

# Custom Home Insurance Landlords

Product Disclosure Statement

Preparation Date: 29 March 2018



CUSTOM HOME  
Insurance

## Welcome to the financial security arranged by Custom Home Insurance Landlords Policy

This product is issued by Chubb Insurance Australia Limited (ABN 23 001 642 020, AFSL 239687) (Chubb). The information in this booklet is current at the date of preparation. If the information changes we will issue a supplementary or replacement product disclosure statement.

This product is distributed by SGUAS Pty Ltd t/as Custom Home Insurance (ABN 15 096 726 895, AFSL 234437) (Custom Home Insurance) as agent on behalf of Chubb.

## About Chubb in Australia

Chubb is the world's largest publicly traded property and casualty insurance company. With operations in 54 countries, Chubb provides commercial and personal property and casualty insurance, personal accident and supplemental health insurance, reinsurance and life insurance to a diverse group of clients. As an underwriting company, we assess, assume and manage risk with insight and discipline. We service and pay our claims fairly and promptly. The company is also defined by its extensive product and service offerings, broad distribution capabilities, exceptional financial strength and local operations globally. Parent company Chubb Limited is listed on the New York Stock Exchange (NYSE: CB) and is a component of the S&P 500 index. Chubb maintains executive offices in Zurich, New York, London and other locations, and employs approximately 31,000 people worldwide.

Chubb, via acquisitions by its predecessor companies, has been present in Australia for over 50 years. Its operation in Australia (Chubb Insurance Australia Limited) provides specialised and customised coverages, including Marine, Property, Liability, Energy, Professional Indemnity, Directors & Officers, Financial Lines, Utilities, as well as Accident & Health insurance, to a broad client base. Chubb is a major insurer of many of the country's largest companies. With five branches and over 500 staff in Australia, it has a wealth of local expertise backed by its global reach and breadth of resources.

More information can be found at [www.chubb.com/au](http://www.chubb.com/au)

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# Important Information

## About this Product Disclosure Statement

This booklet is the Product Disclosure Statement (PDS) for Custom Home Insurance Landlords. It will assist you to make an informed decision about your insurance. It contains information about the policy, its features, benefits, risks and costs. Please read it carefully.

If we accept your application you will receive a policy schedule that summarises the insurance cover you have selected.

This PDS was prepared on 29 March 2018.

## Your Records

This PDS and your policy schedule are a record of your cover. They are important documents containing the terms and conditions which apply to our agreement. You may need to refer to them periodically, particularly when your policy is due for renewal or at the time of a claim. Please keep them in a safe place.

**In the event of a claim we may require you to produce evidence of ownership and/or value of the items lost, stolen or damaged. You may also need to provide a copy of your lease or rental agreement. Please keep such documents in a safe place.**

## The Insurer

Chubb Insurance Australia Limited (Chubb) is an Australian financial services licensee authorised to deal in and provide general advice in relation to general insurance products. Our details are as follows:

Chubb Insurance Australia Limited

ABN: 23 001 642 020

AFSL: 239687

**Street address:** Grosvenor Place,  
Level 38, 225 George Street, Sydney NSW 2000

**Phone:** +61 2 9335 3200

**Fax:** +61 2 9335 3411

**Email:** CustomerService.AUNZ@chubb.com

**Website:** www.chubb.com/au

## The Agent

SGUAS Pty Ltd t/as Custom Home Insurance (ABN 15 096 726 895, AFSL 234437) (Custom Home Insurance) is a company within the Steadfast Underwriting Agencies division of Steadfast Group Limited (ABN 98 073 659 677) (SGL). Custom Home Insurance arranges policies for and on behalf of the insurer. Custom Home Insurance acts under a binding authority given to it by the insurer to administer and issue policies, alterations and renewals. In all aspects of arranging this policy, Custom Home Insurance acts as an agent for the insurer and not for you.

You can contact Custom Home Insurance at:

**Street address:** SGUAS Pty Ltd t/as Custom Home Insurance  
Level 21, 150 Lonsdale Street, Melbourne VIC 3000

**Phone:** 1300 00 2255

**Fax:** 1300 662 215

**Website:** www.customhomeinsurance.com.au

## Our Agreement

The agreement between you and us consists of:

- your application;
- this PDS;
- your policy schedule; and
- any endorsement.

A policy schedule is issued when we agree to cover you and you have paid (or agreed to pay) the premium including any relevant government charges by the inception/due date.

Our liability is limited to:

- the period of insurance shown in your policy schedule;
- the policy sections set out in your policy schedule; and
- the sum(s) insured set out in your policy schedule unless we have agreed to pay more as an additional benefit.

## Receiving Your Policy Documents

You may choose to receive your policy documents:

- electronically, including but not limited to email; or
- by post.

If you tell Custom Home Insurance to send your policy documents electronically, Custom Home Insurance will send them to the email address that you have provided. This will continue until you tell Custom Home Insurance otherwise or until Custom Home Insurance advises that this method is no longer suitable. Each electronic communication will be deemed to be received by you 24 hours after it leaves Custom Home Insurance's information system. If you do not tell Custom Home Insurance to send your policy documents electronically, the policy documents will be sent to the mailing address that you have provided.

You are responsible for ensuring that the email and mailing address that Custom Home Insurance has is up to date. Please contact Custom Home Insurance to change your email or mailing address.



## Your Cooling-off Period

Please read all parts of this PDS and your schedule carefully to make sure you understand the cover and that it is adequate.

If, for any reason, you are not completely satisfied with your policy, we may agree in writing to alter it to meet your needs.

Alternatively, if you decide that you do not require this policy, and no claim has been made under the policy, you have the right to cancel and return the policy to us within 14 days, which starts on the earlier of:

- the date you received confirmation of this policy; or
- 5 days after the date this policy was issued to you (whichever occurs earlier).

If you cancel within this 14 day period, we will refund the premium you have paid.

## Financial Claims Scheme

We are an insurance company authorised under the *Insurance Act 1973* (Cth) (Insurance Act) to carry on general insurance business in Australia by the Australian Prudential Regulation Authority (APRA) and are subject to the prudential requirements of the Insurance Act.

The Insurance Act is designed to ensure that, under all reasonable circumstances, financial promises made by us are met within a stable, efficient and competitive financial system.

