

## New Unoccupied Home Insurance



**DON HUTTON INSURANCE  
BROKERS PTY LTD**  
trading as  
**THE BUILDERS INSURANCE  
BROKER**

ABN 37 003 084 384  
AFSL 230650

500 Forest Rd  
Penshurst NSW 2222

PO Box 12  
Penshurst NSW 2222

**Pone:** 1300 769 455  
(02) 9570 5422  
**Fax:** (02) 9579 6680

**Email:**  
builder@buildersbroker.com.au

**WESFARMERS GENERAL  
INSURANCE LIMITED**

ABN 24 000 036 279  
AFSL 241461

**New South Wales**  
Lumley House  
Level 9, 309 Kent Street  
Sydney NSW 2000

Phone: (02) 9248 1111  
Fax: (02) 9248 1122

50 Glebe Road  
The Junction  
Newcastle NSW 2291

Phone: (02) 4925 7500  
Fax: (02) 4940 0295

### Product Disclosure Statement and Policy Wording

The insurer of this product is:

Wesfarmers General Insurance Limited ABN 24 000 036 279, trading as Lumley General

AFS Licence No 241461

Preparation Date: 26/03/09

### TABLE OF CONTENTS

<b>IMPORTANT CUSTOMER INFORMATION</b>	<b>3</b>
Who is the Insurer	3
About our Product Disclosure Statement and Policy Wording	3
The Builders Insurance Brokers	3
What you need to read	3
Applying for cover	3
Services provided by Lumley General and General Advice Warning	4
Summary of cover and other significant matters	4
Cost of the insurance	5
Duty of Disclosure	5
Cooling off rights	6
Confirming Transactions	6
Code of Practice	6
How to make a claim	6
Complaints - Internal and External Complaints Procedure	6
Privacy	6
Updating our Product Disclosure Statement	7
Compensation Arrangements	7
Our contact details	7
<b>COVER</b>	<b>8</b>
DEFINITIONS	8
THE AGREEMENT BETWEEN YOU AND US (YOUR POLICY)	9
DEFINED EVENTS	10
1. Fire, explosion, lightning or thunderbolt	10
2. Earthquake	10
3. Theft, attempted theft or burglary	10
4. Bursting, leaking, discharging or overflowing	10
5. Accidental breakage	10
6. Acts of Malicious Damage or Vandalism (see Definitions)	11
7. Storm (see Definitions)	11
8. Impact	11
9. Riot or civil commotion	11

---

**TABLE OF CONTENTS**

<b>SECTION 1. BUILDING COVER</b>	<b>12</b>
1.1 Definition of Building	12
1.2 Defined Events cover	12
1.3 How we settle any valid claim	12
1.4 Additional Benefits and Limitations	13
<b>SECTION 2. LEGAL LIABILITY COVER</b>	<b>14</b>
2.1 Legal liability cover	14
2.2 How we settle any valid claim	14
2.3 Exclusions	14
<b>SECTION 3. GENERAL EXCLUSIONS</b>	<b>16</b>
<b>SECTION 4. GENERAL CONDITIONS</b>	<b>18</b>
4.1. General Duties	18
4.3. Cancellation	18
4.4. Jurisdiction and service of suit	18
4.4. Notices	18
4.5. Changing your Policy	18
<b>SECTION 5. Claims</b>	<b>19</b>
5.1. What you must do when you make a claim	19
5.2. Automatic reinstatement after partial loss	19
5.3. Total Loss	19
5.4. Other insurance	19

---

## IMPORTANT CUSTOMER INFORMATION

---

### Who is the Insurer

The insurer is Wesfarmers General Insurance Limited (ABN 24 000 036 279, AFSL 241461), trading as Lumley General, and we are authorised to issue and deal in this product. In this PDS, unless otherwise stated, the insurer is called "We", "Us", "Our" and/or "Lumley General". Our contact details are on the front page of this PDS.

### About our Product Disclosure Statement and Policy Wording

This document (which is our Product Disclosure Statement and Policy Wording) contains important information to help you understand Lumley General's New Unoccupied Home Insurance. Before you decide whether to purchase it, you need to read this document carefully to understand its features and benefits.

Other documents may form part of our PDS. If they do we will tell you in the relevant document.

### The Builders Insurance Brokers

Don Hutton Insurance Brokers Pty Ltd trading as The Builders Insurance Broker (ABN 37 003 084 384, AFSL 230650) is an insurance broking organisation that specialises in arranging unoccupied home insurance. The Builders Insurance Broker acts as your agent in relation to this insurance, not the insurer.

