

Investor Insurance

Product Disclosure Statement

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INSURANCE

The issuer of this product is RACT Insurance Pty Ltd ABN 96 068 167 804 AFS Licence No 229076.

The Royal Automobile Club of Tasmania Limited ABN 62 009 475 861 acts as an agent for RACT Insurance Pty Ltd, not as your agent.

RACT Insurance Pty Ltd

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This PDS came into effect on the 1 September 2021

Introduction

Product Disclosure Statement

We are pleased to provide you with this Product Disclosure Statement (PDS), which sets out important information on our RACT Insurance product.

This RACT Insurance product is for investors (landlords) who rent out or tenant their property, and consists of the following policies for you to choose from:

Investor basic – pages 21- 35, pages 39 - 49

Investor plus – pages 21 - 38, pages 39 - 51

Investor basic is our standard cover for tenanted properties and includes cover for loss or damage caused by insured events, as well as a range of additional covers (including loss of rent caused by an insured event).

Investor plus is our premium cover for tenanted properties and includes the same cover as Investor basic, but also includes cover for default of rent and malicious damage by tenants.

You can choose the cover that meets your particular needs. The type and level of cover you have selected will be shown on your current schedule, and will apply to your building, or to your building and contents, depending on what cover you have chosen.

In order to properly understand the significant features, benefits and limits of each of the covers available, you need to read the relevant policy sections, which set out the cover we can provide, what you are and are not insured for, any additional benefits and special conditions that apply, and how claims are settled.

If you're about to read this PDS because loss or damage has been caused to your building or your contents and you haven't already called us, please do so now on 13 27 22 or visit our website at www.ract.com.au. That's the very best way of getting the help you need as quickly as possible.

Premium and Payments Guide

The Premium and Payments Guide (PPG) is a document containing information about how we calculate your premium, and how we determine excesses and discounts in connection with your policy.

You may obtain a copy of the PPG by contacting us on 13 27 22, visiting your nearest branch or visiting our website at www.ract.com.au.

Who is this product for?

The cover described in this PDS has been developed to be consistent with the likely needs, objectives and financial situation of customers described in a Target Market Determination that can be found at www.ract.com.au, or by phoning 13 27 22.

This policy is a consumer insurance contract as defined by the Insurance Contract Act 1984..

Important information about your policy

Our agreement with you

When we agree to enter into a policy with you, we will issue you with a policy schedule, PPG, this PDS and any Supplementary PDS we may issue.

Together these documents make up the terms and conditions of your insurance contract. We recommend you read them carefully and store them together in a safe place.

More than one insured

If your current schedule shows more than one named insured, any actions including but not limited to, changes, requests, cancellations, omissions, statements, claims or acts generated by one insured will be treated as having come from all those named as an insured on your current schedule.

We may agree to make any requested changes without notice to any other person named as an insured on the current schedule.

Changes to your policy

You must contact us when:

- your contact details change;
- any information on your current schedule is no longer accurate, such as the insured address;
- you need to update your sum insured, for example, following completion of building renovations;
- your building will become unoccupied for more than **60 consecutive days**;
- you or your tenant start to operate or intend to operate a business at the insured address;
- you or your tenant change any business activity that we have accepted when insuring your building, such as changing the type of business, or people start visiting the insured address for the business activity;
- you purchase a new building or sell the building insured by this policy;

- you intend to move into the building and tenants will no longer be residing in the building;
- any part of your building is used as a hotel, motel, bed and breakfast, homeshare, boarding or guest house;
- you enter into a crown land agreement.

When you advise us of any changes, and we agree to make the change to your policy, we will give you written confirmation of our agreement to the changes. We may apply an additional excess, charge additional premium or impose a special condition on your policy. In some cases, we may no longer be able to offer you cover and if this occurs we will cancel your policy. For full details, see [Cancelling your policy on page 66](#).

Notices

We will give you any notice in writing. The notice will be effective if it is delivered to you personally or if it is sent to your address last known to us, including when it is sent to your nominated email address.

When we offer to renew your policy, we will send you a renewal notice at least 14 days before your policy expires. If we decide not to offer to renew your policy, we will advise you of this decision at least 14 days before your policy expires.

Your responsibilities

You must:

- Answer our questions honestly, accurately and to the best of your knowledge. You have a duty to take reasonable care not to make a misrepresentation to us when we ask you questions before we agree to insure you (and before we agree to renew or vary your policy). If you make a misrepresentation to us and it is made fraudulently we may treat the contract as if it never existed;
- take reasonable steps to prevent loss, damage or legal liability;
- take care of the insured property (including keeping the property in good order and repair and well maintained, see [Page 61 for Definitions](#));
- provide honest and complete information for any claim, statement or document supplied to us;
- not behave in a way that is threatening or abusive when engaging with us and our service providers; **and**
- comply with the terms and responsibilities set out in your insurance contract.

If you do not meet your responsibilities we may cancel your contract or reduce the amount we will pay you if you make a claim or both.

Cooling-off period

You have **21 days** from the commencement of your policy in which you can cancel it. All you need to do is contact us on 13 27 22 or visit your nearest branch. You do not need to give us a reason. Provided you have not made a claim under the policy, we will cancel it and provide you with a full refund of the premium you have paid. You will not be able to make any claim under the policy once you have cancelled it.

Your sum insured

You need to ensure your sums insured are accurate when you insure your building, or your building and contents, and also each time you renew your policy.

To ensure your sum insured is adequate, it is important to review it regularly, being mindful of:

- age, construction, condition, style, layout, features and outbuildings;
- rebuild costs, professional fees and cost of demolition;
- any building work or renovations recently completed at the insured address;
- any items recently purchased, including any additional or updated contents items for the use of your tenant.

If your sum insured is inadequate you may suffer serious financial loss. It is your responsibility to ensure that your sum insured reflects the true replacement value.

You can ask us to change the sum insured at any time, for example, following the completion of any building renovations. The sum insured for your building should not include the value of the land.

If you are unsure of values, you may choose to use an expert such as a professional valuer or builder, or you can visit our website at www.ract.com.au where you will find sum insured calculators that may assist you to calculate your sum insured.

Automatic adjustment of your sum insured at renewal

When your policy is due for renewal, we may increase your sum insured to allow for any increase in building costs and inflationary trends.

The schedule that we provide you at renewal will show the new sum insured. It is your responsibility to ensure that your sum insured reflects the true replacement value.

We will not decrease your sum insured without your instruction.

You do not have to accept the revised sum insured and can ask us to review this at any time. The automatic adjustment does not apply to [Landlord's contents on page 33](#).

Exclusions for new policies

There is no cover for bushfire, tsunami, storm or flood in the first **72 hours** of your policy. Some exceptions apply. For full details, see the insured events of:

Fire – pages 22, 40

Earthquake or Tsunami – pages 23, 41

Storm – pages 24, 42

Flood – pages 25, 43

Building work or renovations

If you carry out building work or renovations at the insured address, some limits apply. For full details, see [Legal liability on page 52](#) and [General exclusions on page 55](#).

Unoccupied building

If your building becomes unoccupied for more than **60 consecutive days**, there is no cover for some insured events **unless** you have told us and we have agreed to cover this, and it is shown on your current schedule.

Unoccupancy can reasonably be regarded as causing or contributing to the loss in respect of these insured events (for example, an unoccupied building is at higher risk of malicious damage or burglary).

For these insured events, we will only pay a claim where you prove that no part of the loss or damage claimed was caused by the unoccupancy.

For full details, see the insured events of:

Fire – pages 22, 40

Escape of liquid – pages 26, 44

Theft or Burglary – pages 27, 41

Intentional or Malicious damage – pages 27, 45

Explosion – pages 29, 47

Investor building and contents

Cover	BASIC		PLUS	
	BUILDING	CONTENTS	BUILDING	CONTENTS
Insured Events				
Fire	✓	✓	✓	✓
Lightning	✓	✓	✓	✓
Earthquake or Tsunami	✓	✓	✓	✓
Storm	✓	✓	✓	✓
Flood	✓	✓	✓	✓
Escape of liquid	✓	✓	✓	✓
Theft or Burglary	✓	✓	✓	✓
Intentional or Malicious damage	✓	✓	✓	✓
Impact	✓	✓	✓	✓
Glass breakage	✓	✓	✓	✓
Explosion	✓	✓	✓	✓
Riot or Civil commotion	✓	✓	✓	✓
Additional cover				
Incidental expenses	✓	✗	✓	✗
Exploratory costs	✓	✗	✓	✗
Safety net	✓	✗	✓	✗
Matching and modifying	✓	✗	✓	✗
Landlord’s contents	✓	✗	✓	✗
Loss of rent	✓	✗	✓	✗
Extra cover				
Damage caused by a trapped animal	✓	✓	✓	✓
Damage caused by emergency services	✓	✗	✓	✗
Legal liability cover				
	✓	✓	✓	✓
Investor Plus cover				
Theft by tenants or their guests	✗	✗	✓	✓
Malicious damage by tenants or their guests	✗	✗	✓	✓
Default of rent	✗	✗	✓	✗
Legal costs to recover unpaid rent	✗	✗	✓	✗
Loss of rent caused by damage to a nearby building	✗	✗	✓	✗

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Important information about claims

You must contact us as soon as possible if your property has been damaged, or any loss has resulted from an event covered by your policy.

You can call us on 13 27 22 or visit www.ract.com.au for further information.

When you make a claim you will be asked questions about the incident and we will guide you through the claims process.

We may also arrange for one of our service partners to assist with your claim.

You must also:

- take reasonable steps to prevent further loss or damage (see [Emergency repairs on page 12](#));
- report any intentional or malicious damage, or theft or burglary to the police and ensure you keep details of the report number;
- take reasonable steps to provide proof of ownership;
- provide evidence as to the extent of loss or damage.

For full details on making a claim, see:

[Summary of important claims information – page 18](#);

[How we settle your claim: Building – page 12](#);

[How we settle your claim: Contents – page 13](#).

If you have any questions or require information about your claim (including a transaction confirmation) you can call us on 13 27 22.

Excesses

An excess is the amount you must contribute towards each claim. The excesses we apply are:

- **Standard Excess** – there are a number of standard excess options. You have the option of a higher standard excess in return for a reduction in your premium on each policy. The excess shown on your current schedule will apply to all claims.
- **Additional Excess** – may be applied when some aspects of the property or owner to be insured fall outside our normal underwriting guidelines. This excess is in addition to any other excesses applicable on your policy.
- **Earthquake or Tsunami Excess** – this excess is in addition to any other excesses applicable on your policy.
- **Theft by tenants or their guests Excess** - this excess is in addition to any other excesses applicable on your policy.
- **Malicious damage by tenants or their guests Excess** - this excess is in addition to any other excesses applicable on your policy.

The amount and types of excesses that may apply are shown on your current schedule. You may have to pay more than one excess. The relevant excesses are payable for each claim you make on your policy.

Your excess does not have to be paid at the time of lodging your claim. It will have to be paid before your claim is finalised. We will tell you when your excess is to be paid and how it is to be paid. If you are experiencing financial hardship, please contact us to discuss how we may be able to assist with respect to the payment of excess. This could include the deduction of the amount of the excess from the amount to be paid under the claim, or we can arrange a payment plan for you.

