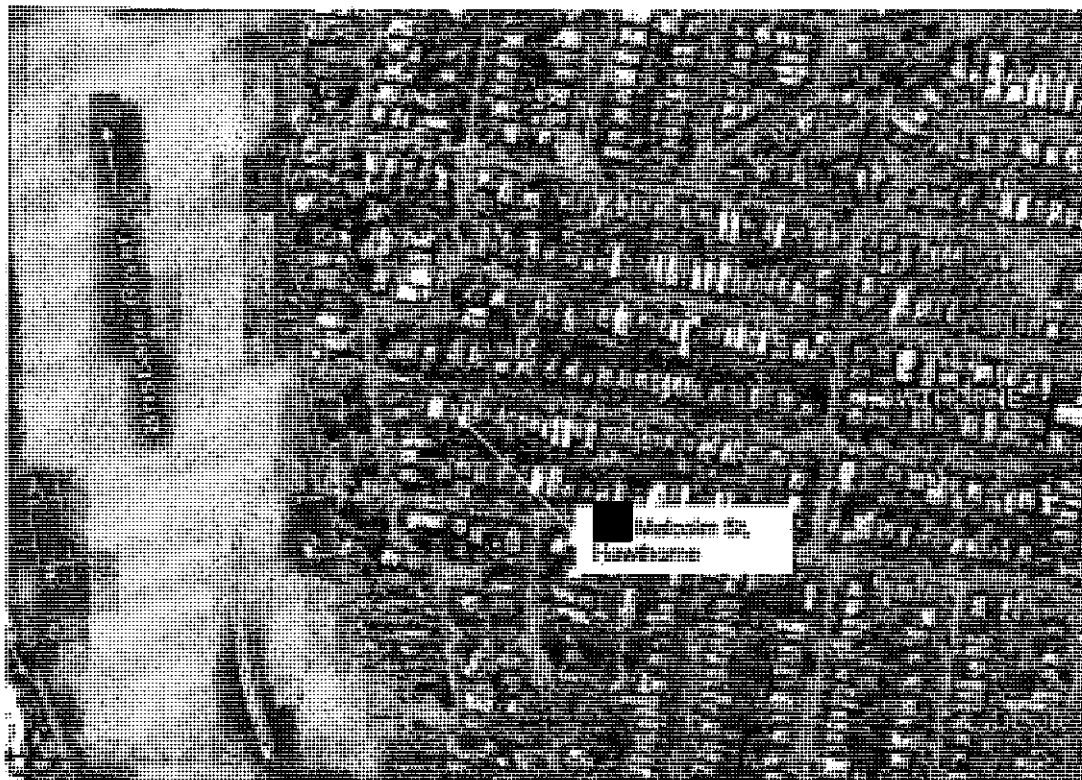


Figure 1: Location of Property at [redacted] Malcolm St, Hawthorne

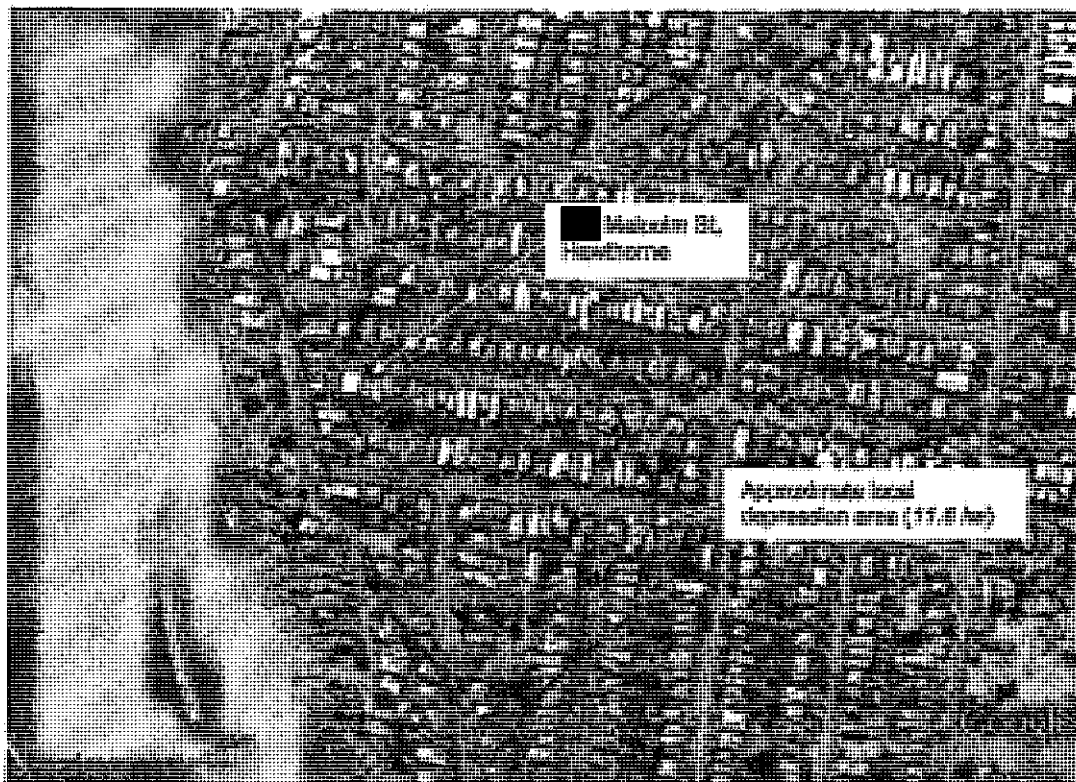


Figure 2: Approximate Local Terrain Depression Area

The river gauge information indicates that levels in the Brisbane River were first affected by catchment inflows from as early as Sunday 9<sup>th</sup> January 2011, with a gradual but steady rise in levels until about 06:00 on Tuesday 11<sup>th</sup> January. From this time, both gauges (*Brisbane City and Breakfast Creek mouth*) show a steeper rise in flood levels, with eventual peaks of about 4.5 metres at around 03:00 on Thursday 13<sup>th</sup> January 2011 at the Brisbane City Gauge and approximately 2.5 metres at around 04:00 on Thursday 13<sup>th</sup> January 2011 at the mouth of Breakfast Creek. It should be noted that "gauge zero" for both the Brisbane City and Breakfast Creek mouth gauges has an elevation of 0 mAHD, as indicated by information provided by the Bureau of Meteorology.