### What you need to read

To determine if this insurance is appropriate for you, it is important that you read:

- this Important Customer Information Section - it contains information on important matters you need to be aware of before applying for this insurance;
- the Definitions Section - it sets out what we mean by certain defined terms in this insurance;
- the Defined Events Section – it sets out the Defined Events we will provide cover for under Cover Section 1;
- the Cover Sections 1-2 - these set out the cover available under this insurance;
- the General Exclusions Section 3 - it sets out what we do not cover under any of the Cover Sections;
- the General Conditions Section 4 - it contains details of your and our rights and obligations under this insurance, including if you do not meet your obligations, we may be able to cancel the insurance or reduce our liability in respect of a claim to the extent permitted by law;
- the Claims Section 5 - if you need to claim and what Excesses may be payable; and
- any other documents we provide to you about the insurance which may change the standard cover.

### Applying for cover

When you apply for this insurance, you will need to complete a proposal form. We will use and rely on the information supplied by you to decide the terms of cover we will provide. We provide cover to you on the terms contained in this document, and the Schedule that we issue to you.

The Schedule will contain important information relevant to your insurance including the Period of Insurance, your Premium, details of your property the Excess(es) that will apply to you and others and whether any standard terms have been varied by way of endorsement.

All of these make up your "Policy" with us. You need to keep these documents in a safe place together with receipts and other evidence of ownership and value of items you insure.

Before expiry we will send you a renewal notice which tells you whether we will renew and on what terms. The renewal notice will tell you what is required.

---

**IMPORTANT CUSTOMER INFORMATION (continued)****Services provided by Lumley General and General Advice Warning**

Lumley General is an Australian Financial Services Licensee and is authorised under its licence to deal in and provide general advice on this insurance.

Any advice we or our representatives provide is general only and does not take into account your personal objectives, financial situation or needs. Because of this you should, before acting on the advice, decide if it is right for you and consider the information contained in this document carefully.

Lumley General's employees are paid an annual salary and possibly bonuses based on performance criteria and achievement of company goals. They are not otherwise remunerated for any advice or dealing service that they provide to you unless they tell you otherwise.

**Summary of cover and other significant matters**

By way of summary, the principal covers available are:

- cover for loss of or damage to your insured Building caused by one of the Defined Events occurring during the Period of Insurance (Section 1 – Building Cover);
- cover for legal liability you and certain other persons incur for Accidental death or bodily injury to certain other persons or Accidental damage to certain other person's property. This cover is only available if you have taken Building cover (Section 2 - Legal Liability Cover);

Refer to each Cover Section for details of the basis on which we settle any claim.

You need to make sure that you are happy with the extent of cover provided by this insurance. If not, you may not get the cover you require.

We only provide cover up to the amount(s) and limits and Sum(s) Insured specified in your Policy and subject to its other terms, conditions and exclusions. All amounts insured exclude GST.

An Excess may apply when you make a claim. An Excess is the part of a claim you must bear and is payable for each occurrence covered by this insurance. An occurrence is one or a series of occurrences arising out of one cause. When an Excess applies we will reduce the amount we pay by the amount of the Excess or we will ask you to pay it.

The type and amount of Excess is shown in your Policy (usually in this document and the Schedule). We agree on the amount of the Excess(es) with you when you apply for this insurance and the Excess may vary according to where you live and your insurance history.

For example, your home has suffered severe damage as a result of Storm passing over your suburb. If your Policy or Schedule mentions that you have a \$100 Excess, then our claim payment reimbursing you for the overall loss will be reduced by \$100.

If you do not adequately insure yourself for your potential loss, you may have to bear the uninsured proportion of any loss yourself.

We only cover your interest in the insured property unless we specifically include cover for the interest of a third party.

We may refuse to pay or reduce the amount we pay under a claim in certain circumstances. In particular:

- where an exclusion applies;
- if you do not comply with the terms and conditions of your Policy;
- if you do not comply with your Duty of Disclosure or make a misrepresentation; or
- if you make a fraudulent claim.

We also may cancel your Policy in certain circumstances permitted by law e.g. if you fail to comply with a condition or breach your duty of disclosure.

---

## IMPORTANT CUSTOMER INFORMATION (continued)

### Cost of the insurance

The insurance provided is subject to your payment or agreement to pay the Premium we require by the agreed time. In order to calculate your Premium, we take various factors into consideration, including:

- the type of cover requested;
- the construction of your Building ;
- the Sum(s) Insured;
- the location of your Building;
- your previous insurance history.

Your premium also includes amounts that take into account our actual or estimated obligation to pay any relevant compulsory government charges, taxes or levies (for example Stamp Duty, GST and any Fire Services Levy where applicable) in relation to your Policy. We will tell you when you apply what premium is payable, when it needs to be paid and how it can be paid. The amount may vary according to a number of factors such as where you live and your insurance history.

When you apply for this insurance, you will be advised of the total amount payable. If you choose to effect cover, the amounts due will be clearly set out in your Schedule.

### Duty of Disclosure

Before you enter into your Policy with us, you have a duty under the *Insurance Contracts Act 1984* (Cth) to disclose to us every matter that you know, or a reasonable person in the circumstances could be expected to know, is relevant to our decision whether to accept the risk of the insurance and, if so, on what terms.

The Act imposes a different duty the first time you enter into your Policy with us, to that which applies when you renew, vary, extend or replace it.