If you make a claim on both your building and your contents policies, the higher standard excess amount is payable.

For full details on excesses, please see the PPG. You may request a copy of the PPG by contacting us on 13 27 22, visiting your nearest branch or visiting our website at www.ract.com.au

How we settle your claim

Building

When your building has been damaged and we agree it is covered by your policy, at our option we will:

- repair your building;
- rebuild your building; **or**
- pay you a cash settlement to repair or rebuild your building.

If we repair (or pay you a cash settlement to repair), we will at our option do so on a 'new for old' basis or to a similar condition to what your building was in before the loss or damage occurred.

If we rebuild (or pay you a cash settlement to rebuild), we will do so on a 'new for old' basis.

We will choose the repairer or builder.

If we agree to pay you a cash settlement at your request (and we would otherwise opt to repair or rebuild) we will pay you what it would cost us to repair or rebuild the damage to your building which is covered by your policy.

If we pay you a cash settlement at our option we will pay you what it will reasonably cost you to repair or rebuild the damage to your building which is covered by your policy.

We will only repair or rebuild the parts that are damaged in the incident covered by your policy. You cannot claim to replace undamaged parts of your building except where we pay for **Matching materials** (see [page 33](#)).

When we repair or rebuild your building, we may also pay to match materials and modify your building to fit replacement fixtures. For full details see [Matching and modifying on page 33](#).

Repair or rebuild alternatives you choose

If we agree to repair or rebuild your building, you may repair or rebuild your building in any way you like, including changing the materials, plan, specification, size or location, but if you decide to do this, we will not pay any additional costs resulting from making these changes.

Emergency repairs

You must not carry out or have any repair work carried out without our prior authorisation, **unless** they are emergency repairs that are reasonably necessary to prevent further loss and you cannot contact us to seek our authorisation. If we agree to pay your claim, we will pay for these repairs, provided you retain all receipts.

Contents

When your contents have been damaged and we agree it is covered by your policy, at our option we will:

- repair your contents;
- replace your contents 'new for old'; **or**
- pay you a cash settlement to repair or replace your contents.

If we repair (or pay you a cash settlement to repair), we will do so on a 'new for old' basis or to a similar condition to what the contents were in before the loss or damage occurred.

If we replace (or pay you a cash settlement to replace) we will do so on a 'new for old' basis.

If we agree to pay you a cash settlement at your request (and we would otherwise opt to repair or replace) we will pay you what it would cost us to repair or replace the damaged contents which are covered by your policy.

If we pay you a cash settlement at our option we will pay you what it will reasonably cost you to repair or replace the damaged contents which are covered by your policy.

Pairs or sets

We will only pay to repair or replace the damaged part **unless** it will cost us less to repair or replace the entire pair or set.

Example: If a single chair that forms part of a lounge suite is damaged, we will only pay to repair or replace the damaged chair, or pay you the cost of repairing or replacing the chair. We will not pay for the whole suite **unless** the whole suite will cost less than the single chair to repair or replace.

Items that can no longer be replaced

If an item is no longer available and cannot be replaced, we will replace it with the nearest equivalent (this may mean a different brand). We will not pay to replace electrical items such as outdated computers or TV's that are no longer able to be used for their intended purpose.

Emergency repairs

You must not carry out or have any repair work carried out without our prior authorisation, **unless** they are emergency repairs that are reasonably necessary to prevent further loss and you cannot contact us to seek our authorisation. If we agree to pay your claim, we will pay for these repairs, provided you retain all receipts.

Carpets or other floor coverings, internal curtains and blinds

Fixed floor coverings are part of your building, carpets are part of your contents **unless** specified elsewhere in this policy.

We only repair or replace the carpet or other floor coverings, internal curtains and blinds in the same room, combined area or open plan area of your building where the loss or damage occurred, we don't pay for any adjoining rooms or areas, or your entire building, **except** where we pay for **Matching and modifying** (see [page 33](#)).

What we mean by Same room, Combined area and Open plan area;

Same room

A room is an area starting and finishing at:

- its nearest walls;
- nearest doorway, archway or similar opening;
- a change in the floor or wall covering.

An archway or similar opening separates a room **unless** it is a combined lounge-dining room.

Combined area

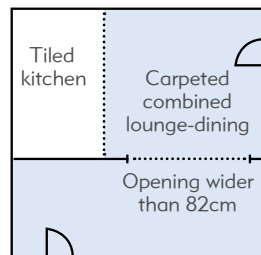
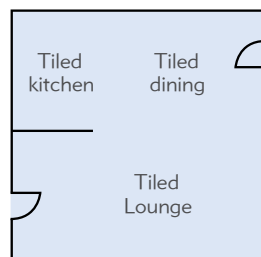
Combined areas have a shared doorway, archway or similar opening when:

- they are a combined lounge and dining area; **and**
- they share a doorway, archway or similar opening that is wider than 82cm; **and**
- the floor or wall covering is the same in both areas.

Open plan area

One continuous area where there is no wall, doorway, archway or similar opening until:

- there is a change in the floor or wall covering;
- the nearest wall, doorway, archway or similar opening.



'New for old' means:

- we pay to repair, rebuild or replace your building or contents using items and materials available from Australian suppliers that are compliant with current building regulations at the time we settle your claim.
- we pay to repair or rebuild 'new for old' regardless of age, with no allowance for depreciation.

‘New for old’ means (continued):

- we pay to repair or replace to the same type, standard and specification as when new. If the same is not available, it means of a similar type, standard and specification (but not brand) as when new. We may replace with a different brand.

‘New for old’ does not:

- include the extra cost of replacing or purchasing an extended warranty on any item.
- mean a better type, standard or specification or quality than when new.

We will not:

- pay more than your sum insured for your building or contents or any lower policy limit that applies.
- pay extra to repair, rebuild or replace your building or contents to a better standard, specification or quality **except** as stated in the meaning of ‘new for old’.

Defects

If damage is caused to your building from a known defect or fault

We do not pay for loss or damage to your building caused by a defect or fault that you knew about (or should reasonably have known about) and did not fix before the damage occurred.

If damage is caused to your building from an unknown defect or fault

When your building has been damaged (and the damage is covered by your policy) and a defect or fault that you did not know about (or should not reasonably have known about) was the cause, or part of the cause, we will pay for the resulting damage. If the unknown defective part of your building is also damaged by the same incident, we repair or rebuild this damaged part as well.

We do not repair or rebuild defects or faults

When your building has been damaged (and the damage is covered by your policy), we do not cover costs to repair or rebuild defects or faults to the damaged parts of your building that you knew about (or should reasonably have known about). We will only pay you what it would have cost us to fix the damage covered by your policy or if we agree, you can pay us the extra amount it costs to repair or rebuild the defect or fault to your building.

If undamaged defective or faulty parts of your building stop us from repairing or rebuilding your building

If undamaged defective or faulty parts of your building stop us from repairing or rebuilding your building when your building has been damaged (and the damage is covered by your policy), we will only pay what it would have cost to repair or rebuild the damage had your building not been defective or faulty.

Defects (continued)

For known defects or faults

Once you become aware of a defect or fault to your building, you must rectify it as soon as practicable because there is no cover for loss or damage caused by or contributed to by that defect.

We may make additional cover available to you

Before accepting your claim for an insured event, we may make Additional cover available to you. If we do this, it does not mean that your claim has or will be accepted. If we later do not accept or deny your claim, then we may recover these costs from you. For full details see

Additional cover for building on [page 31](#) and **Additional cover** for contents on [page 48](#).

Repair guarantee

This guarantee applies whilst you own your building or contents.

When we repair your building or contents, we guarantee the quality of materials and workmanship of repairs where we have authorised, arranged and paid the repairer directly for the repairs for the guarantee period.

We will rectify any defect arising from the repair where we have authorised, arranged and paid the repairer directly for the repair, but only if we consider the defective repair was caused by faulty or incorrect materials or poor-quality workmanship. It is a condition of our guarantee that we decide who will undertake the rectification work.

This guarantee does not apply to:

- loss, damage or failure of any electrical or mechanical appliances or machines;
- wear and tear consistent with normal gradual deterioration of your building or contents, such as paint, furniture and furnishings fading;
- repairs you authorise or make yourself;
- subsequent alterations, modifications or renovations you authorise or make yourself to the materials and workmanship authorised, arranged and paid for by us, following a claim we agree is covered by your policy.
- a failure to maintain or take reasonable care of any item repaired whether it be your building or contents.

Refrigerators, freezers, dishwashers, air-conditioners, washing machines and dryers with less than a 3-star energy rating

This applies to building and contents items.

New for old means replacing with the nearest equivalent (this may mean a different brand) with a minimum 3-star energy rating if this is available.



Summary of important claims information

Co-operation

Any benefits we give you under the policy depend on you or any other person covered by the policy giving us any information and help that we require, including attending court to give evidence.

You or any other person covered by the policy must tell us if any part of your claim is also covered by another insurance policy.

You must be truthful accurate and frank in any statements you make in connection with a claim or your policy.

You or any other person covered by the policy must assist us even if we have already paid a claim, as we may attempt to recover from a third party who caused you to suffer the loss or damage. We may also want to defend you if it is alleged that you caused someone else loss or damage.

If you or any other person covered by any policy receive any letters, notices or court documents relating to any incident that has or might result in a claim, you must send these to us as soon as reasonably practicable. This is because important time limits often apply to these documents and in particular court documents.

If you fail to fully co-operate with us regarding any part of the claim process, including co-operating with our assessors and investigators or you fail to comply with the terms of your policy we may cancel your policy. We may also refuse to pay your claim (or part of you claim) or be entitled to recover any amounts paid under the claim if your failure caused or contributed to the loss claimed or our ability to seek recovery from another party (our liability in respect of the claim is reduced by the amount that fairly represents the extent to which the failure contributed).

Admissions

You or any other person covered by your policy must not make admissions, settle, attempt to settle or defend any claims without our consent. We have the sole right to make admissions, to settle any claims against and to defend you or any other person covered by your policy in any proceedings.

Establish your loss

When making a claim you must be able to establish that your loss or damage is covered by your policy. You must substantiate what has suffered a loss, been stolen, or damaged (including providing proof of ownership except where you have suffered a total loss and you are unable to provide proof of ownership for the relevant insured property because it was lost in or damaged by the insured event, and your ownership is clear, in which case we will not require proof of ownership).

If you are unable to establish that your loss or damage is covered by your policy, we may not pay your claim.

To assist with this, we suggest you keep items such as receipts or valuations, as well as model and serial numbers, original operating manuals and photographs.

Assessing your claim

Before we make a decision about your claim, we may assess the loss or damage to your property and investigate the circumstances of the claim. If we require it, you must make your property available to us for inspection.

Damaged or recovered property

If we settle a claim, any damaged or recovered items that we have replaced or paid you for become our property. This includes any stolen items that are later recovered. You must notify us if you become aware that any items have been recovered.

If we agree you can keep an item, we may determine a salvage value and deduct that value from any settlement we make to you. The item will then remain your property.

You must not dispose of any damaged property without talking to us first.

If we decline a claim

If we decline a claim you have lodged, we will provide reasons for our decision and provide you with details of our complaints process. For full details, see [How we resolve complaints on page 67](#).

