



COMMONWEALTH OF AUSTRALIA

Defence Service Homes Act 1918
VARIATION TO THE STATEMENT OF CONDITIONS UNDER
SUBSECTION 38A(3)

Instrument 2007 No.3

1. I, Bruce Billson, Minister for Veterans' Affairs, by this notice to the Secretary of the Department of Veterans' Affairs, vary the Statement of Conditions dated 23 January 1996 by omitting every part of the Statement of Conditions except Part 5 (Strata title homes) and substituting, in chronological order, the contents of the attached document entitled: Defence Service Homes Insurance Scheme Home Buildings Statement of Conditions.
2. When this Instrument is registered on the Federal Register of Legislative Instruments it is taken to have commenced on 9 September 2002.

Dated 29th May 2007

[signed]
BRUCE BILLSON
Minister for Veterans' Affairs



Defence Service Homes

Insurance Scheme

Home Buildings

Statement of Conditions

Australian Government
Department of Veterans' Affairs

DEFENCE
SERVICE HOMES
INSURANCE SCHEME

Cover plus the Care

Contact any of the Defence Service Homes Insurance Scheme offices on **1300 552 662**

New South Wales
GPO Box 1504,
Sydney NSW 2001

South Australia
GPO Box 319,
Adelaide SA 5000

Victoria
GPO Box 1987R,
Melbourne VIC 3001

Western Australia
GPO Box L885,
Perth WA 6001

Queensland/Northern
Territory
GPO Box 498,
Brisbane QLD 4001

Tasmania
GPO Box 481E,
Hobart TAS 7000

To make a credit card payment on your policy simply call **1300 304 989** or visit the Defence Service Homes Insurance Scheme website at www.dsh.gov.au and follow the prompts.

For emergency after hours assistance call **1300 552 662**

CONTENTS

Customer Information

About this insurance		4
General Insurance Code of Practice	4	
About your policy	4	
Understanding your policy		5
“You” and “us” and other defined words	5	
The insurance contract	5	
Your premium		5
When your insurance starts	6	
Terms of the contract	6	
14 day money back guarantee		6
Others you want this insurance to protect	7	
Your sum insured	7	
How claims affect your sum insured	8	
The protection we offer	8	
Claims		8
Making a claim		8
If we agree you have a claim	9	
When we may refuse a claim	10	
Cancelling your insurance	11	
If the home is especially exposed to risk	12	
Duty of disclosure	12	
Your duty		12
If you fail in your duty	12	
Information you do not have to give us	13	
Disputes		13
Safeguarding policy holders personal information	13	
Policy Wording		
Part 1 Loss or damage to your home	14	
The events we insure you for		14
1 Fire		14
2 Explosion		14
3 Lightning or thunderbolt	14	
4 Earthquake	14	
5 Flood or action of the sea	15	
6 Storm, snow or hail	15	
7 Rain	15	
8 Act intended to cause loss or damage	16	
9 Theft or attempted theft	16	
10 Escape of liquid	16	
11 Riot or violent civil disorder		17
12 Impact		17
13 Falling tree or branch		18
What we pay	18	
A Repairing or rebuilding your home	18	

B Additional expenses we pay for	20	
Limits on what we pay		23
Part 2 Accidental loss or damage	24	
What we insure you for		24
What we do not insure you for		24
What we pay	24	
Limits on what we pay		25
Part 3 Fusion of electric motors	26	
What we insure you for		26
What we do not insure you for		26
What we pay	27	
Limits on what we pay		27
Part 4 Owner's or occupier's legal liability	28	
What we insure you for		28
What we do not insure you for		28
What we pay	30	
Limits on what we pay		30
Part 5 Strata title homes	31	
What we insure you for		31
What we pay	31	
What we do not pay	31	
Limits on what we pay		31
Part 6 Death of you or your family	32	
What we insure you for		32
Events causing death		32
What we do not insure you for		33
What we pay	33	
Limits on what we pay		33
Part 7 General exclusions	34	
Part 8 Definitions		35

CUSTOMER INFORMATION

About this insurance

Thank you for insuring your home with the Defence Service Homes Insurance Scheme. Your home is probably worth more than any of your other possessions, so it is important that you insure it effectively. We have designed this policy to provide you with exactly that kind of security. Not only do we offer to effectively protect you against loss and damage to your home, we also offer to protect you against related expenses, accidental loss or damage, broken glass, fusion of electric motors, owner's or occupier's legal liability, and death.

This insurance is available as a benefit for people who qualify under the *Defence Service Homes Act 1918*, the *Veterans' Entitlement Act 1986* or the *Defence Force (Home Loans Assistance) Act 1990*.

General Insurance Code of Practice

The Defence Service Homes Insurance Scheme has voluntarily adopted the General Insurance Code of Practice.

The Code sets out standards of good practice and service. It provides guidelines for claims handling, dispute resolution, agent and employee training, and for writing policies and other insurance documents.

In doing this, the aim of the Code is to promote both an improved standard of insurance, and good relations between insurers, insurance agents, and consumers.

If you want further information about the Code, please contact your local state office on 1300 552 662.