Because of this we are exempted from the requirement to meet the compensation arrangements Australian financial services licensees must have in place to compensate retail clients for loss or damage suffered because of breaches by the licensee or its representatives of Chapter 7 of the *Corporations Act 2001* (Cth). We have compensation arrangements in place that are in accordance with the Insurance Act.

In the unlikely event that we were to become insolvent and were unable to meet our obligations under the policy, a person entitled to claim may be entitled to payment under the Financial Claims Scheme. Access to the Scheme is subject

to eligibility criteria. Please refer to [www.fcs.gov.au](http://www.fcs.gov.au) or call the APRA hotline on 1300 55 88 49 for more information.

## General Insurance Code of Practice

We are a signatory to the General Insurance Code of Practice (the Code). The objectives of the Code are to further raise standards of service and promote consumer confidence in the general insurance industry. Further information about the Code and your rights under it is available at [www.codeofpractice.com.au](http://www.codeofpractice.com.au) and on request.

## Privacy Statement

In this Privacy Notice the use of “we”, “our” or “us” means Chubb Insurance Australia Limited (Chubb) or SGUAS Pty Ltd t/as Custom Home Insurance (Custom Home Insurance), unless specified otherwise.

We are committed to protecting your privacy. This document provides you with an overview of how we handle your personal information. Our Privacy Policies can be accessed on our respective websites at [www.chubb.com/au](http://www.chubb.com/au) and [www.steadfastagencies.com.au](http://www.steadfastagencies.com.au)

### **Personal Information Handling Practices**

#### Collection, Use and Disclosure

We collect your personal information (which may include sensitive information) when you are applying for, changing or renewing an insurance policy with us or when we are processing a claim in order to help us properly administrate your insurance proposal, policy or claim.

Personal information may be obtained by us directly from you or via a third party such as your insurance intermediary or employer (e.g. in the case of a group insurance policy).

When information is provided to us via a third party we use that information on the basis that you have consented or would reasonably expect us to collect your personal information in this way and we take reasonable steps to ensure that you have been made aware of how we handle your personal information.

The primary purpose for our collection and use of your personal information is to enable us to provide insurance services to you. Sometimes, we may use your personal information for our marketing campaigns, in relation to new products, services or information that may be of interest to you.

We may disclose the information we collect to third parties, including service providers engaged by us to carry out certain business activities on our behalf (such as assessors and call centres in Australia). In some circumstances, in order to provide our services to you, we may need to transfer personal information to other entities within the Chubb Group of companies (such as the regional head offices of Chubb located in Singapore, UK or USA), or third parties with whom we or those other Chubb Group entities have sub-contracted to provide a specific service for us, which may be located outside of Australia (such as in the Philippines or USA). Please note that no personal information is disclosed by us to any overseas entity for marketing purposes.

In all instances where personal information may be disclosed overseas, in addition to any local data privacy laws, we have measures in place to ensure that those parties hold and use that information in accordance with the consent you have provided and in accordance with our obligations to you under the *Privacy Act 1988* (Cth).

### Your Choices

In dealing with us, you agree to us using and disclosing your personal information as set out in this statement and our Privacy Policy. This consent remains valid unless you alter or revoke it by giving written notice to our Privacy Officer. However, should you choose to withdraw your consent it is important for you to understand that this may mean we may not be able to provide you or your organisation with insurance or to respond to any claim.

### How to Contact Us

If you would like a copy of your personal information, or to correct or update it, please contact Chubb's customer relations team on 1800 815 675 or email [CustomerService.AUNZ@chubb.com](mailto:CustomerService.AUNZ@chubb.com) or in the case of Custom Home Insurance on +61 2 9307 6656 or email [privacyofficer@steadfastagencies.com.au](mailto:privacyofficer@steadfastagencies.com.au)

If you have a complaint or would like more information about how:

- i. Chubb manages your personal information, please review the Chubb Privacy Policy for more details or contact the Privacy Officer, Chubb Insurance Australia Limited, GPO Box 4907, Sydney NSW 2001, phone: +61 2 9335 3200 or email [Privacy.AU@chubb.com](mailto:Privacy.AU@chubb.com)
- ii. Custom Home Insurance manages your personal information, please review the Custom Home Insurance Privacy Policy for more details or contact the Privacy Officer, PO Box A2016, Sydney South NSW 1235, phone: +61 2 9307 6656 or email [privacyofficer@steadfastagencies.com.au](mailto:privacyofficer@steadfastagencies.com.au)

## Complaints and Dispute Resolution

We take the concerns of our customers very seriously and have detailed complaint handling and internal dispute resolution procedures that you can access. Please note that if we have resolved your initial complaint to your satisfaction by the end of the 5th business day after we have received it, and you have not requested that we provide you a response in writing, the following complaint handling and internal dispute resolution process does not apply. This exemption to the complaints process does not apply to complaints regarding a declined claim, the value of a claim, or about financial hardship.

### Stage 1 – Complaint Handling Procedure

If you are dissatisfied with any aspect of your relationship with Chubb including our products or services and wish to make a complaint, please contact us at:

The Complaints Officer,  
Chubb Insurance Australia Limited  
GPO Box 4065, Sydney NSW 2001

**Phone:** 1800 815 675

**Email:** [Complaints.AU@chubb.com](mailto:Complaints.AU@chubb.com)

The members of our complaint handling team are trained to handle complaints fairly and efficiently.

Please provide us with your claim or policy number (if applicable) and as much information as you can about the reason for your complaint.

We will investigate your complaint and keep you informed of the progress of our investigation. We will respond to your complaint in writing 15 business days provided we have all necessary information and have completed any investigation required. In cases where further information or investigation is required, we will work with you to agree reasonable alternative time frames and, if we cannot agree, you may request that your complaint is taken to Stage 2 and referred to our internal dispute resolution team. We will otherwise keep you informed about the progress of our response at least every 10 business days, unless you agree otherwise.

Please note if your complaint relates to Wholesale Insurance (as defined in the General Insurance Code of Practice), we may elect to refer it straight to Stage 2 for review by our Internal Dispute Resolution team.

### **Stage 2 – Internal Dispute Resolution Procedure**

If you advise us that you wish to take your complaint to Stage 2, your complaint will be reviewed by members of our internal dispute resolution team, who are independent to our complaint handling team and are committed to reviewing disputes objectively, fairly and efficiently.