#### *Your Duty of Disclosure when you enter into your Policy with us for the first time*

We will ask you various questions when you first apply for your Policy that are relevant to our decision whether to accept the risk of insurance and, if so, on what terms. When you answer those questions, you must:

- give us honest and complete answers;
- tell us everything you know; and
- tell us everything that a reasonable person in the circumstances could be expected to know.

#### *Your Duty of Disclosure when you renew, vary, extend, reinstate or replace your Policy*

When you renew, extend, vary or reinstate your Policy, your duty is to disclose to us before the renewal, extension, variation or reinstatement, every matter that you know, or a reasonable person in the circumstances could be expected to know, is relevant to our decision whether to accept the risk of the insurance and, if so, on what terms.

#### *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;
- as to which compliance with your duty is waived by us.

#### *Who does the Duty of Disclosure apply to?*

The duty of disclosure applies to you and everyone that is an insured under the contract of insurance.

#### *What happens if you or they do not comply with the Duty of Disclosure?*

If you, or they, fail to comply with the duty of disclosure, we may be entitled to reduce our liability under your Policy in respect of a claim or cancel it. If the non-disclosure is fraudulent, we may be able to treat your Policy as if it was never effected.

---

## **IMPORTANT CUSTOMER INFORMATION (continued)**

### **Cooling off rights**

Even after you make a decision to purchase this insurance, you still have cooling off rights. You can return your insurance by notifying us in writing within 14 days of cover commencing and we will refund the Premium paid unless something has occurred for which a claim may be payable. Even after this cooling off period ends you still have cancellation rights (see General Conditions).

### **Confirming Transactions**

You may contact us in writing or by phone to confirm any transaction under your insurance if you or your adviser do not already have the required policy confirmation details.

### **Code of Practice**

The Insurance Council of Australia Limited has developed the General Insurance Code of Practice, which is a self regulatory code for use by all insurers. We are a signatory to the Code of Practice. The Code aims to raise the standards of practice and service in the insurance industry.

If you require further details please contact your nearest Lumley General office or visit our website at [www.lumley.com.au](http://www.lumley.com.au).

### **How to make a claim**

The General Conditions Section tells you what you need to do. Before we pay any claim, we require evidence as to the extent of loss or damage. Please ensure that, where possible, you keep any photographs or other documentation in respect of loss or damage to make the process as easy as possible.

Any claim settlements, up to the total of all amounts insured, will exclude GST. However, if there is a shortfall between the GST component of your claim and the amount of input tax credit you are entitled to, we will pay this shortfall in addition to the claim settlement.

### **Complaints - Internal and External Complaints Procedure**

If you have a complaint, please write to us and explain what your complaint is and the reasons behind it.

We will then either resolve or attempt to resolve your complaint immediately or refer the matter to our Internal Dispute Resolution Committee (IDRC) if it is unresolved.

If you are not satisfied with the decision of the IDRC, you may be able to access the services of an independent external dispute resolution body called Financial Ombudsman Service (FOS).

If you require further information about our dispute resolution process, please contact us.

### **Privacy**

We are bound by the National Privacy Principles of the *Privacy Act 1988* (Cth) when we collect and handle your personal information.

We collect personal information for the purpose of providing insurance, including arranging insurance, policy administration and claims handling. We also collect your personal information to conduct market or customer satisfaction research and to develop and identify products and services that may interest you. If necessary, we may collect your health and other sensitive information, but we will obtain your consent before doing so unless the collection is required or permitted by or under law.

We disclose personal information to persons we deal with in providing our services to you, for example, reinsurers, insurance intermediaries, insurance reference bureaus, credit reference agencies, our and your advisers and those involved in the claims handling process, for the purposes of assisting us and them in providing relevant services and products, and for the purposes of litigation. We limit the use and disclosure of any personal information provided by us to them to the specific purpose for which we supplied it. By providing your personal information to us, you consent to us making these disclosures.

Without this information, we may not be able to provide you with the services you require.

When you give us personal information about other individuals, we rely on you to have made or make them aware that you will or may provide their information to us and the types of third parties we may provide it to, the relevant purposes we and the third parties will use it for, and how they can access it. If you have not done or will not do either of these things, you must tell us before you provide the relevant information.

If you would like a copy of our Privacy Policy, would like to seek access to or correct your personal information, or opt out of receiving materials we send, please contact us.

---

**IMPORTANT CUSTOMER INFORMATION (continued)****Updating our Product Disclosure Statement**

We may need to update this PDS from time to time if certain changes occur where required and permitted by law. We will issue you with a new PDS or a Supplementary PDS to update the relevant information except in limited cases. Where the information is not something that would be materially adverse from the point of view of a reasonable person considering whether to buy this insurance, we may issue with notice of this information in other forms or keep an internal record of such changes (you can get a paper copy free of charge by calling us).

