



Arcadia
Underwriting Agency



Arcadia Landlord Insurance

Product Disclosure Statement
and Policy Wording

This Product Disclosure Statement (PDS) was prepared on 4 April 2017 and tells you about Arcadia Landlord Insurance. Any advice provided is general only and does not take into account your individual circumstances. You should carefully read this document and any other documentation we send you and keep them in a safe place for future reference.

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ABOUT ARCADIA UNDERWRITING AGENCY

Arcadia Underwriting Agency Pty Ltd (Arcadia) ABN 51 602 032 851 acts as an Authorised Representative (AR No. 471519) of the Insurer, The Hollard Insurance Company Pty Ltd (Hollard), ABN 78 090 584 473, AFSL 241436.

Arcadia is authorised to deal in and issue this Landlord Insurance and administer the issue of policies and handling of claims on behalf of the insurer. Arcadia act as agents for the insurer, not for you, and if any advice is provided, it will be general advice only and will not take into account your individual circumstances or financial needs.

Arcadia's contact details are:

Phone 1300 CALL AUA (1300 22 55 28)

Post Arcadia Underwriting Agency
Level 3,
342 Flinders St,
Melbourne, VIC 3000

THE INSURER

The insurer of this policy is Hollard.

Hollard's contact details are:

Phone (02) 9253 6600

Post Locked Bag 2010
St Leonards, NSW 1590

IMPORTANT INFORMATION

Important documents

Your insurance policy consists of:

1. this policy booklet which sets out details of what is and what is not covered by this policy; and
2. the Insurance Certificate we provide with details of:
 - who is insured;
 - the cover(s) selected;
 - the period of insurance;
 - the respective sums insured and/or limits of liability;
 - excesses and other important information.

You should ensure that you read these documents carefully and keep them in a safe place. If you have any questions regarding the policy booklet or Insurance Certificate, please contact us.

Your cooling off rights

You can return your policy to us within 14 days of the commencement or renewal of your insurance. If we receive your written request to cancel this policy within this 14 day period, we will cancel the policy effective from the commencement, (or renewal) date, and give you a full refund (less any taxes or duties payable that we are unable to have refunded). You cannot use this right where, before the 14 day period ends, you have exercised any of your rights or powers under the policy (e.g. you have made a claim). After the cooling off period ends you still have cancellation rights under the policy.

Determining your premium

When you purchase your insurance we will tell you the premium you must pay, which is determined by considering factors such as the cover you want, the property you are insuring, the applicable limits and excesses and your insurance history. It also includes any compulsory government charges or taxes (such as Stamp Duty and GST and Fire Services Levy) that we are obliged to pay for your insurance. Your premium, including these charges, will be noted on your Insurance Certificate.

Cancelling your insurance

You can cancel your insurance at any time by letting us know in writing. We will refund any unused portion of your paid premium less any commissions, taxes and charges that we are unable to recover. We can cancel your insurance to the extent permitted by law, for example if you do not comply with the policy terms and conditions, if you fail to pay your premium, if you make a fraudulent claim or if you did not comply with your duty of disclosure or misrepresented information when you entered into this insurance contract. If we cancel your policy, we will send you a cancellation letter.

Renewing your insurance

At least 14 days before your insurance expires we will advise you whether we intend to renew your insurance or not, and if so, on what terms. You are not obliged to renew your insurance with us. Your cooling off period continues to apply on each renewal. Each renewal is a separate contract and not an extension of the prior contract.

POLICY CONDITIONS AND YOUR RESPONSIBILITIES

You must abide by the conditions of this policy such as the conditions detailed below and the conditions applicable to the making of a claim. If you do not, your policy may not operate and we may reduce or refuse to pay a claim and cancel your policy.

Understand your Duty of Disclosure

Before you enter into an insurance contract, you have a duty of disclosure under the Insurance Contracts Act 1984.

If we ask you questions that are relevant to our decision to insure you and on what terms, you must tell us anything that you know, or could reasonably be expected to know, may affect our decision to insure you and on what terms.

You have this duty until we agree to insure you.

You have the same duty before you renew, extend, vary or reinstate an insurance contract.

You do not need to tell us anything that:

- reduces the risk we insure you for; or
- is common knowledge; or
- we know or should know as an insurer; or
- we waive your duty to tell us about.

If you do not tell us something

If you do not tell us anything you are required to, we may cancel your contract or reduce the amount we will pay you if you make a claim, or both. If your failure to tell us is fraudulent, we may refuse to pay a claim and treat the contract as if it never existed.

Ensure your premiums are always paid

You are responsible for ensuring that your premiums are paid and kept up to date or your cover could be put at risk.