Payment of sum insured

If we pay the full sum insured for your building, the building section of your policy comes to an end and no refund of premium is due. If you are paying by direct debit, any outstanding premium is deducted from your claim settlement.

The amount we pay will be less any applicable salvage value of damaged or recovered items that we agree you can retain, as well as any excesses and unpaid premium.

If we pay the full sum insured for your building, we may pay your mortgagee or legal owner of your insured property any amounts owed to them prior to paying any balance of the claim to you.

When we make a payment to a mortgagee or legal owner, then the payment discharges our obligation to you under your policy to the extent of that payment.

If we pay the full sum insured for your contents, the contents section of your policy comes to an end and no refund of premium is due. If you are paying by direct debit, any outstanding premium is deducted from your claim settlement.

Building insurance

What we cover as your building

Your building means the residential building(s) that you own or are legally responsible for, and includes outbuildings, fixtures and structural improvements used primarily for domestic purposes at the insured address shown on your current schedule.

If your building is in a strata scheme, we cover loss or damage to the common property caused by or resulting from an insured event, but cover is limited to your proportion of the loss or damage (which is the proportion of your ownership of the common property as a lot owner).

What we do not cover as your building

- a new building being built;
- carpets (installed or uninstalled) or floor rugs;
- vehicles, on road caravans, trailers, mobile homes, tents, rail and tram carriages, aircraft or watercraft;
- mobile dishwashers or dishwashers not inbuilt in a cupboard or underbench;
- non-permanent swimming pools and spas and their accessories that are capable of being moved from the insured address;
- any of your contents, other than the contents we cover under **Landlord's contents** (see [page 33](#));
- any part of your building used as a hotel, motel, bed and breakfast, homeshare, boarding or guest house **unless** you have told us and we have agreed to cover this and it is shown on your current schedule;
- any part of your building used for any business, trade or profession, **unless** you have told us and we have agreed to cover this and it is shown on your current schedule;
- dams or waterholes;
- unfixed building materials and uninstalled fixtures to be used at the insured address, that are not stored in a locked and secured building at the insured address;
- used, or applied chemicals, fertilisers or pesticides;
- more than **2 kilometres** of fencing;
- more than **500 metres** of driveways and roads;
- services, both above and below ground, that you do not own or are not responsible for.

Items with fixed limits

We cover the following items up to the limits shown below. These limits are the most we will pay for these items and cannot be changed.

Item	Limit
Unfixed building materials and uninstalled fixtures to be used at the insured address	\$1,000 in total
Fixed landscaping, such as trees, plants, lawns and artificial lawns	\$1,000 in total
Landlord’s contents	\$10,000 in total

Insured events

You are covered for loss or damage to your building at the insured address, caused by or resulting from the following insured events:

Fire

We cover: Loss or damage to your building caused by or resulting from fire, including bushfire. A fire needs to have an actual flame.

Limit: The most we will pay is the sum insured.

We do not cover:

- bushfire for the first **72 hours** after the start of your policy, **unless**:
 - you purchased your building in the **24 hours** before the policy commenced; **or**
 - your policy commenced immediately after another policy covering the same insured address expired, without a break in cover.
- any increases in the sum insured for the first **72 hours** when the loss or damage is caused by bushfire;
- loss or damage to your building caused by fire, **but not** bushfire, if your building has been unoccupied for more than **60 consecutive days unless** you have told us and we have agreed to cover this, and it is shown on your current schedule (See **Unoccupied building on page 6** for details on the limited circumstances where cover will still be provided if you have not told us and we have not agreed to cover);
- loss or damage arising from soot, smoke, heat and ash when your building has not caught fire **but we will** pay when loss or damage is caused by a fire within **100 metres** of your building;
- scorching;
- items which by their intended purpose have a fire in them and the fire damage is contained to that item.

Lightning

We cover:	Loss or damage to your building caused by or resulting from lightning.
Limit:	The most we will pay is the sum insured.
We do not cover:	<p>Loss or damage to your building:</p> <ul style="list-style-type: none"> • without written confirmation from a qualified expert saying lightning was the actual cause of the loss or damage; or • where your electricity supplier or the Australian Government Bureau of Meteorology have no record of lightning in your area at the time of the loss or damage.

Earthquake or Tsunami

We cover:	Loss or damage to your building caused by or resulting from an earthquake or tsunami.
Limit:	The most we will pay is the sum insured.
We do not cover:	<ul style="list-style-type: none"> • tsunami for the first 72 hours after the start of your policy unless: <ul style="list-style-type: none"> – you purchased your building in the 24 hours before the policy commenced; or – your policy commenced immediately after another policy covering the same insured address expired, without a break in cover. • any increases in the sum insured for the first 72 hours when the loss or damage is caused by tsunami; • loss or damage to your building: <ul style="list-style-type: none"> – that occurs more than 72 hours after an earthquake or tsunami; – caused by rising damp or seepage of water from the ground, erosion, vibration, subsidence, landslip, landslide, mudslide, collapse, shrinkage or any other earth movement, but we will cover loss or damage caused by these actions if they are proved to have occurred within 72 hours of, and directly because of an earthquake or tsunami.
Note:	<p>An excess applies to all earthquake or tsunami claims. This is in addition to any other excesses that apply to your claim.</p> <p>The earthquake or tsunami excess will show on your current schedule and is shown in the PPG.</p>

Storm	
We cover:	Loss or damage to your building caused by or resulting from a storm, accompanied by one or more of the following: heavy rain, strong winds, lightning, snow or hail.
Limit:	The most we will pay is the sum insured.
We do not cover:	<ul style="list-style-type: none">• storm for the first 72 hours after the start of your policy unless:<ul style="list-style-type: none">– you purchased your building in the 24 hours before the policy commenced; or– your policy commenced immediately after another policy covering the same insured address expired, without a break in cover.• any increases in the sum insured for the first 72 hours when the loss or damage is caused by storm;• loss or damage to:<ul style="list-style-type: none">– loose or compacted materials, such as gravel, pebbles, rocks, bricks, sand or earth, including but not limited to on:<ul style="list-style-type: none">– roads;– driveways;– paths.– gardens or garden borders;– your building, caused by rising damp or seepage of water from the ground, erosion, vibration, subsidence, landslip, landslide, mudslide, collapse, shrinkage or any other earth movement, but we will cover loss or damage caused by these actions if they are proved to have occurred within 72 hours of, and directly because of a storm;– an outbuilding which is inadequately secured to its foundations.

Flood

We cover:	Loss or damage to your building caused by or resulting from flood.
Definition:	<p>Flood is the covering of normally dry land by water that has escaped or been released from the normal confines of:</p> <ul style="list-style-type: none"> • 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.
Limit:	The most we will pay is the sum insured.
We do not cover:	<ul style="list-style-type: none"> • flood for the first 72 hours after the start of your policy unless: <ul style="list-style-type: none"> – you purchased your building in the 24 hours before the policy commenced; or – your policy commenced immediately after another policy covering the same insured address expired, without a break in cover. • any increases in the sum insured for the first 72 hours when the loss or damage is caused by flood; • loss or damage to: <ul style="list-style-type: none"> – loose or compacted materials, such as gravel, pebbles, rocks, bricks, sand or earth, including but not limited to on: <ul style="list-style-type: none"> – roads; – driveways; – paths. – gardens or garden borders; – your building, caused by rising damp or seepage of water from the ground, erosion, vibration, subsidence, landslip, landslide, mudslide, collapse, shrinkage or any other earth movement, but we will cover loss or damage caused by these actions if they are proved to have occurred within 72 hours of, and directly because of a flood; – an outbuilding which is inadequately secured to its foundations.

Escape of liquid

We cover:	<p>Loss or damage to your building caused by or resulting from the escape of liquid that occurred suddenly and without warning from a:</p> <ul style="list-style-type: none"> • water main, fixed pipe, fixed gutter or fixed tank; • spa or swimming pool; • hot water cylinder; • refrigerator, freezer, dishwasher or washing machine; • bath, basin, shower, sink, toilet or a fixed aquarium.
Limit:	<p>The most we will pay is the sum insured.</p>
We do not cover:	<ul style="list-style-type: none"> • loss or damage to your building caused by escape of liquid: <ul style="list-style-type: none"> – from a shower when the shower walls, shower screening, shower doors or shower curtain were inadequate to prevent the escape of liquid; – from a watering system or hose, or agricultural pipe; – as a result of a gradual process of leaking, discharging, dripping, splashing or overflowing over a period of time when you could reasonably be expected to be aware of this occurring; – from a portable container, such as a beverage container, plant pot, vase, saucepan, bucket or watering can. • loss or damage: <ul style="list-style-type: none"> – to your building, caused by rising damp or seepage of water from the ground, erosion, vibration, subsidence, landslip, landslide, mudslide, collapse, shrinkage or any other earth movement, but we will cover loss or damage caused by these actions if they are proved to have occurred within 72 hours of, and directly because of escape of liquid; – if your building has been unoccupied for more than 60 consecutive days unless you have told us and we have agreed to cover this, and it is shown on your current schedule (See Unoccupied building on page 6 for details on the limited circumstances where cover will still be provided if you have not told us and we have not agreed to cover); – to loose or compacted materials, such as gravel, pebbles, rocks, bricks, sand or earth, including but not limited to on: <ul style="list-style-type: none"> – roads; – driveways; – paths. – to gardens or garden borders; • the cost of repairing or replacing the item that caused the escape of liquid.

Theft or Burglary

We cover:	Loss or damage to your building caused by or resulting from theft or burglary or an attempt to commit theft or burglary.
Limit:	The most we will pay is the sum insured.
We do not cover:	<p>Loss or damage to your building caused by:</p> <ul style="list-style-type: none"> • you or your family; • anyone living or staying at the insured address; • someone who entered the insured address with your consent, or the consent of a person who lives or is staying at the insured address; • theft or burglary or an attempt to commit theft or burglary, if your building has been unoccupied for more than 60 consecutive days unless you have told us and we have agreed to cover this, and it is shown on your current schedule (See Unoccupied building on page 6 for details on the limited circumstances where cover will still be provided if you have not told us and we have not agreed to cover).

Intentional or Malicious damage

We cover:	Loss or damage to your building caused by or resulting from a deliberate or intentional act or the action of a person acting maliciously.
Limit:	The most we will pay is the sum insured.
We do not cover:	<ul style="list-style-type: none"> • loss or damage to your building caused by: <ul style="list-style-type: none"> – you or your family; – anyone living or staying at the insured address; – someone who entered the insured address with your consent, or the consent of a person who lives or is staying at the insured address; – malicious damage, if your building has been unoccupied for more than 60 consecutive days unless you have told us and we have agreed to cover this, and it is shown on your current schedule (See Unoccupied building on page 6 for details on the limited circumstances where cover will still be provided if you have not told us and we have not agreed to cover); • accidental or unintended loss or damage; • the cost of cleaning, repairing or restoring your building caused by neglect, or untidy, unclean or unhygienic acts of tenants or their guests, such as the cost of cleaning, repairing or removing: <ul style="list-style-type: none"> – liquid or food stains; – drawings or paintings on walls; – water damage and stains caused from watering plants, or by water splashing from showers, basins, sinks or baths; – abandoned items or rubbish.

