

Investor Insurance

Product Disclosure Statement

RACT Insurance Pty Ltd

ABN 96 068 167 804
AFS Licence No. 229076

Customer Service: 13 27 22

RACT Offices

Hobart

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Launceston

Cnr York & George Sts

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Cnr Terry Street & Main Road

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Solved.



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Insurance claim?

We pride ourselves on making it easy for you to make a claim, and we understand that this can be a stressful time. Rather than coming into a branch you can simply call us on 13 27 22 and a personal claims manager will help you lodge your claim over the phone. What's more, your personal claims manager will look after you until the claim is settled.



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

This RACT Insurance product consists of the following policies for you to choose from:

Investor Home Insurance Page 20

Investor Contents Insurance Page 46

You can choose the cover that meets your particular needs.

In order to properly understand the significant features, benefits and risks of each of the covers available, you need to:

- **choosing your cover** – read the relevant policy sections, which set out the cover we can provide, what you are and are not insured for, any additional benefits and special conditions that apply and how claims are settled (please refer to the index for details of each of the sections and their contents, which is designed to assist you);
choosing your sum insured – you are responsible for deciding the amount of your sum insured. You should therefore check that you are adequately covered for any potential loss and that the cover suits your needs. If you have inadequate cover, you may bear the uninsured portion of any loss yourself. You can use an expert such as a professional valuer or home builder for your Investor Home, jeweller for jewellery, art dealer for art works etc to help if you are unsure of values. For a professional valuation, you should always seek advice from an expert;
- read the *Further Important Information* section, which contains important information on the General Insurance Code of Practice and our Dispute Resolution Process; and
- read the rest of this *Welcome* section, which contains other important information, such as your duty of disclosure and the cooling-off period.

This is an important document and you should read it carefully and keep it in a safe place, together with the other policy documentation we issue to you.

YOUR DUTY OF DISCLOSURE

You have a Duty of Disclosure under the *Insurance Contracts Act 1984* that requires you to tell us certain things.

Your Duty of Disclosure when you first enter into a policy

Before you enter into a policy with us, we will ask you a series of questions. You must tell us everything you know, or which a reasonable person in the circumstances would be expected to know would be relevant to our decision to insure you, including answering the questions in your application. If you are unsure whether or not to tell us something that you know, it is better to tell us.

Your Duty of Disclosure when you renew, vary, extend, reinstate or replace a policy

Before you renew, vary, extend, reinstate or replace a policy, you must tell us everything you know, or which a reasonable person in the circumstances would be expected to know, for us to decide:

- whether we will insure you;
- the premium we will charge you; and
- any special conditions we will apply to your policy.

What you do not need to tell us

Your duty, however, does not require disclosure of a matter:

- that diminishes the risk to be undertaken by us;
- that is of common knowledge;
- that we know or, in the ordinary course of business, ought to know; or
- as to which we waive compliance with your duty.

Who does the Duty of Disclosure apply to?

Everyone who is insured under each policy must comply with the duty. It is important that you understand that, if you provide information about another insured, you do this on their behalf.

What happens if you or they don't tell us everything?

If you do not meet with your responsibility outlined in this PDS, or if you do not tell us everything relevant to our decision whether or not to insure you, or if you mislead us, we can refuse to pay a claim or reduce the amount we pay or cancel your policy. If fraud is involved, we can treat your policy as if it never existed.

21-DAY MONEY BACK GUARANTEE – YOUR COOLING-OFF PERIOD

You are able to return your policy for any reason within 21 days of cover commencing, by contacting us, and asking for the policy to be cancelled. We may request you confirm this in writing. Provided you have not made or cannot make a claim under the policy, we will cancel the policy and provide you with a full refund of the premium you have paid. Even after this period, you still have cancellation rights (see page 8).

OUR AGREEMENT WITH YOU

When we agree to enter into a policy with you, we will provide you with a schedule which sets out the cover you have and other information specific to you (for example, who is covered, your Period of Insurance and the relevant limits or excesses that apply). Your Current Schedule, this PDS, any supplementary PDS we may give you, and your application will make up your agreement with us. You should be sure to retain these documents and keep them in a safe place, together with evidence as to the value of any insured items.

CHANGES TO YOUR POLICY

If you want to change your policy and we agree to it, the change will become effective when we give you written confirmation of our agreement to the change and you pay any additional premium required.

If you sell, give away or transfer your interest in any item insured under a policy taken out by you, the item is no longer insured under the policy.

NOTICES

We will give you any notice in writing. It will be effective if it is delivered to you personally or if it is delivered to your address last known to us.

YOUR PREMIUM

How we calculate your premium

When we calculate your premium for any of the Investor Home or Investor Contents Insurance Policies, we will take into account a number of factors, including:

- the Period(s) of Insurance;
- the address of the insured property;
- the age of the Building (for Investor Home Insurance);
- the age of the Insured;
- the type of construction (for Investor Home Insurance);
- the security measures you have in place (for Investor Contents Insurance);
- the Sum(s) Insured;
- the excess payable by you in the event of a claim;
- your previous insurance and claims history; and
- the policies we agree to provide to you.

The total premium payable by you also includes amounts payable in respect of compulsory government charges, for example stamp duty, GST and fire service levy, where applicable.

We will advise you of the premium payable once we receive your application for insurance. After we agree to provide you with insurance, details of your premium will also be included on your Current Schedule.

Why the Cost of Insurance can Change

Each time you renew your insurance your premium is likely to change, even if your personal circumstances have not changed. This is because premiums are affected by factors including:

- the cost of claims we have paid to other customers;
- the cost of claims we expect to pay in the future;
- any changes in government taxes or charges; and
- our expenses incurred in doing business.

We may decide to 'cap' the amount of any increase on renewal. This means we pass only part of the increase on to you.

SPECIAL OFFERS

We might advertise special offers and benefits from time to time. If we have a special offer available that is not in this PDS, we can give you a separate terms and conditions brochure about the offer if you ask us. The offers might be short-term and we can withdraw them at any time.

PAYMENT IN FULL

When paying your premium, we have a number of payment options available. We will tell you when you apply how you can pay, or you can call 13 27 22 for further information.

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

You will receive a renewal notice at least 14 days prior to the expiry date of your policy telling you whether we are prepared to renew or not.

If we pay a claim for total loss under your policy, your cover ceases and the policy is automatically cancelled. We will not waive the premium which was payable under your policy for the remainder of the policy period or refund any premium already paid for that period. This does not apply to Investor Contents cover.

PAYMENT BY INSTALMENTS

You may choose to pay your premium by instalments, by credit card payments or by direct debit from your financial institution account.

Payments may be made annually, half-yearly, quarterly or monthly.

If you choose to pay your premium by instalments, we might impose an administration fee.

If an administration fee is applicable it will be calculated as follows:

- Half-yearly instalments – 2.5% surcharge.
- Quarterly instalments – 4% surcharge.
- Monthly instalments – 9% surcharge.

The premiums for the various payment options are shown on your Current Schedule.

It is your responsibility to ensure that you provide us with the correct account details and to ensure that sufficient funds are available in your nominated account to meet your instalments.

If the incorrect account details are provided or there are insufficient funds in your account, all fees incurred in relation to non-payment are payable by you.

We will require you to complete an authority before we can deduct the premium from your account.

We may also require a new authority if you change any of the account details or frequency of your payments. The authority will state your nominated day, which is the date on which your instalment payment will be made during each instalment period.

You may terminate or alter the frequency of your payments at any time by giving us written notice, no later than 3 business days prior to your next scheduled payment.

If you believe that a payment has been initiated incorrectly, you should take this matter up directly with us. We will then be able to investigate your concern.

If your payment is overdue by one month, all cover will cease unless alternative arrangements have been made directly with us and confirmed in writing.

If two or more payments are returned from your financial institution unpaid, we reserve the right to cancel your policy. However, should this occur, we will write to you to advise you that your policy will be cancelled.

If you cancel your payment arrangements with us, all outstanding amounts become due and payable within 14 days from that date. Failure to meet this requirement will result in your policy being cancelled.