Your property

You must keep your building and contents in good condition and repair and always protect them. Any loss or damage caused by poor maintenance is not covered under this policy.

You must also make reasonable efforts to protect your building and contents from any loss or damage. If you make a claim and knew about something that could cause loss or damage to your property and you did not make reasonable efforts to avoid it before the loss or damage occurred, then your claim may not be paid. If you do suffer loss or damage to your property, you must also make reasonable efforts to prevent any further loss or damage.

Building work

You must tell us before you carry out any building work at your location if the total value of that work is likely to be more than \$100,000. If you notify us in advance of any building work, we may be able to provide you with liability cover during this period.

Leaving your building unoccupied

You must tell us if your building will not be occupied for a period exceeding 100 consecutive days. If you let us know before your building becomes unoccupied, we may be able to provide cover during this period.

Keep proof of ownership of your property

When you make a claim for loss or damage to an item, we will require proof that you owned the item and of its value or your claim may not be paid. The easiest way to do this is by keeping receipts, manuals and warranties for any items you purchase. If you cannot find any of these, you can for example, take detailed photographs of your property.

Inspection reports

You must complete a property inspection:

- when a new lease or rental agreement commences;
- when an existing tenant vacates the property;
- on an annual basis if there is a long term tenancy.

If you make a claim, you must provide us with copies of all property inspection reports.

Lease or rental agreement requirements

You must have a written lease or rental agreement for the property for a period of 6 months or more in order to have cover under the Rent default and subsequent legal expenses policy option. For details, see the 'How we settle claims under our benefit for Rent default and subsequent legal expenses' section. All contents insured by this policy must be listed in the property condition report or inventory that forms part of the lease or rental agreement.

WHAT YOU ARE INSURED FOR

When you insure your building and/or your contents under this policy, you will be covered for sudden and unexpected accidental loss or damage that occurs during the period of insurance and at the location up to the amount shown on your Insurance Certificate.

This cover includes but is not limited to loss or damage by:

- tenants;
- malicious damage or vandalism;
- deliberate acts;
- fire;
- lightning or explosion;
- storm, wind and water;
- earthquake and tsunami;
- theft;
- bursting, leaking, discharging or overflowing of fixed apparatus;
- flood;
- impact.

There are limitations to the cover provided for certain events or losses and these are detailed under 'When we will not pay a claim for loss or damage under this policy'. These limitations they may prevent a claim from being paid at all.

There are additional benefits which extend the cover provided under this policy. These benefits extend the situations in which we will pay a claim or the amount we will pay in the event of a claim.

BUILDINGS

What are your buildings?

We consider the following as your buildings when they are situated at the location:

- residential buildings including any professional offices or surgeries in those buildings;
- domestic outbuildings;
- fixed coverings to walls, floors and ceilings, not including fixed carpets, curtains or internal blinds;
- services, which include the supply of electricity, water and gas;
- items built in, fixed to or on the buildings;
- blinds or awnings on the outside of the buildings;
- paved terraces, driveways, retaining walls, fences and gates;
- swimming pools, saunas and spas that are permanently installed;
- anything permanently built, permanently constructed or permanently installed on your property for domestic purposes that complies with all relevant building laws and rules.

What are not your buildings?

Your buildings do not include:

- property of tenants and property that a tenant is liable for under the terms of a lease or rental agreement;
- landscaping, plants, shrubs, trees or grass

CONTENTS

What are your contents?

We consider the following your contents:

- carpets, curtains and internal blinds;
- swimming pools and spas not permanently fixed;
- furniture and furnishings that are not built in;
- fine art, paintings, antiques and curios and other bone fide works of art or curios up to \$1,000 any one article up to a maximum of 5% of the contents sum insured for any one claim unless they are listed on the Insurance Certificate as specified contents;
- portable domestic appliances that are not built in.

What are not your contents?

The following are not your contents:

- money and negotiable documents, jewellery, watches and any items that contain gold or silver;
- unset precious and semi-precious stones;
- office and surgery equipment, including tools belonging to you and your business;
- clothing and personal effects;
- sporting equipment;
- photographic equipment;
- collections of stamps, medals, coins or curios;
- building materials;
- keys to doors or window locks and the combination to safes;
- portable electronic items including, media players, electronic diaries, laptop, computers, mobile phones, televisions, cameras, video cameras and accessories and equipment for all such items;
- plants and trees growing outdoors. This does not include plants and trees growing in pots or tubs;
- animals, including birds and fish;
- pedal cycles, watercraft, jet skis, motor vehicles, motorcycles, caravans, trailers, hang gliders or aircraft;
- any items that are defined as your building.

