



Australian Government

**Defence Service Homes Insurance Scheme (Statement of
Conditions) Variation 2016**

Defence Service Homes Act 1918

Instrument 2016 No. Min.12

I, Craig Orme, under subsection 38A(3) of the *Defence Service Homes Act 1918*, by this notice to the Secretary of the Department of Veterans' Affairs, make the following variations to the Statement of Conditions.

Dated this 14th day of April 2016.

Craig Orme
.....

CRAIG ORME

Acting Chief Operating Officer, Department of Veterans' Affairs
Delegate for the Minister for Veterans' Affairs

1. Name

This instrument is the *Defence Service Homes Insurance Scheme (Statement of Conditions) Variation 2016*.

2. Commencement

This instrument commences on 1 June 2016.

3. Authority

This instrument is made under subsection 38A(3) of the *Defence Service Homes Act 1918*.

4. Interpretation

In this instrument, “Statement of Conditions” means the Statement of Conditions (Instrument 1996 No.3 as varied) made under the *Defence Service Home Act 1918*.

5. Saving

If, immediately before the commencement of this instrument, a person had a right to a payment under the Statement of Conditions 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 is made.

Note: Subsection 38A(4) of the *Defence Service Homes Act 1918* provides that the Minister must not vary the Statement of Conditions so as to remove the right of a person to receive a payment to which the person had become entitled before the variation.

6. Schedule

The Statement of Conditions is further varied as set out in the Schedule.

Schedule

Variations to the Statement of Conditions

1. After the title, “Defence Service Homes Insurance Scheme, Home Buildings, Statement of Conditions”, *omit* the text and *substitute*:

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CUSTOMER INFORMATION

1. 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 (that is a direct result of a physical injury caused by one of the events defined in Part 6). 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. 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.

The Code can be viewed online at <http://codeofpractice.com.au/document> or you can contact us on 1300 552 662 or dsh@dva.gov.au to have a copy sent to you.

3. 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.

4. 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 us on 1300 552 662. Make sure you read *all* of it carefully, and keep it in a safe place with your **certificate**.

5. 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 27 – 28.

6. 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**.

7. 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 to take into account the factors listed under the heading ‘The cost of this insurance policy’ below.

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**.)

When your insurance starts

Your insurance only starts when you pay us the “Total Premium Due” shown on your **certificate**. The total **premium** will be shown on your certificate. It is the amount we charge you for this Insurance Policy and it includes the amount, which we have calculated will cover the risk plus any taxes, and government charges. If you pay by monthly instalments, the premium means the total of the instalments you must pay for the full policy period. 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.

How you can pay your premium

You can pay your **premium**

- in one annual payment
- in monthly instalments by direct debit from your credit card or from your account with your financial provider (if we offer this option to you).

Paying your annual premium

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

Paying your instalment premium

If you are paying your **premium** by instalments, we will deduct the instalments each month on the day of the month that you nominate as the payment date.

If you are renewing your policy and you paid your previous policy by instalments then we will continue to deduct the instalments for the renewed policy on the day you previously nominated as the payment date, unless you tell us otherwise.

Details of your instalments are shown on your **Certificate of Insurance**.

What happens if your instalment is unpaid?

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.

We may refuse a claim on your policy that occurs more than 30 days after the due date of an unpaid instalment.

Changing your instalment payments

If you wish to change or cancel your direct debit arrangements you need to advise us at least seven days before the next instalment is due.

If you want the policy to remain in force but wish to cancel your direct debit arrangements we will immediately deduct all remaining unpaid instalments from the account or credit card you previously nominated for monthly instalment deductions.

The Cost of this Insurance policy

When calculating your **premium** we take a range of rating factors into account. These factors and the degree, to which they affect your premium, will depend upon the information you provide us.

The following factors may have a significant impact on the calculation of your premium:

- 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.

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 the starting date by telling us that you want to cancel it.

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.

8. 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 you want this policy to protect their interest, then:

- you must tell us who they are and what interest they have in the home, and
- if we agree to insure them under this policy they will be listed under “Other interested parties” on your certificate.

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

9. Your sum insured

Your **sum insured** for Part 1: Home Building is the total amount that you insure the **home** for, using the calculation below. We calculate 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 up to a maximum of 20% of the sum insured
 - 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** for Part 1: Home Building so that it takes account of any changes in building costs.

If you think that the **sum insured** for Part 1: Home Building shown on your **certificate** is incorrect, please contact us 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.

10. 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 this information in the "Limits on what we pay" sections.

11. 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

Where possible, you should keep evidence of the value of insured property and also of the amount of loss or damage (for example valuation certificates and receipts). This will help us process your claim quicker.

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.

12. Your excess

Your certificate shows the type and amount of excess that applies to your policy. More than one excess may apply to your policy.

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

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

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

13. When we may refuse a claim

You must tell us 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 before they happen, we may refuse your claim.

We may refuse a claim if you:

- fail in your duty of disclosure (see page 12),
- 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.

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.

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.

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.

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.

14. Cancelling your insurance

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

We may only cancel your insurance contract pursuant to the *Insurance Contracts Act 1984*. 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 are currently paying your premium by monthly instalments then you must pay us any monthly instalments that are due but unpaid. You authorise us to deduct these amounts by direct debit from the account or credit card you previously nominated for monthly instalment deductions.