**Compensation Arrangements**

The *Corporations Act 2001* (Cth) requires licensees to have arrangements for compensating retail clients for losses they suffer as a result of a breach by the licensee or its representatives of Chapter 7 of this Act, unless an exemption applies. We are exempt from this requirement because we are an insurer supervised by the Australian Prudential Regulation Authority and subject to the prudential requirements of the *Insurance Act 1973* (Cth).

**Our contact details**

If you or your adviser need to contact us, have any questions or would like any further information regarding this insurance, contact us using the contact details provided in this document or where relevant, our agent or local office.

**DEFINITIONS**

In your Policy some words have a special meaning (whether expressed in the singular or the plural) and we define them below:

**"we", "us", "our" and "Lumley General"** means the insurer, Wesfarmers General Insurance Limited ABN 24 000 036 279, trading as Lumley General.

**"you" and "your"** means the person(s) named as the Insured in the Schedule and those persons who live with the named insured(s) permanently who are any of the following:

- their legal spouse or defacto; or
- any member of the named insured's own family and their spouse's or defacto's family.

To assist you the following words have been printed in Title case wherever they appear in your Policy.

**"Accident" or "Accidental"** means an unforeseen and unintended event and includes a series of accidents arising out of the one event.

**"Building"** means the insured building as defined in Section 1 - Building Cover, unless otherwise stated in your Policy.

**"Business"** means any business, trade, profession, occupation, agistment of stock, grazing, farming, commercial or income earning activity, but it does not mean tenancy of the Building.

**"Defined Events"** means the Defined Events listed in the Defined Events Section.

**"Excess"** means the amount of money which you must pay if you have a claim. It applies to each occurrence. Should more than one excess appear on the Schedule then the highest excess only shall apply. For earthquake claims, only one excess applies to all loss or damage occurring within 72 hours of the earthquake.

**"Flood"** means the inundation of normally dry land by water escaping or being released from the normal confines of any natural water course, lake, reservoir, canal or dam.

**"GST"** means Goods and Services Tax.

**"Malicious Damage or Vandalism"** means a wrongful act motivated by malice, vindictiveness or spite with the intention of damaging the property. This does not include:

- tenant neglect, carelessness, poor housekeeping or unhygienic living habits;
- damage occurring during maintenance operations carried out by the tenant or anyone acting on their behalf;
- damage as a result of repairs, or attempted repairs, carried out by the tenant or anyone acting on their behalf;
- damage caused by the failure of Your tenant to control their children;
- damage caused by pets belonging to Your tenant;
- accidental damage or accidental loss; or
- scratching, denting, chipping, rubbing or chaffing.

**"Period of Insurance"** means the period of time shown in your Schedule.

**"Policy"** means our Agreement with you which is made up of this document, your proposal for insurance, the Schedule, asset schedule, and any endorsements or other documents we give you in writing.

**"Premium"** means the amount you have to pay us (inclusive of all Government charges) for your insurance.

---

**DEFINITIONS (continued)**

**"Replacement Cost"** means the cost of replacing, rebuilding or repairing the Building to a condition substantially the same as their condition when new. If the Building is Heritage or the architectural features and/or structural materials of the Building possess an ornamental, antiquarian or historical character, or the original materials are not available when the Buildings are lost or damaged, Replacement Cost shall mean the rebuilding or replacement or repairing or restoring to a reasonably equivalent appearance and capacity using original design and suitable equivalent materials.

**"Schedule"** means the most recent Schedule we give you which contains the specific insurance details for you.

**"Situation"** means the residential address shown in the Schedule where the Building is located.

**"Storm"** means a violent disturbance of the atmosphere, including strong winds which may be accompanied by lightning, rain, snow, sleet and hail.

**"Sum Insured"** means the Building Sum Insured as specified in the Schedule or your Policy. The Sum Insured, or any other amount stated in your Policy and any claim settlements, exclude GST.

**"Total Loss"** means where we decide to pay you the full Sum Insured for the relevant insured property.

---

**THE AGREEMENT BETWEEN YOU AND US (YOUR POLICY)**

---

In return for your payment of the Premium or your agreement to pay it to us within the time we require, we agree to indemnify you against loss, damage or liability caused by a covered event occurring during the Period of Insurance, subject to the terms, conditions and exclusions of your Policy.

---

## DEFINED EVENTS

---

The following are the Defined Events for which cover is provided under Section 1 - Buildings Cover:

**1. Fire, explosion, lightning or thunderbolt**

Excluding loss or damage caused by:

- (a) arcing, sparking, scorching or heat damage where there is no flame; or
- (b) irregularities in the power supply unless there is visible evidence of a lightning strike.

**2. Earthquake**

You are covered for loss or damage caused by earthquake. This loss or damage must occur to your Building within 72 hours of the earthquake to be considered the one occurrence.

**3. Theft, attempted theft or burglary**

Excluding theft, attempted theft or burglary:

- (a) by you or any person who is living with you at the Situation;
- (b) by tenants, roomers, boarders or paying guests and their visitors;
- (c) by any person who entered the Situation with your consent or the consent of any person who is living with you at the Situation;
- (d) of money and negotiable instruments of any kind;
- (e) This policy does not provide cover for the theft of white goods, stoves, cook tops and hot water services;
- (f) from any unlocked motor vehicle at the Situation;
- (g) from unlocked garages or storage areas of residential flats, units and the like or common areas of residential flats, units and the like.