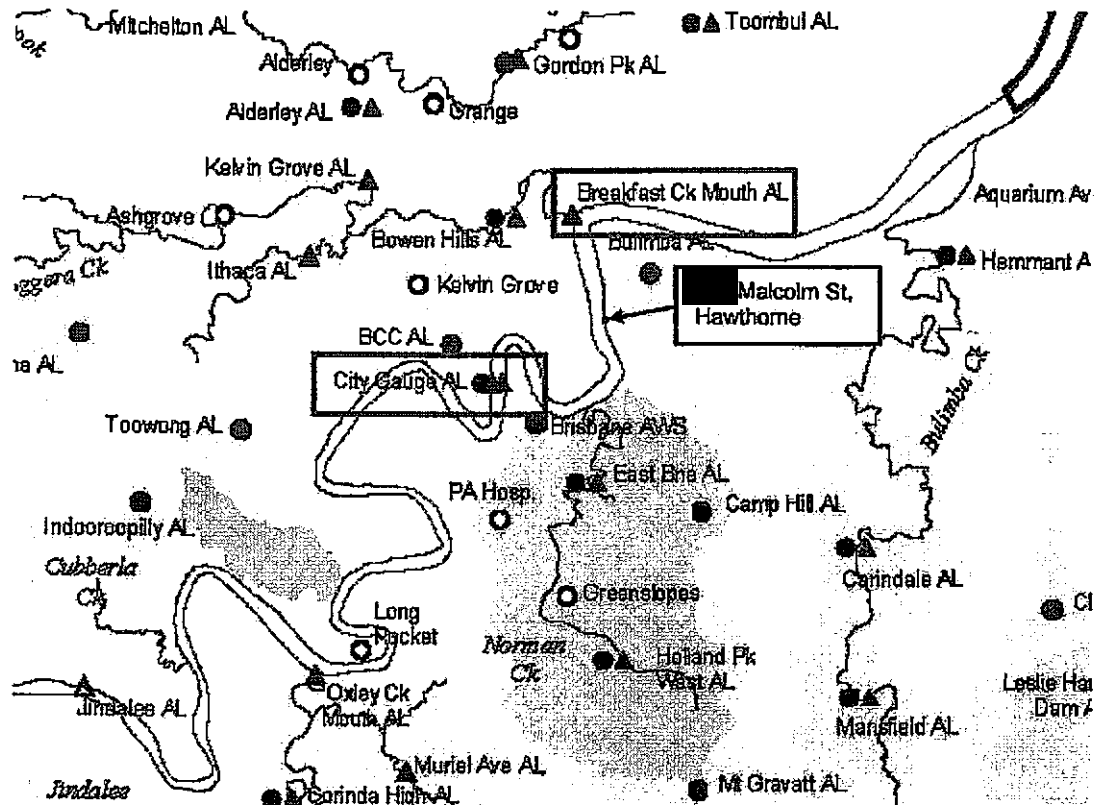


Figure 3: Location of River Gauges in Vicinity of Property

## THE INSURED'S RECOLLECTIONS

WorleyParsons spoke to the claimants [REDACTED], on 22<sup>nd</sup> February 2011. The claimants provided the following account of the events and the damage that was incurred at the property:

- Water inundated the ground level of the property.
- The water began gushing out of the drains within the property on Tuesday January 11<sup>th</sup> 2011 and continued through January 12<sup>th</sup> and 13<sup>th</sup> 2011.
- The water proceeded from the site into the adjacent properties.
- Malcolm Street remained flood free during the inundation of the property.
- The Brisbane River did not break its banks to the west of the property.
- The water within the property receded in 2 to 3 days
- Inundation of the lower level of the property to a depth of 10-15 cm is not uncommon in storm events.



## WORLEYPARSONS' OBSERVATIONS

The property was inspected between 12:30 and 1:30pm on 22<sup>nd</sup> February 2011.

The property slopes downwards from Malcolm Street into the ground level and backyard (refer Figure 4).

Inspection of the western and eastern walls in the ground level of the dwelling showed signs of inundation in the form of flood marks (refer Figures 4 & 5).

Drainage pits that were the reported source of the inundation were observed on the western and eastern sides (refer Figure 6).

Terrain elevation contour mapping available from the Brisbane City Council shows the elevation of the property varies between 3.0 and 2.0 metres and slopes downward from the northwest to the southeast towards the centre of the local terrain depression shown in Figure 2. The FloodWise Property Report for the property, also from Brisbane City Council, shows that the maximum and minimum ground level elevations within the property are approximately 3.0 mAH and 2.0 mAH respectively.