Impact

We cover:

Loss or damage to your building caused by or resulting from the impact by:

- or arising out of the use of a vehicle (including an aircraft or a water-borne craft);
- space debris or debris from an aircraft, a rocket or a satellite;
- an aerial or satellite dish;
- a falling power pole or communication pole, tower or line;
- a falling tree or part of a tree;
- an animal (other than an animal kept at the insured address).

Limit:

The most we will pay is the sum insured.

We do not cover:

- loss or damage to:
 - your building caused by tree-felling or lopping at the insured address;
 - roads, driveways, paths, paving, bridges, causeways or underground services caused by vehicles, cranes or earth moving equipment;
 - the item which has impacted your building;
 - your building caused by vermin, insects or rodents **but we will** cover the resultant fire or escape of liquid damage they cause;
 - your building caused by the roots of trees, plants, shrubs or hedges.
- loss or damage to your building caused by an animal that belongs to, or is in the care or custody of:
 - you or your family;
 - anyone living or staying at the insured address.
 - someone who entered the insured address with your consent, or the consent of a person who lives or is staying at the insured address.
- animals or birds pecking, biting, clawing or chewing your building or loss or damage caused by their urine, excrement or vomit **but we will** cover this under **Damage caused by a trapped animal** (see [page 34](#)).

Glass breakage

We cover:	<p>Loss or damage to your building caused by or resulting from accidental breakage of:</p> <ul style="list-style-type: none"> • glass which is fitted to your building; • glass in a light fixture; • glass which forms part of your cooktop, oven or stove. If we are unable to replace the glass we will pay up to \$1,000 for the replacement and installation of a new appliance; • fixed shower bases, fixed sinks, fixed basins, fixed toilets, or fixed baths; • skylights.
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Limit:	The most we will pay is the sum insured.
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We do not cover:	<ul style="list-style-type: none"> • glass in a greenhouse; • items already in a damaged condition; • scratching or chipping; • tiles; • the frame of any window, door or shower screen, unless it is necessary to enable the glass to be replaced.
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Explosion

We cover:	Loss or damage to your building caused by or resulting from accidental explosion.
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Limit:	The most we will pay is the sum insured.
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We do not cover:	<ul style="list-style-type: none"> • loss or damage to your building caused by: <ul style="list-style-type: none"> – rising damp or seepage of water from the ground, erosion, vibration, subsidence, landslip, landslide, mudslide, collapse, shrinkage or any other earth movement, but we will cover loss or damage caused by these actions if they are proved to have occurred within 72 hours of, and directly because of an explosion; – nuclear or biological devices; – explosion, if your building has been unoccupied for more than 60 consecutive days unless you have told us and we have agreed to cover this, and it is shown on your current schedule (See Unoccupied building on page 6 for details on the limited circumstances where cover will still be provided if you have not told us and we have not agreed to cover); • the item that exploded, whether or not we accept a claim for loss or damage caused by the explosion.
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Riot or Civil commotion

We cover:	Loss or damage to your building caused by or resulting from riot, civil commotion, industrial or political disturbance.
Limit:	The most we will pay is the sum insured.
We do not cover:	<ul style="list-style-type: none">• loss or damage to your building:<ul style="list-style-type: none">– arising after 72 hours from the commencement of any riot, civil commotion, industrial or political disturbance; or– caused by nuclear or biological devices.• loss or damage to your building caused by:<ul style="list-style-type: none">– you or your family;– anyone living or staying at the insured address;– someone who entered the insured address with your consent, or the consent of a person who lives or is staying at the insured address.

Additional cover

If we accept a claim for loss or damage to your building caused by or resulting from an insured event, we will also provide the following additional cover, where applicable. These additional covers are paid in addition to the building sum insured.

Incidental expenses	
We cover:	<p>The reasonable costs of the following when loss or damage has occurred to your building caused by an insured event:</p> <ul style="list-style-type: none">• demolishing and removing the damaged parts of your building;• removing the debris and the cost of cleaning when required in order to repair your building;• engaging professionals, such as an architect, engineer or surveyor, in connection with repairing or rebuilding your building;• making the damaged parts of your building comply with the current building regulations and laws;• planning and approval, such as council approval costs.
Limit:	<p>Up to 15% of the sum insured in total for all of the above.</p>
We do not cover:	<p>Costs:</p> <ul style="list-style-type: none">• in making your building comply with building regulations and laws that existed but were not complied with when your building was originally built or altered;• resulting from any notice a statutory or regulatory authority serves on you, or of which you had notice, before your building was damaged by the insured event;• to upgrade undamaged parts of your building to comply with the current building regulations and laws;• incurred for any part of your building which has not suffered loss or damage covered by your policy. We will only pay the incidental expenses incurred to repair or rebuild the damaged part of your building.

Exploratory costs

We cover:	The reasonable costs to find the cause of loss or damage at the insured address caused by an insured event.
Limit:	Up to \$10,000 per claim.
We do not cover:	<ul style="list-style-type: none"> costs which do not relate directly to the part of your building that suffered the loss or damage; costs which involve exploratory work outside the insured address; any exploratory or repair work carried out without our prior authorisation other than Emergency repairs (see page 12)

Safety net

We cover:	<p>An additional amount above your sum insured to:</p> <ul style="list-style-type: none"> repair damage; or rebuild your building; <p>when the cost of repairing or rebuilding your building following an insured event exceeds the sum insured.</p>
Limit:	Up to 25% of the sum insured.
Note:	This benefit does not apply to <i>Additional, Extra or Optional</i> covers.

Loss of rent

We cover:	The rent that you lose while your building is being repaired or rebuilt, if your tenant cannot live in it because of one of the insured events.
Limit:	Up to 10% of the sum insured.
We do not cover:	<ul style="list-style-type: none"> loss of rent: <ul style="list-style-type: none"> for longer than it will take to repair the claim related loss or damage to your building so your tenant can live there again; after your claim has been settled; if you do not intend to repair or rebuild your building; if your building was not occupied by a tenant paying rent, but we will pay if you satisfy us that your building would have been occupied by a paying tenant had the damage not occurred. any costs related to any business activity at your building, even if we have agreed to cover business use at your building and it is shown on your current schedule; any amounts you are able to claim from another source, such as a tenant's bond.

Matching and modifying

We cover:	<p>Matching materials following an insured event to ensure a uniform appearance between the damaged areas and the adjacent undamaged areas of your building, when the original materials are no longer available.</p> <p>Example: If one of your garage doors suffers loss or damage as a result of an <i>Impact</i> claim, and we are unable to paint or replace the garage door with the same colour as it is no longer available, we will also paint or replace your second garage door to create a uniform appearance.</p> <p>Modifying your building following an insured event where the existing fixture cannot be replaced with the same make, model and size, and the new fixture does not fit into the existing space.</p> <p>Example: If your wall oven suffers loss or damage and is replaced as a result of a <i>Fire</i> claim, and it cannot be replaced with the same size as the old wall oven, we will modify your building to fit the new wall oven.</p>
Limit:	Up to \$1,000 per claim.
We do not cover:	<ul style="list-style-type: none"> • matching undamaged parts of your building due to fading, depreciation or wear and tear; • matching, modifying or upgrading undamaged parts of your building to meet current building regulations and laws.
Note:	This benefit does not apply to Landlord's contents cover.

Landlord's contents

We cover:	Your fittings, furniture, furnishings, carpet and electrical appliances that are not wired in, which are at your insured address for the use of your tenant and which suffer loss or damage caused by one of the insured events.
Limit:	Up to \$10,000 .
Note:	If more than \$10,000 of contents cover is required, you may choose to take out contents cover. For full details, see Contents insurance on page 39 .

Extra cover

We also provide the extra cover set out below. An insured event does not need to have occurred for you to make a claim under these extra covers.

Damage caused by a trapped animal

We cover:	Loss or damage to your building caused by: <ul style="list-style-type: none">• animals or birds pecking, biting, clawing or chewing your building; or• their urine, excrement or vomit; when the animal or bird is accidentally trapped at the insured address.
Limit:	Up to \$5,000 per claim.
We do not cover:	<ul style="list-style-type: none">• loss or damage to your building caused by an animal or bird that belongs to, or is in the care or custody of:<ul style="list-style-type: none">– you or your family;– anyone living or staying at the insured address;– someone who entered the insured address with your consent, or the consent of a person who lives or is staying at the insured address.• loss or damage to your building caused by vermin, insects or rodents but we will cover the resultant fire or escape of liquid damage they cause.
Note:	This limit does not apply if the loss or damage was a direct result of the insured events of Fire (see page 22) or Escape of liquid (see page 26).

Damage caused by emergency services

We cover:	The costs to repair damaged parts of your building at the insured address caused by emergency services forcing entry to your building during an emergency.
Limit:	Up to \$1,000 per claim.

Optional cover

Optional cover you can add to your building policy

You can add this option to your policy by paying us the additional premium. When you add this option to your policy it will be shown on your current schedule.

Damage to electric motors	
We cover:	The repair or replacement of a burnt out or fused household electric motor which forms part of your building.
Limit:	The most we will pay is the sum insured.
We do not cover:	<ul style="list-style-type: none">• a motor or sealed unit over 10 years old from the date of manufacture;• the cost of extracting or reinstalling a submersible pump;• loss or damage to a motor in built:<ul style="list-style-type: none">– audio/visual equipment or appliances, such as televisions or sound systems;– electronic devices, such as security alarms;– microwave ovens.• loss or damage:<ul style="list-style-type: none">– unless you can provide written confirmation from a qualified repairer saying the loss or damage was caused by a burnt out or fused motor and if required, you make the item available to us for inspection;– to the refrigerator or freezer caused by spoiled food;– to motors which form part of equipment used in conjunction with any business, trade or profession, even if we have agreed to cover business use at the insured address and it is shown on your current schedule.
Note:	<p>We will not pay to replace the whole appliance unless it will cost us less than it would to repair or replace the motor.</p> <p>We will deduct any amount you can claim under a manufacturer’s guarantee or warranty.</p>

Investor Plus – Building

When you have selected Investor Plus, you are also covered for the following:

Theft by tenants or their guests

We cover:	Loss or damage to your building caused by or resulting from theft or an attempt to commit theft by tenants or their guests.
Limit:	The most we will pay is the sum insured.
We do not cover:	Additional claims under this cover in respect of the same or associated tenant or guest when you have not taken reasonable steps to prevent the same incident from occurring.
Note:	<p>An excess applies to all theft by tenants or their guests claims. This is in addition to any other excesses that apply to your claim.</p> <p>The theft by tenants or their guests excess will show on your current schedule and is shown in the PPG.</p>

Legal costs to recover unpaid rent

We cover:	<p>The agreed legal costs to recover the unpaid rent owing to you, and the reasonable costs charged by a property manager for attending a court or tribunal to try to recover the unpaid rent, when you have:</p> <ul style="list-style-type: none"> • obtained our permission in writing before incurring them; and • made a claim for <i>Default of rent</i>.
Limit:	Up to \$5,000 per policy period.
We do not cover:	<ul style="list-style-type: none"> • legal costs: <ul style="list-style-type: none"> – for which you have not first obtained our written permission; – not related to recovering rent from your tenant; – to recover unpaid rent that was in arrears before the start of your policy; – if we have not paid a claim under <i>Default of rent</i>. • additional claims under this cover in respect of the same or associated tenant when you have not taken reasonable steps to prevent the same incident from occurring.
Note:	You must repay us any rent you recover that you previously claimed under Default of rent .