About your policy

This booklet is your insurance policy. It tells you the types of claims we will and will not pay for. It also tells you your rights and obligations and what may happen if you fail in your obligations.

Understanding your policy

We have written your policy in Plain English to make it easier for you to understand.

If you have any questions about the policy or if you need us to explain any part of it to you, please contact your local state office on 1300 552 662.

Make sure you read *all* of it carefully, and keep it in a safe place with your **certificate**.

“You” and “us” and other defined words

In your policy and **certificate**:

“**you**” or “**your**” means any person named as “the insured” on your **certificate**, and

“**we**” or “**our**” or “**us**” means the Defence Service Homes Insurance Scheme.

Some other words used in your policy and **certificate** have special defined meanings. We either explain the word’s meaning in the place it appears, or, if the word is in **bold**, we explain its meaning in the Definitions section on pages 35 – 37.

The insurance contract

When you buy this policy, you are making a contract of insurance with us.

In this contract:

- you agree to pay us a **premium**, and in return
- we agree to provide you with the insurance described in this policy and which is shown on your **certificate**.

Your premium

Your **premium** is the amount you must pay us for the insurance we

provide. You must pay a **premium** when you first buy the policy and each year that you renew the policy. When you renew your policy, we adjust your **premium** so that it takes account of any changes in building costs we insure you for.

The **premium** you must pay is shown on your **certificate**. You must pay this amount by the date shown on your **certificate** as the starting date for the policy. (The starting date is the first date that appears after "Period:" in the **certificate**.)

If you do not pay your **premium** by the starting date for the policy, then:

- if a financial institution is named under "Other interested parties" on your **certificate**, we may ask it to pay your **premium**, or
- if you have not mortgaged the **home** or used it to get a loan, we may cancel your insurance.

When your insurance starts

Your insurance only starts when you pay us the "Total Premium Due" shown on your **certificate**. This is the amount of your **premium** and government charges. If you are renewing your policy, the amount due also includes money you still owe us, or credits we owe you. Remember, if you do not pay us, you have no insurance.

Terms of the contract

Your policy and **certificate** are the terms of the contract. These are the terms that apply if you make a claim, so it is important that you:

- read both of these documents fully and carefully, and
- make sure that all information on your **certificate** is accurate and up to date.

14 day money back guarantee

If you are not totally satisfied, you may cancel the insurance contract up to 14 days after you receive it by:

- telling us in writing that you want to cancel it, and
- returning the policy and **certificate** to your local state office (you will find the address on the back of this policy).

If you cancel the contract in this time, we will:

- return to you all of the **premium** you have paid us, and
- treat your contract with us as though it never existed.

To cancel at other times, please see "Cancelling your insurance" on page 11.

Others you want this insurance to protect

If someone other than you has an interest in the **home** (for example, a bank that is mortgagee of the **home**), and if you want this policy to protect their interest, then:

- you must tell us in writing who they are and what interest they have in the **home**, and

- we must consent to insuring them with this policy, and
- their names must be shown under “Other interested parties” on your **certificate**.

Unless all of these things happen, this policy does not protect them.

Your sum insured

Your **sum insured** is the total amount that you insure the **home** for, using this policy. We work out this amount and show it on your **certificate**.

Your **sum insured** is made up of:

- the amount we estimate that it would cost to totally rebuild the **home**, plus
- an amount to cover these additional expenses (**see pages 20 – 23**):
 - temporary accommodation
 - lost rent
 - landlord’s fixtures and fittings
 - extra costs related to building
 - legal costs for discharge of mortgage
 - matching decor
 - trees, shrubs and plants.

When it is time to renew your policy, we adjust your **sum insured** so that it takes account of any changes in building costs.

If you think that the **sum insured** shown on your **certificate** is not enough to properly insure your **home**, please contact your local state office as soon as possible on 1300 552 662.

How claims affect your sum insured

If we pay you a claim that is less than the **sum insured**, the amount of the **sum insured** automatically returns to what it was just before you made the claim. This means that the next claim you make will be against the restored amount of the **sum insured**.

You do not have to pay us any extra **premium** for restoring your **sum insured** in this way.

If we pay you any claim that is equal to or greater than the **sum insured**, your insurance contract with us ends.

The protection we offer

This policy tells you the types of claims we will and will not pay for. It is important that you read all of the policy to make sure you understand the protection we offer.

It is also important that you are aware of the limits on the amounts we pay you in this policy. You can find these limits in the policy in the “Limits on what we pay” sections.

Claims

Making a claim

Please note, if more than one person is insured with this policy, we will treat a claim by any one of those people as a claim by all of those people.

As soon as possible after the event that gives rise to a claim, you must:

- report the event to the Police if it involves loss or damage to your property caused by:

- acts intended to cause loss or damage

- theft or attempted theft

- a **vehicle** (other than a **vehicle** you own) colliding with the **home**

(You must cooperate with the Police in their investigations.)