**4. Bursting, leaking, discharging or overflowing**

We will pay for loss or damage caused by the bursting, leaking, discharging or overflowing of fixed guttering, fixed tanks, fixed pipes, waterbeds or other fixed apparatus used to hold or carry liquid of any kind. When the Building is shown as covered in the Schedule we will also pay for the exploratory costs reasonably incurred in locating the source of the loss or damage.

We will not pay for:

- (a) the cost of repair or replacement of the damaged or defective part or apparatus including waterbeds;
- (b) loss or damage due to faulty or porous shower recesses or cubicles;
- (c) any additional cost necessary to match existing décor;
- (d) the cost of repair or replacement of structural defects and faulty design;
- (e) loss or damage caused as the result of the gradual escape of liquid over a period of time where You or a reasonable person in the circumstances could be expected to have been aware of such gradual escape of liquid; or
- (f) loss or damage due to lack of maintenance, wear and tear or neglect.

**5. Accidental breakage**

We will pay for Accidental breakage of, when the Building is shown as covered in the Schedule, your fixed glass when forming part of the Building and any porcelain or marble or granite or fibreglass whilst in a fixed showerbase, basin, sink, bath, lavatory pan or cistern.

---

**DEFINED EVENTS (continued)****6. Acts of Malicious Damage or Vandalism (see Definitions)**

Excluding Malicious Damage or Vandalism by:

- (a) you or any person who is living with you at the Situation;
- (b) tenants, roomers, boarders or paying guests and their visitors;
- (c) any person who entered the Situation with your consent or the consent of any person who is living with you at the Situation;

This policy does not cover malicious damage to carpets, curtains, blinds, fixtures and fittings, all white goods, stoves, cook tops and hot water services.

**7. Storm (see Definitions)**

Excluding loss or damage caused:

- (a) to free standing walls and retaining wall whether they form part of the Building or not;
- (b) to a glass house, greenhouse or conservatory whether constructed principally of glass or not;
- (c) by water, hail or wind entering the Building or building at the Situation, through an opening made for the purpose of construction, demolition, alteration or repair irrespective of the value of such work;
- (d) to wooden gates and fences more than 15 years of age;
- (e) as a result of structural defects, faulty workmanship in the construction of the Building or building at the Situation, faulty design of the Building or your failure to adequately maintain the Building or building at the Situation.

**8. Impact**

We will pay for loss or damage caused by the impact of:

- (i) aircraft or space debris or debris from an aircraft, rocket or satellite;
- (ii) any road vehicle or watercraft, except impact on paving, paths, driveways or any services, whether underground or not;
- (iii) a falling tree or branch but not when caused by the lopping or felling of trees at the Situation;
- (iv) television or radio masts or aerials or antennae that have broken or collapsed but not the damage to the television or radio masts or aerials or antennae.

**9. Riot or civil commotion**

We will pay for loss or damage caused by acts of riot or civil commotion including any lawfully constituted authority in connection with these events where the resulting loss or damage is directly caused thereby notwithstanding the provisions of General Exclusions.

(Please also refer to the other exclusions of your Policy as they affect the definitions of the above Defined Events).

**This cover only applies when Building Cover is specified as covered in the Schedule.**

### **1.1 Definition of Building**

Building means the insured building described in the Schedule at the Situation, being an unoccupied, newly constructed dwelling house, flat or home unit, including:

- all domestic outbuildings and their fixtures and fittings, including boat sheds, jetties, garages, outbuildings, lifts and inclinators, fixed coverings to walls, floors and ceilings, (carpets, internal blinds and curtains are excluded);
- services (whether underground or not) including communication installations, electricity and water; and
- all domestic structural improvements including fixed swimming pools and spas, saunas, tennis courts, paving, paths, driveways, walls, retaining walls, gates, fences, masts, aerials, clothes lines, exterior blinds and awnings;
- fixed covering to walls, floors, ceilings, carpets, internal blinds, curtains, fixtures and fittings are covered up to a maximum of \$25,000.

The following are not included:

- property of tenants, roomers, boarders or paying guests;
- pontoons.

### **1.2 Defined Events cover**

We will cover you for loss of or damage to your Building at the Situation when caused by any of the Defined Events occurring during the Period of Insurance.