You may contact our internal dispute resolution team by phone, fax or post (as below), or email at:

Internal Dispute Resolution Service  
Chubb Insurance Australia Limited  
GPO Box 4065, Sydney NSW 2001  
**Phone:** +61 2 9335 3200  
**Fax:** +61 2 9335 3411  
**Email:** DisputeResolution.AU@chubb.com

Please provide us with your claim or policy number (if applicable) and as much information as you can about the reason for your dispute.

We will keep you informed of the progress of our review of your dispute at least every 10 business days and will respond to your dispute in writing within 15 business days, provided we have all necessary information and have completed any investigation required. In cases where further information or investigation is required, we will work with you to agree

reasonable alternative time frames. If we cannot agree, you may refer your dispute to the Financial Ombudsman Service Australia (FOS) as detailed under Stage 3 below, subject to its Terms of Reference. If your complaint or dispute falls outside the FOS Terms of Reference, you can seek independent legal advice or access any other external dispute resolution options that may be available to you.

### **Stage 3 – External Dispute Resolution**

If you are dissatisfied with our internal dispute determination, or we are unable to resolve your complaint or dispute to your satisfaction within 45 days, you may refer your complaint or dispute to FOS, subject to its Terms of Reference.

FOS is an independent external dispute resolution scheme approved by the Australian Securities and Investments Commission. We are a member of this scheme and we agree to be bound by its determinations about a dispute. Where a dispute is covered by the FOS Terms of Reference, the General Insurance Division of FOS offers a free and accessible dispute resolution service to consumers.

You may contact FOS at any time at:

Financial Ombudsman Service Australia  
GPO Box 3, Melbourne VIC 3001  
**Phone:** 1800 367 287  
**Fax:** +61 3 9613 6399  
**Email:** [info@fos.org.au](mailto:info@fos.org.au)  
**Website:** [www.fos.org.au](http://www.fos.org.au)

If you would like to refer your dispute to FOS you must do so within 2 years of the date of our internal dispute determination. FOS may still consider a dispute lodged after this time if FOS considers that exceptional circumstances apply.

## Your Duty of Disclosure

Before you enter into this contract of insurance, you have a duty of disclosure under the *Insurance Contracts Act 1984* (Cth).

The duty applies until we first agree to insure you, and where relevant, until we agree to any subsequent variation, extension, reinstatement or renewal (as applicable).

### Answering our questions

In all cases, if we ask you questions that are relevant to our decision to insure you and on what terms, you must tell us anything that you know and that a reasonable person in the circumstances would include in answering the questions.

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

### Variations, extensions and reinstatements

For variations, extensions and reinstatements, you have a broader duty to tell us anything that you know, or could reasonably be expected to know, may affect our decision to insure you and on what terms.

### Renewal

Where we offer renewal, we may, in addition to or instead of asking specific questions, give you a copy of anything you have previously told us and ask you to tell us if it has changed. If we do this, you must tell us about any change or tell us that there is no change.

If you do not tell us about a change to something you have previously told us, you will be taken to have told us that there is no change.

### What you do not need to tell us

You do not need to tell us anything that:

- reduces the risk we insure you for; or
- is common knowledge; or
- we know or should know as an insurer; or
- we waive your duty to tell us about.

### If you do not tell us something

If you do not tell us anything you are required to tell us, we may cancel your contract or reduce the amount we will pay you if you make a claim, or both.

If your failure to tell us is fraudulent, we may refuse to pay a claim and treat the contract as if it never existed.

## Updating the PDS

From time to time and where permitted by law, we may change parts of the PDS. We will issue you with a new PDS or a Supplementary PDS or other compliant document to update the relevant information except in limited cases. Any updates which are not materially adverse to you from the view of a reasonable person deciding whether to buy this insurance may be found on the Custom Home Insurance website at [www.customhomeinsurance.com.au](http://www.customhomeinsurance.com.au)

## Significant Features and Benefits

Landlords Insurance is specifically tailored to the needs of residential property investors. Your policy provides you with financial protection for your building and/or your contents, depending on whether you have chosen Section 1 – Landlords Building Insurance and/or Section 2 – Landlords Contents Insurance. Your building and/or contents are covered for accidental loss or damage.

Additional cover for loss of rent is optional under Section 3 – Loss of Rent Insurance. The 'Basic Cover' option provides valuable protection of your rental income if your building becomes uninhabitable or access prevented to the building as a result of accidental loss or damage covered by this policy. The 'Extended Cover' option also covers loss of rent if a tenant defaults on rent payments, vacates the property without appropriate notice, is legally evicted, or if a relevant authority terminates the lease or rental agreement on the grounds of hardship. The 'Extended Cover' option is not available for holiday rentals.



Cover for your legal liability as owner and/or occupier of the building is automatically provided under Section 4 – Legal Liability Insurance.

Benefits payable under your policy are detailed in the relevant section. Some benefits are payable within the limit of your sum insured, while others are payable in addition to your sum insured. It is important that you select an adequate sum insured.

In addition to the protection provided by your policy, we offer the following important benefits:

- various discounts – refer to ‘Cost of Your Policy’ section of the policy;
- a choice of payment methods – refer to ‘Cost of Your Policy’ section of the policy, including monthly instalments;
- a choice of excesses – refer to ‘Excess’ section of the policy;
- new for old replacement;
- automatic indexation of your building and/or contents sums insured – refer to ‘Automatic Indexation’ section of the policy.

## Cost of Your Policy

The amount that we charge you for this insurance when you first acquire your policy and when you renew your policy is called the premium. The premium is the total that we calculate when considering all of the factors which make up the risk, such as:

- the insured value of the building or its contents (the sums insured);
- the construction material of the building;
- the location;
- type and use of any property being insured;
- your previous insurance and claims history.

The total cost of your policy is shown on your policy schedule and is made up of your premium plus Government Taxes such as, GST, Stamp Duty and Fire Service Fees.

Your total insurance premium will also include any discounts that you may be entitled to receive. We currently offer a range of standard discounts including:

- if you have combined building and contents cover;
- if you have not made a claim in the last 1, 2 or 3 years;
- if the building has a sprinklered fire prevention system.

We may also offer special discounts to some customer groups.

### Paying your premium

Various options are available for paying your premium including:

- annual payment by cheque, credit card or cash;
- monthly or annual instalments by direct debit from your credit card or bank, building society or credit union account.

An instalment fee will apply if you choose to pay in monthly instalments by direct debit. A credit card processing fee may also apply on all credit card transactions (annual and instalment payments).