- contact us and tell us the details of what has happened

- give us reasonable time to inspect the loss or damage before you let anyone fix or interfere with it

- give us any information about the claim that we ask you for

- tell us about any other insurance you have for the type of claim you are making on this policy

- protect the **home** and **site** against further loss or damage

- complete our claim form, if we ask for one, and take or mail it to your local state office. (You will find the address on the back of this policy.)

Where possible, you should keep evidence of the value of insured property and also of the costs of loss or damage (for example valuation certificates and receipts).

This will help to minimise delay in processing your claim.

If we agree you have a claim

It is important to note these rights we have if we agree you have a claim:

- We may give information about your insurance to solicitors, loss adjusters or any other people who act for us in assessing, investigating, settling or defending the claim.

- Only we have the right to:

- settle or defend the claim, or

- make or accept any offer or payment, or in any other way admit you are liable.

- If the loss or damage you claim for was caused by someone else, we can use any of the legal rights you have against that person to try and recover the amount of your claim. This means that we can take that person to court and sue them for the loss or damage using your name. Only we have the right to take the matter to court. If we go to court, we decide how we will argue or settle your case.

If we recover money from the person who caused the loss or damage, we keep an amount equal to the amount we paid you for the claim.

You must cooperate with us in our attempts to legally recover the amount of the claim.

- Once we pay your claim, we may take possession of the damaged property. If we do, we decide what we will do with it.

When we may refuse a claim

1. You must tell us in writing if:

- the **home** is going to be unoccupied for more than 90 consecutive days, or
- you, your **family**, or anyone who lives in the **home**, is going to start using the **home** or part of it, for business purposes, or
- you, or someone with your consent, is going to improve, modify or add to the **home**.

If you do not tell us about these things in writing before they happen, we may refuse your claim.

2. We may refuse a claim if you:

- fail in your duty of disclosure (**see pages 12 – 13**),
- fail to contact us as soon as possible after the **event** or incident that gives rise to the claim,
- fail to send to us as soon as possible after you receive them, any:
 - letters, notices, or
 - court documents,relating to any **event**

or incident that resulted or could result in a claim, or

- unreasonably refuse to give us the information and help we ask you for.

3. We may refuse a claim or reduce the amount we pay you for your claim if:

- you make a fraudulent claim, or
- the loss or damage you claim for is intentionally caused by you or by a person acting with your consent.

4. We may refuse a claim if you fail to take reasonable care to:

- protect and maintain the **home** and **site**,
- prevent death, bodily injury, or illness to other people, or loss or damage to their property, or
- comply with all laws and regulations for protecting people or their property.

5. We may refuse a claim if you do any of the following without us *first* agreeing to it:

- make or accept any offer or payment, or in any other way admit you are liable for the loss or damage,
- settle or defend a claim, or
- sue a person who causes the loss or damage.

6. We may refuse a claim if you do not cooperate with us in our attempts to:

- assess a claim,
- settle or defend a claim, or
- recover the amount we pay for a claim from whoever caused the

loss or damage.

We may also refuse a claim if you do not cooperate with our solicitors, loss adjusters, investigators or any other people who act for us in any of these matters.

Please note, cooperating with us includes going to court to give evidence if we need you to.

Cancelling your insurance

You may cancel your insurance contract at any time by telling us in writing that you want to cancel it.

We

may only cancel your insurance contract when the law says we can. We must either send or give you a written notice telling you that we are cancelling it.

In either case, we may subtract from any **premium** you pay us:

- an amount to cover the period that we have already insured you for, and

- administrative fees for issuing and cancelling the contract, then return the balance of the **premium** to you.

If you cancel the insurance contract within 14 days of receiving it, we will return all the **premium** you have paid us. Please see “14 day money back guarantee” on page 6.

If the home is especially exposed to risk

In deciding whether to insure you or renew your insurance (and if so, on what terms) we reserve the right to:

- increase your **premium**
- impose **excess**
- increase **excess**
- limit or refuse insurance we offer in this policy
- refuse to offer to renew your policy.

We will only exercise this right if we think that the **home** is especially exposed to any of the risks we insure against in this policy.

Duty of disclosure

We rely on the information you give us in your application to decide if we should insure you or not. Because this information is so important to us, the law says there are certain matters that you *must* tell us about when you apply for this insurance. The law calls this your duty of disclosure.

Your duty

Before you enter into the insurance contract you must tell us everything that you:

- know, or

- could reasonably be expected to know, that is relevant to us deciding if and on what terms we will insure you. You must *also* do this every time you renew, extend, or make changes to your policy, but only for matters you have not told us about before.

If you fail in your duty

If you do not tell us about these matters at the proper time, we may do any of the following:

- decrease the amount we pay you for a claim,
- refuse to pay you a claim,
- treat your contract with us as though it never existed (if you fraudulently kept information from us), and/or
- cancel your policy.

It is important to note that if more than one person is insured with this policy, we will treat an act, omission, or a statement or claim by any *one* of those people as an act, omission, or a statement or claim by *all* of those people.

Information you do not have to give us

You do *not*

have to tell us anything: • that we say or indicate we do not want to know, • that we know or, as insurers, we should know, • that decreases the risk we are insuring you for, or • that is common knowledge.