Malicious damage by tenants or their guests

We cover:	Loss or damage to your building caused by or resulting from the action of tenants or their guests acting maliciously.
Limit:	The most we will pay is the sum insured.
We do not cover:	<ul style="list-style-type: none"> • accidental or unintended damage; • the cost of cleaning, repairing or restoring your building caused by neglect, or untidy, unclean or unhygienic acts of tenants or their guests, such as the cost of cleaning, repairing or removing: <ul style="list-style-type: none"> – liquid or food stains; – stains caused by urine, excrement or vomit; – drawing or painting on walls; – water damage and stains caused from watering plants, or by water splashing from showers, sinks or baths; – abandoned items or rubbish. • loss or damage caused by: <ul style="list-style-type: none"> – scratching, denting, or chipping; – animals or birds belonging to tenants or their guests. • additional claims under this cover in respect of the same or associated tenant or guest when you have not taken reasonable steps to prevent the same incident from occurring.
Note:	<p>An excess applies to all malicious damage by tenants or their guests claims. This is in addition to any other excesses that apply to your claim.</p> <p>The malicious damage by tenants or their guests excess will show on your current schedule and is shown in the PPG.</p>

Loss of rent caused by damage to a nearby building

We cover:	Loss of rent when emergency services advise your tenant cannot live at the insured address due to loss or damage to another building located nearby.
Limit:	Up to \$4,000 per claim.
We do not cover:	<ul style="list-style-type: none"> • loss of rent: <ul style="list-style-type: none"> – once emergency services advise your tenant is able to live at the insured address; – if the insured address was not occupied by a tenant paying rent, but we will cover you if you satisfy us that the insured address would have been rented during the time taken to allow access again.
Note:	Nearby means within 500 metres of the insured address.

Default of rent

We cover:	<p>The unpaid rent owing to you caused by your tenant:</p> <ul style="list-style-type: none"> • not paying or refusing to pay; • vacating your building without giving the notice required by the rental agreement; • being lawfully evicted for non-payment of rent before the rental agreement term finishes; or • unlawfully terminating the rental agreement; <p>when you have a rental agreement for a fixed term and no rent has been paid for a period of at least 4 consecutive weeks.</p>
Limit:	Up to \$4,000 per policy period.
We do not cover:	<ul style="list-style-type: none"> • unpaid rent: <ul style="list-style-type: none"> – owing to you for the first 4 consecutive weeks that your tenant does not pay any rent; – if your tenant has paid some but not all of the rent owing; – that was in arrears before the start of your policy; – if you do not have a signed rental agreement in place with your tenant; – beyond the term stated in the rental agreement; – If you or your property manager have not made reasonable attempts to collect unpaid rent, evict your tenant or find a replacement tenant; – if you do not actively seek a new tenant after your tenant has vacated your building or has been evicted from your building; – because you failed to carry out repairs within the required times set out in the <i>Residential Tenancy Act 1997</i> (as amended), or breached the terms of the rental agreement. • more than one claim per policy period under this cover in respect of the same or associated tenant.

Contents insurance

What we cover as your contents

Your contents means the household goods that you own or are legally responsible for, that are used for domestic purposes, and are located at the insured address shown on your current schedule for the use of your tenant. This cover is in addition to the **\$10,000 Landlord’s contents** cover provided under your building policy.

Your contents include rugs, window furnishings, light fittings and installed carpets.

What we do not cover as your contents

- any item forming part of your building that would be covered under a building policy;
- portable electronic devices and battery-operated appliances, including cameras, mobile phones and iPods;
- computers or their monitors, keyboards, printers, software or data including, but not limited to, laptops, notebooks and tablets;
- boats, including any outboard motors, accessories or spare parts;
- electrical devices that are no longer able to be used for the purpose they were intended;
- motorcycles and mini bikes;
- pets, livestock and domestic animals;
- travel or other tickets, cash, coupons, gift vouchers, cards and other negotiable items;
- remote controlled aircraft, including drones;
- vehicles, trailers, ride-on vehicles including, but not limited to, All Terrain Vehicles, recreational Terrain Vehicles and quadbikes, tractors, backhoes, bob-cats, earth dozers, or front-end loaders or their accessories or spare parts **unless** they are ride on mowers;
- caravans, mobile homes, rail and tram carriages, aircraft;
- business equipment and tools of trade;
- any contents in storage at the insured address which are not for the use of your tenant;
- household goods and any property belonging to your tenant.

Contents in the open air at the insured address	
We cover:	Loss or damage to your contents following an insured event whilst they are in the open air at the insured address.
Limit:	Up to 20% of the sum insured.
We do not cover:	<ul style="list-style-type: none">• Any item insured under another policy.• cash• business equipment or tools of trade, even if we have agreed to cover business use at the insured address and it is shown on your current schedule.

Insured events

You are covered for loss or damage to your contents at the insured address, caused by or resulting from the following insured events:

Fire	
We cover:	Loss or damage to your contents caused by or resulting from fire, including bushfire. A fire needs to have an actual flame.
Limit:	The most we will pay is the sum insured.
We do not cover:	<ul style="list-style-type: none">bushfire for the first 72 hours after the start of your policy unless:<ul style="list-style-type: none">you purchased your building in the 24 hours before the policy commenced; oryour policy commenced immediately after another policy covering the same insured address expired, without a break in cover.any increases in the sum insured for the first 72 hours when the loss or damage is caused by bushfire;loss or damage to your contents caused by fire, but not bushfire, if your building has been unoccupied for more than 60 consecutive days unless you have told us and we have agreed to cover this, and it is shown on your current schedule (See Unoccupied building on page 6 for details on the limited circumstances where cover will still be provided if you have not told us and we have not agreed to cover);loss or damage to your contents arising from soot, smoke, heat and ash when your building has not caught fire but we will pay when loss or damage is caused by a fire within 100 metres of your building;scorching;items which by their intended purpose have a fire in them and the fire damage is contained to that item.

Lightning	
We cover:	Loss or damage to your contents caused by or resulting from lightning.
Limit:	The most we will pay is the sum insured.
We do not cover:	<p>Loss or damage to your contents:</p> <ul style="list-style-type: none">without written confirmation from a qualified expert saying lightning was the actual cause of the loss or damage; orwhere your electricity supplier or the Australian Government Bureau of Meteorology have no record of lightning in your area at the time of the loss or damage.

Earthquake or Tsunami

We cover:	Loss or damage to your contents caused by or resulting from an earthquake or tsunami.
Limit:	The most we will pay is the sum insured.
We do not cover:	<ul style="list-style-type: none"> tsunami for the first 72 hours after the start of your policy unless: <ul style="list-style-type: none"> you purchased your building in the 24 hours before the policy commenced; or your policy commenced immediately after another policy covering the same insured address expired, without a break in cover. any increases in the sum insured for the first 72 hours when the loss or damage is caused by tsunami; loss or damage to your contents: <ul style="list-style-type: none"> that occurs more than 72 hours after an earthquake or tsunami; caused by rising damp or seepage of water from the ground, erosion, vibration, subsidence, landslip, landslide, mudslide, collapse, shrinkage or any other earth movement, but we will cover loss or damage caused by these actions if they are proved to have occurred within 72 hours of, and directly because of an earthquake or tsunami.
Note:	<p>An excess applies to all earthquake or tsunami claims. This is in addition to any other excesses that apply to your claim.</p> <p>The earthquake or tsunami excess will show on your current schedule and is shown in the PPG.</p>

Theft or Burglary

We cover:	Loss or damage to your contents caused by or resulting from theft or burglary or an attempt to commit theft or burglary.
Limit:	The most we will pay is the sum insured.
We do not cover:	<p>Loss or damage to your contents caused by:</p> <ul style="list-style-type: none"> you or your family; anyone living or staying at the insured address; someone who entered the insured address with your consent, or the consent of a person who lives or is staying at the insured address; theft or burglary or an attempt to commit theft or burglary, if your building has been unoccupied for more than 60 consecutive days unless you have told us and we have agreed to cover this, and it is shown on your current schedule (See Unoccupied building on page 6 for details on the limited circumstances where cover will still be provided if you have not told us and we have not agreed to cover).

Storm	
We cover:	Loss or damage to your contents caused by or resulting from a storm, accompanied by one or more of the following: heavy rain, strong winds, lightning, snow or hail.
Limit:	The most we will pay is the sum insured.
We do not cover:	<ul style="list-style-type: none"> • storm for the first 72 hours after the start of your policy unless: <ul style="list-style-type: none"> – you purchased your building in the 24 hours before the policy commenced; or – your policy commenced immediately after another policy covering the same insured address expired, without a break in cover. • any increases in the sum insured for the first 72 hours when the loss or damage is caused by storm; • loss or damage to your contents: <ul style="list-style-type: none"> – caused by rising damp or seepage of water from the ground, erosion, vibration, subsidence, landslip, landslide, mudslide, collapse, shrinkage or any other earth movement, but we will cover loss or damage caused by these actions if they are proved to have occurred within 72 hours of, and directly because of a storm; – when they are stored in an outbuilding which is inadequately secured to its foundations.

Glass breakage	
We cover:	<p>Loss or damage to your contents caused by or resulting from accidental breakage of glass in:</p> <ul style="list-style-type: none"> • an item of furniture; • a light fitting; • a household appliance that is not permanently fixed to your building.
Limit:	The most we will pay is the sum insured.
We do not cover:	<ul style="list-style-type: none"> • loss or damage to glass in a: <ul style="list-style-type: none"> – television, radio, clock, portable electronic device, mobile phone or computer equipment, including computer screens; – picture frame. • items already in a damaged condition; • scratching or chipping; • items which are not glass, including ceramics or marble.

Flood

We cover:	Loss or damage to your contents caused by or resulting from flood.
Definition:	<p>Flood is the covering of normally dry land by water that has escaped or been released from the normal confines of:</p> <ul style="list-style-type: none"> • 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.
Limit:	The most we will pay is the sum insured.
We do not cover:	<ul style="list-style-type: none"> • flood for the first 72 hours after the start of your policy unless: <ul style="list-style-type: none"> – you purchased your building in the 24 hours before the policy commenced; or – your policy commenced immediately after another policy covering the same insured address expired, without a break in cover. • any increases in the sum insured for the first 72 hours when the loss or damage is caused by flood; • loss or damage to your contents: <ul style="list-style-type: none"> – caused by rising damp or seepage of water from the ground, erosion, vibration, subsidence, landslip, landslide, mudslide, collapse, shrinkage or any other earth movement, but we will cover loss or damage caused by these actions if they are proved to have occurred within 72 hours of, and directly because of a flood; – when they are stored in an outbuilding which is inadequately secured to its foundations.