### What happens if you do not pay the cost of your policy by the due date?

We will have the right to cancel your policy if you do not pay your premium by the due date or if your payment method is dishonoured and therefore we have not received your payment by the due date. Unless we tell you, any payment reminder we send does not change the expiry of your cover or the due date of your premium.

### Paying by instalments

Where you pay your premium by instalments the following will apply:

- We will not pay any claim if at the time the incident giving rise to the claim occurred, at least one instalment of premium remained unpaid for 14 days or more.
- Where you pay your premium by monthly instalments and we have not received an instalment payment, we will send you a notice in writing regarding your non-payment at least 14 calendar days before any cancellation by us for non-payment.

If after sending the above notice we do not receive the instalment payment, we will send you a second notice in writing, either:

- a. prior to cancellation, informing you that your policy is being cancelled for non-payment; or
  - b. within 14 days after cancellation by us, confirming our cancellation of your policy.
- In the event of a claim, any balance of the annual premium will become due before settlement of the claim. Alternatively, it may be deducted from the settlement of your claim.
  - If the financial institution holding your account returns or dishonours a direct debit payment due to lack of funds in your account, we will charge you for any direct or indirect costs which we incur arising from the payment being returned or dishonoured.

### Other costs, fees and charges

Other costs, fees and charges which may be applicable to the purchase of your policy include:

Costs or fees	Details
<p><b>Agency Fee</b></p>	<p>An agency fee of:</p> <ul style="list-style-type: none"> <li>• up to \$71.50 inclusive of GST for building and contents policies; or</li> <li>• up to \$44 inclusive of GST for contents only policies;</li> </ul> <p>is payable by you to cover the agent’s administration cost of preparing and distributing your policy. The agency fee is noted on your policy schedule and is not refundable in the event of cancellation, unless the insurance contract is cancelled within the cooling-off period or is a full term cancellation.</p>
<p><b>Refund of Premium</b></p>	<p>You may cancel your policy at any time. If you choose to cancel your policy we will retain a portion of premium which relates to the period for which you have been insured. We will refund the residue for the unexpired period less any non-refundable government taxes or charges, provided that that no event has occurred where liability arises under the policy.</p>
<p><b>Instalment Fee</b></p>	<p>If you choose to pay your premium in monthly instalments, an instalment fee of \$66 inclusive of GST per annum will apply. This fee will cover the agent’s administration costs of processing your instalment plan. The fee will be divided equally and charged across the number of instalments. The instalment fee is not refundable in the event of cancellation, unless the insurance contract is cancelled within the cooling-off period or is a full term cancellation.</p>

Costs or fees	Details
<b>Credit Card Processing Fee</b>	A credit card processing fee may apply on all credit card transactions. A surcharge of up to 0.99% inclusive of GST of the total cash amount depending on the type of credit card used may apply. The percentage payable will be shown on your tax invoice. Please refer to your tax invoice. The credit card processing fee is not refundable in the event of cancellation.
<b>Commissions</b>	Custom Home Insurance may receive a commission payment from us when your policy is issued and renewed. If you cancel your policy, this commission payment may be non-refundable. For details of the relevant commission paid, please refer to the Financial Services Guide or contact Custom Home Insurance directly.

## Excess

Your policy has a standard excess of \$300 for each claim made under the 'Landlords Building Insurance', 'Landlords Contents Insurance', 'Loss of Rent Insurance – Basic Cover', or 'Legal Liability Insurance' sections. You can also choose from the following alternative excesses – \$500 or \$1,000. The excess you have chosen will be shown on your policy schedule. Your premium will be reduced if you choose a higher than standard excess.

In addition to the selected excess, you will be required to pay a further excess of:

- \$400 for loss or damage caused by theft or malicious acts by tenants or their visitors;
- \$200 for loss or damage caused by earthquake;
- \$2,000 for loss or damage caused by flood.

If you make a claim under the 'Loss of Rent Insurance – Extended Cover' section your excess will be an amount equal to 4 weeks rent.

## GST Information

When we make a payment for the acquisition of goods, services or other supply, we will reduce the amount of the payment by the amount of any GST input tax credit that you are, or will be, or would have been, entitled to in relation to that acquisition, whether or not that acquisition is actually made.

When we make a payment under this policy as compensation (instead of payment for the acquisition of goods, services or other supply) we will reduce the amount of our payment by the amount of any GST input tax credit that you would have been entitled to had the payment been applied to acquire such goods, services or other supply.

## Automatic Indexation

To provide some protection against the effects of inflation we adjust the sums insured for your building and contents each year as your policy becomes due for renewal. The sums insured are adjusted by a percentage amount determined by us from time to time to approximate movements in home building costs and the rate of inflation. Your renewal invitation will show the adjusted sums insured and the premium payable. You may choose to vary the sums insured prior to renewing your policy.

In addition, in the event of a claim for a total loss during the period of insurance we will adjust the sums insured for your building and contents in line with movements in the Consumer Price Index (CPI), as published by the Australian Bureau of Statistics, between the last policy renewal date and the date of the total loss. For example, if your building was insured for \$200,000 and the CPI has increased by 3% between your last renewal and the time of the total loss of your building, we will increase your cover for your claim to \$206,000.

## Significant Risks

### Your duty of disclosure

You are obliged to provide reliable information and to comply with 'Your Duty of Disclosure' shown above which outlines your disclosure obligations and the consequences of not complying with these obligations.

### Under insurance

It is important for you to select a sum insured that fully reflects the current, full replacement value of your property. Please discuss this with your broker.

### Conditions, exclusions and policy limits

Read this PDS carefully so that you are fully aware of the cover provided by the policy and the conditions, exclusions and policy limits that apply to your insurance.

### Failure to pay your insurance premium

For your insurance to remain operational you must pay the insurance premium by the due date. Refer to 'Cancellation' section of the policy.

## The Law that Applies to this Policy

Any disputes arising from this policy will be determined by the courts, and in accordance with the laws, of the state or territory of Australia where this policy is issued.

# Terms We Use in this Policy

In this policy some words have special meanings:

**act of 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:

- involves violence against one or more persons;
- involves damage to property;
- endangers life other than that of the person committing the action;
- creates a risk to health or safety of the public or a section of the public; or
- is designed to interfere with or to disrupt an electronic system.

**aircraft:** any vessel, craft or thing made or intended to fly or move through the atmosphere or space, including model aircraft, parachutes and air balloons.