Disputes

If you are unhappy with any aspect of our service or disagree with a decision we have made, please discuss it with us. If you aren't happy with the result, you can ask for the dispute to be referred to the Internal Dispute Resolution Committee. If you still disagree with our final decision, you can use external procedures to try to resolve the dispute.

These external procedures include:

- having the matter reviewed by the the Insurance Ombudsman Service (this is a free service aimed at resolving disputes between consumers and insurers),
- taking the matter to court,
- having the matter mediated or arbitrated, or
- having the matter reviewed by the Commonwealth Ombudsman.

If you want further information about disputes, please contact your local state office on 1300 552 662.

Safeguarding policy holders personal information

Keeping client information secure is a top priority for Defence Service Homes Insurance. If you would like to know more on how:

- we handle the information we collect about you; and
- what information we disclose about you.

You can obtain a privacy brochure by:

- calling us on 1300 552 662; or
- visiting any State office during business hours.

POLICY WORDING

PART 1 LOSS OR DAMAGE TO YOUR HOME

The events we insure you for

We only insure you if the loss or damage to the **home**:

- is caused by one or more of the 13 events we list below,
- happens in the **period of insurance**, and
- is not excluded either by the specific exclusions we list in this section under “What we do not insure you for”, or the General Exclusions we list on page 34 or any exclusions listed on your **certificate**.

1 Fire

What we insure you for

We insure you for loss or damage to the **home** caused by fire.

What we do not insure you for

We do not insure you for loss or damage to the **home** that is caused by burning or heat, if that happens without flames.

2 Explosion

What we insure you for

We insure you for loss or damage to the **home** caused by explosion.

3 Lightning or thunderbolt

What we insure you for

We insure you for loss or damage to the **home** caused by lightning or thunderbolt.

4 Earthquake

What we insure you for

We insure you for loss or damage to the **home** caused by earthquake.

You must pay the first \$200 of each claim we agree to pay for loss or damage caused in an earthquake event. An earthquake event begins with the first earthquake and ends 48 hours after that. If there is another earthquake outside this 48 hour period, it begins a new earthquake event. You must pay another \$200 if we agree to pay your claim for loss or damage that happens in a new earthquake event.

5 Flood or action of the sea

What we insure you for

We insure you for loss or damage to the **home** caused by **flood**, or a tidal wave, or the action of the sea.

By “action of the sea” we mean the rise or fall of the sea over a short

period of time.

6 Storm, snow or hail

What we insure you for

We insure you for loss or damage to the **home** caused by storm, snow or hail.

By “storm” we mean a violent wind that may occur with thunder or heavy rain.

What we do not insure you for

We do not insure you for loss or damage caused by wind, rain, snow or hail entering the home *unless* it enters because of structural damage to the **home** that is directly caused by the storm, snow or hail.

7 Rain

What we insure you for

We insure you for loss or damage to the **home** caused by rain. Rain includes that part of the rainfall that is not absorbed by the soil but runs off as surface water.

What we do not insure you for

We do not insure you for loss or damage caused by rain seeping into or entering the **home** because of:

- defects in the structure or design of the **home**
- defects in building work done on the **home**
- an opening made in the **home** so that it could be added to, renovated, repaired or modified
- failing to properly maintain the **home**.

We also do not insure you for loss or damage to the external paint work or other external coatings on the **home**.

8 Act intended to cause loss or damage

What we insure you for

We insure you for loss or damage to the **home** caused by any act that is intended to cause loss or damage.

What we do not insure you for

We do not insure you if the act that causes the loss or damage is by someone who:

- lives in the **home**, or
- is at the **home** or **site** with your consent or the consent of the person who lives in the **home**.

9 Theft or attempted theft

What we insure you for

We insure you for loss or damage to the **home** caused by theft or attempted theft.

What we do not insure you for

We do not insure you if the theft or attempted theft was by someone

who:

- lives in the **home**, or
- is at the **site** or **home** with your consent or the consent of the person who lives in the **home**.

10 Escape of liquid

What we insure you for

We insure you for loss or damage to the **home** caused by the sudden bursting, leaking, discharging or overflowing of liquid from any:

- shower base or shower walls
- fixed tank or fixed pipe
- gutters or drain
- other equipment that is fixed to the **home** and used mainly to hold or carry liquid.

If we agree to pay your claim for loss or damage caused by this event, we will also pay the reasonable cost of locating the source of the escaped liquid.

What we do not insure you for

We do not insure you for loss or damage that is caused by liquid splashing or gradually escaping because of something *other than* a sudden burst, leak, discharge or overflow.

We do not insure you for the costs of repairing or replacing:

- the defective item, or a defective part of the item, that causes the loss or damage, or
- any leaking shower base or shower walls.

11 Riot or violent civil disorder

What we insure you for

We insure you for loss or damage to the **home** caused by riot or violent civil disorder.

12 Impact

What we insure you for

By “impact” we mean sudden and violent collision.

We insure you for loss or damage to the **home** caused by the impact of any:

- animal that is not kept at the **home** or **site**
- **vehicle**, watercraft, aircraft, sonic boom from an aircraft
- space debris, debris from any aircraft, rocket or satellite
- television aerial or radio aerial or its mast.

