



COMMONWEALTH OF AUSTRALIA

*Defence Service Homes Act 1918*

Defence Service Homes Insurance Scheme (Statement of Conditions)  
Variation 2015

Instrument 2015 No.Min.3

I, Michael Ronaldson, Minister for Veterans' Affairs, under subsection 38A(3) of the *Defence Service Homes Act 1918*, by this notice to the Secretary of the Department of Veterans' Affairs vary the Statement of Conditions (Instrument No.3 of 1996) as varied.

Dated this 5 day of March 2015

Michael Ronaldson  
Minister for Veterans' Affairs

## **1 Name**

This is the *Defence Service Homes Insurance Scheme (Statement of Conditions) Variation 2015*.

## **2 Commencement**

This instrument commences on the day after it is registered.

## **3 Saving**

If, immediately before the commencement of this instrument, a person had a right to a payment under the Statement of Conditions (Instrument No.3 of 1996) as varied, and on the commencement of this instrument the payment had not been made, the right to the payment continues on and after the commencement of this instrument until the payment made.

Note: see s.38A(4) of the *Defence Service Homes Act 1918*.

## **4 Authority**

This instrument is made under the *Defence Service Homes Act 1918*.

## **5 Schedules**

Each instrument that is specified in a Schedule to this instrument is varied or repealed as set out in the applicable items in the Schedule concerned, and any other item in a Schedule to this instrument has effect according to its terms.

## Schedule 1 Variations

### Defence Service Homes Act 1918 - Variation of Statement of Conditions under subsection 38A(3)

#### 1 Page 4 - About this insurance

*omit:*

This insurance is available as a benefit for people who qualify under the *Defence Service Homes Act 1918, the Veterans' Entitlements Act 1986 the Defence Home Ownership Assistance Scheme Act 2008* or the *Defence Force (Home Loans Assistance) Act 1990*.

*substitute:*

This insurance is available as a benefit for people who qualify under the *Defence Service Homes Act 1918, the Veterans' Entitlements Act 1986, the Defence Force (Home Loans Assistance) Act 1990* or the *Defence Home Ownership Assistance Scheme Act 2008*.

#### 2 Page 5 – Your premium

*omit:*

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.

#### 3 Page 6 – Paying your annual premium

*omit:*

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.

*substitute:*

If you do not pay your premium by the starting date for the policy then your policy will not be in operation.

#### **4 Page 6 – *What happens if your instalment is unpaid?***

*omit:*

Your policy will be cancelled after three consecutive unpaid instalments. We will send you an advice that the policy is cancelled and the effective date.

*substitute:*

If any instalment of premium has remained unpaid for one month, we may cancel this policy. We will send you a notice giving you details of the action we intend to take and when any cancellation will become effective.

#### **5 Page 7 – *The Cost of this Insurance policy (“the listed factors”)***

*substitute:*

- the location of your home. If the location presents a higher risk, the premium will be higher.
- the sum insured. The higher the sum insured, the higher the premium.
- your past claims experience. Your premium will be lower if you have a good claims history under similar policies.
- the construction of your home. If your home is constructed of materials that will result in a greater risk of a fire, the premium will be higher.
- whether your home is strata title and subject to Body Corporate Insurance. The premium will be lower if your body corporate also insures the building.

#### **6 Page 8 – *Your sum insured***

*omit:*

additional expenses (see pages 20 – 23):

*substitute:*

additional expenses up to a maximum of 20% of the sum insured

#### **7 Page 9 – *Making a claim***

*omit:*

*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.

*substitute:*

***If we agree to pay your claim***

If we agree to pay your claim:

- We will take over conduct of the claim;
- We may give information about your claim to solicitors, loss adjusters or any other people who act for us in assessing, investigating, settling or defending the claim;
- We may:
  - settle or defend the claim, or
  - make or accept any offer or payment, or admit you are liable.
- If the loss or damage you claim for was caused by a third party, you agree to us using any of the legal rights you have against the third party to recover the amount of your claim. This means that we may pursue a claim in court in your name.
- If we recover money from the third party who caused the loss or damage, we will keep an amount equal to the amount we paid you for the claim plus any administrative costs pursuant to the *Insurance Contracts Act 1984*.
- You must cooperate with us to recover the amount of the claim.
- We may take possession and ownership of the damaged property.