### **1.3 How we settle any valid claim**

- (a) We will, at our option:
  - (i) repair, replace or rebuild or pay you the reasonable cost to repair, replace or rebuild, the damaged part of the Building up to its Replacement Cost; or
  - (ii) pay you up to the Building Sum Insured.
- (b) If we choose to repair, replace or rebuild or pay you the reasonable cost to do so and you do not:
  - (i) commence repairing, replacing or rebuilding your Building within 6 months of the loss or damage; or
  - (ii) wish to repair, replace or rebuild your Building,  
we will:
    - (i) deduct an amount from any claim settlement for depreciation, wear and tear, based on the age and condition of the Building immediately before the loss or damage; or
    - (ii) pay you up to the Building Sum Insured.
- (c) We will pay for the damaged portion of fixed coverings to walls, floors and ceilings only in the room, hall or passage where the loss or damage occurred.
- (d) You will need to bear any applicable Excess.

---

**SECTION 1 (continued)****1.4 Additional Benefits and Limitations:****(a) Removal of debris**

We will cover the reasonable expenses to remove Building debris following loss or damage covered under Section 1.2 above, up to a maximum of 10% of the Building Sum Insured.

**(b) Architects and other fees**

We will cover architects, surveyors, consulting engineers and legal fees following loss or damage covered under Section 1.2 above, up to a maximum of 10% of the Building Sum Insured.

**(c) Additional Building costs**

We will cover the additional cost of complying with any government or local authority by-laws that regulate the repair, rebuilding or demolition of your Building made necessary by loss or damage covered under Section 1.2 above, provided you repair or rebuild your Building at the same Situation. We will only pay costs which relate to the damaged parts of the Building. Payment is limited to a maximum of 10% of the Building Sum Insured. We will not pay any extra costs if you receive notice of any building regulation requirements you must comply with before the date when the loss or damage occurred.

**(d) Fusion**

We will pay for Accidental loss or damage occurring during the Period of Insurance caused by the actual burning out of an electric motor forming part of the Building. We will, at our option, pay the reasonable cost to repair or replace the electric motor or any sealed compressor following the loss or damage to the motor, provided the motor is up to 10 years old from the date of manufacture. For motors over 10 years old, we will reduce the amount we pay by 20% for each additional year.

We will not pay for:

- (i) the repair or replacement of any part which does not form part of the electric motor or actual sealed compressor unit and normal service or exchangeable items;
- (ii) loss or damage to any submersible and bore hole type pumps over 3hp;
- (iii) the cost of repair or replacement of rectifiers and transformers; or
- (iv) motors under any warranty or manufacturers' guarantee.

**(e) Mortgagee legal costs**

We will cover the reasonable legal costs associated with the discharge of a mortgage or mortgages on your Building following the settlement of a claim for a Total Loss of your Building.

**(f) Indexation of Sum Insured**

In the event of a Total Loss to your Building, the Building Sum Insured is automatically varied to take into account any relevant increases in the Consumer Price Index.

---

**SECTION 2    LEGAL LIABILITY COVER**

---

**This cover only applies when Legal Liability cover is specified as covered in the Schedule.**

**2.1    Legal liability cover**

We will cover you for your legal liability for:

- (a) death or bodily injury to another person; and
- (b) damage to another person's property,

caused by an Accident occurring during the Period of Insurance, subject to the following:

- *where the Building is insured under the Policy, we only indemnify you for your legal liability as owner or as owner occupier of the Building.*

**2.2    How we settle any valid claim**

We will pay the cost of:

- (a) compensation; and
- (b) legal fees and expenses,

for which you are legally liable.

However, we will only pay the costs of legal fees and expenses you incur if we consent to them in writing before you incur them.

The maximum amount we will pay for your legal liability under this Section in respect of any one claim or series of claims arising from the same Accident is the amount shown in the Schedule.

Where we have issued a separate policy or policies which also cover your legal liability in respect of an Accident, this limit applies to all claims combined under this Section and the other policy or policies, which arise from that Accident.

**2.3    Exclusions**

We will not cover you for your legal liability to pay compensation:

- (a) for death or bodily injury to you or any other person who normally resides with you;
- (b) for property that belongs to you or any other person who normally resides with you;
- (c) for property that is in your physical and legal control or that of any other person who normally resides with you;
- (d) to any person you employ where you are legally obliged to provide cover under any workers compensation legislation or similar laws and any legal liability that arises from their employment with you;
- (e) directly or indirectly arising from or in any way connected with any Business carried on by you or any liability that directly or indirectly arises from any person employed by the Business;
- (f) directly or indirectly arising from or in any way connected with the ownership, operation, maintenance or use of any:
  - (i) motorised land vehicles including motor vehicles, trucks motorcycles, mini bikes and farm vehicles but excluding motorised golf buggies, ride on mowers under 18hp and motorised wheelchairs not requiring registration or statutory motor insurance for the purpose it was being used at the time of the Accident;
  - (ii) caravans and trailers except when not attached to motorised land vehicles;
  - (iii) watercraft exceeding 3 metres in length or if powered by a motor;
  - (iv) jet skis;
  - (v) aircraft landing areas or aircraft or aerial devices excluding non-pilotable model aircraft or toy kites;
  - (vi) conveyance designed to travel on an air-cushion over surface of land or sea;
  - (vii) pontoons;
  - (viii) lifts;

---

**SECTION 2 (continued)**

- (g) for claims directly or indirectly arising from or in any way connected with your Building undergoing any process of construction, demolition, alteration and repair where the value of such work exceeds \$50,000;
- (h) directly or indirectly arising out of or in any way connected with any disease that is transmitted by you or any other person who normally resides with you;
- (i) for penalties or fines, or awards of aggravated, exemplary or punitive damages made against you;
- (j) for your failure to take all reasonable precautions to comply with statutory obligations and regulations imposed by any authority;
- (k) arising from any agreement or contract you enter into unless you would have been liable in the absence of such agreement or contract;
- (l) directly or indirectly arising from or in any way connected with asbestos;
- (m) which is directly or indirectly arising from or in any way connected with your breach of copyright, act of libel or assault caused by you.