What we do not insure you for

We do not insure you for loss or damage to the **home** caused by:

- any animal kept at the **home** or **site**
- any animal or bird biting, chewing, pecking or scratching
- insects or vermin.

We also do not insure you for loss or damage to a television aerial or a

radio aerial or its mast unless that loss or damage is caused by an **event** we insure in this policy.

13 Falling tree or branch

What we insure you for

We insure you for loss or damage to the **home** caused by a falling tree or branch.

If we agree to pay your claim, we also pay the reasonable costs of removing the fallen tree or branch to the nearest dumping ground.

What we do not insure you for

We do not insure you for loss or damage to the **home** caused by lopping or felling a tree if that is done by you or with your consent.

What we pay

A. Repairing or rebuilding your home

If we agree to pay a claim for loss or damage to the **home**, we may choose to:

- pay you a cash amount for what we think are the reasonable costs of repairing or rebuilding the **home**, or
- pay the reasonable costs you actually incur in repairing the **home** if it is damaged (but if it costs less to rebuild the damaged part of the **home** than to repair it, we will pay the reasonable costs of rebuilding it instead), or
- pay the reasonable costs you actually incur in rebuilding the **home** if it is destroyed.

Please note, if we agree with you that it would be inappropriate to rebuild the **home**, we will pay you the **market value** of the **home** before it was destroyed less the amount it costs us to pay off any mortgage on the **home**.

We will pay the reasonable costs of repairing or rebuilding the **home** so that, as far as possible, it is in the same condition as it was in immediately before the loss or damage occurred.

Where possible, we will pay the reasonable costs of matching materials used in repairing or rebuilding with those originally used. But we do not promise to repair or rebuild the **home** to *exactly* as it was before the loss or damage occurred.

We only pay the costs of repairing or rebuilding those parts of the **home** that are *directly* destroyed or damaged by an **event**.

If you have to rebuild the **home**, you may build it on another **site** – but if changing the **site** increases the costs of rebuilding the **home**, you must pay the amount of this increase.

Please note, we will only pay the reasonable costs of repairing or rebuilding the **home** if:

- the **home** has been kept in good repair and condition. This means it must be structurally sound, secure, and well maintained. If it is not, we have to reassess the value of the **home** before we work

out the costs we will pay you. We do this by decreasing the value of the **home**, taking into account its age and the extent it has deteriorated.

- you start repairing or rebuilding the **home** within 6 months from when the loss or damage happens. If you do not, and the delay increases the costs of repair or rebuilding, you must pay the amount of that increase.

Please also note, we will only pay your costs in getting quotes or inspection reports if we agree to do so *before* you get them.

B. Additional expenses we pay for

As part of your **sum insured**, we insure you for these additional expenses:

- temporary accommodation (page 20)
- lost rent (page 20 – 21)
- landlord's fixtures and fittings (page 21)
- extra costs related to building (page 21)
- legal costs for discharge of mortgage (page 22)
- matching decor (page 22)
- trees, shrubs and plants (page 22 – 23).

Please note, the most we will pay for each claim for *all* of these additional expenses is 20% of the **sum insured**.

☞ Temporary accommodation

We will pay you the reasonable costs of temporary accommodation (including temporary accommodation for your household pets) if:

- we agree to pay your claim for loss or damage to the **home**, and
- the loss or damage makes the **home** unfit to live in.

We will only pay you the reasonable costs of temporary accommodation that you are actually responsible for paying.

We will pay these costs:

- for the reasonable time it takes to repair or rebuild the **home**, or
- for up to 12 months from the date of the loss or damage, whichever is less.

☞ Lost rent

We will pay you for lost rent if:

- we agree to pay your claim for loss or damage to the **home**, and
- the loss or damage makes the **home** unfit to live in, and
- at the time of the loss or damage you are leasing out the **home**.

We will pay you lost rent:

- for the reasonable time it takes to repair or rebuild the **home**, or
- for up to 12 months from the date of the loss or damage, whichever is less.

☞ Landlord's fixtures and fittings

We will pay you for loss or damage to landlord's fixtures and fittings if:

- the loss or damage is caused by one of the **events** we insure, and
- you are not living in the **home** at the time of the loss or damage, but someone else is living there with your consent.

By "landlord's fixtures and fittings" we mean any of these items that are in the **home** for the person living there to use:

- items that are permanently fixed to the **home**
- internal blinds and curtains
- carpets.

In each **period of insurance**, the most we will pay for landlord's fixtures and fittings is:

- \$10,000, or
 - 10 % of the **sum insured**,
- whichever is less.

☞ Extra costs related to building

If we agree to pay your claim for loss or damage to the **home**, we will also pay the reasonable costs of:

- employing an architect, engineer or surveyor
- demolishing
- removing debris from the **site**
- complying with the requirements of any Statutory Authority that are served on you *after*

the loss or damage happens. We will pay these costs only if we agree they are necessary to repair or

rebuild the **home**. If you have to rebuild the **home**, you may build it on another **site** – but if changing the **site** increases your building costs, you must pay the amount of this increase.