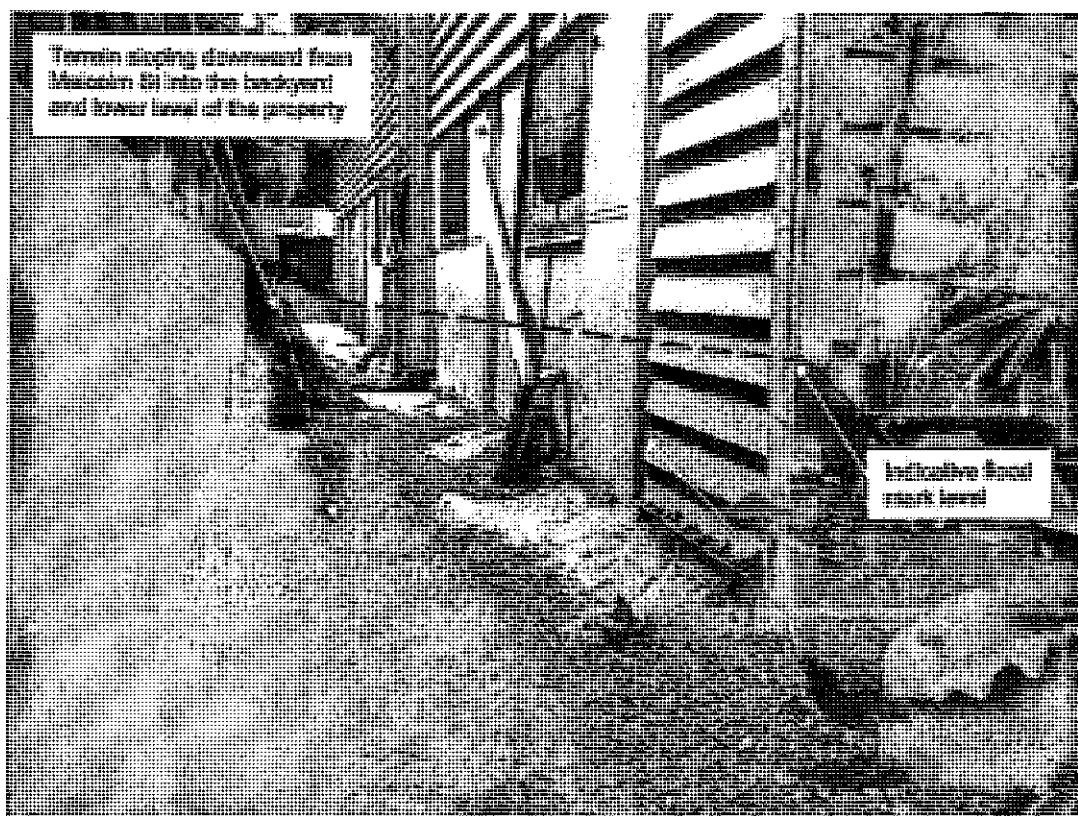
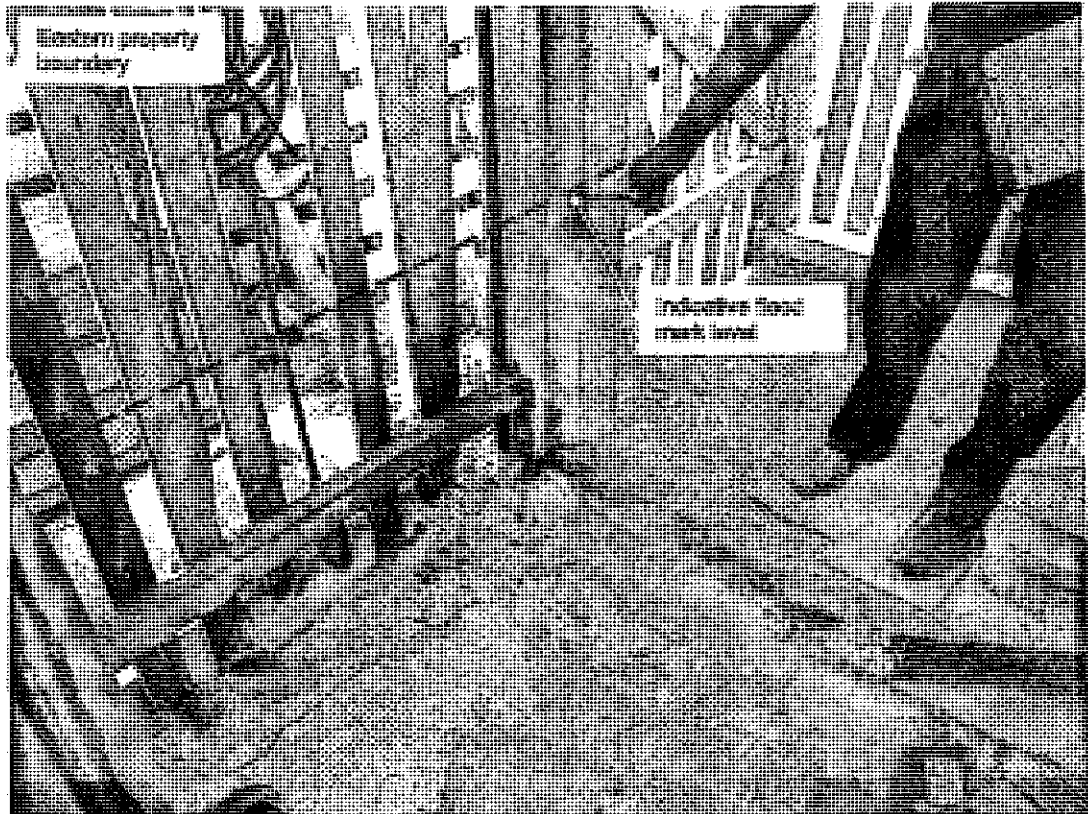


Figure 4: View Looking Towards Malcolm Street from the Southwest Corner of the Dwelling