Escape of liquid

We cover:	<p>Loss or damage to your contents caused by or resulting from the escape of liquid that occurred suddenly and without warning from a:</p> <ul style="list-style-type: none">• water main, fixed pipe, fixed gutter or fixed tank;• spa or swimming pool;• hot water cylinder;• refrigerator, freezer, dishwasher or washing machine;• bath, basin, shower, sink, toilet or a fixed aquarium.
Limit:	<p>The most we will pay is the sum insured.</p>
We do not cover:	<ul style="list-style-type: none">• loss or damage to your contents caused by escape of liquid:<ul style="list-style-type: none">– from a shower when the shower walls, shower screening, shower doors or shower curtain were inadequate to prevent the escape of liquid;– from a watering system or hose, or agricultural pipe;– as a result of a gradual process of leaking, discharging, dripping, splashing or overflowing over a period of time when you could reasonably be expected to be aware of this occurring;– from a portable container, such as a beverage container, plant pot, vase, saucepan, bucket or watering can.• loss or damage:<ul style="list-style-type: none">– to your contents, caused by rising damp or seepage of water from the ground, erosion, vibration, subsidence, landslip, landslide, mudslide, collapse, shrinkage or any other earth movement, but we will cover loss or damage caused by these actions if they are proved to have occurred within 72 hours of, and directly because of escape of liquid;– if your building has been unoccupied for more than 60 consecutive days unless you have told us and we have agreed to cover this, and it is shown on your current schedule (See Unoccupied building on page 6 for details on the limited circumstances where cover will still be provided if you have not told us and we have not agreed to cover);• The cost of repairing or replacing the item that caused the escape of liquid.

Intentional or Malicious damage

We cover:	Loss or damage to your contents caused by or resulting from a deliberate or intentional act or the action of a person acting maliciously.
Limit:	The most we will pay is the sum insured.
We do not cover:	<ul style="list-style-type: none"> • loss or damage to your contents caused by: <ul style="list-style-type: none"> – you or your family; – anyone living or staying at the insured address; – someone who entered the insured address with your consent, or the consent of a person who lives or is staying at the insured address; – malicious damage, if your building has been unoccupied for more than 60 consecutive days unless you have told us and we have agreed to cover this, and it is shown on your current schedule (See Unoccupied building on page 6 for details on the limited circumstances where cover will still be provided if you have not told us and we have not agreed to cover); • accidental or unintended loss or damage; • the cost of cleaning, repairing or restoring your contents caused by neglect, or untidy, unclean or unhygienic acts of tenants or their guests, such as the cost of cleaning, repairing or removing: <ul style="list-style-type: none"> – liquid or food stains; – water damage and stains caused from watering plants, or by water splashing from showers, basins, sinks or baths; – abandoned items or rubbish.

Riot or Civil commotion

We cover:	Loss or damage to your contents caused by or resulting from riot, civil commotion, industrial or political disturbance.
Limit:	The most we will pay is the sum insured.
We do not cover:	<ul style="list-style-type: none"> • loss or damage to your contents: <ul style="list-style-type: none"> – arising after 72 hours from the commencement of any riot, civil commotion, industrial or political disturbance; or – caused by nuclear or biological devices. • loss or damage to your contents caused by: <ul style="list-style-type: none"> – you or your family; – anyone living or staying at the insured address; – someone who entered the insured address with your consent, or the consent of a person who lives or is staying at the insured address.

Impact

We cover:	<p>Loss or damage to your contents caused by or resulting from the impact by:</p> <ul style="list-style-type: none"> • or arising out of the use of a vehicle (including an aircraft or a water-borne craft); • space debris or debris from an aircraft, a rocket or a satellite; • an aerial or satellite dish; • a falling power pole or communication pole, tower or line; • a falling tree or part of a tree; • an animal (other than an animal kept at the insured address).
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Limit:	The most we will pay is the sum insured.
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We do not cover:	<ul style="list-style-type: none"> • loss or damage to: <ul style="list-style-type: none"> – your contents caused by tree-felling or lopping at the insured address; – the item which has impacted your contents; – your contents caused by vermin, insects or rodents but we will cover the resultant fire or escape of liquid damage they cause; – your contents caused by the roots of trees, plants, shrubs or hedges. • loss or damage to your contents caused by an animal that belongs to or is in the care or custody of: <ul style="list-style-type: none"> – you or your family; – anyone living or staying at the insured address; – someone who entered the insured address with your consent, or the consent of a person who lives or is staying at the insured address. • animals or birds pecking, biting, clawing or chewing your contents or loss or damage caused by their urine, excrement or vomit but we will cover this under Damage caused by a trapped animal (see page 48).
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Explosion

We cover:	Loss or damage to your contents caused by or resulting from accidental explosion.
Limit:	The most we will pay is the sum insured.
We do not cover:	<ul style="list-style-type: none">• loss or damage to your contents caused by:<ul style="list-style-type: none">– rising damp or seepage of water from the ground, erosion, vibration, subsidence, landslip, landslide, mudslide, collapse, shrinkage or any other earth movement, but we will cover loss or damage caused by these actions if they are proved to have occurred within 72 hours of, and directly because of an explosion;– nuclear or biological devices;– explosion, if your building has been unoccupied for more than 60 consecutive days unless you have told us and we have agreed to cover this, and it is shown on your current schedule (See Unoccupied building on page 6 for details on the limited circumstances where cover will still be provided if you have not told us and we have not agreed to cover);• the item that exploded, whether or not we accept a claim for loss or damage caused by the explosion.

Additional cover

If we accept a claim for loss or damage to your contents at the insured address caused by or resulting from an insured event, we will also provide the following additional cover, where applicable. This additional cover is paid in addition to the contents sum insured.

Removal of debris	
We cover:	The reasonable costs of removing damaged contents debris from the insured address following an insured event.
Limit:	Up to 10% of the sum insured.
We do not cover:	Removal of any item which is covered under a building policy.

Extra cover

We also provide the extra cover set out below. An insured event does not need to have occurred for you to make a claim under this extra cover.

Damage caused by a trapped animal	
We cover:	Loss or damage to your contents caused by: <ul style="list-style-type: none">• animals or birds pecking, biting, clawing or chewing your contents; or• their urine, excrement or vomit; when the animal or bird is accidentally trapped at the insured address.
Limit:	Up to \$5,000 per claim.
We do not cover:	<ul style="list-style-type: none">• loss or damage to your contents caused by an animal or bird that belongs to, or is in the care or custody of:<ul style="list-style-type: none">– you or your family;– anyone living or staying at the insured address;– someone who entered the insured address with your consent, or the consent of a person who lives or is staying at the insured address.• loss or damage to your contents caused by vermin, insects or rodents but we will cover the resultant fire or escape of liquid damage they cause.
Note:	This limit does not apply if the loss or damage was a direct result of the insured events of Fire (see page 40) or Escape of liquid (see page 44).

Optional cover

Optional cover you can add to your contents policy

You can add this option to your policy by paying us the additional premium. When you add this option to your policy it will be shown on your current schedule.

Damage to electric motors	
We cover:	The repair or replacement of a burnt out or fused household electric motor which forms part of your contents at the insured address.
Limit:	The most we will pay is the sum insured.
We do not cover:	<ul style="list-style-type: none">• a motor or sealed unit over 10 years old from the date of manufacture;• loss or damage to a motor in:<ul style="list-style-type: none">– audio/visual equipment or appliances, such as televisions;– electronic devices, such as laptops and computers;– microwave ovens.• loss or damage:<ul style="list-style-type: none">– unless you can provide written confirmation from a qualified repairer saying the loss or damage was caused by a burnt out or fused motor and if required you make the item available to us for inspection;– to the refrigerator or freezer caused by spoiled food;– to motors which form part of equipment used in conjunction with any business, trade or profession, even if we have agreed to cover business use at the insured address and it is shown on your current schedule.
Note:	<p>We will not pay to replace the whole appliance unless it will cost us less than it would to repair or replace the motor.</p> <p>We will deduct any amount you can claim under a manufacturer’s guarantee or warranty.</p>

Investor Plus – Contents

When you have selected Investor Plus, you are also covered for the following insured events:

Malicious damage by tenants or their guests

We cover:	Loss or damage to your contents caused by or resulting from the action of tenants or their guests acting maliciously.
Limit:	The most we will pay is the sum insured.
We do not cover:	<ul style="list-style-type: none"> • accidental or unintended damage; • the cost of cleaning, repairing or restoring your contents caused by neglect, or untidy, unclean or unhygienic acts of tenants or their guests, such as the cost of cleaning, repairing or removing: <ul style="list-style-type: none"> – liquid or food stains; – stains caused by urine, excrement or vomit; – water damage and stains caused from watering plants, or by water splashing from showers, sinks or baths; – abandoned items or rubbish. • loss or damage caused by: <ul style="list-style-type: none"> – scratching, denting, or chipping; – animals or birds belonging to tenants or their guests. • additional claims under this cover in respect of the same or associated tenant or guest when you have not taken reasonable steps to prevent the same incident from occurring.
Note:	<p>An excess applies to all malicious damage by tenants or their guests claims. This is in addition to any other excesses that apply to your claim.</p> <p>The malicious damage by tenants or their guests excess will show on your current schedule and is shown in the PPG.</p>

Theft by tenants or their guests

We cover:	Loss or damage to your contents caused by or resulting from theft or an attempt to commit theft by tenants or their guests.
Limit:	The most we will pay is the sum insured.
We do not cover:	Additional claims under this cover in respect of the same or associated tenant or guest when you have not taken reasonable steps to prevent the same incident from occurring.
Note:	<p>An excess applies to all theft by tenants or their guests claims. This is in addition to any other excesses that apply to your claim.</p> <p>The theft by tenants or their guests excess will show on your current schedule and is shown in the PPG.</p>

Legal liability

(Applicable to building cover only)

We cover your legal liability and that of your family arising from an occurrence within the period of insurance, that results in:

- death or bodily injury to other people; **or**
- loss or damage to property which you do not own or for which you are not responsible; subject always to the balance or remainder of this part of the policy, and the restrictions or entitlements contained in this part of the policy.

We cover your legal liability and that of your family arising from an occurrence **at the insured address**.

Strata title owners

When the insured address is an individual lot of a strata scheme, we cover your proportion of the body corporate's liability (which is the proportion of your ownership of the strata scheme as a lot owner) arising from an occurrence for which the body corporate is liable in respect of the strata scheme. This cover only applies if the liability is not covered under a strata policy.

Limits of indemnity

The maximum we will pay is \$20,000,000 for all losses, claims and liabilities arising out of the one occurrence in the period of insurance.

This amount includes the legal costs of defending any claims against you and any costs awarded against you, provided we appoint the lawyers.

Note

In this *Legal liability* section, 'occurrence' means an event, including continuous or repeated exposure to substantially the same general conditions, and all events of a series consequent on or attributable to one source or original cause or a related source or cause, and which causes death or bodily injury to other people, or which causes loss or damage to property which you do not own or for which you are not responsible.