☞ Legal costs for discharge of mortgage

If the **home** is destroyed and either:

- you choose to rebuild it on another **site**, or
- we agree to pay you the **market value** of the **home**,

then we will also pay the legal costs to discharge any mortgage on the **home**.

In each **period of insurance**, the most we will pay for legal costs to discharge mortgages is \$1,000.

☞ Matching decor

We will pay the reasonable costs of replacing or modifying an undamaged part of the **home** if:

- we agree to repair or replace a part of the **home**, and
- you reasonably need to replace or modify an undamaged part of the **home** to match the part that is repaired or replaced.

The most we will pay for each claim for matching decor is \$500.

Please note: you must actually incur the costs of replacing or modifying the undamaged part of the **home** before you qualify to claim for those

costs.

☛ Trees, shrubs, plants

We will pay you the reasonable costs of replacing any tree, shrub or plant at the **home** or **site** if:

- we agree to pay your claim for loss or damage to the **home** caused by one of these events:

- fire
- explosion
- lightning or thunderbolt
- earthquake
- impact, and

- the tree, shrub or plant is damaged or destroyed in the same event.

The most we will pay for each claim:

- for any one tree, shrub or plant – is \$200
- for all trees, shrubs and plants – is \$2,000.

Please note: you must actually incur the costs of replacing a tree, shrub or plant before you qualify to claim for those costs.

Limits on what we pay

For any claim you make using Part 1 of this policy (including any part of that claim that is for additional expenses), the *most* we will pay is the **sum insured**.

The *most* we will pay for each claim for *all*

of these additional expenses is 20% of the **sum insured**:

- temporary accommodation
- lost rent
- landlord's fixtures and fittings

Please note: the most we will pay for landlord's fixtures and fittings is 10% of the **sum insured** or \$10,000 – whichever is less.

- extra costs related to building
- legal costs for discharge of mortgage

Please note: the most we will pay for legal costs to discharge mortgages on the **home** is \$1,000.

- matching decor

Please note: the most we will pay for matching decor is \$500.

- trees, shrubs and plants.

Please note: the most we will pay is \$200 for each tree, shrub or plant, up to a maximum of \$2,000 for all trees, shrubs and plants.

PART 2 ACCIDENTAL LOSS OR DAMAGE

In addition to insuring you for loss or damage to the home that is caused by an **event** (see Part 1), we also insure you for other accidental loss or damage to the home. We automatically provide you with this insurance when you buy this policy. It is part of your **sum insured**.

What we insure you for

We only insure you if the loss or damage to the **home**:

- happens during the period of **insurance**, and
- is accidentally and directly caused by a sudden and unexpected event (other than by an event we insure in Part 1), and
- your claim is not excluded by the specific exclusions listed below in the “What we do not insure you for” section, any of the General exclusions on page 34, or any exclusions listed on your **certificate**.

What we do not insure you for

We do not insure you for loss or damage:

- to glass forming part of a glasshouse
- to awnings or shade cloths
- to swimming pool linings or covers
- to electrical motors that form part of the **home**
- caused by tree lopping or tree removal at the **site**
- caused by any intentional act.

What we pay

If we agree you have a claim, we may choose to either:

- repair or rebuild the **home**, or
- pay the reasonable cost of repairing or rebuilding the **home**.

Where it is not possible to repair or rebuild with material originally used, we will pay for the closest matching material available.

If we agree to pay your claim for accidental loss or damage, we will also pay the reasonable costs of replacing or modifying an undamaged part of the **home**. We will only do this if:

- you reasonably need to replace or modify the undamaged part of the home to match the part that is repaired or rebuilt, and
- you actually incur the costs of replacing or modifying the undamaged part of the **home**.

Please note, we will only pay your costs in getting quotes or inspection reports if we agree to do so *before* you get them.

Limits on what we pay

The *most*

we will pay for each claim for accidental loss or damage is \$5,000.

The *most*

we will pay for each claim for matching decor is \$500. No **excess** applies to a claim for accidental loss or damage to any of

these items that are fixed to or form part of the **home**:

- glass, mirrors, glass cooking tops
- baths or wash basins or sinks
- toilets or toilet cisterns.

But you must pay the first \$100 of each claim we agree to pay for any

other type of accidental loss or damage to the **home**.

PART 3 FUSION OF ELECTRICAL MOTORS

This policy insures domestic electrical motors that form part of the **home** (for example, a built-in air conditioner, or the fan motor of a built-in heater). In addition to insuring you for loss or damage to electrical motors that is caused by an **event**, we also insure you for loss or damage to electrical motors caused by fusion. We automatically provide you with this insurance when you buy this policy. It is part of your **sum insured**.

What we insure you for

We insure you for loss or damage to any domestic electric motor that forms part of the **home**.

We only insure you if the loss or damage to the motor:

- is directly caused by an electric current,
- happens during the **period of insurance**, and
- is not excluded by the specific exclusions listed below in the “What we do not insure you for” section, any of the General exclusions on page 34, or any exclusions listed on your **certificate**.