**Figure 5: View of Flood Mark at the Southeast Corner of the Dwelling**

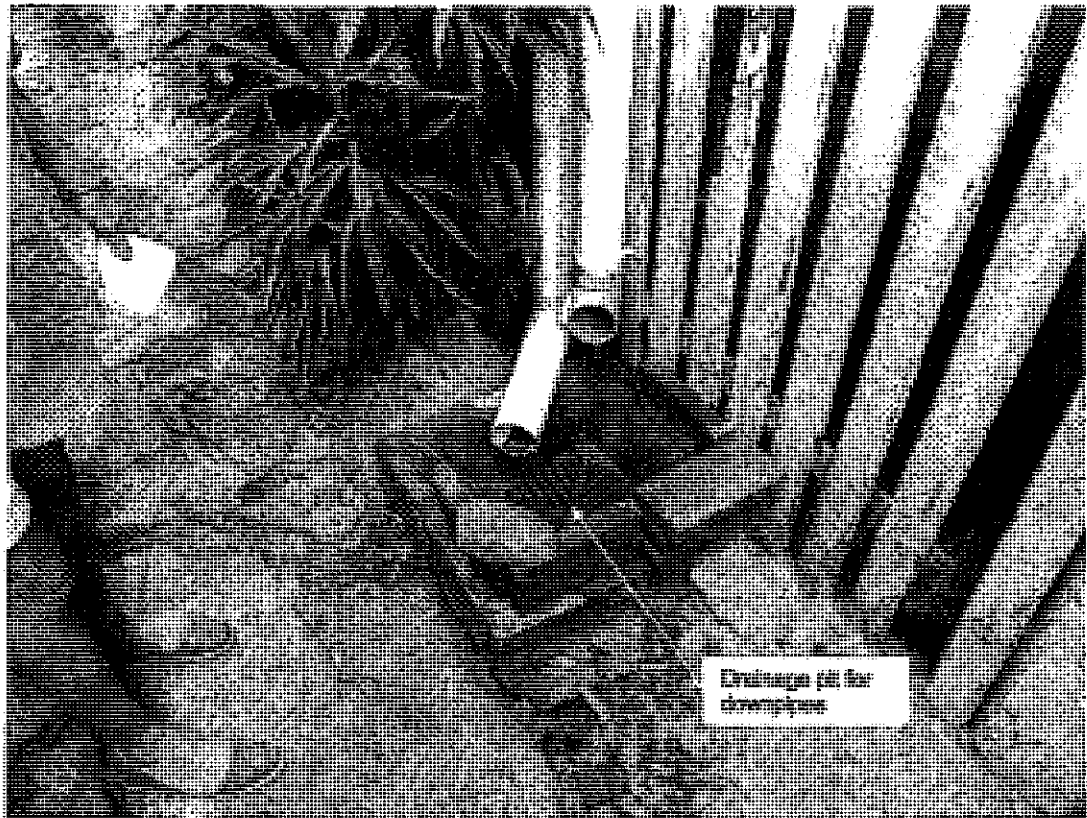


Figure 6: View of the Drainage Pit on the Eastern Side of the Dwelling

### *Cause of Inundation*

Due to the limited size of the local stormwater catchment that drains towards the site and the relatively low rainfall intensity (2 to 5 year ARI), it is unlikely that there was sufficient local stormwater runoff for this to be a contributing factor to the inundation that occurred on the property. Additionally, the reported timing of the inundation coincides with the rising water levels in the Brisbane River. Therefore, it is assumed that the floodwaters that inundated the area of Hawthorne around [REDACTED] Malcolm Street can almost entirely be attributed to flows from the Brisbane River backing up the stormwater drainage system.

According to river level information at the Brisbane City gauge and at the mouth of Breakfast Creek, the peak river level directly west of the property occurred between 03:00 and 04:00 on Thursday 13<sup>th</sup> January 2011. The interpolated level in the Brisbane River directly west of the property around 03:30 on Thursday 12<sup>th</sup> January 2011 was approximately 2.8 mAHd. This level can be taken as the approximate peak level of the January 2011 flood event at this location.

Based on the terrain elevation contour information for the area available from Brisbane City Council, this peak level would have caused flood waters from the Brisbane River to surcharge up the sub surface drainage pipes in the area and spill out into areas within the local depression, including the property. This is the likely explanation for the Insured's recollection of water entering the property from the drains.