After you submit your authority to us, your first payment will be taken within 5 working days of the authority being accepted by us. We will then issue you with a Schedule of Payments. Subsequent payments will be deducted in accordance with your nominated day.

You will receive a renewal notice along with a schedule of payments at least 14 days prior to the renewal of your policy. Unless we hear from you, your payments will continue in accordance with the payment option you have selected at the rate shown on your new Current Schedule and Schedule of Payments.

Where your nominated payment day falls on a non-business day, we will deduct the scheduled payment on the next business day.

If your nominated payment date is the 29th, 30th or 31st of the month, we will deduct the scheduled payment on the next business day for those months that these dates do not occur.

If we pay a claim for total loss under your policy, your cover ceases and the policy is automatically cancelled. We will not waive the premium which was payable under your policy for the remainder of the policy period or refund any premium already paid for that period. This will not apply to Investor Contents cover.

If your payment remains unpaid for a period of more than 14 days after its due date, we may refuse any claim made for events occurring during the period that the policy is unpaid.

We will keep all information pertaining to your financial institution confidential at all times.

GOODS AND SERVICES TAX (GST)

All amounts insured under your policies include GST. You should ensure that the sums insured are appropriate and will cover any potential loss or damage.

When claiming, you will need to provide details of any entitlement to input tax credits on your premium if you are registered or should be registered for GST purposes. If information you give us is incorrect, we will not cover you for resulting fines, penalties or tax charges.

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

CANCELLATION OF POLICIES

By you

You may cancel your insurance policy at any time. We may request you confirm this in writing.

If your policy is cancelled after the cooling-off period, we will refund any money we owe you less any cancellation fee and non-refundable government charges. The amount of the fee is up to \$30 (plus relevant government charges) for all Investor Home and Investor Contents cover at one insured address. This fee is deducted from any refund we send you. If the refund is less than the fee, a refund will not be issued. If you are paying your insurance by instalments, any refund will be credited against your remaining instalments.

By us

We can cancel your insurance in any way permitted by law, including if you have:

- failed to comply with your Duty of Disclosure; or
- made a misrepresentation to us before the policy was entered into; or
- failed to comply with a provision of a policy, including failure to pay the premium; or
- made a fraudulent claim under the policy, or under any other policy, during the time the policy has been in effect; or
- failed to notify us of a specific act or omission as required by the policy.

If we cancel your policy, we will do so by giving you written notice. We will refund any premium you have paid for the period after the date of cancellation, but we will charge a cancellation fee.

UPDATING OUR PDS

From time to time, we may need to update the information contained in this PDS. You can obtain a paper copy of any update, at no charge, by contacting us. Where the update is necessary to correct a misleading or deceptive statement or omission, which is materially adverse from the point of view of a reasonable person deciding whether to obtain a policy, we will automatically issue a new PDS or a supplementary PDS to you.

MORE THAN ONE INSURED

If your Current Schedule shows more than one insured, any claim or request to change or cancel the policy by one insured is treated as coming from all those named as insured on your Current Schedule.

1. APPLYING FOR THE INVESTOR HOME AND INVESTOR CONTENTS INSURANCE POLICIES

To apply for any of the Investor Home and Investor Contents Insurance policies, you will need to complete an application for insurance. On the basis of your application, we may then offer insurance to you. Once we agree to cover you, we will give you a Current Schedule providing details of:

- the type of policy you have;
- the Period(s) of Insurance;
- the location of the insured property;
- the Sum Insured;
- the excess payable by you in the event of a claim; and
- whether any standard terms and conditions are varied by endorsement.

2. MAKING A CLAIM

You must promptly tell us about any claim.

If an excess applies to your policy, you do not have to pay the excess to lodge a claim, but you will have to pay the excess before we will pay your claim. See Section 3 for details about the excess.

Most claims may be lodged by telephone; however, we may require you to complete a claim form or provide us with a written statement about the claim.

When you are making a claim, we may require proof of ownership or evidence as to the extent of loss or damage. To assist with this, we suggest you keep things such as receipts or valuations as well as model and serial numbers. If you cannot prove that you owned an item, we may not pay you for it.

When claiming, you will need to provide details of any entitlement to input tax credits on your premium if you are registered or should be registered for GST purposes. If information you give us is incorrect, we will not cover you for resulting fines, penalties or tax charges.

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

Before we can make a decision about your claim, we may assess the damage to your Investor Home or Investor Contents and investigate the circumstances of the claim.

We have the sole right to make admissions, to settle any claims against and to defend you or any other person covered by your policy in any proceedings. We may refuse your claim if you or any other person covered by your policy make admissions, settle, attempt to settle or defend any claim without our consent.

After an occurrence that gives rise to a claim under your Investor Home or Investor Contents Insurance cover, we may take possession of the damaged property and deal with it in a reasonable manner. If, however, this is not done, you or your family may not abandon the damaged property to us.

If we pay you the full Sum Insured for your Investor Home Insurance Policy, the policy comes to an end and no refund of premium is due.

If we pay you the full Sum Insured for your Investor Contents Insurance Policy, we will immediately reinstate your Sum Insured and continue cover for the period of insurance. You may need to ask us to temporarily change your insured address or review your Sum Insured.

3. EXCESS

The excess is the amount you must contribute towards each claim you make under your Investor Home or Investor Contents policies. The amount and types of excess that apply are shown on your Current Schedule.

You have the option of a higher excess in return for a reduction in your premium on your Investor Home policy.

We will advise you:

- if the excess is payable to us, or to a builder, repairer or supplier; or
- if we will deduct the excess from the amount we pay you.

Depending on the circumstances, you might have to pay more than one type of excess when you claim. You must pay the excess in full.

Your excess (shown on your policy schedule) is increased by the amount or time period shown in your PDS for any claim under:

- theft by tenants;
- malicious damage by tenants;
- default or non-payment of rent.

When both your Investor Home and Investor Contents are lost or damaged as a result of the same insured event, excluding those listed above, you only pay one excess. If they are different, you pay the higher excess.

4. LEGAL REPRESENTATION

In relation to an incident which gives rise to a claim, you or any person covered by your policy may need lawyers to represent you or them before a Coroner conducting an enquiry or in respect of other court proceedings.

We may, at our discretion, arrange representation for these purposes and pay the cost of it.

5. CO-OPERATION

Any benefits which your Investor Home or Investor Contents Insurance cover gives you or any other person depend upon you or any other person covered by the policy giving us any information and help that we require, including attending court to give evidence.

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

If you, or any other person covered by the policy, receive any letters, notices or court documents which relate to any event that has or might result in a claim, you must send these to us immediately.

If you fail to fully co-operate with us in respect to any part of the claim process, we may be entitled to cancel your policy, or refuse to pay your claim.

6. OUR GUARANTEE ON INVESTOR HOME REPAIRS

We guarantee the quality of materials and workmanship of repairs that we authorise and arrange for the lifetime of your Investor Home.

This guarantee applies to work to repair, build or rebuild your Investor Home where we:

- authorise;
- arrange; and
- pay the builder or repairer directly for this work.

We guarantee the materials used and standard of the workmanship to be free of defects.

If a defect arises in the lifetime of your Investor Home as a result of poor quality workmanship or use of incorrect materials, then we will rectify the problem.

This guarantee does not apply:

- to repairs you authorise or make yourself;
- to loss, damage or failure of any electrical or mechanical appliances or machines;
- to wear and tear consistent with normal gradual deterioration at your Investor Home (e.g. paint peeling off after its expected life cycle, wood rotting from moisture in the air or ground, or roofs weathering); or
- where we agree with a repair quote and we give you, or the builder or repairer, a cheque for the cost of the repairs and you arrange the repairs.

INVESTOR INSURANCE – What we mean by

Some of the words in this PDS have special meanings, as shown below.