ADDITIONAL BENEFITS WHEN YOU HAVE BUILDING AND/OR CONTENTS COVER

The following additional benefits are paid in addition to your sum insured unless otherwise stated. The benefits are to be read in conjunction with the policy as a whole including the section titled 'When we will not pay a claim for loss or damage under this policy'.

Loss of rent following damage

When we accept a claim and we agree that your tenant cannot safely reside in or access the building because of damage caused to your, or an adjoining building, we will pay the actual rent you lose while the building is being repaired or rebuilt.

We will also pay for loss of rent if your tenant is denied legal access to your building by a local, state or Commonwealth authority.

We will not pay for loss of rent:

- beyond the period it should reasonably take to repair or rebuild your building;
- if your building has not been tenanted for more than 100 consecutive days immediately before the loss or damage.

The most we will pay under this benefit is the lesser of:

- 12 months' rent at the weekly rental amount shown on the current written lease or rental agreement;
- 12 months' rent at the maximum amount per week listed on your Insurance Certificate; or
- the actual rent you lose.

Rent default and subsequent legal expenses

We will pay reasonable costs of tenant default when:

- your tenant leaves your building before the end of the rental period stated in the lease or rental agreement and does not give you or your agent notice;
- your tenant does not pay rent owing under the lease or rental agreement and leaves your building;
- your tenant does not pay rent and is legally evicted from your building (whether they actually leave the building or not).

Cover will commence from the day following the tenant's rent 'paid to' date, through to whichever of the following events occurs first:

- the property is re-let; or
- the tenant's lease expires.

The most we will pay for your loss of rent arising out of these events is the lesser of:

- 18 weeks rent at the weekly rental amount shown on the current written lease or rental agreement;
- 18 weeks rent at the maximum amount per week listed on your Insurance Certificate; or
- the actual rent you lose due to your tenant's non-compliance with their lease or rental agreement.

If we accept a claim for loss of rent under this section of the policy we will:

- with our prior agreement, also pay your legal expenses up to a maximum of \$7,500 for each claim. The cover under this benefit for legal expenses is restricted to costs incurred to reduce a claim for loss of rent;
- pay you up to \$500 for costs you incur for your property manager representing you at a Residencies Tenancy Tribunal. This amount will only be paid if it is listed in the Property Management Agreement between you and the Managing Agent. This excludes costs such as court/tribunal, lodgment or application fees;
- pay you up to \$500 in re-letting costs if the tenant's bond money is exhausted.

For further conditions and exclusions relating to Rent default and subsequent legal expenses, refer to the section titled 'How we settle claims under the benefit for Rent default and subsequent legal expenses'.

Death of the sole tenant

We will provide cover for the loss of up to 18 weeks rent, limited to a maximum of \$1,500 per week, or the amount per week listed on your Insurance Certificate any one claim as a result of the death of the sole tenant that occurs before the end of the tenancy period of your lease or rental agreement or during a periodic tenancy agreement.

Cover will start from the date of the sole tenant's death, however we will not pay if the sole tenant had given you or your agent notice in accordance with the lease or rental agreement or periodic tenancy agreement prior to their death.

This cover will stop immediately if your rental property is re-tenanted. The standard excess will apply to this benefit.

Tenant hardship

We will provide cover for the loss of up to 6 weeks rent, limited to a maximum of \$1,500 per week, or the amount per week listed on your Insurance Certificate any one claim as a result of the legal termination of your lease or rental agreement or periodic tenancy agreement by a Residential Tenancies Tribunal or another relevant authority on the grounds of hardship on the part of the tenant.

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

This cover will stop immediately if your rental property is re-tenanted. The standard excess will apply to this benefit.

Electric motor burn out

We will pay the cost of repairing or replacing any motor, that forms part of your building when we insure your building and/or contents when we insure your contents, that has suffered motor burn out.

We do not cover:

- motors that are more than 15 years old from the date of manufacture or any motor under any form of warranty;
- motors with a power output greater than 3.7kw;
- fuses, switches, electrical contacts or protective devices;
- the cost of any part, such as a bearing, filter or dryer, which does not form part of a motor, and was fitted during the repair or replacement of the motor.

Motor burnout refers to an item with an electric motor that has fused due to the actual burning out of the wiring of the motor by an electrical current.

Costs of Fumigation

We will pay up to \$5,000 for the reasonable costs for fumigating your building following the death of a person in the tenancy insured by this policy

Taxation audit

We will pay up to \$5,000 for professional fees which you incur as a result of your taxation affairs being audited by the Australian Taxation Office in relation to the property insured under this policy.