**WorleyParsons**

resources & energy

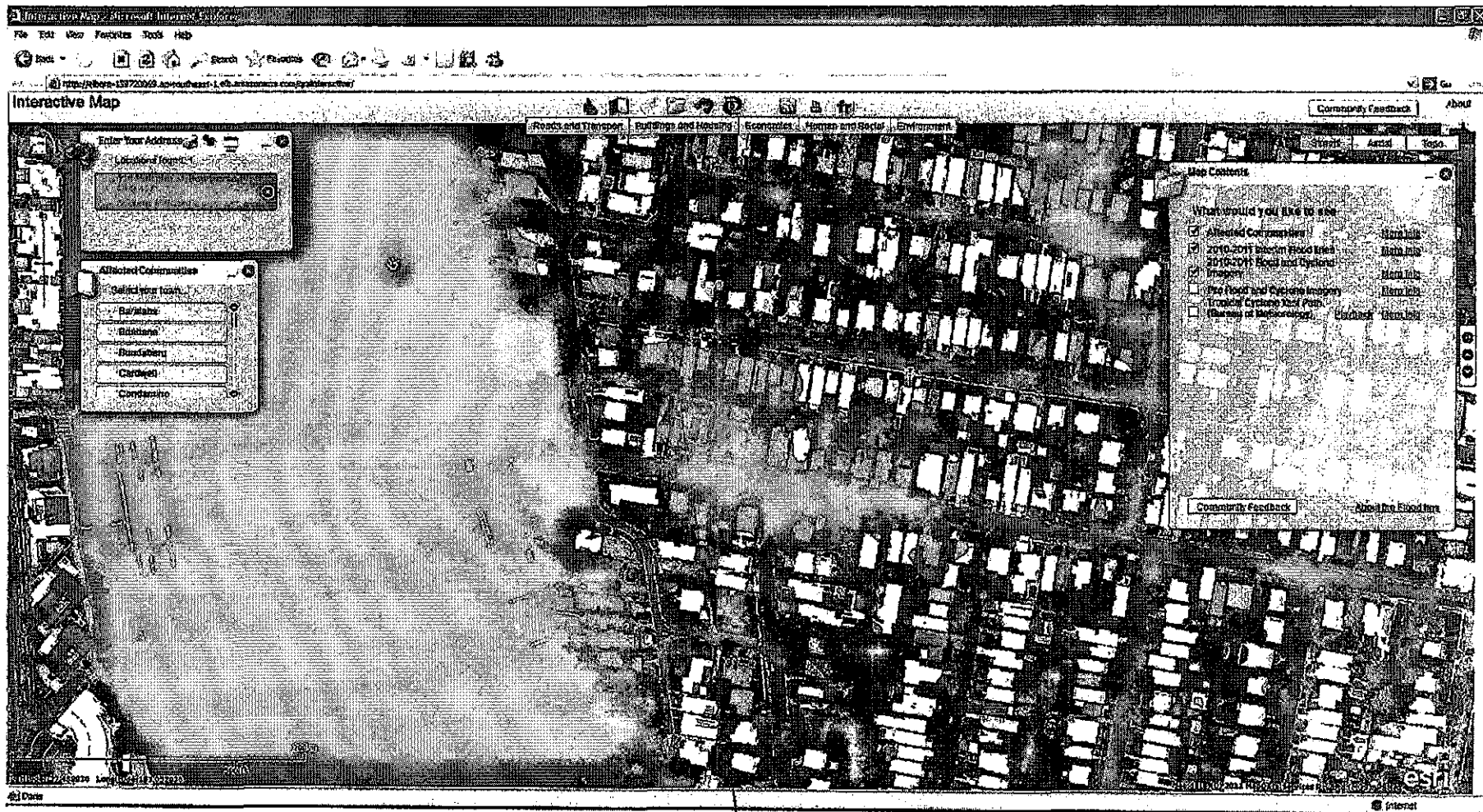
EcoNomics

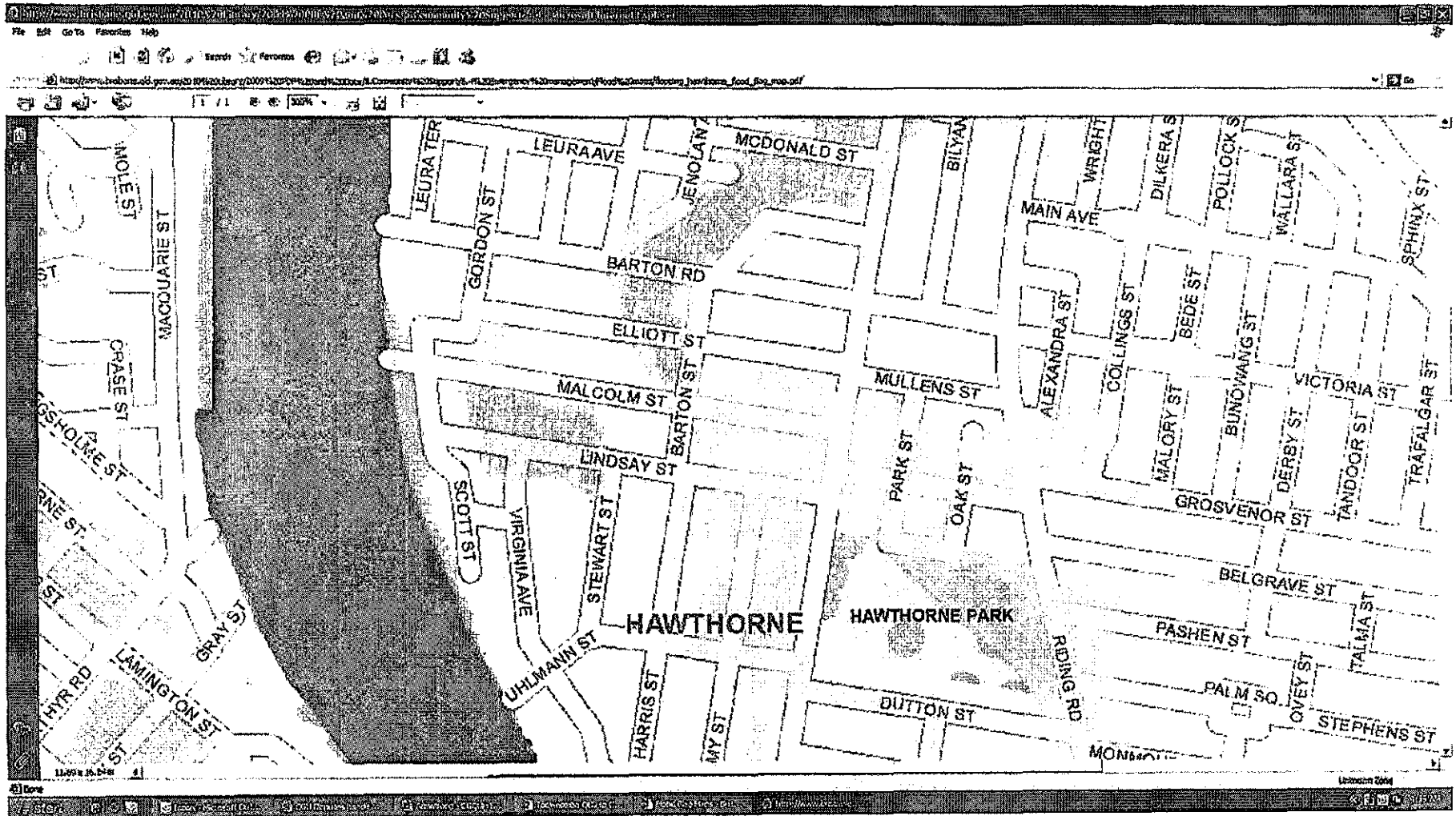
The terrain elevation contour information also shows that the peak level was not high enough to overtop the western side of the local depression and inundate Malcolm Street, hence the Insured's recollection.

Aerial photography of the area taken on 13<sup>th</sup> January 2011 shows what appears to be an "inland lake" within the local depression i.e. a separate water body from the river. However, the level and appearance of the "inland lake" compared to the Brisbane River supports the observation that the Brisbane River water surcharged up the local drainage system.

### **CONCLUSION**

In my opinion, the inundation of the property at [REDACTED] Malcolm Street, Hawthorne was caused by water escaping the confines of the Brisbane River channel. As the water level in the Brisbane River began to rise on 11<sup>th</sup> January 2011, water backed up the local sub surface drainage system and spilled out into the property.









## **Annexure 14**



**Courier Mail**  
**11-Feb-2011**  
Page: 7  
General News  
Market: Brisbane  
Circulation: 206110  
Type: Capital City Daily  
Size: 454.09 sq.cms  
MTWTFSS-

## Five simple questions, zero payout

Tuck Thompson

A FIG Tree Pocket flood victim was "absolutely gutted" after receiving a CGU Insurance email that "settled" his claim for a total of \$0.00.

In an email where CGU also said it was "improving your claims experience", Jeff Teunissen learnt he'd

be getting nothing because his Gold Star policy covered only storm water inundation, not flood.

CGU previously asked him five questions and rejected him over the phone - then sent an official rejection letter. There was no assessment.

And it appears the personalised letter he received was a form letter sent to other rejected clients.

"It's very, very disappointing, mind-blowingly so," he said. "I can understand where they are coming from but still, you're talking about families and people. It was very cold."

Mr Teunissen, a furniture consultant and longtime businessman who has paid CGU \$4000 in

premiums through a broker without a previous claim, said insurers playing hardball would be losing business to competitors in the long term.

"Business is all about... keeping customers happy. I think there is a lot of really short-term thinking," he said.