What we do not insure you for

We do not insure you for:

- the cost of hiring a replacement motor,
- the cost of replacing worn or broken bearings or switches,
- lighting elements (for example light bulbs or fluorescent tubes) or heating elements, solenoids, fuses or protective devices (for example a fuse, or circuit breaker),
- electrical contact points where sparking or arcing occurs during their ordinary use, and
- the cost of removing or replacing motors forming part of a submersible pump.

What we pay

If we agree you have a claim, we may choose to pay the reasonable cost of either repairing or replacing the motor.

Please note: we will only pay your costs in getting quotes or inspection reports if we agree to do so *before* you get them.

Limits on what we pay

The *most*

we will pay for loss or damage to a motor is the reasonable cost of replacing it, as described in the “What we pay” section.

PART 4 OWNER'S OR OCCUPIER'S LEGAL LIABILITY

We automatically provide you with this insurance when you buy this policy

What we insure you for

We insure you for the costs of your or your **family's** legal liability as owner or occupier of the **home**. By "legal liability" we mean your or your **family's** legal responsibility to pay compensation for causing:

- bodily injury or death to someone other than you or your **family**, or
- loss or damage to property owned or controlled by someone other than you or your **family**.

We only insure you if:

- the accident happens at the **home** or **site** during the **period of insurance**, and
- you or your **family**

are legally liable as owners or occupiers of the **home** or **site**, and

- your claim for the costs of legal liability is not excluded by the specific exclusions listed below in the "What we do not insure you for" section, any of the General Exclusions on page 34, or any exclusions listed on your **certificate**.

What we do not insure you for

We do not insure you or your **family**

for legal liability where the liability is or should have been covered by compulsory workers' compensation insurance.

We do not insure you for legal liability that arises from:

- bodily injury to, or the illness or death of:
 - you or your **employee**, or
 - your **family** or their **employee**.

- you or your **family**

having agreed that you are liable

- from acts or omissions by you or your **family**

or by someone with your or your **family's** consent, if:

- the results of those acts or omissions were intended, or could reasonably be expected, or

- the acts or omissions by you or your **family**

were done with reckless disregard for their consequences

- from the transmission of any disease by you or your **family**
- from you or your **family**

owning or occupying any land or building, other than the **site** or **home**

- from any registered or registrable **vehicle** you or your **family** own or control (other than a motorised wheelchair)
- from any watercraft or aircraft you or your **family**

own (other than a remote model aircraft, or an unmotorised watercraft less than 3 metres long)

- from any business, profession or occupation carried on by you, your **family**

or any person who normally lives with you in the **home**

- from lopping or felling of trees by you or with your consent
- from asbestos that is, or has been, in the **home** or on the **site**
- from any equipment containing liquid petroleum gas that is used on, or is in the **home** or on the **site**, and that does not comply with relevant safety laws
- because building work is being carried out on the **home** or **site** that costs \$30,000 or more
- from vibrating, or removing or weakening the support of any land, building or property
- because a swimming pool at the **home** or **site**:
 - is not fenced in to legal standards, or
 - has fencing that is not properly repaired or maintained.

What we pay

We will pay:

- the amount of compensation you or your family are legally responsible for paying, and
- your or your **family's** reasonable fees and expenses for legal services, but only if we agree in writing to you using those services *before*

you use them, and • the legal fees and expenses of the person claiming against you or

your **family**, if a court orders you or your **family**

to pay them. *Please note:* we will only pay your costs in getting quotes or inspection reports if we agree to do so *before* you get them.

Limits on what we pay

The most we will pay for all claims that arise directly or indirectly from one accident, is the amount of the "Owner's or Occupier's legal liability" shown on your **certificate**.

There is no limit on the amount we may pay for the legal fees and expenses of:

- you or your **family**, or
- the person claiming against you or your **family**, if a court orders you or your **family** to pay them.

PART 6 DEATH OF YOU OR YOUR FAMILY

This policy insures you for the death of you or your **family** that is a direct result of a physical injury caused by one of the “Events causing death” listed below. We automatically provide you with this insurance when you buy this policy. It is additional to the **sum insured** which means that the **sum insured** is not affected by any death claim we agree to pay.

What we insure you for

We insure you for the death of you or your **family**.

We only insure you if:

- the death is the direct result of a physical injury caused by one of the “Events causing death” listed below, and
- that event happens at the **home** or **site** during the **period of insurance**, and
- the death happens within 90 days of that event, and
- we are shown a death certificate given by a registered medical practitioner as proof of the cause of death, and
- the claim is not excluded by the specific exclusions we list in this section under “What we do not insure you for”.

Events causing death

We insure you for the death of you or your **family**

caused by:

1 fire

2 explosion

3 lightning or thunderbolt

4 earthquake

5 flood or tidal wave

6 riot or violent civil disorder

7 impact (that is, sudden and violent collision) with any:

- vehicle, aircraft, tree or branch
- space debris, debris from any aircraft, rocket, or satellite
- television aerial or radio or its mast.