We will not cover an audit that is not commenced during the period of insurance or an audit conducted in relation to:

- any facts or circumstances of which you were aware of, or ought to have been aware of, prior to the commencement of this policy which were likely to lead to your making a claim under this policy;
- any taxation affairs not related to your investment property;
- criminal activity or which results in a criminal prosecution.

You are not covered for fines, penalties or any shortfall in the amount of tax payable. You are also not covered for any fees incurred:

- which do not relate directly to the audited accounts;
- in relation to any enquiries from the Australian Taxation Office which are not related to an identified intention to conduct an audit;
- 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.

ADDITIONAL BENEFITS WHEN YOU HAVE BUILDING COVER

The following additional benefits are provided in addition to the sum insured:

Landlord's contents

We will pay up to \$60,000 for loss or damage to your contents contained within the building that have been provided for use by your tenant, provided all items have been noted on the lease or rental agreement. If this cover provided is not adequate for your needs, you must take out separate contents insurance. This benefit will only be paid if your contents have not been insured separately.

Mortgage discharge

We will pay up to \$5,000 for the reasonable legal costs to discharge and reinstate your mortgage and the preparation of new title deeds following the settlement of a claim for the total loss of your building.

Removal of debris

We will pay the reasonable costs of demolishing and removing any buildings debris when damage or loss occurs. The most we will pay under this benefit is 20% of your building sum insured.

Architects, surveyors and legal fees

We will pay the reasonable costs of architects, surveyors and legal fees when loss or damage occurs. The most we will pay under this benefit is 20% of your building sum insured.

Cover during the sale of the insured property

If you have entered into a contract to sell your property, we will extend the cover provided for your building to include the interests of the purchaser. This additional cover will cease upon the earlier of the following:

- the contract settlement date;
- the purchaser insuring the property;
- the purchaser becoming responsible for damage to the property;
- the termination of the sale contract;
- your building insurance with us comes to an end.

Continued liability cover when your building is destroyed

If a claim for your building is settled on a total loss basis, we will continue to cover your legal liability as owner or occupier of the building's location for up to six months from the date your building was destroyed. This additional cover will cease upon the earlier of the following:

- the expiry date of your building insurance with us;
- construction of a new building commences at the location;
- you sell the location;
- you take out a new insurance policy for the location.

Landscaping costs following a claim

We will pay up to \$2,000 for the reasonable costs of replacement of landscaping features such as trees, shrubs, bushes, rock features, fountains and ponds that are damaged in an incident that results in a claim that we accept for your buildings.

Water or gas costs following a claim

We will pay up to \$500 for the reasonable costs of metered water or gas that you become legally liable to pay following a claim that we accept for your buildings.

Environmental benefit

If your buildings have been totally destroyed by an insured event and we have agreed to rebuild your buildings, we will pay up to a maximum of \$5,000 of the cost to you, after deduction of any rebate you are eligible for under any government or council rebate scheme, to install (including all components) any combination of:

- a rainwater tank facility;
- a solar power system;
- a hot water heat exchange system;
- a grey water recycling system.

ADDITIONAL BENEFITS WHEN YOU HAVE CONTENTS COVER

The following additional benefits are provided in addition to the sum insured:

Removal of debris

We will pay the reasonable costs of removing any contents debris when loss or damage occurs. The most we will pay under this benefit is 10% of your contents sum insured.

Strata title owner improvements

If the insured property is a strata title we will pay for loss or damage to fixtures and fittings you have installed that are not insured by the body corporate. The most we will pay under this benefit is \$60,000.

WHEN WE WILL NOT PAY A CLAIM FOR LOSS OR DAMAGE UNDER THIS POLICY

You are not covered for any loss or damage caused by or resulting from:

- bushfire/grassfire or named cyclone which occurs within the first 48 hours of the start of this policy unless:
 - you transferred a building and/or contents insurance policy, with equivalent cover, to us from another insurance company without an interruption in cover;
 - you have entered into a contract of sale during that period to purchase the insured property.
- your building being unoccupied for longer than 100 consecutive days, unless you have told us about this and we have agreed to provide cover;
- actions of the sea including tidal waves, and high tides;
- gradual deterioration, including wear and tear, rust, corrosion, depreciation, fading or deterioration from exposure to light;
- mould or mildew or fungi, wet or dry rot, rising damp or dampness;
- inherent defects, structural defects, faulty workmanship, faulty design and errors or omissions in design;
- poor maintenance;
- insects, vermin or by the pecking, clawing, eating or nesting by birds and other wildlife;
- any earth movement not caused by earthquake including erosion, mudslide, collapse, earth shrinkage, expansion and vibration;
- landslide or subsidence unless it occurs within 72 hours and is a direct result of one of the following:
 - storm, rainwater or wind;
 - earthquake;
 - explosion;
 - escape of liquid from a fixed pipe or something attached to a pipe, fixed gutter, fixed tank or fixed drain.
- tree roots, tree felling or tree lopping at the location;
- tenant neglect, carelessness, poor housekeeping or unhygienic living habits;
- scratching, denting or chipping;
- maintenance or any other repair work performed by tenants or anyone acting on their behalf;
- water other than as a result of flood entering your buildings through an opening made for any building, renovation or repair work or because of a structural defect, faulty design or faulty workmanship when your building was constructed;
- water that has seeped or percolated into your building or has entered your building because of inadequate maintenance;

- any malicious damage or vandalism or deliberate acts by you or members of your family living with you or a person acting with your consent or the consent of any member of your family living with you;
- any process of cleaning involving the application of heat or the use of chemicals, other than domestic household chemicals;
- power surge unless caused by lightning;
- mechanical, electrical or electronic breakdown or malfunction including when caused by any power supply irregularity including power surge unless directly caused by fire, storm, rainwater, malicious damage or covered otherwise by the 'Electric motor burn out' benefit in this policy;
- a defect in an item, faulty workmanship, structural defects or faulty design;
- the removal or weakening of supports or foundations for the purpose of alterations, additions, renovations or repairs;
- damage to swimming pools or similar structures caused by hydrostatic or hydrodynamic pressure;
- any consequential loss or loss of profit other than loss of rent as set out in this policy;
- animals owned by the tenant other than domestic cats and dogs, caged birds or caged rodents provided that the animals are listed on the lease or rental agreement.

You are also not covered for:

- the costs in excess of \$20,000 to repair or replace any one contents item, pair set, collection or system, unless otherwise noted on your Insurance Certificate as Specified Contents;
- the costs in excess of \$5,000 for claims for loss or damage to contents items in the open air. Open air means anywhere at the location that is not common property and is not fully enclosed by walls and a roof and is able to be secured;
- the cost to repair or replace a fixed tank, pipe or drain that burst, leaked, discharged or overflowed, however we will pay the reasonable costs to locate and identify where the liquid escaped from provided that it caused damage to your building;
- the cost to repair or replace the bath, basin, sauna, spa, shower base if the damage or loss was caused to your buildings by liquid escaping from a bath, basin, sauna, spa, shower base or shower wall, however we will pay for any resultant damage to other parts of your building or contents;
- damage to a heating element. We will pay for any resultant damage following damage to a heating element;
- storm, rainwater or wind damage to retaining or freestanding walls that are greater than 15 years old and are not made of metal, stone or brick.

(Please refer to the section 'When we will not pay a claim for loss, damage or liability' for further exclusions)

LIABILITY

We will cover you for legal liability to pay compensation as a result of an occurrence caused by your negligence, happening during the period of insurance that causes death, personal injury or loss or damage to others' property.

Your Insurance Certificate will indicate the most that we will pay in total for any event(s) arising directly or indirectly from the one original accident, source or cause. In addition to this amount we will pay all legal costs and expenses incurred with our consent or which you have a legal liability to pay. If we agree to pay your claim we will pay the costs of compensation awarded by a court or a settlement agreed to by us and your reasonable legal fees and costs that we incur on your behalf or that you incur with our written consent. You can only claim for legal fees and expenses if we have agreed to them in writing before you incur them.

When we will pay

If your building is insured, we will pay the amount you have to pay for personal injury or loss or damage to others' property arising from your ownership of your building and the land on which it stands. If your contents are insured we will pay the amount you have to pay arising out of any defect in your contents.

If you have insured your contents and you own part of a building that is strata titled, 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 incident that happens in any common areas of the building.

Definitions for liability cover

occurrence means an event which results in personal injury or property damage neither expected nor intended from your standpoint. All personal injury or property damage arising out of continuous or repeated exposure to substantially the same general conditions will be construed as arising out of one occurrence.

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;
- 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.