(Please refer to the other terms, conditions and exclusions of this document and your Policy as they affect this cover).

---

**SECTION 3 GENERAL EXCLUSIONS**

---

These General Exclusions apply to the whole of your Policy unless otherwise stated. Your Policy does not cover:

- 3.1** loss or damage to your property which is caused by, arising from or in anyway connected with:
- (a) wear or tear, rust, corrosion, gradual deterioration and depreciation;
  - (b) mechanical, electrical or electronic breakdown including when caused by any power supply irregularity including power surge except when caused by the actual burning out of an electric motor or any other Defined Event;
  - (c) mildew and atmospheric or climatic conditions other than by rain, snow, sleet and hail;
  - (d) domestic animals;
  - (e) vermin, insects or by the pecking, clawing, chewing, eating or nesting by birds and other wildlife;
  - (f) any process of cleaning, repairing, restoring or retouching of any item;
  - (g) any process involving the application of heat or the use of chemicals;
  - (h) tenants, roomers, boarders or paying guests and their visitors arising from or due to larceny, theft, malicious damage, vandalism or deliberate or intentional acts;
  - (i) settlement, shrinkage, vibration or expansion in buildings, foundations, walls or pavements;
  - (j) faulty workmanship, inherent defect, errors or omissions in design, structural defects and faulty design;
  - (k) water seeping or otherwise percolating through a wall, floor or roof;
  - (l) the roots of trees, shrubs, plants and grass;
  - (m) erosion.
- 3.2** consequential loss of any kind.
- 3.3** loss or damage or liability arising from the consequences of war, undeclared war, rebellion, civil war, insurrection, revolution, invasion, war like acts of military forces or personnel, or the destruction or seizure of property for military purposes.
- 3.4** loss or damage or liability caused by the confiscation, destruction or seizure of property by any government or public authority or other authority except when in connection with any riot or civil commotion.
- 3.5** loss or damage or liability caused by or arising from nuclear or radioactive contamination.
- 3.6** loss or damage or liability caused by or in connection with contamination and pollution and the removal of any resultant pollutants and contaminants.
- 3.7** loss or damage or liability arising out of the failure or inability of any item, equipment or computer software including but not limited to firmware, data and embedded chips to recognise correctly, to interpret correctly or to process correctly any date or to function correctly beyond any time when that item, equipment or computer software has not recognised, interpreted or processed correctly any date. We will pay for any resultant loss or damage that is covered by the Policy, other than resultant loss or damage to any frozen food, computer equipment or computer software.
- 3.8** loss or damage to your property when your Building is undergoing any process of construction, demolition, alteration or repair.
- This exclusion does not apply to insured property not affected by the construction, demolition, alteration or repair or when your Building is enclosed and under roof, with all outside doors and windows permanently in place.
- 3.9** loss or damage or liability resulting from or in connection with any error in computer programming or instructions to the computer.
- 3.10** loss or damage or liability when intentionally caused by you or a person acting with your consent, including losses resulting from the taking or other misappropriation of the Contents or Specified Valuables.
- 3.11** loss or damage to property when sent by courier or by post.

---

**SECTION 3 (continued)**

- 3.12** loss or damage caused by or in connection with earth movement caused by landslip, landslide or subsidence, unless such loss or damage occurs within 24 hours of and as a direct result of one or more of the following listed events:
- (a) storm, rainwater or wind; or
  - (b) earthquake; or
  - (c) explosion; or
  - (d) water escaping from fixed pipes or apparatus.
- 3.13** any GST, or any fine, penalty or charge for which you are liable arising out of your misrepresentation of, or failure to disclose, your actual Input Tax Credit entitlement in the settlement of any claim or Premium relating to the Policy.
- 3.14** loss or damage or liability caused by or in connection with your failure to use all reasonable means to protect and maintain the insured property before, at, or after the time of any loss or damage.
- 3.15** Flood damage
- 3.16** loss or damage caused by or in connection with storm surge (meaning an abnormal rise in the level of the sea along a coast caused by winds of a severe cyclone typically at least 30 kilometres across and 2 - 5 meters above the average sea level), tidal wave or high water (meaning the action or rising of the sea).
- 3.17** loss, damage, cost or expense of any nature directly or indirectly caused by, resulting from, or in connection with:
- (a) any act of Terrorism; or
  - (b) any action taken in controlling, preventing, suppressing, retaliating against or in any way responding to or relating to an act of Terrorism regardless of any other contributing cause or event.