**body corporate:** the owners' corporation of the strata title development applicable to the strata or unit titles legislation, which appears in the state or territory where the lot is located.

**bond money:** the amount paid by your tenant at the start of the current lease or rental agreement that is held as a security against damage or loss of rent.

**burglary or housebreaking:** theft following forcible entry.

**common property:** property owned by the body corporate forming part of the strata title development.

**default of payment of rent:** the tenant:

- is still occupying the property but is not paying rent; and



- has been issued with the appropriate notices in relation to non payment of rent, such as a notice to remedy breach and/or a notice to leave.

**electronic data:** facts, concepts and information converted to a form useable for communications, display, distribution, interpretation or processing by electronic and electromechanical data processing or electronically controlled equipment and includes programs, software and other coded instructions for such equipment.

**endorsement:** our written confirmation of any policy amendments.

**excess:** the amount(s) indicated in this PDS or shown in your policy schedule which we require you to pay towards any claim against the policy.

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

- any lake, or any river, creek or other natural watercourse, whether or not altered or modified; or
- any reservoir, canal, or dam.

**holiday rental(s):** short term rental (as defined below) holiday accommodation.

**lease or rental agreement:** the written agreement between you and your tenant or your agent that sets out the terms and conditions of the tenancy, including the tenancy period and the amount of rent payable.

**legal expenses:** those expenses you incur when you have to apply to the court for remedial action against your tenant.

**lot:** the lot or unit in the strata title development. It includes fixtures and fittings, which are not insurable by the body corporate. It does not include common property, fixtures and fittings that are insurable by the body corporate or contents.

**malicious acts:** the deliberate or intentional act or acts of person or persons other than you or your agent, acting maliciously.

**open air:** any area at the site which is not fully enclosed by walls and a roof and not able to be locked.

**pair, set or collection:** a group of individual items that are of a similar type and which, when assembled and displayed together as a group, take on a value greater than the sum of the values of the individual items.

**period of insurance:** the period of time stated in your policy schedule for which we have agreed to provide you with insurance cover.

**periodic tenancy agreement:** an ongoing tenancy arrangement that exists when a fixed term lease or rental agreement expires and the tenant continues to occupy your rental property with your approval on the same terms as the original lease or rental agreement.

**policy:** includes this PDS/policy wording, your application, your policy schedule and any special conditions or endorsements issued to you in either electronic or written form.

**policy schedule/schedule:** the document showing your policy number, details of your cover, options you have chosen, your sums insured and excesses you must pay. It is part of your policy.

**pollutant:** any solid, liquid, gaseous or thermal irritant or contaminant, including but not limited to smoke, vapour, soot, fumes, acid, alkalis, chemicals and waste. Waste includes material to be recycled, reconditioned or reclaimed.

**rainwater:** rain falling naturally from the sky.

**rent:** the amount of money paid or payable by the tenant to lease or rent your rental property as set out in the current lease or rental agreement.

**rental property:** the property owned by you for the purpose of renting it to a tenant under a lease or rental agreement. It may be a property on a single title or a lot or unit forming part of a strata title development with a body corporate.

**run-off:** rainwater that has collected on or has flowed across normally dry ground or has overflowed from:

- swimming pools, saunas or spa; or
- normally dry stormwater gutters and normally dry drains, which have been built or approved by a government or public authority.

**short term rental:** refers to rental periods of less than three months in length where booking confirmation has been issued and deposit or full rental payment has been made.

**site:** the land on which your building or lot is located and its yard used only for domestic purposes at the address shown in your policy schedule.

**storm:** violent wind (including cyclones and tornadoes), thunderstorms and hail, which may be accompanied by rain or snow.

**strata title:** any form of land title that allows for a multiple of titles to exist in or on a block of land where the common property is held under a single separate title.

**sum insured:** the amount which is the limit we will pay for any loss, damage or liability unless we have agreed in writing otherwise. The principal sum(s) insured are shown in your policy schedule and any sub-limits or variations are outlined in this PDS.

**unoccupied:** either no-one is living in your rental property or someone is living in it without your consent.

**watercraft:** a vessel, craft or thing made or intended to float on or through water, that is either:

- powered or designed to be powered by motor; or
- exceeds 3 metres in length.

**we, us, our:** Chubb Insurance Australia Limited (ABN 23 001 642 020, AFSL 239687) (Chubb) who is the insurer/issuer of the policy.

**you, your, the insured(s):** the person(s) or corporation named in the policy schedule.

# General Conditions

You are obliged to provide reliable information and to observe policy provisions in order to receive benefit under our agreement. We may refuse your claim, reduce our liability and/or cancel your policy(ies) should you fail to fulfil this obligation. See 'Your Duty of Disclosure' shown above.

## Your Duty of Care

You must exercise all reasonable precautions:

- for the safety and protection of the insured property;
- to prevent personal injury or damage to property;
- to maintain your building and contents in good condition;
- to obey any laws or regulations that safeguard people or their property;
- to comply with the requirements of any applicable residential tenancies legislation.

## Policy Matters

### Territorial limits

Cover under each section of your policy is restricted as follows:

- Section 1 – Landlords Building Insurance  
– restricted to the site
- Section 2 – Landlords Contents Insurance  
– restricted to the site
- Section 3 – Loss of Rent Insurance  
– restricted to the site unless otherwise specified
- Section 4 – Legal Liability Insurance  
– cover applies anywhere in the world

### Lease or rental agreement

This policy is for residential properties leased or rented to tenants. For cover to be provided under Section 3 - Loss of Rent Insurance you must have a lease or rental agreement in place at the commencement of this insurance.

### Property inspection reports

You must complete a property inspection report:

- at the time when a new lease or rental agreement commences; and
- at the time when an existing tenant vacates the property; and
- at any other time required by any applicable residential tenancies legislation.

In the event of a claim we may require copies of the property inspection reports.

### Alteration of risk

You must notify us as soon as possible in writing of any change that may affect the state, condition or use of the property insured, or that may increase the risk of loss, damage or liability. Unless and until we agree in writing to cover the alteration of risk and you pay any additional premium required we shall not be liable for the loss, damage or liability caused by or contributed to by such alteration.

Where a return premium results from an endorsement we will refund the amount provided that no event has occurred where liability arises under the policy.