Legal liability exclusions

The **General exclusions** (see [page 55](#)) apply to this **Legal liability** cover. In addition, we do not cover liability directly or indirectly caused by or resulting from:

Agreement	Any agreement or contract you enter into, but we will cover your legal liability if it would have existed had you not entered into the agreement or contract.
Asbestos	<ul style="list-style-type: none"> • inhalation of or exposure to asbestos; • loss or any cost associated with cleaning up or removing asbestos; • loss or damage to any property due to the presence of any asbestos.
Building or Renovating	Building work carried out at the insured address where the total cost of the building, altering or renovating is more than \$50,000 .
Business use	<ul style="list-style-type: none"> • the use of your building for any business purposes; • any business, trade, profession or occupation carried out by you or your family or anyone living or staying at the insured address.
Committee members	<ul style="list-style-type: none"> • any event which you as a committee member have organised or are legally responsible for, unless the event occurs at the insured address; • your actions, duties or interests as: <ul style="list-style-type: none"> – a committee member or director of a club or association; or – an official at a game or organised sporting activity.
Death or injury	Death or injury to you, your family or any other person, who normally lives with you, but we will cover a renter, tenant, guest or boarder living in your building.
Defamation, libel or slander	Defamation, libel or slander.
Deliberate act	Things done intentionally or left undone intentionally by you or your family, or any one acting on behalf of you or your family, with reckless disregard for the consequences.
Fines, penalties or damages	Civil or criminal fines or penalties or punitive, aggravated, exemplary, or multiple damages.
Illness or disease	Illness, disease or sickness you knowingly spread or failed to take due care to prevent spreading after you knew about it.
Legal actions outside of Australia	Legal actions or legal claims brought against you, decided or heard in countries outside Australia.
Property owned by you	Loss or damage to property that you or your family own, but we will cover your legal liability for property kept at the insured address that is owned by a renter, tenant, guest or boarder who is living or staying at the insured address.

Legal liability exclusions	
Remote control, model or toy vehicles	The use of remote control, model or toy: <ul style="list-style-type: none">• vehicles;• watercraft;• aircraft, including drones.
Unoccupied	Your building, if it has been unoccupied for more than 60 consecutive days unless you have told us and we have agreed to cover this, and it is shown on your current schedule.
Vehicle	The use of any vehicle, aircraft or water-borne craft including motorised golf carts or buggies, wheelchairs and mobility scooters, ride-on mowers, motorcycles and motorbikes.
Wharf, jetty, pontoon or bridge	Any wharf, jetty, pontoon or bridge you own or are legally responsible for.
Words or acts	You agreeing to take the liability upon yourself.
Workers compensation or third-party personal injury insurance	Any occurrence where the person against whom the claim is made holds, or was required by law to hold, worker's compensation or third-party personal injury insurance which would provide cover for the claim in whole or in part.

Sections that apply to building and contents

General exclusions

We do not cover under any section of this PDS, loss, damage, cost or liability arising directly or indirectly from, or in any way connected with:

Actions of the sea	Actions of the sea, including tidal wave, king tide and high tide.
Asbestos	Asbestos, asbestos fibres or any form of asbestos derivatives but we will cover the cost to remove asbestos from the insured address (including disposal) during repairs or rebuilding if we have accepted a claim for loss or damage to your building as a result of an insured event and the removal is required to complete the repairs or rebuild. We will only remove the asbestos that is required to be removed by law or regulation to repair the damaged area of your building.
Biological, chemical, other pollutant, contaminant or communicable disease	<ul style="list-style-type: none"> any actual or threatened biological, bacterial, viral, germ, communicable disease, chemical or poisonous substance, pollutant or contaminant; or any looting or rioting following the actual or threatened release of any biological, bacterial, viral, germ, communicable disease, chemical or poisonous substance, pollutant or contaminant; or any action taken by a public authority to prevent, limit or remedy the actual or threatened release of any biological, bacterial, viral, germ, communicable disease, chemical or poisonous substance, pollutant or contaminant.
Boundary fences	Any amount which exceeds your proportional share of the costs which you are liable for, for repair or replacement of boundary fences.
Breaking the law	You, your family or anyone living or staying at the insured address, or someone who entered the insured address with your consent, or the consent of a person who lives or is staying at the insured address, or anyone with your permission or knowledge committing a criminal or illegal act or omission whether by failing to comply with any legislative, statutory, regulatory or municipal by law or otherwise, provided where that act or omission could reasonably be regarded as being capable of causing or contributing to a loss; or alternatively, our liability in respect of the claim is reduced by the amount that fairly represents the extent to which the act or omission contributed to or caused the loss.

Building work	<ul style="list-style-type: none"> • water entering your building through openings in the walls, roof or other unfinished parts of your building; • storm or intentional or malicious damage to inside finishes, fixtures and fittings of your building as a result of unfinished construction, alteration or renovation; • theft by someone who enters or leaves through an open or unfinished wall, roof, door or window, even if it was temporarily secured or covered; <p>when building work or renovations have been carried out at the insured address immediately prior to or at the time of an insured event.</p>
Business use	<ul style="list-style-type: none"> • any part of your building or any of your contents being used for business purposes unless you have told us and we have agreed to cover this and it is shown on your current schedule (any cover we agree to only extends to loss or damage but not liability which will always be excluded); • any business, trade, profession or occupation carried out by you or your family or anyone living or staying at the insured address.
Confiscation	The confiscation, lawful seizure, nationalisation, expropriation, requisition or destruction of any insured item.
Consequential loss	<ul style="list-style-type: none"> • consequential loss (financial or non-financial loss) or extra costs following an incident covered by your policy. This could include loss of income, medical expenses, the cost of hiring appliances, professional fees and the cost of your time; • cleaning costs; • any outstanding or unused credit on a mobile or data plan.
Contamination	Contamination or pollution of any property or land, including your building or the insured address.
Contents in transit	Contents whilst they are being transported from one location to another.
Defects	<p>Any defect, imperfection, structural fault or design fault that you knew about or should reasonably have known about and did not fix before the loss or damage occurred.</p> <p>See Defects on page 15 for further information on how we settle your claim if there are defects present.</p>

Deliberate action	<p>A deliberate or intentional act or a deliberate lack of action by:</p> <ul style="list-style-type: none"> • you, your family or anyone living or staying at the insured address; • someone who entered the insured address with your consent, or the consent of a person who lives or is staying at the insured address. <p>Provided where that act or lack of action could reasonably be regarded as being capable of causing or contributing to a loss; or alternatively, our liability in respect of the claim is reduced by the amount that fairly represents the extent to which the act or lack of action contributed to or caused the loss.</p>
Electronically stored software, data and files, and images, including photographs	<ul style="list-style-type: none"> • the total or partial destruction, distortion, erasure, corruption, alteration, misinterpretation or misappropriation of electronic software, data and files; • the total or partial liability or failure to receive, send, access or use electronic software, data and files for any time or at all; • the total or partial destruction of hard copies of photographs, films or other images but we will cover the cost of reproducing hard copies of photographs you have purchased from, or had produced by, a professional photographic business or retail outlet, where possible; • an error in creating, amending, entering, deleting or using electronic software, data and files; • a computer virus, computer hacking, cyber act or cyber incident.
Ground movement	<p>Rising damp or seepage of water from the ground, erosion, vibration, subsidence, landslip, landslide, mudslide, collapse, shrinkage or any other earth movement, but we will cover loss or damage caused by subsidence or landslide if they are proved to have occurred within 72 hours of, and directly because of:</p> <ul style="list-style-type: none"> • earthquake or tsunami; • storm; • flood; • escape of liquid; • explosion.
Hazardous materials	<p>Any hazardous materials, such as explosives or flammable or combustible fluids not being used or stored in accordance with the relevant laws, controls or manufacturer's instructions.</p>
Incidents occurring over time	<p>Any incident occurring over time and not as a result of a single event or occurrence.</p>
Items for sale	<ul style="list-style-type: none"> • items entrusted to another party for sale; • items which you have handed over as part of a sale, but not collected payment for.

Loss not covered by this PDS	Loss, damage or liability other than the cover described in this PDS.
Maintenance	<ul style="list-style-type: none">• you not keeping the buildings at the insured address and landlord’s contents in good order and repair and well maintained (see definitions for more information on Good order and repair and well maintained on page 61);• you not taking all reasonable care to protect your property;• wear, tear, depreciation, rust, fading, mould, rising damp, mildew, rot or other forms of corrosion. For example, tiles or their adhesive or grouting breaking down;• you failing to fix faults and defects as you become aware of them;• neglect, untidiness, uncleanliness or unhygienic acts. <p>Provided where these acts or omissions could reasonably be regarded as being capable of causing or contributing to a loss; or alternatively, our liability in respect of the claim is reduced by the amount that fairly represents the extent to which the act or omission contributed to or caused the loss.</p>
Mechanical, structural or electrical breakdown	Mechanical, structural or electrical breakdown but we will cover a burnt out or fused household electric motor if you have paid for the optional cover of Damage to electric motors (see pages 35 and 49) and it is stated on your current schedule.
Not complying with planning regulations	Your building not complying with building laws and regulations except those laws or regulations introduced after your building was originally built or last altered which you were not required to comply with, provided where that non-compliance could reasonably be regarded as being capable of causing or contributing to a loss; or alternatively, our liability in respect of the claim is reduced by the amount that fairly represents the extent to which the non-compliance contributed to or caused any loss.
Outside of Australia	Any loss, damage or liability which occurs outside of Australia.
Overhead transmission and distribution lines	Losses in response of overhead transmission and distribution lines and their supporting structures unless within 1,000 metres of the insured address and they are your responsibility.
Period of insurance	Any loss, damage or liability occurring outside the period of insurance.
Postal or courier	Items sent by post or courier.

Power failure or fluctuation	power failure or fluctuation by your power provider but we will cover loss or damage if the power failure or fluctuation was as a direct result of an insured event.
Radioactivity, nuclear materials	<ul style="list-style-type: none"> • radioactivity or the use, existence or escape of nuclear fuel, nuclear material or waste; or • action of nuclear fission including detonation of any nuclear device or nuclear weapon; or • any action taken by a public authority to prevent, limit or remedy the actual or threatened release of any radioactive or nuclear materials; or; • any looting or rioting following these incidents.
Repairs you undertake	Any costs you incur if you repair, renovate or replace a damaged area or item before we can inspect it and establish the cause unless Emergency repairs (see page 12 and 13) are required.
Revolution and war	<p>Revolution, hostilities, war or other acts of foreign enemy, war like activity (whether war is declared or not), or military coup; or</p> <p>Any looting or rioting following these incidents.</p>
Tree lopping/tree roots	<ul style="list-style-type: none"> • roots from trees, plants, shrubs or hedges; • trees being felled, lopped, cut, pruned or transplanted; • the removal and disposal of: <ul style="list-style-type: none"> – debris, fallen trees or branches or other objects unless removal is required to undertake the repairs to your building; – tree stumps or tree roots that are still in the ground.

Definitions

These words have special meanings when they are used in this PDS.