Term	Meaning
Accident	An incident you did not intend or expect to happen.
Business Activity	A business, trade, profession, occupation or any income-earning activity where that income needs to be declared to the Australian Taxation Office. A business activity also includes farming, grazing, agistment of stock or agriculture that earns you money. It does not mean the tenancy of the Investor Home.
Current Schedule	The most recent schedule we have given to you.
Investor Contents	The Investor Contents as shown on page 46.
Investor Home	Your Investor Home as shown on page 20.
in the open air	An open area including on patios or verandas, or in cars, carports or open shelter areas.
Malicious Damage	Deliberate or intentional damage, including vandalism. It also includes damage caused by a person assaulting another person or committing suicide or murder.

new for old

Replacing or repairing with new items or new materials that are available at the time of replacement or repair from Australian suppliers, and new for old regardless of age, with no allowance for depreciation, and of the same type, standard and specification as when new. If the same is not available, it means of a similar type, standard and specification when new. It does not mean of a better standard, specification or quality than when new.

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

For these items when being replaced, new for old means replacing with a new item of equal specification and if you agree, it means replacing with a minimum 3-star energy rating if this is available. It can be a different brand.



An appliance with a 3-star energy rating is identified with this label.

For obsolete electrical appliances, such as outdated computers or TVs, new for old means replacing or repairing to an equal specification. If this is not available, it means to the nearest better specification available. It can be a different brand.

For paintings, pictures, works of art, sculptures, art objects, collections, memorabilia and antiques,

new for old means that if the item cannot be replaced or repaired new for old, we will pay you what it would have cost to buy the item immediately before the loss or damage occurred, *but we will not pay more* than the sum insured for that item.

Term	Meaning
Period of Insurance	Means the period of insurance as noted on your Current Schedule.
Rent	The net amount* a tenant pays to occupy the Investor Home. If the Investor Home is unoccupied, it is the amount a tenant would pay, based on an assessment by a qualified property management agent agreed to by us. *Net amount means the amount of rent you receive after deducting any managing agent's commission that applies.
Rental Agreement	A current written contract between you and your tenant which sets out the term of the rental period and the rent, bond and conditions for occupying the Investor Home.
site	The land at the address stated on your Current Schedule on which your Investor Home is located.
Sum Insured	The maximum amount payable as a result of a claim under your Investor Home or Investor Contents Insurance Policies. Your sum insured is specified on your Current Schedule and includes any applicable taxes and charges.

Terrorism	Includes any act, or preparation in respect of action, or threat of action designed to influence the government de jure or de facto of any nation or any political division thereof, or in pursuit of political, religious, ideological or similar purposes to intimidate the public or a section of the public of any nation by any person or group(s) of persons whether acting alone or on behalf of or in connection with any organisation(s) or government(s) de jure or de facto, and which: <ul style="list-style-type: none"> a) involves violence against one or more persons; or b) involves damage to property; or c) endangers life other than that of the person committing the action; or d) creates a risk to health or safety of the public or a section of the public; or e) is designed to interfere with or to disrupt an electronic system. It includes any action in controlling, preventing, suppressing, retaliating against or responding to any such act, preparation or threat.
tools of trade	Tools which you or your family use in a business, trade or profession.
we, our and us	RACT Insurance Pty Ltd.
you	The insured(s) noted on your Current Schedule.
your family	Your spouse, your partner or your de facto, your parents and parents-in-law, your or your spouse's children, your brothers and your sisters, who normally live with you.

INVESTOR INSURANCE – Summary of cover

The following table summarises the cover provided by the Investor Home and Investor Contents Insurance Policy.

For full details of the cover and the amounts we will pay in the event of a claim, please refer to the individual policy cover sections in this PDS. The page numbers for further details are listed below.

INVESTOR HOME INSURANCE				
Insured Events	Investor Home	Page	Investor Contents	Page
Storm	✓	22	✓	48
Flood	✓	22	✓	48
Escape of Water	✓	22	✓	48
Lightning	✓	22	✓	48
Fire	✓	22	✓	48
Explosion	✓	24	✓	48
Theft by Tenants or their Guests	✓	24	✓	50
Theft by People who are not Tenants or their Guests	✓	24	✓	50
Malicious Damage by Tenants or their Guests	✓	24	✓	50
Malicious Damage by People who are not Tenants or their Guests	✓	24	✓	50
Impact	✓	26	✓	52
The Acts of an Animal	✓	26	✓	52
Leakage of Oil	✓	26	✓	52
Riot, Civil Commotion, or Industrial or Political Disturbance	✓	26	✓	52
Terrorism	✓	26	✓	52
Earthquake	✓	26	✓	52

Insured Events	Investor Home	Page	Investor Contents	Page
Additional Cover				
Replacement Cover	✓	28	✓	54
Incidental Expenses	✓	30	✗	
Accidental Breakage	✓	30	✓	56
Damage caused by Power Surge	✓	30	✓	56
Loss of Rent caused by an Insured Event or Optional Cover	✓	32	✗	
Loss of Rent caused by damage to a nearby building preventing access	✓	32	✗	
Default or non-payment of Rent when under Rental Agreement	✓	34	✗	
Legal costs to recover Unpaid Rent	✓	34	✗	
Landlord's Fittings	✓	36	✗	
Auto Adjust to Sum Insured	✓	36	✓	56
Safety Net Investor Home protection	✓	36	✗	
Legal Liability	✓	38	✓	58
Extra cover to install a rainwater storage or solar powered heating facility	✓	40	✗	
Optional Cover				
Storm Damage to Gates and Fences	✓	42	✗	
Damage to Electric Motors	✓	42	✓	60

1. YOUR 'INVESTOR HOME'

Your 'Investor Home' means the building(s) at the site specified on your Current Schedule, used as a domestic dwelling.

Including:

- ✓ Garages and other domestic outbuildings.
- ✓ Pergolas, patios, verandas, decking and fixed gazebos.
- ✓ Fixed floor coverings including linoleum and timber flooring.
- ✓ Wallpaper, paint and covering on walls and ceilings.
- ✓ Insulation in roofs or walls.
- ✓ Light fittings, electrical appliances and alarm systems permanently connected to the electricity supply.
- ✓ Dishwashers that are housed in a purpose-built cupboard or bench space.
- ✓ Permanently installed swimming pools and spas and their accessories.
- ✓ Fixed:
 - Barbecues
 - Clothes lines
 - External blinds, shade sails, awnings and shade umbrellas
 - Aerials, satellite dishes and masts.
- ✓ Garden borders, driveways, paths and paving.
- ✓ Walls, gates and up to 2 kilometres of fencing at the site.
- ✓ Service pipes, cables, poles and wires that you own or are legally responsible for.
- ✓ Tennis courts.
- ✓ Unfixed home building materials and uninstalled home fittings up to \$500.
- ✓ Boat jetties and pontoons.
- ✓ Landscaping (including trees, plants, lawns, landscaping supplies, etc) up to \$500 (inclusive of GST).

But NOT including:

- ✗ More than 2 kilometres of fencing.
- ✗ A new Investor Home being built.
- ✗ Carpets (fixed or unfixed) or floor rugs.
- ✗ Insulation stored on site but not installed.
- ✗ Motor vehicles, trailers, mobile homes, tents, rail carriages, trams, aircraft or watercraft.
- ✗ Mobile dishwashers or dishwashers not housed in a purpose-built cupboard or bench space.
- ✗ Non-permanent swimming pools and spas that are capable of being moved from the site, and their accessories.
- ✗ Any of your Investor Contents.
- ✗ Any part of your Investor Home used as a hotel, motel, bed and breakfast, boarding or guest house.
- ✗ Any part of your Investor Home used for any business, trade or profession (unless you tell us beforehand in writing and we agree to cover you).
- ✗ Dams or waterholes.
- ✗ A caravan, motor vehicle, trailer or mobile home, tent, rail carriage, tram, aircraft or watercraft.

2. INSURED EVENTS

Your Investor Home is covered for loss or damage caused by:

- ✓ a) **STORM.**

- ✓ b) **FLOOD**, as a result of the overflowing of water from a natural water course, such as a river or creek or body of water such as a lake or dam.

- ✓ c) The **ESCAPE OF WATER** from a water main, pipe, guttering, fixed domestic appliance, stormwater channel, stormwater canal, or stormwater pipe.