WHEN WE WILL NOT PAY UNDER THE LIABILITY SECTION

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;
- use of a caravan or trailer;
- 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, or loss or damage to property belonging to any person you employ and that injury, loss or damage arises out of 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;
- 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 \$100,000;
- any agreement or contract you enter into however we will pay for your liability if you would have been liable without the agreement or contract;
- 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 indemnified 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 period of insurance;
- any actual alleged or threatened contamination or pollution of any property, land, the atmosphere or any watercourse or body of water (including groundwater) other than arising from an occurrence which is neither reasonably expected or intended by you and is a consequence of a sudden cause which takes place at a clearly identifiable time and place during the period of insurance;

- any loss or damage in connection with the common property where the building is a strata titled property;
- any event or liability for which you or your family are required by law to hold an insurance policy;
- any claims made against you because your body corporate failed to insure (or adequately insure) against property damage as required by relevant state or territory, strata title or unit legislation;
- your ownership or occupancy of any land or buildings other than the location listed on the Insurance Certificate;
- any activity involving riding, sitting on, mounting or dismounting an animal.

WHEN WE WILL NOT PAY FOR A CLAIM FOR LOSS, DAMAGE OR LIABILITY

You are not covered for any loss, damage or liability caused by or resulting from, or the costs incurred from or of:

- war, invasion, acts of foreign enemies, hostilities (whether war is declared or not), civil war, rebellion, revolution, insurrection or military or usurped power or by contamination or pollution by chemical, biological or nuclear agents which results from an act of terrorism;
- ionising radiation, contamination by radioactivity from any nuclear weapons material, nuclear fuel or waste, or the combustion of nuclear fuel or waste where the combustion is a self-sustaining nuclear process;
- confiscation or damage caused by the lawful seizure, confiscation, nationalisation or requisition of or damage to, the insured property by a government, public or local authority;
- the erection or demolition of buildings;
- settlement, shrinkage, vibration or expansion in buildings, foundations, walls or pavements;
- wharfs, jetties or pontoons;
- asbestos or any product containing asbestos.

WHAT HAPPENS IF YOU NEED TO MAKE A CLAIM?

If an event occurs that is likely to result in a claim, the following checklist will help you ensure that you have done everything you need to, so that your claim can be assessed quickly. Not all items may be applicable to your claim.

First you should:

1. do what you can to prevent any further loss, damage, cost or liability;
2. tell the police if the event involves theft, attempted theft, malicious damage or vandalism, civil unrest or impact by a vehicle;
3. call us on 1300 CALL AUA (1300 22 55 28).

You must never, without our consent:

- admit guilt, fault or liability (except to the Police);
- offer or negotiate to pay a claim;
- approve any repairs or arrange replacements (other than emergency repairs necessary to minimise or prevent further loss or damage);
- dispose of any damaged property.

We will also require you to:

- provide us with the proof that we need regarding lost or damaged items;
- help us manage the claim, which may include us inspecting your building or asking you questions, or you providing written statements to us under oath;
- allow us to take possession of damaged property that is the subject of a claim;
- keep items that have been damaged and allow us to inspect them or assess repair costs;
- send us any communication you receive relating to the claim (including telling us of pending court proceedings or offers of settlement);
- help us as we work to negotiate, defend or settle any claim made under this insurance and to exercise for our benefit your legal right of recovery against any other party;
- tell us about any other insurance that may be relevant to the claim.

How we settle claims for your building

When we agree to pay a claim for your building, we will rebuild or repair your building as new, or pay you the cost of rebuilding or replacing it, at our discretion. We will only pay up to your building sum insured, or any lesser limit that applies, less any applicable excess.

We will only pay to repair or rebuild that part of your building that was damaged. We do not cover any additional expenses to replace undamaged parts of your building to create a uniform appearance. Where the original materials used to build your building are not readily available in Australia, we will pay for the cost of materials we believe to be of a similar kind or quality.

How we settle claims for your contents

When we agree to pay a claim for your contents, we will at our discretion, repair or replace any lost or damaged item or pay you the cost of repairing or replacing the item (if unusual circumstances exist), based on the amount that it would have cost us to repair or replace it. We will pay up to your contents sum insured, or any lesser limit that applies to the item, group of items or event, less any applicable excess. Where we can, we will match materials and contents or where this is not possible, use materials and contents that in our opinion match as near as reasonably possible.

If the lost or damaged item is part of a collection, we will only pay for the repair or replacement of the damaged or lost item. We will not pay for any resulting decrease in the value of the collection. Claims for the replacement or repair of damaged fixed carpets will be limited to the passageway, room or stairwell where the damage occurred.

Replacement is on a new for old basis but does not apply to items that are over 20 years old. We will settle your claim for the items over 20 years old after allowing for wear, tear and depreciation (indemnity basis).

Bond Money

Where you are entitled to use bond money to pay for or reduce the costs of any loss or damage, you must do so and the amount of that entitlement will be deducted from your claim. Your policy will operate on the basis that a bond equivalent to four weeks rent has been collected.