***Your excess***

The excess is the amount that you have to pay for each claim you make under the policy. We will not make any payments under the policy until you have paid the excess.

The excess that applies to your policy is stated in your certificate.

For a claim under Part 2 Accidental loss or damage (excluding a claim for glass) an excess of \$100 will apply.

For a claim under Part 1 Loss or Damage to your home for earthquake an excess of \$200 will apply.

The excess is the same for every policy.

More than one excess may apply to a claim.

## 8 Page 12 – If the home is especially exposed to risk

*omit:*

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.

*substitute:*

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.

## 9 Page 13 – Disputes

*omit:*

### 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.

*substitute:*

### ***Disputes***

If you are unhappy with any aspect of our service or disagree with a decision we have made, you may take the following steps.

Contact us to discuss your complaint on:

[Phone 1300 552 662 or email [insurance@dva.gov.au](mailto:insurance@dva.gov.au) or post GPO Box 1987R Melbourne VIC 3001 (with your policy or claim number)

If you aren't happy with the result, you can ask for the dispute to be referred to our Internal Dispute Service who will review your complaint and provide you with a decision within 15 business days (provided we have all necessary information and have completed any investigation required).

The contact details of the Internal Dispute Service are:

In writing: email [insurance@dva.gov.au](mailto:insurance@dva.gov.au) (with your policy or claim number) or post: GPO Box 1987R Melbourne VIC 3001

If you disagree with our final decision or if we are unable to resolve your complaint within 45 days you may refer it to the Financial Ombudsman Service (FOS). FOS is an independent external dispute resolution service and is free to you. If you accept any decision made by FOS, we will be bound by that FOS decision. You are not bound by the FOS decision. You may seek remedies elsewhere.

FOS can be contacted on:

Phone 1300 780 808 or email [info@fos.gov.au](mailto:info@fos.gov.au) or post GPO Box 3, Melbourne VIC 3001

If you want further information about disputes, please contact us on 1300 552 662.

## **10 Page 14 – Safeguarding policy holders personal information**

*omit:*

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.

*substitute:*

### ***Safeguarding policy holders personal information***

Keeping client information secure is a top priority for Defence Service Homes Insurance. We will only use your information for the purposes for which it was collected, other related purposes notified to you and as permitted or required by law.

If you choose not to give us your information, this may affect our ability to provide you with our products or services.

If you would like to know more on how:

- we handle the information we collect about you including how it is stored;
- how you can access the information we collect about you; and
- what information we disclose about you.

You can obtain our privacy policy (free of charge) by:

- calling us on 1300 552 662;
- emailing at [insurance@dva.gov.au](mailto:insurance@dva.gov.au) or
- visiting our website [www.dsh.gov.au](http://www.dsh.gov.au).

## **11 Page 17 to 18 - A. Repairing or rebuilding your home**

*omit:*

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.

*substitute:*

We will pay the reasonable costs of repairing or rebuilding the home on a ‘new for old’ basis to a condition substantially the same as but not better than when new.

## **12 Page 21 - What we pay**

*omit:*

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

## **13 Page 24 – What we pay**

*omit:*

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

## **14 Page 28 - PART 8 DEFINITIONS**

### **Definition of “certificate”**

*substitute:*



“**certificate**” means your most recent Certificate of Insurance or Building Renewal Notice.

We give you a Certificate of Insurance when:

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

We give you a Building Renewal Notice at each renewal of the policy.

#### **Definition of “excess”**

*omit:*

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**.