### Unoccupancy

You must notify us as soon as possible in writing if your rental property is going to be unoccupied for more than 60 consecutive days. Unless and until we agree in writing to cover this alteration of risk and you pay any additional premium required, cover for any loss or damage to your building or contents will not apply during the unoccupied time.

### Transfer of interest

No interest in this policy may be transferred without our written consent.

### Flood waiting period

We will not pay any valid claim for loss or damage arising from flood for the first 30 days from the commencement of this policy or any amended cover subsequently placed. However, we will cover you for claims for loss or damage arising from

flood within that period if immediately prior to commencing this policy, another policy covering the same risk expired, without a break in cover.

## Cancellation

### **By you**

You may cancel this policy at any time by telling us in writing. We will retain a portion of premium which relates to the period for which you have been insured together with any non-refundable government taxes or charges. We will refund the residue for the unexpired period less any non-refundable government taxes or charges provided that no event has occurred where liability arises under the policy.

### **By us**

We may cancel this policy at any time as allowed by law by notifying you in writing of the date from which cancellation is to take effect. Notification will be delivered to the address last notified to us and cancellation will take effect no earlier than 4.00 pm on the date set out in the cancellation notice. We will retain a portion of the premium which relates to the period for which you have been insured and we will refund the residue for the unexpired period.

## **Instalments**

Where you pay your premium by monthly instalments and we have not received an instalment payment, we will send you a notice in writing regarding your non-payment at least 14 calendar days before any cancellation by us for non-payment.

If after sending the above notice we do not receive the instalment payment, we will send you a second notice in writing, either:

- a. prior to cancellation, informing you that your policy is being cancelled for non-payment; or
- b. within 14 days after cancellation by us, confirming our cancellation of your policy.

## Other insurance

If you effect (or if there exists to your knowledge) any other insurance covering loss, damage or liability insured by your policy, you must notify us immediately and provide us with details of such other insurance.

## Subrogation

We have the right on your behalf (and in your name) to conduct any negotiation, settlement or legal proceeding, whether prosecuting or defending. Your full co-operation is required in these matters.

Where you have entered into an undertaking with any other party which prevents or limits your/our right to recover from that party all benefit under the policy is forfeited unless you have our prior written consent.

## Fraud

All benefit may be forfeited, our liability reduced and/or your policy(ies) cancelled if you or any person acting with your knowledge or consent or on your behalf:

- engages in any dishonest or fraudulent activity as a means to obtain benefit from this policy; or
- wilfully causes any loss, damage or liability.

## Claims Matters

As soon as possible after an event occurs which may result in a claim under this policy you must at your own expense:

- take all reasonable precautions to prevent or minimise further loss, damage or liability;
- notify the police immediately if any of your property is lost, stolen, maliciously or intentionally damaged, or such loss is attempted or suspected;
- take all reasonable steps to recover lost or stolen property, and assist in apprehending any guilty party;
- contact us and provide us with details of what has happened by:
  - phone: 1300 00 2255 – select Option 2;
  - email: [Aus.Customclaims@Chubb.com](mailto:Aus.Customclaims@Chubb.com);
  - post: Chubb Insurance Australia Limited, GPO Box 4065, Sydney NSW 2001; or
  - notifying your insurance intermediary or our authorised representative;

- complete and submit a claim form for our consideration with full particulars of your loss including details of any party who may be responsible;
- give us the opportunity to inspect any loss or damage before you carry out any repairs;
- keep any damaged or recovered stolen property and allow us to inspect it if necessary;
- obtain our consent before you authorise or commence repairs or otherwise incur any cost, unless the repair or cost is necessary to protect the insured property from further loss; and
- not admit, deny or negotiate any claim with any person.



## General Exclusions

These General Exclusions apply to all sections of the policy.

In addition to these General Exclusions, sections of this policy may be subject to specific exclusions.

**This policy does not cover:**

- the amount of any excess shown in your policy schedule;
- properties subject to a rent to own or vendor's terms agreement.

**This policy does not cover any loss, damage, or liability:**

- that is not directly caused by accidental loss or damage covered by this policy;
- intentionally caused by you, any person acting with your knowledge or consent, or any person (other than tenants) who enters the property with your express or implied consent;
- from pre-existing loss or damage; or
- occurring outside Australia, except as provided under Section 4 – Legal Liability Insurance.

**This policy does not cover loss, damage, destruction, consequential loss or liability directly or indirectly caused by, contributed to by, resulting from, or arising out of or in connection with:**

- injury arising, directly or indirectly, out of inhalation of, or fears of the consequences of exposure to or inhalation of, asbestos, asbestos fibres or any derivatives of asbestos;
- contamination or pollution of land, air or water arising directly or indirectly from the actual, alleged or threatened discharge, dispersal, release, seepage, migration, emission or escape of pollutants or the cost of testing, monitoring, containing, removing, nullifying or cleaning up pollutants, or any fines, penalties, punitive or exemplary damages arising directly or indirectly out of the discharge, dispersal, release or escape of pollutants;

- the use, existence or escape of nuclear weapons or material, ionising radiation or contamination by radioactivity from any nuclear fuel or nuclear waste or from the combustion of nuclear fuel;
- war (whether war be formally declared or not), any hostilities, invasion, acts of foreign enemies, war-like operations or civil war;
- mutiny, civil commotion assuming the proportions of or amounting to a popular rising, military rising, insurrection, rebellion, military or usurped power, confiscation, nationalisation, requisition, legal seizure or destruction of or damage to property by or under order of any government, public or local authority or looting, sacking or pillage following any of the above;
- any act of terrorism, regardless of any other cause or event contributing concurrently or in any other sequence to the loss. This also excludes loss, damage, cost or expense directly or indirectly caused by, contributed to by, resulting from, or arising out of or in connection with any action in controlling, preventing, suppressing, retaliating against, or responding to any act of terrorism;
- the legal seizure, requisition, destruction or confiscation of property;
- action of the sea, highwater, storm surge or tsunami;
- erosion, subsidence, landslide, settling, shrinkage, expansion, undermining, washing away or any other earth movement except when loss or damage is caused by:
  - earthquake
  - storm or rainwater
  - explosion, or
  - escape of liquid
 and occurring within 72 hours after the event;
- gradual deterioration, wear and tear, fading, marking, scratching, denting, chipping or lack of upkeep or maintenance;
- any process of cleaning, repairing, altering, restoring, renovating or dyeing;