How we settle claims under the benefit for Rent default and subsequent legal expenses

If a claim for rent default can be made under more than one of the events covered by this benefit, you may only claim under one of these events. When we pay a claim for Rent default and subsequent legal expenses, the claim will be reduced by the balance, if any, of any bond money remaining after deduction of allowable re-letting expenses and any other costs or expenses you are legally entitled to deduct from the bond money.

We will not pay for:

- rent default and/or legal expenses unless you have a written lease or rental agreement in place from the time your tenant takes up residence, which states:
 - the term of the rental period;
 - the amount of rental payable;
 - the amount of the bond that the tenant is required to pay.

An in force periodic tenancy agreement is acceptable provided that the existing tenancy commenced with a written lease or rental agreement.

- legal expenses other than those incurred with our prior written approval;
- loss of rent if the tenant's rent payment is in arrears at the commencement date of this policy. This cover will not operate until the rent arrears have been paid and the tenant has paid usual rent for a period of not less than four weeks;

- arrears that have accrued up to the time that your tenant departs the building if you or your agent fail to issue and/or act on breach notices as provided under the relevant residential tenancies act applicable to your state or territory.

How claims impact your policy

After we pay a claim under your policy, other than a claim for a total loss, the amount you are insured for will remain the same as the value shown on your Insurance Certificate at the date of loss.

If a claim is for the total loss of your building or contents, your insurance will cease as soon as we accept liability and a settlement amount has been formally agreed. No premium refund is due if you have paid your premium annually.

Automatic increase of sum insured

If you have a loss for your building or contents, we will increase your sum insured by the amount that the Consumer Price Index has increased since you took out your policy or last renewed it. This increase will not apply to any Special Contents specifically listed on your Insurance Certificate.

Goods and Services Tax (GST)

Any claim payments made under this policy will be based on GST inclusive costs. However, if you are or would be entitled to claim any input tax credits for the repair or replacement of insured property or for other things covered, we will reduce any claim under the policy by the amount of such input tax credits.

YOUR EXCESS

Your excess is the amount that you agree to contribute at the time that a claim is paid. The excess selected for your building and contents will be clearly documented on your Insurance Certificate.

In the event of an earthquake a fixed excess of \$500 will apply to each event. Loss or damage must occur to you building and or contents within 72 hours of an earthquake to be considered one event. If you do have a claim for this event the higher of the selected excess and the fixed excess will apply.

Claims made for loss or damage caused by tenants or their pets (unless otherwise excluded) and under the additional benefit 'Rent default and subsequent legal expenses' will be subject to an excess of \$400.

WORDS WITH SPECIAL MEANING

accident means an event you did not intend or expect to happen.

accidental loss or damage means a sudden or unexpected loss to insured property but excludes:

- damage caused over a period of time;
- neglect, wear and tear;
- damage that is otherwise excluded in this PDS.

agent means the real estate management company acting as the manager of the property.

allowable re-letting expenses means the re-letting expenses as specified in the current lease or rental agreement for the property.

bond money means money paid by the tenant and held as a security against damage to the property or outstanding rent.

claim means a separate identifiable event for which the policy provides cover. Where multiple events are submitted at the same time they will be treated as different claims for the application of any excess.

deliberate acts means an act carried out without your permission but without any malice, vindictiveness or spite and with the full knowledge that the action will alter the current state of the property.

event means any single occurrence resulting in loss or damage.

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

- a lake (whether or not it has been altered or modified);
- a river (whether or not it has been altered or modified);
- a creek (whether or not it has been altered or modified);
- another natural watercourse (whether or not it has been altered or modified);
- a reservoir;
- a canal;
- a dam.

incident means an event neither expected nor intended from your standpoint which results in a claim on this policy.

Insurance Certificate is the latest insurance certificate we send you which forms a part of our contract with you and sets out the types and amount of cover you have selected.

location means the land at the insured address on the Insurance Certificate. The location does not include common property.