If you cancel the insurance contract within 14 days of receiving it, we will return the entire **premium** you have paid us. Please see “14 day money back guarantee” on page 8.

15. Duty of disclosure

The *Insurance Contracts Act 1984* requires us to give you information about your insurance and for you to give complete and accurate information to us. Before entering a contract of insurance with us, and each time you vary or renew your policy, we will ask you a number of specific questions.

What you must tell us

When answering our questions, you must be honest and you have a duty under law to tell us anything known to you, or which a reasonable person in the circumstances, would include in answer to the questions. We will use the answers in deciding whether to insure you and anyone else to be insured under the policy, and on what terms.

Who needs to tell us

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

If you do not tell us

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

If you do not understand

If you do not understand your duty, please contact us.

16. 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.

Stage One

Contact us to discuss your complaint on:

Phone 1300 552 662 or email dsh@dva.gov.au or post GPO Box 1987 Melbourne VIC 3001 (with your policy or claim number)

Stage Two

If you aren't happy with the result from Stage One, you can ask for the decision to be reviewed. We will provide you with a decision within 15 business days (provided we have all necessary information and have completed any investigation required). The contact details are:

Phone 1300 552 662 or email dsh@dva.gov.au or post GPO Box 1987 Melbourne VIC 3001 (with your policy or claim number)

External Dispute Resolution

If you disagree with our Stage Two 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 or post GPO Box 3, Melbourne VIC 3001

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

17. 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 dsh@dva.gov.au or
- visiting our website www.dsh.gov.au.

POLICY WORDING

PART 1 LOSS OR DAMAGE TO YOUR HOME

1.1 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”, any of the General Exclusions we list on page 26, 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 (including bushfire).

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 (including cyclone), 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 is intended to cause 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.

1.2 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 not be appropriate 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 on a ‘new for old’ basis to a condition substantially the same as but not better than when new.

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
- lost rent
- landlord's fixtures and fittings
- extra costs related to building
- legal costs for discharge of mortgage
- matching decor
- trees, shrubs and plants.

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

C. 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.

D. 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.

E. 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.

F. 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.

G. 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.

H. 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.

I. 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.

1.3 Limits on what we pay

The most we will pay for any one claim under Part 1 of this policy (including any part of that claim that is for additional expenses), is the **sum insured**.

The *most* we will pay for any one 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 décor
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** for Part 1: Home Building.

2.1 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 26, or any exclusions listed on your **certificate**.

2.2 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.

2.3 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.

2.4 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** for Part 1: Home Building.

3.1 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 domestic electrical 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 26, or any exclusions listed on your **certificate**.

3.2 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 electrical arcing occurs during their ordinary use, and
- the cost of removing or replacing motors forming part of a submersible pump.

3.3 What we pay

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

3.4 Limits on what we pay

The *most* we will pay for loss or damage to a domestic electrical 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

4.1 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 26, or any exclusions listed on your **certificate**.

4.2 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
- 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
- the transmission of any disease by you or your **family**
- you or your **family** owning or occupying any land or building, other than the **site** or **home**
- any registered or registrable **vehicle** you or your **family** own or control (other than a motorised wheelchair)
- any watercraft or aircraft you or your **family** own (other than a remote model aircraft, or an unmotorised watercraft less than 3 metres long)
- any business, profession or occupation carried on by you, your **family** or any person who normally lives with you in the **home**
- lopping or felling of trees by you or with your consent
- asbestos that is, or has been, in the **home** or on the **site**
- 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
- building work is being carried out on the **home** or **site** that costs \$30,000 or more
- vibrating, or removing or weakening the support of any land, building or property
- 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.

4.3 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.

4.4 Limits on what we pay

The most we will pay for all claims that arise directly or indirectly from one accident, is the **sum insured** for Part 4: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 5 STRATA TITLE HOMES

5.1 What we insure you for

If the home is strata title, this Part of the policy provides you with limited protection against loss or damage to the home.

We will only pay for loss or damage to the home if:

- we say we insure that loss or damage in Part 1, 2 or 3 of this policy, and
- this policy does not exclude that loss or damage, and
- the Body Corporate has not, or has not sufficiently, insured the loss or damage, and
- you try to recover the amount of your claim from any other insurer who may have insured the loss or damage, before you claim from us.

5.2 What we do not pay

We do not pay any excess that applies to the Body Corporate's insurance policy or to claims you may make using any other insurance policy.

5.3 What we pay

We will pay the lower of:

- the sum insured, or
- the amount we say we will pay for that loss or damage in Part 1, 2 or 3 of this policy minus any amount you can recover from the Body Corporate's insurer or any other insurer.

5.4 Limits on what we pay

The most we will pay for a claim using this section is the amount of the sum insured.

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.

6.1 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”.

6.2 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.

6.3 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.

6.4 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.

6.5 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 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.

“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 - 16 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.

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

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

“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.

“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 taxes and 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 for each Part of the policy the total amount you have insured your property for under that Part of the policy. The certificate shows the amount of the sum insured for each Part of the policy.

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

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 sum insured)	\$60,000
Total amount of claim	\$360,000

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
Total amount of claim	\$5,000

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
Total amount of claim	\$2,000

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
Total amount of claim	\$8,500

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
Total amount of claim	\$5,000

EXAMPLE 6 – DEATH OF YOU OR YOUR FAMILY

Your spouse dies from 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
Total amount of claim	\$12,500