#### **Definition of “flood”**

*substitute:*

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

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

## **15 Page 30 - Definition of “vehicle”**

*after the definition, insert:*

#### **Claims Examples**

The following examples are designed to illustrate how a claim payment is calculated and to assist you in understanding some of the significant benefits of the policy. They are examples to be used as a general guide only. The examples do not form part of your policy terms and conditions.

The examples assume that the policy holder is not entitled to claim Input Tax Credits.

You should read this policy and your certificate for full details of what we cover as well as what policy limits and exclusions apply.

#### **EXAMPLE 1 - TOTAL LOSS: FIRE**

You have cover with a sum insured for Part 1: Home Building of \$360,000. No excess applies

to a Part 1 claim. Your home is damaged in a fire that is the result of bushfire. We agree to pay the reasonable costs of rebuilding your home. The cost of the removal of debris is \$45,000.

You require temporary accommodation for 6 months at \$3,000 per month.

#### HOW MUCH WE PAY

Cost of rebuilding the home	\$300,000
Additional costs	
Removal of debris	\$45,000
Temporary accommodation for 6 months	\$18,000
Subtotal of additional costs	\$63,000
Total allowable additional costs (20% of <b>sum insured</b> )	\$60,000
<b>Total amount of claim</b>	<b>\$360,000</b>

#### EXAMPLE 2 – ACCIDENTAL DAMAGE

Your home suffers damage when a cricket ball is hit into one of your home's stained glass windows. We agree to replace the glass in the window. The cost of replacement of the window is \$6,500. There is no excess applicable for a glass claim.

#### HOW MUCH WE PAY

Cost of replacing the window	\$6,500
No excess applies to broken glass	Nil
Limit of cover for accidental damage	\$5,000
<b>Total amount of claim</b>	<b>\$5,000</b>

#### EXAMPLE 3 – FUSION OF ELECTRICAL MOTORS

Your ducted air conditioner unit's motor is damaged due to fusion. The fusion was not caused by an **event**. You have had a service call that has determined the cause of the damage and seek our agreement to obtain quotes for the cost of repairing the air conditioner unit's motor. The cost of repairing the air conditioner unit's motor is \$1,000. There is no excess that applies to this claim.

#### HOW MUCH WE PAY

Cost of quotes (with prior agreement from us)	\$1,000
Cost of repairing the air conditioner unit	\$1,000
No excess applies	Nil
<b>Total amount of claim</b>	<b>\$2,000</b>

#### EXAMPLE 4 – LEGAL LIABILITY

You have a claim made against you by a third party who falls and injures themselves whilst delivering a parcel to your home. The third party makes a claim against you for failing to properly light the external pathway. The third party engages a lawyer and seeks recovery of medical expenses (\$2,500), lost earnings (\$1,000) and legal costs (\$5,000). We agree that you are liable.

#### HOW MUCH WE PAY

Third party damages	\$3,500
Third party's legal costs	\$5,000
No excess applies	Nil
<b>Total amount of claim</b>	<b>\$8,500</b>

#### **EXAMPLE 5 – STRATA TITLE HOMES**

You own a unit in a strata titled complex that has body corporate insurance. There is damage to an internal wall as a result of a leak from the upstairs unit. The body corporate insurance does not cover damage to internal walls. The cost of repairs is \$5,000.

#### HOW MUCH WE PAY

Cost to repair internal wall	\$5,000
Amount covered by body corporate insurance	Nil
No excess applies	Nil
<b>Total amount of claim</b>	<b>\$5,000</b>

#### **EXAMPLE 6 – DEATH OF YOU OR YOUR FAMILY**

Your spouse dies as a result of injuries suffered as a result of a vehicle colliding with your home. Your spouse's death occurs as a direct result of the impact and within 90 days of the event insured under the policy. You incur costs associated with the funeral of \$4,500.

#### HOW MUCH WE PAY

Compensation upon death	\$10,000
Funeral expenses	\$4,500
Limit of cover for funeral expenses	\$2,500
<b>Total amount of claim</b>	<b>\$12,500</b>