- ✓ d) **LIGHTNING.**

- ✓ e) **FIRE.**

But your Investor Home is NOT covered for:

- ✗ Storm damage to gates, fences, retaining walls or freestanding walls.
 - ✓ But we will cover storm damage to gates and fences if you have paid for this optional cover, and it is stated on your Current Schedule.
- ✗ Storm damage to the interior of your Investor Home caused by water entering through an opening that has resulted from lack of or poor maintenance.
- ✗ Storm damage to gardens and garden borders.
- ✗ Storm damage to outbuildings that are not adequately secured to their foundations.
- ✗ Storm damage to loose materials such as gravel, pebbles or compacted earth on driveways or paths.

- ✗ Flood damage caused by tidal wave, tsunami or high tide or other actions of the sea.
- ✗ Flood damage to loose materials such as gravel, pebbles or compacted earth on driveways or paths.

- ✗ Damage caused by water escaping from a bath or shower recess where the shower screen or shower curtain were inadequate to prevent the escape of water.

- ✗ Bushfire for the first 48 hours after the start of your Investor Home Insurance Policy unless:
 - you bought or entered into the lease for your Investor Home in the 24 hours before the policy commenced; or
 - your policy commenced immediately after another policy covering the same risk expired, without a break in cover. The maximum amount of cover is the amount of cover available under the previous policy.
- ✗ Any increases in sums insured for the first 48 hours.
- ✗ Cigarette or cigar marks or burns.
- ✗ Scorching or burn marks where there has been no flame.

Your Investor Home is covered for loss or damage caused by:

- ✓ f) **EXPLOSION.**
- ✓ g) **THEFT –**
 - **BY TENANTS OR THEIR GUESTS.**

From any claim we pay, we will deduct:

 - \$500.

This is in addition to any other excess that applies to the claim.
 - **BY PEOPLE WHO ARE NOT TENANTS OR THEIR GUESTS.**
- ✓ h) **MALICIOUS DAMAGE –**
 - **BY TENANTS OR THEIR GUESTS.**

From any claim we pay, we will deduct:

 - \$500.

This is in addition to any other excess that applies to the claim.
 - **BY PEOPLE WHO ARE NOT TENANTS OR THEIR GUESTS.**

But your Investor Home is NOT covered for:

- ✗ Theft or damage without forced entry from common areas, garages, storage areas or car parking lots or parking areas of residential flats, units, townhouses or villas.
 - ✓ But we will cover theft without forced entry from a fully enclosed garage of a villa, townhouse or duplex, where the garage is part of the Unit.
- ✗ Theft or damage:
 - by you or a tenant;
 - by someone who entered the Investor Home with your consent or the consent of a tenant;
 - without forced entry from common areas, garages, storage areas or car parking lots or parking areas of residential flats, units, townhouses or villas.
 - ✓ But we will cover theft without forced entry from a fully enclosed garage of a villa, townhouse or duplex, where the garage is part of the Unit.

If the locking devices or alarms you told us about when applying for this insurance were not there, not in working condition or were disconnected,

- ✗ we can refuse or reduce a claim for theft in the Investor Home. We will only do this if you knew, or should reasonably have known, the device or alarm was not there, not in working condition or disconnected.
- ✗ Accidental or unintended damage.
- ✗ The cost of cleaning, repairing or restoring the Investor Home caused by neglect, or untidy, unclean or unhygienic habits of tenants or their guests, such as the cost of cleaning or repairing:
 - liquid or food stains;
 - drawings or paintings on walls;
 - water damage and stains from over-watered pot plants;
 - water-damaged carpets, flooring, cupboards or vanity units caused by water splashing from showers, sinks or baths.
- ✗ Loss or damage caused:
 - by you or a tenant;
 - by someone who had permission to enter the Investor Home from you or a tenant.

Your Investor Home is covered for loss or damage caused by:

- ✓ i) **The IMPACT of:**
 - an aircraft, a vehicle, or a water-borne craft;
 - space debris, or debris from an aircraft, rocket or satellite;
 - an aerial or satellite dish;
 - falling power poles or communication poles, towers or lines; or
 - a falling tree or branch.

✓ j) **THE ACTS OF AN ANIMAL.**

-
- ✓ k) The **LEAKAGE OF OIL** from a fixed heating system in your Investor Home or on the site.

✓ l) **RIOT, CIVIL COMMOTION, or INDUSTRIAL or POLITICAL DISTURBANCE.**

✓ m) **TERRORISM.**

✓ n) **EARTHQUAKE.**

But your Investor Home is NOT covered for:

- ✗ Loss or damage which is caused by tree-felling or tree-logging at the site.
 - ✗ The removal of potentially dangerous trees which have not caused damage to your Investor Home.
 - ✗ Impact damage caused by the roots of trees, plants, shrubs or hedges.
 - ✗ The cost of removing and disposing of a tree or branch if no damage has occurred to your Investor Home.
-
- ✗ Damage by animals or birds kept on the site.
 - ✗ Damage by animals or birds pecking, biting, clawing or chewing your Investor Home.
 - ✓ But we will cover damage to your Investor Home caused by an animal accidentally trapped inside your Investor Home, where the animal does not belong to you or anyone living with you.
 - ✗ Damage by vermin or insects.
 - ✓ But we will cover fire damage they cause.
-
- ✗ Loss or damage arising after 72 consecutive hours from the commencement of any riot, civil commotion or industrial or political disturbance.
 - ✗ Loss or damage caused by you or someone who lives in your Investor Home or who had your consent to enter your Investor Home (including tenants and boarders).
-
- ✗ Loss or damage directly or indirectly caused by, contributed to by, resulting from, or arising out of or in connection with biological, chemical, radioactive, or nuclear pollution or contamination or explosion.
-
- ✗ The first \$500 of a claim for loss or damage which is caused by an earthquake.
 - ✗ Loss or damage caused by a tsunami.

3. WE WILL PAY

Unless you have Indemnity Cover, the cover we provide is new for old.

We will pay the reasonable cost to restore your Investor Home to the same specifications it had when it was built or last renovated. This means:

- (a) the cost of rebuilding your Investor Home; or
- (b) the cost of repairing your Investor Home; whichever is lesser.

We will attempt as far as possible to match building materials to return your Investor Home to its former state in that part of the Investor Home where the loss or damage occurred.

We will pay any additional costs associated with matching materials to create a uniform appearance up to a maximum of \$1,000.

Indemnity Cover

If your Current Schedule shows that you have Indemnity Cover, this means that new for old cover will not apply and we may choose to:

- rebuild or repair your Investor Home;
- pay you the reasonable cost of rebuilding or repairing your Investor Home; or
- pay you the Sum Insured.

Conditions

- We will pay no more than the Sum Insured.
- We will only pay the costs that you actually incur.
- If you choose to rebuild or repair your Investor Home, you must start rebuilding or repairing your Investor Home within 6 months of the damage occurring.
- We may choose to pay your builder directly.
- If you do not:
 - (a) wish to rebuild or repair your Investor Home, or
 - (b) start rebuilding or repairing your Investor Home within 6 months from the date on which the loss or damage occurs or any longer period which we agree to in writing, we will pay you the cost of rebuilding or repairing your Investor Home less our allowance for depreciation based on its age and condition.

We may deduct an allowance for depreciation based on the age and condition of your Investor Home.

4. YOUR CHOICE OF REPLACEMENT

You may rebuild or repair your Investor Home in any way you like. You may change the materials, plan, specifications or size. If you have to rebuild your Investor Home, you may even change the site.

✘ **But we will NOT pay** any additional costs resulting from making these changes.

5. ADDITIONAL COVER

We will pay for:

Incidental Expenses

If your Investor Home is damaged as a result of an Insured Event:

- ✓ the extra costs which are necessary to meet the requirements of any statutory authority in connection with rebuilding or repairing your Investor Home on the site; and
- ✓ the reasonable cost of locating the cause of damage, demolition, removing contents and debris and engaging an architect, engineer or surveyor in connection with rebuilding or repairing your Investor Home.
- ✓ Note: This benefit is paid in addition to the total Sum Insured.