"Terrorism" means an act, including but not limited to, the use of or threat of, force or violence 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) which from its nature or context is committed for, or in connection with, political, religious, ideological, ethnic or similar purposes or reasons, including the intention to coerce, influence or intimidate any government and/or the public or any section of the public.

---

**SECTION 4 GENERAL CONDITIONS**

---

These conditions apply to the whole of your Policy.

**4.1 General Duties**

- (a) you must comply with the conditions of your Policy;
- (b) you must tell us as soon as possible about any circumstances which changes the information you have provided to us and which may affect the risks insured under your Policy or the occurrence of any events which are excluded;
- (c) you must not give anyone else an interest in your Policy without our written consent;
- (d) you must pay us the Premium for this insurance;
- (e) you must obey all laws and safety regulations;
- (f) you must take reasonable precautions to prevent any injury, loss or damage which could result in a claim under your Policy.

**4.2 Cancellation**

- (a) You may cancel your Policy at any time by telling us in writing you want to cancel it.

Where more than one person is insured under your Policy, we will only cancel the Policy when a written agreement to cancel the Policy is received from all insured persons.

Cancellation by you will be effective when we receive your request.

We may cancel your Policy by giving you written notice and in accordance with the law, including where you have:

- (i) made a misrepresentation to us before the Policy was entered into;
  - (ii) failed to comply with your Duty of Disclosure;
  - (iii) failed to comply with a provision of your Policy including failure to pay the Premium;
  - (iv) made a fraudulent claim under your Policy or any other Policy during the time your Policy has been in effect;
  - (v) failed to notify us of a specific act or omission as required by your Policy;
  - (vi) failed to tell us about any changes in the circumstances of the risk during the Period of Insurance.
- (b) If we cancel your Policy, we will advise you in writing and cancellation will take effect at whatever is the earlier of the following times:
    - (i) when another contract of insurance is taken out by you to replace your Policy; or
    - (ii) at 4.00p.m. Local Standard Time of the third business day after the day on which notice was given to you or such later time as we may specify in the notice.

After cancellation and subject to your cooling off period rights (see Important Customer Information section), we will keep the entire Premium. In the event of early cancellation we will not refund any Premium.

**4.3 Jurisdiction and service of suit**

This insurance is subject to the laws of the State or Territory in Australia where your Policy was issued.

**4.4 Notices**

We will give you any notice in writing. It will be effective from the earlier of the time of:

- (a) delivery to you personally; or
- (b) postage to your address last known to us.

It is important you tell us of any change of address as soon as possible.

**4.5 Changing your Policy**

If you want to make a change to your Policy, the change becomes effective when:

- (a) we tell you we have agreed to it; or
- (b) we give you a new Schedule or endorsement detailing the change.

**5.1 What you must do when you make a claim:**

You must advise your local Lumley General state office in writing as soon as practicable after you suffer a loss. If you do not make a claim within a reasonable time of the loss, we may reduce what we pay to you to allow for any disadvantage we may have suffered because of the delay.

- (a) you must take all reasonable steps to stop any further loss from occurring.
- (b) you must not repair or replace any damaged property without our consent.
- (c) you must advise the nearest police station if your property is lost, stolen or maliciously damaged.
- (d) you must not pay or promise to pay or offer payment or admit responsibility for a claim.
- (e) you must keep the property that has been damaged so we can inspect it.
- (f) you must provide us with all the information that we require including valuations, receipts, proof of ownership and statutory declarations if requested.
- (g) you must give us all the information and cooperation that we require and promptly forward us all correspondence received by you concerning the event or claim or loss.

When we admit a claim under your Policy:

- (a) we will reduce the amount we pay you following a covered loss by the Excess.
- (b) we will not pay you more than the Sum Insured or relevant limit applicable to the item unless otherwise stated in your Policy.
- (c) we have the right to exercise your legal rights to conduct, defend or settle any legal or recovery action that we consider necessary and to do so in your name.

**5.2 Automatic reinstatement after partial loss**

When we pay a claim under your Policy for partial loss or damage to the Building the Sum Insured will be automatically reinstated to the original Sum Insured shown on the Schedule.

When we pay a claim under your Policy for partial loss or damage to Specified Contents or Specified Valuables the Sum Insured for these items will not be automatically reinstated and the Sum Insured will be reduced by the amount paid by us.

**5.3 Total Loss**

If we pay your claim for a Total Loss then the Building cover will end.

**5.4 Other insurance**

To the extent permitted by law, when other insurance applies to a covered loss, we will pay only in excess of the other insurance, limited to the indemnity being provided under your Policy, unless that other insurance was specifically written to be excess over the indemnity provided in your Policy.

Should you make a claim under your Policy you must advise us of any other insurance which may cover the loss or damage or Accident.