In the email, David Urwin, CGU's claims consultant, said CGU had "carefully reviewed" the claim.

"We conclude that the loss for which you have claimed was caused by flood. As a result we are not in a position to pay," he wrote.

Mr Teunissen said he would rebuild using a bank loan, which would impact his family's finances.



### POOR FORM

The letter received by several CGU clients whose flood damage claim was rejected. Aside from the client's name, claim number and date lodged, the text was verbatim in several examples sighted by *The Courier-Mail*.

CGU  
21/01/2011

D W & K WILSON  
JIM WILSON Q.L.D.

Dear Mr & Mrs Wilson

Your Claim Number: [redacted]

Your Policy Number: [redacted]

I am writing to you about 12/01/11

Your CGU policy covers for details you can

CGU reviews your claim and we have

CGU reviews your claim and we have

CGU reviews your claim and we have

CGU reviews your claim and we have

CGU reviews your claim and we have

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CGU

7 February 2011

MR J TEUNISSEN

Dear Mr Teunissen,

Your Claim Number: [redacted]

Your Policy Number: [redacted]

I am writing to you in relation to a claim you made for damage to your property on or

about 12 January 2011.

Your CGU policy covers inundation by storm water but does not provide insurance

coverage for losses caused by flood. Flood is clearly defined in your policy for

details you can refer to page 11 of your ISMA Gold Star Home policy.

CGU reviews each claim on its individual merits and we do not deny claims lightly.

We have carefully reviewed your claim and based on your advice and information

available to us, we conclude that the loss for which you have claimed was caused by

flood. As a result we are not in a position to pay your claim.

If you disagree with this decision, please contact our office and we will refer your

claim to the CGU Dispute Resolution team. The Dispute Resolution team will

independently review your claim and provide a decision within 15 business days of

receiving your request and all relevant information.

Enclosed is a brochure that will provide you with further information about the dispute

resolution process. Please do not hesitate to contact our office on 1300 622 768 if

you wish to discuss this matter or require any further information.

Yours sincerely,

[Signature]

David Urwin

Claims Consultant

CGU Claims

CGU Insurance

1000 Lakeside Drive

St Albans, VIC 3021

Phone: 1300 622 768

Fax: 03 9355 1415

**COLD COMFORT:** Flood victim Jeff Teunissen is "gutted" by insurer CGU's short-term thinking.

Picture: Darren England



## **Annexure 15**



**Courier Mail**

September 22, 2011

**6.35%**

**ING DIRECT**  
By your money

**Variable mortgage**  
**Insurance refusal: his home for young Burpengary family**

13 C Glenn Roberts, Caboolture Shire Herald

• From: Quest Newspapers  
• August 02, 2011 12:00AM



**FLOOD VICTIMS:** Brett and Lynn Doyle have had their insurance claim declined by CGU. Picture: Chris Higgins  
Source: Quest Newspapers

**A BURPENGARY family says it has been left high and dry by their insurer which has refused to pay out after the January flood, despite their neighbours making successful claims.**

Brett and Lynn Doyle's home in Mathew Crescent was one of many in the street to be inundated on January 11. It has not been repaired.

Mr Doyle said 10 households in the street, including his immediate neighbours to the east and west, had their claims approved with their insurers saying the inundation was caused by stormwater, not by nearby Burpengary Creek.

But the Doyle's insurer, CGU, has used a hydrologist's report, which says the water came from Burpengary Creek, to decline their claim.

"The RACQ claim was the only one that required a hydrologist report which found flooding was caused by storm water," Mr Doyle said, adding two claims by neighbours were approved by NRMA which, like CGU, is owned by the IAG Group.

A CGU spokesman said CGU and NRMA offered "different products to target different markets" and that CGU's hydrology report was prepared by an independent and professional firm.

"The site specific hydrology report indicated the damage was caused by water escaping the natural confines of Burpengary Creek, a peril specifically excluded in CGU's policy," the spokesman said.

"Mr Doyle has disputed this decision and the claim is currently with our internal dispute resolution team. "If Mr Doyle remains unsatisfied with CGU's IDR decision, he is able to refer the claim to the Financial Ombudsman Service."

Mr Doyle said, as a young family, they were not financially capable of repairing the damage or replacing any of the lost carpets, furniture, appliances or other possessions.

"There is obviously an extended amount of work required to ensure our home is once again at a safe and hygienic standard of living for our family of five (including children aged three, 10 and 13)," he said.



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