✓ Accidental Breakage

We will pay the cost of replacing any of the following items which suffer accidental breakage:

- Glass which forms part of your Investor Home.
- Glass in a lighting fixture.
- Glass in a stove.
- Cooktops.
- A fixed sink or a sanitary or toilet fixture, shower base or bath.

✓ Damage caused by Power Surge

If a domestic appliance which forms part of your Investor Home is damaged as a result of a power surge, we will pay to repair or replace that item.

But we will NOT pay:

- ✗ Extra costs resulting from any notice a statutory authority served on you, or of which you had notice, before your Investor Home was damaged.
 - ✗ Incidental expenses incurred for any part of your Investor Home which has not suffered loss or damage covered by this policy. (We will only pay the extra costs you incur in rebuilding the damaged part.)
 - ✗ More than an additional 10% of the Sum Insured.
-
- ✗ For glass in a greenhouse.
 - ✗ For items already in a damaged condition.
 - ✗ For scratches and chipping.
-
- ✗ More than \$1,000 per item.
 - ✗ More than \$3,000 for all items damaged as a result of a power surge.
 - ✓ Note: These limits will not apply if you can provide proof that the damage was as a direct result of one of the Insured Events.

We will pay for:

✓ **Loss of Rent caused by an Insured Event or Optional Cover**

If an incident insured by this policy means:

- The Investor Home cannot be lived in because of loss or damage to the Investor Home
 - ✓ Then we will pay the amount of rent lost until repairs to the Investor Home are completed and the Investor Home can be lived in again.

The most we will pay for this feature is:

- 10% of the Investor Home sum insured if you insure your Investor Home under this policy.

We pay this in addition to the sum insured for the Investor Home.

✓ **Loss of Rent caused by damage to a nearby building preventing access**

If the Investor Home is insured under this policy and you lose rent because a nearby building is so damaged that your tenant cannot access the Investor Home.

- ✓ Then we will pay the amount of rent lost for the time the tenant cannot access the Investor Home.

Nearby means within 500 metres of the insured address. The most we will pay for this feature is:

- \$4,000.

We will pay this in addition to the sum insured for the Investor Home.

But we will NOT pay:

Loss of Rent

- ✗ Because the Investor Home is damaged and you do not intend to repair or rebuild the damaged Investor Home.
- ✗ Beyond the time it should reasonably have taken to repair, rebuild or replace and reoccupy, if you unreasonably delay repairs.
- ✗ If the Investor Home was not occupied by a tenant paying rent.

But we will pay if

- ✓ The Investor Home would have been rented during the time taken to repair the Investor Home.
- ✓ You give us evidence of this from a managing agent.

- ✗ Loss of Rent if the Investor Home was not occupied by a tenant paying rent.

But we will pay rent if

- ✓ The Investor Home would have been rented during the time your tenant could not access the Investor Home.
- ✓ You give us evidence of this from a managing agent.

We will pay for:

✓ Default or non-payment of Rent when under Rental Agreement

This Additional feature is available when the Investor Home is insured under this policy. If you have a rental agreement for a fixed period and the tenant does not pay any rent for at least 4 consecutive weeks, we will pay you the unpaid rent caused by the tenant:

- not paying or refusing to pay,
- vacating the Investor Home without giving the notice required by the rental agreement, or
- being evicted before the rental agreement term finishes.

The most we will pay for all claims resulting from the same tenant is:

- \$4,000 (from the beginning of the 5th consecutive week of unpaid rent).

✓ Legal Costs to recover Unpaid Rent

If you:

- have made a claim for unpaid rent under Default or nonpayment of Rent when under Rental Agreement; and
- obtained our permission in writing before incurring legal costs trying to recover the unpaid rent

we will pay:

- ✓ Agreed legal costs to recover the rent owed to you.
- ✓ Reasonable costs charged by a managing agent for attending a court or tribunal to try to recover the unpaid rent.

You must repay us any rent you recover that you previously claimed under Default or non-payment of Rent when under Rental Agreement.

The most we will pay for all claims against any one tenant is \$5,000.

But we will NOT pay:

Unpaid rent:

- ✗ Owing to you for the first 4 consecutive weeks that the tenant does not pay any rent.
- ✗ If the tenant has paid some but not all of the rent owing.
- ✗ If you do not have a signed rental agreement in place with your tenant.
- ✗ Beyond the term stated in the rental agreement.
- ✗ If you or your managing agent have not made reasonable attempts to collect unpaid rent or find a replacement tenant.
- ✗ If the Investor Home cannot be lived in because of an Insured Event.

Legal costs:

- ✗ For which you have not first obtained our written permission.
- ✗ Not related to recovering rent from the tenant.
- ✗ If we have not paid a claim under Default or non-payment of Rent when under Rental Agreement.

We will pay for:

✓ **Landlord's Fittings**

If you are a landlord and you do not reside in your Investor Home, we will cover your fittings, furniture, furnishings, carpet, electrical appliances that are not wired in, and portable and above-ground swimming pools and spas that are not permanently installed at the site and their accessories, which are in your Investor Home for the use of your tenant and which suffer loss or damage by one of the Insured Events.

We may choose to:

- repair or replace these items; or
- pay you the reasonable cost of repairing or replacing them.

✓ **Automatic adjustments to the Sum Insured**

When your policy is due for renewal, we will increase your Sum Insured to allow for any increase in building costs. We will use industry home building cost guides as a reference.

Your Current Schedule at renewal will show the new Sum Insured.

Note: You do not have to accept the revised sums insured and can ask us to change them at any time. You are responsible for calculating the correct replacement Sum Insured. If in doubt, ask for advice from a professional valuer or home builder. We will not decrease your Sum Insured without your instruction.

✓ **Safety Net Investor Home protection**

If your Investor Home is damaged by an Insured Event and the cost of repairing or rebuilding it exceeds the Sum Insured, then if necessary we will pay up to a further 25% of your Sum Insured to:

- repair damage; or
- rebuild your Investor Home; or
- pay you what it would reasonably cost us to repair or rebuild your Investor Home.

But we will NOT pay:

- ✗ More than an additional \$10,000 of the Sum Insured.

- ✗ For increases in the Sum Insured under any other Additional Cover as a consequence of having Safety Net Investor Home protection in your policy.

For example, the most we will pay under Additional Cover Incidental Expenses is 10% of the Sum Insured. The Sum Insured for this additional cover is not increased as a result of having Safety Net Investor Home protection.

We will cover:

✓ Legal Liability

Unless specifically shown elsewhere in this policy, we will cover your and your family's legal liability for claims arising from events:

- which occur in the Investor Home or on the site; or
- for which you are liable as owner or occupier of your Investor Home or the site;

and which cause:

- death or bodily injury to any person; or
- damage to property other than property which you own or control.

We will also cover you and your family against your liability for legal costs when our lawyers act in connection with these claims.

The limit of cover in relation to any one incident is \$20,000,000 plus an additional \$5,000,000 to cover the legal costs of a lawyer, appointed by us, defending such claims or appearing or acting for you in connection with the death, injury or damage (for example, by appearing at an inquest).

But we will NOT cover:

- ✗ Liability for an intentional act by you, your family, or a person acting with the consent of you or your family.
- ✗ If the person against whom the claim is made holds or was required by law to hold compulsory workers' compensation or third party personal injury insurance which would provide cover for the claim in whole or in part.
- ✗ For liability to you or any person (other than a tenant or boarder) who lives with you.
- ✗ For claims arising out of the use of any vehicle, aircraft or water-borne craft.
- ✗ For claims arising out of the use of your Investor Home for any business purpose.
- ✗ For claims arising from erosion, subsidence or landslide.
- ✗ For liability which arises only because you have agreed to take the liability upon yourself whether under a lease or by any other means.
- ✗ Liability for injury arising directly or indirectly out of the inhalation of, or fears of the consequences of exposure to, or inhalation of, asbestos fibres or derivatives of asbestos.
Liability for any loss, cost or expense associated with the cleaning up, or removal of, or damage to, or loss of use of, property arising out of any asbestos, asbestos fibres or any derivatives of asbestos.