What we do not insure you for

We do not insure you for:

- suicide
- death caused by any kind of illness or disease
- death caused by any kind of war, or war like or terrorist activities.

What we pay

A. *Death benefit*

If we agree to a claim for death under this Part of the policy, we will pay you or your legal personal representative a death benefit.

B. Funeral expenses

If we agree to pay a claim for death under this Part of the policy, we will also pay for funeral expenses.

Limits on what we pay

The most we will pay for death in each **period of insurance** is \$10,000 for each death, up to a maximum of \$40,000 for all deaths.

The most we will pay for funeral expenses in each **period of insurance** is \$2,500 for each funeral, up to a maximum of \$10,000 for all funerals.

PART 7 GENERAL EXCLUSIONS

We do not insure you for loss or damage that is not *directly* caused by an **event** that we insure you for, unless we say that we do in this policy.

We do not insure you for loss or damage or legal liability that is intentionally caused by you or your **family**

or a person acting with the consent of you or your **family**.

We do not insure you for loss or damage or legal liability caused by:

- failing to keep the **home** or **site** in good repair and condition
- the **home** or **site** settling or shrinking or expanding
- hydrostatic pressure, or the earth moving (other than from earthquake), erosion
- defects in structure, design, work done, or materials used on the **home** or at the **site**
- wear and tear
- rust, corrosion, rot, mildew, seepage, rising damp, any gradual deterioration or process
- atmospheric or climatic conditions (other than those we say we will insure in the **events** section), condensation, evaporation
- any substance at the **home** or **site** that is dangerous to health or property (for example, explosives, or asbestos)
- any process that involves you or someone with your consent applying heat to any property insured by this policy
- the use, existence, or escape of any nuclear fuel, nuclear material or nuclear waste
- any war, or war like activities
- any **act of terrorism** which directly or indirectly causes any loss, damage, cost or expense of whatsoever nature, resulting from or in connection with:
 - any **act of terrorism** regardless of any other cause or event contributing concurrently or in any other sequence to the loss,
 - any action taken in controlling, preventing, suppressing or in any way relating to any act of terrorism.”
- any person or organisation legally destroying, or taking away your ownership or control of, any property insured by this policy.

PART 8 DEFINITIONS

“act of terrorism”

means:

- a loss that results from the hostile detonation of any device, whether or not a weapon of war, employing atomic or nuclear fission and/or other like reaction or radioactive force or matter, and including but not limited to the use of any device, whether or not a weapon of war, which disperses or releases radioactive matter;
- a loss that results from a building being uninhabitable due to the direct or indirect release of germs, disease or other contagion or contaminants following the Act of terrorism; or
- a loss resulting from a Nuclear incident.

“certificate”

means your most recent Certificate of Insurance. We give you a certificate when:

- you first buy your policy,
- we update information on the certificate, or
- you renew your policy.

“employee”

means any person who has a contract of service with you or your **family**.

“event” or “events”

means events we insure you for and that we list on pages 14 - 18 of this policy.

“excess”

means the amount you must pay towards a claim. We deduct the amount of your excess from a claim before we pay it.

If you have to pay excess additional to the earthquake excess we describe on page 14, or the excess for accidental loss or damage we describe on page 25, the amount will be shown in the **certificate**.

“family”

means any of these people who normally live with you at the **home**:

- spouse, de facto spouse
- parents, grandparents, parents-in-law
- children, grandchildren, sons or daughters-in-law
- brothers, sisters.

“flood”

means the covering of normally dry land by water escaping or released from the normal boundaries of any:

- watercourse or lake, whether or not modified, or
- reservoir, canal or dam.

“home”

means:

- all residential buildings on the **site** (including any part of the building used for residential tenancy, or any part you use for surgery or office purposes, but *excluding* any part used for business, manufacturing or trade purposes), and

- any of these items that are fixed to or form part of those residential buildings:
 - domestic appliances including their motors
 - glass, mirrors, baths, wash basins, sinks, glass cooking tops, toilets, toilet cisterns
 - floor coverings (but *excluding* carpets), and
- any of these items that are fixed to the **site**:
 - in-ground, or above-ground, swimming pools and spas,
 - domestic improvements of a structural nature (for example garages, carports, garden sheds, underground services, walls, gates and fences), and
- building materials up to a value of \$1,000 that are being kept at the **site** to use on the **home**, and that are owned by you.

“market value”

means the value of the **home** and **site** immediately before the **home** was destroyed *minus* the value of the **home** and **site** immediately after that event.

“period of insurance”

means the period we insure you for in this policy. The dates next to “Period:” on the **certificate** show how long the **period of insurance** is.

“premium”

means the amount you must pay for the insurance we provide in this policy, including any government charges.

“site”

means the land at the insured address shown on the **certificate** that:

- the **home** is built on, and
- surrounds the **home**, and
- is used only for domestic purposes (either by you or someone living at the **home** with your consent), or for the purposes of your surgery or office.

“sum insured”

means the total amount you have insured your property for using this policy. The **certificate** shows the amount of the **sum insured**.

“vehicle”

means a motorised machine, and anything attached to it, that is designed to travel on wheels or on self-laid tracks.