- any process necessarily involving the application of heat;
- any building alteration, addition or repairs to your building where the total cost of the works exceeds \$75,000;
- water entering the building through an opening made as part of any alteration, renovation, addition or repair to the building;
- the removal or weakening of supports or foundations as part of any alteration, renovation, addition or repair to the building;
- inherent defects, faulty workmanship, structural defects, or faulty design;
- settling, seepage, shrinkage or expansion in buildings, walls, roofs, floors, ceilings, foundations, pavements, roads and the like;
- breakage of mirrors, glassware, crystal, crockery, china and similar items while they are being used, cleaned, or carried by hand;
- mechanical or electrical breakdown or malfunction, other than damage caused by fusion or power surge in domestic appliances;
- articles or equipment on hire from you or on loan to someone other than a family member;
- corrosion, rust, mould, wet or dry rot;
- all animals kept at the site and any, birds, insects, vermin, termites, moths, including eating, clawing, chewing and pecking;
- roots of trees, shrubs, plants or grass;
- the felling or lopping of trees by you or by any person acting on your behalf or with your consent, or the removal of trees or branches from the site;
- failure or inability of any item, equipment or computer software to recognise correctly, interpret correctly or 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 this policy other than resultant loss or damage to any frozen food, computer equipment or computer software;

- flood for the following items:
  - retaining walls, garden borders and free standing walls
  - the surface of a tennis court
  - wharf, jetty, pontoon or sea wall
  - swimming pools or spas or their liners or covers
  - the cost of clearing mud or debris out of swimming pools or spas as a result of flood
  - gates, fences or wall fences that were in a state of disrepair before the flood damage occurred;
- loss of use or consequential loss unless otherwise specified;
- total or partial destruction, distortion, erasure, corruption, alteration, misinterpretation or misappropriation of electronic data, or any error in creating, amending, entering, deleting or using electronic data, or total or partial inability or failure to receive, send, access or use electronic data for any time at all, or any business interruption losses resulting therefrom, regardless of any other contributing cause or event whenever it may occur, unless such loss or damage is a direct consequence of otherwise insured physical damage.

This policy does not apply to:

- any losses (bodily injury, property damage or any other loss covered by this policy) arising, directly or indirectly, out of, or in any way involving the insured's 'internet operations'. This exclusion does not apply to bodily injury or property damage arising out of any material which is already in print by a manufacturer in support of its product, including but not limited to product use and safety instructions or warnings, and which is also reproduced on its site. Coverage does not include bodily injury or property damage arising out of any other advice or information located on the site that is used for the purpose of attracting customers;

- property damage to computer data or programs and their storage media arising directly or indirectly out of or caused by, through or in connection with:
  - the use of any computer hardware or software
  - the provision of computer or telecommunications services by or on behalf of the insured
  - the use of computer hardware or software by any third party, whether authorised or unauthorised, including any damage caused by any computer virus.

'Internet operations' means the following:

- use of electronic mail systems by the insured's employees, including part-time and temporary staff, and others within the insured's organisation;
- access through the insured's network to the world wide web or a public internet site by the insured's employees, including part-time and temporary staff, and others within the insured's organisation;
- access to the insured's intranet (meaning internal company information and computing resources) which is made available through the world wide web for the insured's customers or others outside the insured's organisation; and
- the operation and maintenance of the insured's web site.

Nothing in this exclusion shall be construed to extend coverage under this policy to any liability which would not have been covered in the absence of this exclusion.

We shall not be deemed to provide cover and we shall not be liable to pay any claim or provide any benefit hereunder to the extent that the provision of such cover, payment of such claim or provision of such benefit would expose Chubb, or its parent to any sanction, prohibition or restriction implemented pursuant to resolutions of the United Nations or the trade and economic sanctions, laws or regulations of Australia, the European Union, United Kingdom, or United States of America.

# How We Settle Claims

## When Your Building is Insured

If your buildings suffer loss or damage we will at our option:

- reinstate, rebuild or repair your building to a condition equal to but not better or more extensive than its condition when new;
- replace the property with the nearest equivalent new property available; or
- pay the cost of reinstatement, rebuilding, replacement or repair.

### Limitations

The following limitations apply:

- the most we will pay for any claim for your building is the sum insured shown on your policy schedule, except where a benefit is shown as additional to your sum insured;
- we will not pay more than the limits shown for any accidental loss or damage covered by this policy, additional benefit, or group or class of property;
- we will pay for loss or damage to fixed coverings on walls, floors and ceilings only in the room, hall or passage where the damage occurred;
- where the damage results from escape of liquid from a shower base or shower wall, we will pay the cost of repair to the building but not the cost of repair or replacement of the shower base or wall, unless there is a leak from a pipe within the wall cavity or under the shower base;
- we will try to match any materials used to repair your building with the original materials. If we cannot, we will use the nearest equivalent available;
- we will not pay any costs for replacing undamaged property;

- the work of rebuilding or repair must commence within 6 months from the date of loss unless we agree in writing otherwise;
- should you prefer more expensive materials or larger dimensions, or should you not commence with work of building or repair within 6 months of the date of loss, all additional costs will be your own responsibility;
- should you prefer not to rebuild, we will pay up to the market value of the building.

Market value: the reduction in the value to the land and building at the site from immediately before to immediately after the event giving rise to a claim under your policy.

## When Your Contents are Insured

If your contents suffer loss or damage we will at our option:

- repair the property to a condition equal to but not better or more extensive than its condition when new;
- replace the property with the nearest equivalent new property available;
- pay the cost of replacement or repair.

### Limitations

The following limitations apply:

- the most we will pay for any claim for your contents is the sum insured shown on your policy schedule, except where a benefit is shown as additional to your sum insured;
- we will not pay more than the limits shown for any accidental loss or damage covered by this policy, additional benefit or group or class of property;
- we will pay for loss or damage to floor coverings, curtains and internal blinds only in the room, hall or passage where the damage occurred;
- for an item which is part of a pair, set, or collection replacement or repair is limited to that item lost, stolen or damaged. We will not pay for any special value the item may have as part of a pair, set, or collection.

## Excess

When you make a claim under your policy you will have to pay the excess shown on your policy schedule or detailed in this PDS.

## Reinstatement of Sum Insured After a Claim

We will reinstate the sums insured for your building or contents following a claim unless that claim exhausted an insured sum. In the event of a total loss the cover on the exhausted section will end and an additional premium may be required to reinstate cover. Your liability cover will continue for the period of insurance even if there has been a total loss of the building or contents sum insured.