We will cover:

✓ Extra cover to install a rainwater storage or solar powered heating facility

When we assess that at least 80% of your Investor Home is damaged by an insured event and we have authorised the repairs or rebuilding of your Investor Home,

✓ We will pay up to \$2,500 of the net cost of you installing:

- a rainwater storage facility; or
- a solar panel or solar tube energy facility.

A 'rainwater storage facility' includes:

- a rainwater tank or bladder;
- an electric pump and wiring;
- a tank stand and base;
- pipes connecting roof drainage to the tank and your Investor Home; and
- installation costs.

A 'solar panel or solar tube heating facility' includes:

- collector panels and tubes that catch and store the sun's energy;
- water tank electric pump and wiring;
- a tank stand and base;
- pipes connecting the collector panels or solar tubes from the roof, to the tank and your Investor Home; and
- installation costs.

'Net cost' means your 'out of pocket' expense after deducting any rebate that you are eligible for under any government scheme. You must supply us with evidence of the amount you spent and the applicable rebate you received, before we can pay you.

But we will NOT pay this benefit if:

- ✗ These items were part of your Investor Home at the time of the loss or damage; and
- ✗ Cover is otherwise available under Additional Cover – Incidental Expenses to meet home building regulations.

6. OPTIONAL COVER

An additional premium may be required and a higher excess may be applied to your policy if you choose one or more of these options.

Storm Damage to Gates and Fences

If this option is shown on your Current Schedule, we will pay the cost to repair or replace your gates and fences located at the site if they are damaged by storm (see page 22).

Damage to Electric Motors

If this option is shown on your Current Schedule, we will cover:

- ✓ The burning out or fusing of a household electric motor which is part of the insured Investor Home.

Cover includes repairing or replacing:

- ✓ Switches, capacitors, condensers, bearings and seals or other electrical components that form part of the appliance and are essential to the operation of the motor.
- ✓ An entire sealed unit and re-gassing, if the electric motor is inside a sealed refrigeration or airconditioning unit.
- ✓ A swimming pool water pump combined with its electric motor, if the replacement pump motor cannot be bought on its own.

We will deduct any amount you can recover under a manufacturer's guarantee or warranty.

But we will NOT pay for:

- ✗ Replacing or repairing any part of the gate or fence you don't own.
- ✗ Replacing or repairing any gate(s) or fence(s) that are blown over by storm if they were in need of repair prior to the storm.
- ✗ More than 2 kilometres of fencing.

Our total payment will not exceed the Sum Insured.

But we will NOT pay for:

- ✗ Any motor or sealed unit over 10 years old.
- ✗ The cost of extracting or reinstalling a submersible pump.
- ✗ Damage to a refrigerator or freezer caused by spoiled food.
- ✗ Damage that is covered by a new product guarantee or warranty.

Motors in any:

- ✗ Radio.
- ✗ Television, video recorder, DVD player or recorder.
- ✗ Computer, printer or computer equipment.
- ✗ Microwave oven.
- ✗ Stereo, hi-fi or other sound equipment.
- ✗ Motor or unit that is used for a business activity.

7. UNOCCUPIED INVESTOR HOME

We will pay for any Insured Event if your Investor Home is unoccupied as long as it is not left unoccupied for more than 90 consecutive days.

If your Investor Home will be left unoccupied for longer than 90 consecutive days:

- We may continue to cover you if you tell us beforehand.
- An additional premium may be required and the cover will commence when any additional premium has been paid.
- Any claims made after 90 days of Unoccupancy will have a \$500 excess applied. This excess is in addition to any basic or optional excess that you may have elected.

8. BUILDING WORK/RENOVATIONS

We will cover you for any Insured Event:

- ✓ Whilst you carry out minor, cosmetic renovations to your Investor Home. If you will be undertaking major building work or renovations that exceed \$50,000:
 - We may continue to cover you if you tell us beforehand in writing.
 - If we agree to cover you, we will send you a new schedule noting this cover.
 - An additional premium may be required and a higher excess may be applied to your policy as a result of providing this cover.
 - The cover will commence when any additional premium has been paid.

But we do NOT cover:

When your Investor Home's exterior walls or roof are opened up or removed (even if temporarily covered) during home building, alterations or renovations; we do not cover:

- ✗ Legal liability for accidents caused by or arising out of building, altering or renovating your Investor Home.
 - ✓ Unless the total costs of building, altering or renovating are no more than \$50,000.
- ✗ Damage caused by water entering your Investor Home through openings in the walls or roof or other unfinished parts of your Investor Home.
- ✗ Storm damage or malicious acts to unfinished parts of your existing Investor Home or new work.
- ✗ Theft by someone who enters or leaves through an open or unfinished wall, roof, door or window (even if it was temporarily secured or covered).
- ✗ Theft of building materials or fixtures before they are installed or fixed in place.

1. YOUR 'INVESTOR CONTENTS'

Your 'Investor Contents' means household goods that you own or are legally responsible for, which are normally kept at the site specified on your Current Schedule. This cover is in addition to the \$10,000 cover the Investor Building provides.

Covered under Investor Contents:

- ✓ Carpets whether fixed or not.
- ✓ Internal curtains and blinds.
- ✓ Furniture and furnishings.
- ✓ Portable and above-ground swimming pools and spas that are not permanently installed at the site, and their accessories.
- ✓ Domestic tools and gardening equipment (including ride-on mowers).
- ✓ Electrical appliances that are not wired in such as televisions, stereo systems, heaters, fridges and lamps.

Not covered under Investor Contents:

- ✗ Permanently installed swimming pools and spas and their accessories.
- ✗ Electrical appliances, light fittings and alarm systems that are permanently connected to the electricity supply.
- ✗ Portable battery operated appliances *including* cameras, mobile phones, iPods, MP3 players.
- ✗ Computers or their monitors, keyboards or printers or software.
- ✗ CDs, DVDs or or any other media discs or tapes.
- ✗ Business equipment.

2. INSURED EVENTS

Your Investor Contents are covered for loss or damage caused by:

- ✓ a) **STORM.**

- ✓ b) **FLOOD**, as a result of the overflowing of water from a natural water course, such as a river or creek or a body of water such as a lake or dam.

- ✓ c) The **ESCAPE OF WATER** from a water main, pipe, guttering, fixed domestic appliance, stormwater channel, stormwater canal, or stormwater pipe.

- ✓ d) **LIGHTNING.**

- ✓ e) **FIRE.**

- ✓ f) **EXPLOSION.**

But NOT covered for:

- ✗ Storm damage to your Investor Contents caused by water entering your Investor Home through an opening that has resulted from lack of or poor maintenance.

- ✗ Flood damage caused by a tidal wave, tsunami or high tide or other actions of the sea.

- ✗ Damage caused by water escaping from a bath or shower recess where the shower screen or shower curtain were inadequate to prevent the escape of water.

- ✗ Bushfire for the first 48 hours after the start of your Investor Contents Policy unless:
 - you bought or entered into the lease for your Investor Home in the 24 hours before the policy commenced; or
 - your policy commenced immediately after another policy covering the same risk expired, without a break in cover. The maximum amount of cover is the cover under the previous policy.
- ✗ Any increases in sums insured for the first 48 hours.
- ✗ Cigarette or cigar marks or burns.
- ✗ Scorching or burn marks where there has been no flame.

Your Investor Contents are covered for loss or damage caused by:

✓ g) THEFT –

- **BY TENANTS OR THEIR GUESTS.**

From any claim we pay, we will deduct:

- \$500.

This is in addition to any other excess that applies to the claim.

- **BY PEOPLE WHO ARE NOT TENANTS OR THEIR GUESTS.**

✓ h) MALICIOUS DAMAGE –

- **BY TENANTS OR THEIR GUESTS.**

From any claim we pay, we will deduct:

- \$500.

This is in addition to any other excess that applies to the claim.

- **BY PEOPLE WHO ARE NOT TENANTS OR THEIR GUESTS.**

But NOT covered for:

- ✗ Theft or damage without forced entry from common areas, garages, storage areas or car parking lots or parking areas of residential flats, units, townhouses or villas.

- ✓ But we will cover theft without forced entry from a fully enclosed garage of a villa, townhouse or duplex, where the garage is part of the Unit.