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

occurrence means either

- 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 either:
 - not intended or expected;
 - have the same cause;
 - attributable to the same source.

period of insurance means the period during which this policy is current. The period of insurance is stated on your Insurance Certificate. If this insurance policy is cancelled, the period of insurance terminates when the cancellation becomes effective. Unless otherwise stated the period of insurance commences and ends at 4pm on the days stated as the period of insurance on the Insurance Certificate.

re-letting costs means costs that the tenant can be held liable for under their lease and the relevant Residential Tenancy Act.

rent default means that the tenant:

- is still occupying the building but not paying rent and has been issued with the appropriate breach notices as provided for under the relevant residential tenancies act applicable to your state or territory;
- has left the building before the end of the rental period stated in the lease or rental agreement and has not given you or your agent notice.

tenant means the person(s) named in the lease or rental agreement or periodic tenancy agreement and includes that person's partner, children, and any other person(s) permanently living at the situation.

terrorism means 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.

unoccupied means that either no-one is living in the building or someone is living in the building without your consent.

we, us or our means Arcadia Underwriting Agency Pty Ltd, ABN 51 602 032 851, acting as an Authorised Representative of The Hollard Insurance Company Pty Ltd (ABN 78 090 584 473) (AFSL 241 436).

you, your means the policy holder or policy holders named on the Insurance Certificate.

OTHER IMPORTANT MATTERS

How we protect your privacy

We are bound by the Australian Privacy Principles (APPs) under the Privacy Act 1988 (Cth) and comply with the Privacy Act 1988 (Cth). We are committed to ensuring that all our business dealings comply with the APPs and acknowledge the importance of keeping personal details for individuals confidential and secure.

We collect personal information for the purpose of providing insurance, including arranging insurance, policy administration and claims handling. Without this information, we are not able to provide you with the services you require.

If you would like a copy of our privacy policy, would like to seek access to or correct your personal information, or opt out of receiving materials we send, please contact us. Our detailed privacy policy can be viewed on www.hollard.com.au or a copy can be obtained by phoning 02 9253 6600.

Financial Claims Scheme

Hollard is an insurance company authorised under the Insurance Act 1973 (Insurance Act) to carry on general insurance business in Australia by the Australian Prudential Regulation Authority (APRA) and is subject to the prudential requirements of the Insurance Act. The Insurance Act contains prudential standards and practices designed to ensure that, under all reasonable circumstances, financial promises made by Hollard are met within a stable, efficient and competitive financial system.

The protection provided under the Financial Claims Scheme legislation applies in relation to Hollard and the policy. If Hollard were to fail and were unable to meet their obligations under the policy, a person entitled to claim under the policy may be entitled to payment under the Financial Claims Scheme (access to the Scheme is subject to eligibility criteria). Information about the Financial Claims Scheme can be obtained from the APRA website at www.apra.gov.au or the APRA hotline on 1300 55 88 49.

Hollard is exempted from the requirement to meet the compensation arrangements Australian financial services licensees must have in place to compensate retail clients for loss or damage suffered because of breaches by the licensee or its representatives of Chapter 7 of the Corporations Act. Hollard has compensation arrangements in place that are in accordance with the Insurance Act.

The Dispute Resolution Process

We welcome every opportunity to resolve any concerns you may have with our products or service. In the first instance contact Arcadia or your broker.

If your concern is still not resolved to your satisfaction please write to our Internal Dispute Resolution Committee at:

Post The Hollard Insurance Company Pty Ltd
Internal Dispute Resolution Committee
Locked Bag 2010, St Leonards NSW 1590

Email resolution@hollard.com.au

Phone (02) 9253 6600

Your concern will be investigated by an officer with full authority to deal with the complaint and you will be informed of the outcome within fifteen working days of receiving your concern. If your concern still remains unresolved to your satisfaction or has not been resolved within 45 days, you may refer the matter to the Financial Ombudsman Service (FOS) subject to its terms of reference, which acts as our external dispute resolution provider. FOS is an independent body and its service is free to you.

FOS can be contacted via:

Post GPO Box 3, Melbourne, VIC 3001

Web www.fos.org.au

Email info@fos.org.au

Phone 1800 367 287

A decision of FOS is binding on us (up to specified jurisdiction limits). A decision of FOS is not binding on you and you have the right to seek further legal assistance.

General Insurance Code of Practice

Hollard is a signatory to the General Insurance Code of Practice. The objectives of this Code are to:

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

You can obtain a copy of the Code from the Insurance Council of Australia website www.insurancecouncil.com.au or by phoning (02) 9253 5100.

Updating our PDS

We may need to update this PDS from time to time if certain changes occur, where required and permitted by law. We will issue you with a new PDS or a Supplementary PDS or other compliant document to update the relevant information except in limited cases. Where the information is not something that would be materially adverse from the point of view of a reasonable person considering whether to buy this insurance, we may issue you with notice of this information in other forms or keep an internal record of such changes (you can get a paper copy free of charge by calling us).



Arcadia

Underwriting Agency

Arcadia Underwriting Agency Pty Ltd

Level 3, 342 Flinders St, Melbourne, VIC 3000

E: info@arcadiaunderwriting.com.au

P: 1300 CALL AUA (1300 22 55 28)