Accident/ Accidental	An incident you did not intend or expect to happen.
Business	A business, trade, profession, occupation or any income-earning activity. Business also includes farming, grazing, agistment of stock or agriculture that earns you money. It does not mean you have a tenant residing at your insured address.
Common property	<ul style="list-style-type: none"> • common property for a strata scheme consists of: <ul style="list-style-type: none"> – all land within the scheme that is not within the boundaries of a lot; and – all other property administered by the body corporate for the relevant scheme; and – in a case where the roof of a building forms part of the common property, the guttering attached to the roof or part of the roof is taken to be included in the common property; • the common property for a strata scheme or community development scheme does not include land designated for future development in the master plan for a staged development scheme or a community development scheme.
Communicable disease	Disease that is spread from one living thing to another (whether directly, indirectly or by means of vectors).
Current schedule	The notice we provide to you that sets out the cover, terms, conditions, and policy period. This in conjunction with your PDS, SPDS and PPG forms the basis of your policy.
Cyber Act	An unauthorised, malicious or criminal act or series of related unauthorised, malicious or criminal acts, regardless of time and place, or the threat or hoax there of involving access to, processing of, use of or operation of any Computer System.
Cyber Incident	Any error or omission or series of related errors or omissions involving access to, processing of, use of or operation of any Computer System; or any partial or total unavailability or failure or series of related partial or total unavailability or failures to access, process, use or operate any Computer System.
Fixtures and fittings	<ul style="list-style-type: none"> • for building this means fixtures such as heat pumps and timber floors; • for contents this means fittings such as rugs, window furnishings, light fittings and installed carpets.

Good order and repair and well maintained	<p>Your building and contents do not have any faults or defects that could cause any loss of damage to your own property or property of others, or death or bodily injury to other people, or could add to the cost of repair, (or mean an item needs to be replaced other than being repaired).</p> <p>It also means, in relation to your building and/or contents, that they are watertight, structurally sound, and secure, with a functioning bathroom and kitchen.</p> <p>Examples of faults or defects that could indicate your building and contents were not in good order and repair and well maintained include:</p> <ul style="list-style-type: none"> • the roof leaks when it rains; • there are areas of roofing, flooring, ceilings, steps, gutters or any other areas of your building that are loose, falling down, missing or rusted through; • there are holes in floors, walls, ceilings or any other parts of your building; • there is wood rot; • there are boarded up or broken windows; • there is unrepaired damage and the items are operating effectively prior to any loss or damage covered by your policy; • your building is infested with vermin; • silicon, grout and tile adhesive is breaking down; • paint is deteriorating; • there is debris and vegetation in gutters, drains and downpipes; • there are squatters or unauthorised persons occupying your building.
Guest or boarder	A person paying to temporarily stay at your building.
Homeshare	A building which has all relevant council registrations, permits and licences offering short stay temporary shared guest accommodation, using a recognized accommodation booking platform such as Airbnb.
Insured address	The address shown on your current schedule that you use primarily for domestic rental purposes. It does not include the nature strip outside your building.
Insured events	The insured events described and shown on pages 22 - 30 and 40 - 47 of this PDS.
Open air	An open area at the insured address, including patios or verandas, in cars, under carports or in open shelter areas.
Period of insurance	The period for which cover is provided by your policy as shown on your current schedule.

Policy	<p>Your policy consists of:</p> <ul style="list-style-type: none"> • this PDS; • your application(s) for insurance; • our record of your responses; • your current schedule which sets out the particular details of your policy; • your PPG; • any supplementary PDS we may issue.
Property manager	A person or other entity appointed in writing and paid by you, with delegated functions including the authority to act as an office bearer in terms of any strata, group, body corporate, community title or similar laws that apply to your building.
Rent	<p>The net amount* a tenant pays to occupy your building. If your building is unoccupied, it is the amount a tenant would pay, based on an assessment by a qualified property management agent agreed to by us.</p> <p>*Net amount means the amount of rent you receive after deducting any property manager's commission that applies.</p>
Rental Agreement	A current written contract between you and your tenant which sets out the term of the rental period and the rent, bond and conditions for occupying your building.
Renter or tenant(s)	A person who occupies and rents your building or property from you as the landlord under a rental agreement which sets out the term of the rental period and the rent, bond and conditions for occupying your building.
Sum insured	Is the amount you choose that reflects the true replacement value of your building or contents cover, and as otherwise detailed in your policy. Your sum insured is shown on your current schedule.
Tools of trade	Tools which you or your family use in a business, trade, profession, occupation or any income-earning activity.
Unoccupied	<p>Neither you, nor anyone with your permission, is living or staying in your building. Unoccupied also means:</p> <ul style="list-style-type: none"> • your building is not furnished for habitation; • your building is not connected to services; • your building is not permanently being lived in.
Vehicles	Motorised or non-motorised vehicles, trailers, ride-on vehicles including, but not limited to, All Terrain Vehicles, Recreational Terrain Vehicles and quadbikes, tractors, backhoes, bob-cats, earth dozers, or front-end loaders or their accessories or spare parts.

We, our and us	RACT Insurance Pty Ltd.
You, your	The insured shown on your current schedule.
Your family	Your spouse, your partner or your de facto, your parents and parents-in-law, your or your spouse's children, your brothers and your sisters, who normally live with you.
Your building	The residential building(s), outbuildings, fixtures and structural improvements located at the insured address shown on your current schedule, which you own, and are used primarily for domestic rental purposes.
Your contents	The household goods that you or your family own or are legally responsible for, that are for the use of your tenant for domestic purposes and are located at the insured address shown on your current schedule.

Paying your premium

You may pay your premium annually or, at our option, in instalments.

Payment in full

If your premium is not paid by the due date, you may not be covered for any claims.

Payment by instalments

- At our option, you may pay your premium in instalments by direct debit from either your financial institution or your credit card.
- If you pay by instalments a surcharge on your premium may apply.
- Your responsibilities include:
 - providing us with your account details and an authority to deduct payments; **and**
 - ensuring that sufficient funds are available in your nominated account to pay each instalment.
- You must tell us if you change any of the account details.
- If the account details you provide are incorrect or there are insufficient funds in your account, any additional fees or administration costs incurred because of the non-payment are payable by you.
- If you are paying by instalments, any unpaid portion of the total premium for the current period of insurance must be paid by you before your total loss claim can be completed. We will advise you if we decide to deduct the outstanding premium from your claims settlement.
- If your instalment payments are in arrears at the time of a claim you will need to pay the outstanding amounts before your claim can be completed. We will notify you if we decide to deduct the outstanding premium from your claims settlement.
- At renewal, we continue to deduct instalments until you tell us to cancel or change that arrangement.
- If your premium increases due to a change to your policy, we will adjust your instalment amounts and commence deducting the new amount from your next instalment date. We will confirm any changes to your instalment plan in writing to you. If all of your instalments have been made, a once off payment will be processed.

Payment schedule

- Your first payment will be withdrawn from your nominated account five days from your direct debit arrangement being set up.
- Subsequent payments will be deducted on the nominated day.
- If we are unable to process your payment on the nominated date, we will do so as soon as possible thereafter.
- Where the nominated payment day falls on a non-business day, we will deduct the scheduled payment on the next business day.

Renewal payment by instalments

- If you already have an existing instalment agreement with us and we invite renewal, we will continue to deduct payments from your nominated account when your policy is renewed, **unless** you inform us otherwise.
- If your premium changes at renewal, we will adjust your instalment amounts and commence deducting the new amount.

Changing your arrangement with us

- If you need to change any details of your direct debit arrangement please let us know before:
 - your next scheduled payment; **or**
 - the due date of the payment to which the changes will apply.

Overdue payments

- If your payment is overdue by:
 - more than 14 days after its due date, we may refuse any claim made for loss or damage occurring during the period the policy is unpaid;
 - one month, the cover your policy provides will cease **unless** alternative arrangements have been made directly with us.
- If two or more payment requests are not honoured by your financial institution, we may cancel your policy. We will advise you in writing if we are going to cancel your policy.
- If you cancel your payment arrangements, all outstanding amounts will be due and payable within 14 days from the cancellation date. If payment is not made, your policy will be cancelled and we will confirm the cancellation in writing.
- We may employ an external agency to collect payments owed to us.
- We accept payment by instalments at our option. We may not offer this option on future cover if there is a history of not meeting instalment payment obligations.

Cancelling your policy

You may cancel your policy at any time. We will refund the unused pro-rata portion of the premium.

If you are paying your insurance by instalments, any refund will be credited against your remaining instalments. If no instalments are remaining, or you are cancelling your entire policy, we will refund you the unused pro-rata portion of your premium.

We can cancel your policy in any way permitted by law. If we do so, we will:

- give you prior notice in writing; **and**
- refund any premium you have paid for the period after the date of cancellation.

Goods and services tax

Any amounts we may pay under your policy include goods and services tax (GST).

When claiming, you will need to provide details of any entitlement to input tax credits on your premium if you are registered for GST purposes.

When we make a payment to you for repair or replacement of an insured item, we may reduce the settlement amount we pay by the amount of an input tax credit you would be entitled to claim.

Updating our PDS

The information in this PDS was current at the date of preparation. From time to time we may need to update the information contained in this PDS. In some circumstances the terms and conditions of this PDS may be amended by a supplementary PDS or other notice (a notice may be used where changes are not materially adverse).

The current disclosure documents (including updates) are available by contacting us on 13 27 22, visiting your nearest branch or visiting our website at www.ract.com.au.

How we resolve complaints

We handle all complaints in accordance with our Complaints Handling Guide which is available on our website (www.ract.com.au) or request a copy by contacting us on:

Phone: 13 27 22 or 1800 005 677

Email: claimskomplaints@ract.com.au (for complaints related to claims) or policykomplaints@ract.com.au (for complaints relating to sales or other matters)

Mail: to the following postage-paid address:

RACT Insurance

Reply Paid 1292

HOBART TAS 7001

If you need to escalate the issue to an independent third party you can contact the Australian Financial Complaints Authority (AFCA) (AFCA is an independent external dispute scheme and their service is free to you), or for privacy related matters, complaints can also be lodged with the Office of the Australian Information Commissioner (OAIC). Contact details for both are provided below:

AFCA

Online: www.afca.org.au

Email: info@afca.org.au

Phone: 1800 931 678

Mail: Write to the following address:

Australian Financial Complaints Authority

GPO Box 3

Melbourne VIC 3001

OAIC

Online: www.oaic.gov.au

Email: enquiries@oaic.gov.au

Phone: 1300 363 992

Mail: Write to the following address:

Director of Compliance

Office of the Australian Information Commissioner

GPO Box 5218

Sydney NSW 2001

The General Insurance Code of Practice

RACT Insurance subscribes to the General Insurance Code of Practice. A copy of the code can be obtained from www.codeofpractice.com.au. Alternatively you can contact the Insurance Council of Australia by visiting www.insurancecouncil.com.au or by phone on 1300 728 228.

Financial Claims Scheme

This policy may be a 'protected policy' under the Federal Government's Financial Claims Scheme (FCS), which is administered by the Australian Prudential Regulation Authority (APRA).

The FCS only applies in the extremely unlikely event of an insurer becoming insolvent and the Federal Treasurer making a declaration that the FCS will apply to that insurer.

The FCS entitles certain persons, who have valid claims connected with certain protected policies issued by that insurer, to be paid certain amounts by APRA.

Information about the FCS can be obtained from www.fcs.gov.au.

Privacy of personal information

The privacy of your personal information is important to us. We collect your personal information to ensure that we are able to provide you with the relevant products and services.

We are subject to the Privacy Act 1988. For further details, please refer to our Privacy Policy at www.ract.com.au or ask us for a copy. Our Group Privacy Statement, also on our website, includes information about how we collect, use and disclose your personal information.

NOTES

RACT branches

Burnie
Devonport
Glenorchy
Hobart
Kingston
Launceston
Rosny Park

RACT Insurance Pty Ltd
ABN 96 068 167 804
AFS Licence no. 229076



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