- ✗ Theft or damage

- by you or a tenant;
- by someone who entered the Investor Home with your consent or the consent of a tenant;
- without forced entry from common areas, garages, storage areas or car parking lots or parking areas of residential flats, units, townhouses or villas.

- ✓ But we will cover theft without forced entry from a fully enclosed garage of a villa, townhouse or duplex, where the garage is part of the Unit.

If the locking devices or alarms you told us about when applying for this insurance were not there, not in working condition or were disconnected,

- ✗ We can refuse or reduce a claim for theft in the Investor Home. We will only do this if you knew, or should reasonably have known the device or alarm was not there, not in working condition or disconnected.

- ✗ Accidental or unintended damage.

- ✗ The cost of cleaning, repairing or restoring the Investor Contents caused by neglect, or untidy, unclean or unhygienic habits of tenants or their guests, such as the cost of cleaning or repairing:

- liquid or food stains;
- water damage and stains from over-watered pot plants;
- water damage caused by water splashing from showers, sinks or baths.

- ✗ Loss or damage caused:

- by you or a tenant;
- by someone who had permission to enter the Investor Home from you or a tenant.

Your Investor Contents are covered for loss or damage caused by:

- ✓ i) **The IMPACT of:**
- an aircraft, a vehicle, or a water-borne craft;
 - space debris, or debris from an aircraft, rocket or satellite;
 - an aerial or satellite dish;
 - falling power poles or communication poles, towers or lines; or
 - a falling tree or branch.

✓ j) **THE ACTS OF AN ANIMAL.**

- ✓ k) the **LEAKAGE of OIL** from a fixed heating system in your Investor Home or on the site.

✓ l) **RIOT, CIVIL COMMOTION, or INDUSTRIAL or POLITICAL DISTURBANCE.**

✓ m) **TERRORISM.**

✓ n) **EARTHQUAKE.**

But NOT covered for:

- ✗ Loss or damage which is caused by tree-felling or tree-logging at the site.
 - ✗ The removal of potentially dangerous trees which have not caused damage to your Investor Home.
 - ✗ Impact damage caused by roots of trees, plants, shrubs or hedges.
 - ✗ The cost of removing and disposing of a tree or branch if no damage has occurred to your Investor Home.
-
- ✗ Damage by animals or birds kept on the site.
 - ✗ Damage by animals or birds pecking, biting, clawing or chewing your Investor Home
 - ✓ But we will cover damage to your Investor Home caused by an animal accidentally trapped inside your Investor Home, where the animal does not belong to you or anyone living with you.
 - ✗ Damage by vermin or insects.
 - ✓ But we will cover fire damage they cause.
-
- ✗ Loss or damage arising after 72 consecutive hours from the commencement of any riot, civil commotion or industrial or political disturbance.
 - ✗ Loss or damage caused by you or someone who lives in your Investor Home or who had your consent to enter your Investor Home (including tenants and boarders).
-
- ✗ Loss or damage directly or indirectly caused by, contributed to by, resulting from, or arising out of or in connection with biological, chemical, radioactive or nuclear pollution or contamination or explosion.
-
- ✗ Loss or damage caused by a tsunami.

3. WE WILL PAY

For loss or damage to Investor Contents **INSIDE** your Investor Home

The Investor Contents cover we provide is new for old. We may choose to:

- repair or replace the Investor Contents;
- pay you the reasonable cost of repairing or replacing the Investor Contents; or
- pay you the Sum Insured.

We will attempt as far as possible to match materials to return a damaged item to its former state.

We will pay any additional costs associated with matching materials to create a uniform appearance up to a maximum of \$1,000.

Note: If damage to carpets is not repairable, we will pay the cost of replacement carpets in the room, passageway or stairwell where the damage occurred.

For loss or damage to Investor Contents **OUTSIDE** your Investor Home

Where the loss or damage is caused by any of the Insured Events except STORM or THEFT:

- ✓ We will pay up to 20% of the Sum Insured.

Where the loss or damage is caused by STORM:

- ✓ We will pay up to 5% of the Sum Insured.

Where the loss or damage is caused by THEFT from in the open air at the site:

- ✓ We will pay up to 5% of the Sum Insured.

But we will **NOT** pay for:

- ✗ Theft from common areas or car parking lots of residential flats, units, townhouses, villas or similar buildings, such as theft from a clothes line in a common area of a unit block.
- ✗ Theft from locked or unlocked motor vehicles parked in common areas of residential flats, units or similar buildings.
- ✗ Items insured under a Personal Effects Policy.
- ✗ Cash.
- ✗ Tools of trade.
- ✗ Investor Contents outside the site; in storage, on a person, in transit, or in a motor vehicle, caravan, tent, boat or aircraft.

4. ADDITIONAL COVER

We will pay for:

✓ **Accidental Breakage**

We will pay the cost of replacing glass that forms part of an item of furniture, light fitting or household appliance, which is part of your Investor Contents.

✓ **Damage caused by Power Surge**

If a domestic appliance is damaged as a result of a power surge, we will pay to repair or replace that item, if it is part of your Investor Contents.

✓ **Automatic adjustments to the Sum Insured**

When your policy is due for renewal, we will increase your Sum Insured to allow for additional items you might buy during the period of insurance and for increases in the replacement cost of Investor Contents.

Your Current Schedule at renewal will show the new Sum Insured.

Note: You do not have to accept the revised Sums Insured and can ask us to change them at any time. You are responsible for calculating the correct replacement Sum Insured. If in doubt, ask for advice from a professional valuer or home builder. We will not decrease your Sum Insured without your instruction.

But we will NOT pay:

- ✗ For glass in a television, radio or computer equipment.
 - ✗ For items already in a damaged condition.
 - ✗ For items which are not glass, including ceramics or marble.
 - ✗ For scratches and chipping.
-
- ✗ More than \$1,000 per item.
 - ✗ More than \$3,000 for all items damaged as a result of a power surge.
 - ✓ Note: These limits will not apply if you can provide proof that the damage was as a direct result of one of the Insured Events.

We will not adjust the sums insured for:

- ✗ Listed Investor Contents items.

You need to revalue these items regularly to make sure they are insured for replacement cost.

We will cover:

✓ Legal Liability

Unless specifically shown elsewhere in this policy we will cover your and your family's legal liability for claims arising from events:

- outside the site; and
- within Australia;

and which cause:

- death or bodily injury to any person; or
- damage to property other than property which you own or control.

But we will NOT cover:

- ✗ Liability for an intentional act by you, your family, or a person acting with the consent of you or your family.
- ✗ If the person against whom the claim is made holds or was required by law to hold compulsory workers' compensation or third party personal injury insurance which would provide cover for the claim in whole or in part.
- ✗ Liability to you or any person (other than a tenant or boarder) who lives with you.
- ✗ Claims arising out of the use of any vehicle, aircraft or water-borne craft.
- ✗ Claims arising out of the use of your Investor Home for any business purpose.
- ✗ Claims arising from erosion, subsidence or landslide.
- ✗ Liability which arises only because you have agreed to take the liability upon yourself whether under a lease or by any other means.
- ✗ Liability for injury arising directly or indirectly out of the inhalation of, or fears of the consequences of exposure to, or inhalation of, asbestos fibres or derivatives of asbestos. Liability for any loss, cost or expense associated with the cleaning up, or removal of, or damage to, or loss of use of, property arising out of any asbestos, asbestos fibres or any derivatives of asbestos.

5. OPTIONAL COVER

An additional premium may be required and a higher excess may be applied to your policy if you choose one or more of these options.

Damage to Electric Motors

If this option is shown on your Current Schedule, we will cover:

- ✓ The burning out or fusing of a household electric motor which is part of the insured Investor Contents.

Cover includes repairing or replacing:

- ✓ Switches, capacitors, condensers, bearings and seals or other electrical components that form part of the appliance and are essential to the operation of the motor.
- ✓ An entire sealed unit and re-gassing, if the electric motor is inside a sealed refrigeration or airconditioning unit.
- ✓ A swimming pool water pump combined with its electric motor, if the replacement pump motor cannot be bought on its own.

We will deduct any amount you can recover under a manufacturer's guarantee or warranty.

But we will NOT pay for:

- ✗ Any motor or sealed unit over 10 years old.
- ✗ The cost of extracting or reinstalling a submersible pump.
- ✗ Damage to a refrigerator or freezer caused by spoiled food.
- ✗ Damage that is covered by a new product guarantee or warranty.

Motors in any:

- ✗ Radio.
- ✗ Television, video recorder, DVD player or recorder.
- ✗ Computer, printer or computer equipment.
- ✗ Microwave oven.
- ✗ Stereo, hi-fi or other sound equipment.
- ✗ Motor or unit that is used for a business activity.

6. UNOCCUPIED INVESTOR HOME

We will pay for any Insured Event if your Investor Home is unoccupied as long as it is not left unoccupied for more than 90 consecutive days.

If your Investor Home will be left unoccupied for longer than 90 consecutive days:

- We may continue to cover you if you tell us beforehand.
- An additional premium may be required and the cover will commence when any additional premium has been paid.
- Any claims made after 90 days of Unoccupancy will have a \$500 excess applied. This excess is in addition to any basic or optional excess you may have elected.

7. BUILDING WORK/RENOVATIONS

We will cover you for any Insured Event:

- ✓ Whilst you carry out minor, cosmetic renovations to your Investor Home.
If you will be undertaking major building work or renovations that exceed \$50,000:
 - We may continue to cover you if you tell us beforehand in writing.
 - If we agree to cover you, we will send you a new schedule noting this cover.
 - An additional premium may be required and a higher excess may be applied to your policy as a result of providing this cover.
 - The cover will commence when any additional premium has been paid.

But we do NOT cover:

When your Investor Home's exterior walls or roof are opened up or removed (even if temporarily covered) during Investor Home building, alterations or renovations; we do not cover:

- ✗ damage caused by water entering your Investor Home through openings in the walls or roof or other unfinished parts of your Investor Home, or
- ✗ storm damage or malicious acts to unfinished parts of your existing Investor Home or new work, or
- ✗ theft by someone who enters or leaves through an open or unfinished wall, roof, door or window (even if it was temporarily secured or covered), or
- ✗ theft of building materials or fixtures, or
- ✗ legal liability for accidents caused by or arising out of building, altering or renovating your Investor Home,
 - ✓ unless the total costs of building, altering or renovating are no more than \$50,000.

What is NOT covered under any policy

1. YOU ARE NOT COVERED UNDER ANY POLICY FOR:

- (a) Loss, damage or liability which arises gradually over time, not as a result of a single event or occurrence.
- (b) Any event causing loss, damage or liability, which does not occur during the Period of Insurance.
- (c) Loss, damage or liability caused by, arising directly or indirectly from or in any way connected with depreciation, wear, tear, rust, fading, mould, rising damp, mildew, rot or corrosion.
- (d) Loss, damage or liability caused by, arising directly or indirectly from or in any way connected with radioactivity or the use, existence or escape of nuclear fuel, material or waste.
- (e) Loss, damage or liability caused by, arising directly or indirectly from or in any way connected with any war, invasion, or acts of foreign enemy or hostilities (whether war has been declared or not). This includes civil war, rebellion, revolution, insurrection, and military or usurped power.
- (f) Loss, damage or liability caused by, arising directly or indirectly from or in any way connected with the lawful seizure, confiscation, nationalisation or requisition of any insured item.
- (g) Loss, damage or liability which arises outside Australia.
- (h) Loss, damage or liability caused by or arising directly or indirectly from or in any way connected with an intentional act by you or your family or a person acting with the consent of you or your family.
- (i) Loss, damage or liability caused by or arising directly or indirectly from or in any way connected with the sea or high water.
- (j) Loss, damage or liability caused by or arising directly or indirectly from or in any way connected with faulty design or workmanship.
- (k) Loss or damage caused by terrorism, directly or indirectly caused by, contributed to by, resulting from or arising out of or in connection with biological, chemical, radioactive or nuclear pollution or contamination or explosion.
- (l) The cost of reinstalling or replacing electronically stored files.
- (m) Items sent by post or courier.
- (n) Erosion or subsidence caused by or as a result of erosion, vibration, subsidence, landslip, landslide, mudslide, collapse, shrinkage or any other earth movement.

2. WE MAY REFUSE A CLAIM, CANCEL A POLICY OR DO BOTH IF:

- | | |
|--|--|
| (a) You are not truthful, accurate and frank in any statement you make in connection with a claim. | |
| (b) You do not keep an insured item(s) in good order and repair, including but not limited to watertight, structurally sound, secure and well-maintained. | This will not apply if it was reasonable on your part to have been unaware that your insured item(s) was not in good order and repair. |
| (c) You have not taken all reasonable care to protect any insured item(s). | |
| (d) An insured item is used (or let) for business purposes unless you tell us beforehand in writing and we agree to cover you. | If we agree to cover you, we will send you a new schedule noting this cover.
An extra premium may be required for this additional cover and cover will commence when any extra premium has been paid. |
| (e) You illegally keep in your Investor Home, or at the site, explosives or flammable or combustible fluids. | |
| (f) You do not immediately make a report to the police if you suspect that: <ul style="list-style-type: none">• an insured item has been stolen;• someone has acted maliciously in relation to an insured item; or• an attempt has been made to do either of these things. We may require you to provide proof that a report was made. | |

1. THE GENERAL INSURANCE CODE OF PRACTICE

We support and adhere to the General Insurance Code of Practice. A copy of the code can be obtained from the Insurance Council of Australia by visiting www.ica.com.au or by phoning (02) 9253 5100.

2. OUR DISPUTE RESOLUTION PROCESS

If you have a complaint about any of our services or products, we want to give you every opportunity to find a satisfactory resolution.

Step 1 Talk to us first

If you have a complaint, please give us every reasonable opportunity to try to resolve your complaint by first discussing it with one of our supervisors or managers.

If you are still not satisfied with our initial response you can contact our Compliance Manager.

Step 2 Contact our Compliance Manager

If, having explored every avenue with our staff and management, you are still unhappy about our response, you may ask for it to be reviewed by our Internal Dispute Resolution (IDR) Panel. This panel is made up of people who have had nothing to do with the previous decision and have not previously been involved with your case. The members of the panel have the skills and authority necessary to review the decision.

To activate this process, ask one of our customer service officers to connect you to our Compliance Manager, who will explain the process to you and assist you in lodging a request to have the matter reviewed. You can also make a request for a review by the IDR Panel by writing a letter to:

The Compliance Manager
RACT Insurance Pty Ltd
GPO Box 1292
Hobart TAS 7001

After the matter has been lodged for review by the IDR Panel, we will write to you within 15 working days informing you of our decision and clearly indicating the reasons for that decision.

If you are still not satisfied with the outcome you can seek an external review of the decision.

Step 3 Seek an external review of the decision

If the internal dispute resolution is not in your favour and you are still unhappy with the decision after reviewing the reasons provided, you can then approach the Insurance Ombudsman Service (IOS) for its advice. The IOS may be contacted at:

Insurance Ombudsman Service
PO Box 561
Collins St West
Melbourne VIC 8007

Phone: 1300 780 808

Fax: (03) 9621 2060

Email: ios@insuranceombudsman.com.au

www.insuranceombudsman.com.au

The IOS will advise you if you are eligible to have our decision reviewed by their Independent Review Panel or by one of their referees. Again, this is without cost to you and the decision of the IOS is binding on us, in accordance with their Terms of Reference.

If, after having exhausted all these avenues through our internal processes and those of the IOS, we have not been able to reach a satisfactory resolution, you still retain your rights under the law.

INSURANCE FRAUD

Insurance fraud is not a victimless crime. It imposes additional costs on honest policyholders and wastes the resources of our community.

This means it affects everyone.

We're encouraging the community to help prevent insurance fraud.

You can help – report any suspected insurance fraud to the RACT Insurance Compliance Manager.

Call 13 27 22 or email racticompliance@ract.com.au