## Trade Discounts

Note that in settling your claim we may be entitled to receive trade discounts from suppliers. If we agree to pay you an amount for loss or damage to your building or contents we may take into account our entitlement to such trade discounts.



## Section I – Landlords Building Insurance

Your policy schedule indicates whether you have elected to insure your building and the sum insured.

### What Are Buildings?

Building means your residential dwelling at the site used for domestic purposes and includes:

- residential buildings, lots or units;
- domestic outbuildings and permanent structural improvements;
- pipes, cables, ducts, wires, meters and switches used in connection with the supply of water, drainage, sewerage, communication, lighting, cooling and heating which are your property or for which you are legally responsible;
- fixed appliances which are permanently connected to the electrical, gas or plumbing systems, such as airconditioners, dishwashers, fans, hot water services, light fittings, room heaters and stoves;
- items built in or permanently fixed to the building;
- fixtures and fittings, except those for which your tenant is legally responsible under the terms of the lease or rental agreement;
- trees, shrubs and plants, other than in pots or tubs.

### What Are Not Buildings?

Building does not mean:

- if your building is a lot or unit that is part of a strata title development, any part of the building or common property that is insurable by the body corporate;
- anything which is covered under 'What Are Contents?' section of the policy;

- carpets, curtains, internal blinds and light fittings unless your building is tenanted under a lease or rental agreement on an unfurnished basis;
- portable electrical appliances and equipment which are attached to a power supply only;
- trees, shrubs and plants in pots or tubs;
- grass or lawn;
- unpaved paths or unpaved driveways constructed of earth or gravel;
- buildings established or used for commercial purposes including a hotel, motel, nursing home or boarding house;
- buildings and any part of the site used for commercial farming or hobby farming where the site area exceeds 2 hectares.

## Benefits Paid as Part of Your Sum Insured

We provide the following benefits as part of your sum insured.

### Replacement of locks and keys

We pay up to \$1,000 for the rekeying or replacement of external locks operated by a key which is stolen as a result of burglary or housebreaking.

### Trees, shrubs and plants

We pay up to \$1,000 in any period of insurance for loss or damage to trees, shrubs and plants at the site.

We do not cover trees, shrubs or plants in the common property areas of any strata title development.

### Landlords contents

If your building is tenanted under a lease or rental agreement on an unfurnished basis we will also pay up to \$10,000 in total for loss or damage to carpets, curtains, internal blinds and light fittings. You should ensure the building sum insured is sufficient to cover this.

Cover for more than this amount can be taken under Section 2 – Landlords Contents Insurance.

### Contracting purchaser

If you have entered into a contract to sell your building we will extend this policy to cover the purchaser from when the purchaser becomes liable for any damage to the building until:

- the contract settlement date;
- the contract is terminated;
- the purchaser insures the building;

whichever occurs first.

### Additional Benefits

We provide the following benefits in addition to your sum insured when the cost is related to a claim we have agreed to cover.

#### Building fees and related costs

We pay the reasonable costs of:

- demolition of your building and removal of debris from the site;
- architects', engineers' and consultants' fees;
- obtaining building approvals and permits from local authorities;
- temporary protection to your property;

necessarily and reasonably incurred to replace, rebuild or repair your building. We pay up to 20% of your building sum insured for these costs in total.

#### Extra costs of reinstatement

We pay the extra costs necessary to meet the requirements of any statutory authority in connection with rebuilding or repairing your building at the site. If only part of your building is damaged we pay only the extra costs you incur in repairing that part.

We pay up to 10% of your building sum insured.

We do not pay any extra costs resulting from any notice that a statutory authority served on you before your building suffered loss or damage.

### Discharge of mortgage

We pay the reasonable legal costs incurred for the discharge of your mortgage following settlement of a total loss claim under this policy.

## Section 2 – Landlords Contents Insurance

Your policy schedule indicates whether you have elected to insure your contents and the sum insured.

### What Are Contents?

Contents means the household goods you own or for which you are legally responsible that you provide for your tenant's use while in your building at the site and includes:

- carpets, loose floor coverings, curtains, and internal blinds;
- furniture and furnishings that are not built in;
- light fittings which are not permanently fixed to the building;
- removable domestic appliances and utensils;
- swimming pools, saunas and spas (including their fixed accessories) which are designed to be dismantled and moved.

If your building is part of a strata title development, contents includes fixtures and fittings that you have installed and which are not insurable by the body corporate.

### What Are Not Contents?

Contents does not mean:

- contents in the internal or external common property areas of residential flats, home units, town houses or any other type of multiple occupancy residence;
- anything which is covered under 'What Are Buildings?' section of the policy;
- money and negotiable instruments;
- documents of any kind;
- home office equipment, computers and associated computer equipment or software and mobile phones;
- tools and equipment, whether for private use or for your occupation or business;

- jewellery, including set or unset stones, watches, gold or silver objects and furs;
- collections of stamps, medals, money or bullion;
- antique items, curios, pictures and works of art, tapestries and rugs;
- bicycles, motor vehicles, motorcycles, motor scooters, mini-bikes, trailers, caravans, watercraft and aircraft, or their accessories;
- fish, birds or animals of any kind;
- trees, shrubs and plants;
- articles belonging to you or any other person, which are being stored at the site or elsewhere in Australia.

## Benefits Paid as Part of Your Sum Insured

We provide the following benefits as part of your sum insured.

### Contents in the open air

We pay up to \$2,000 for loss or damage to your contents in the open air arising from theft or attempted theft or from storm or rainwater.

### Strata title mortgagee protection cover

This cover only applies if your rental property is part of a strata title development and you have a mortgage loan in respect of your lot.

If the body corporate of the strata title development in which your lot is located:

- has either failed to insure the common property; or
- has taken out buildings insurance for an amount which is insufficient to pay the cost of rebuilding the common property;

and during the period of insurance the strata title development is damaged by an event covered by this policy, to such an extent that it will have to be completely rebuilt, we will pay:

- the unpaid balance of your mortgage at the date of loss or damage; or

- the sum insured shown in your current policy schedule; whichever is the lesser.

We will pay this to your mortgagee when you are required to repay your mortgage in full following loss or damage to your lot.

If you do not have a mortgage loan on your lot no benefit is payable.

## Additional Benefits

We provide the following benefits in addition to your sum insured when the cost is related to a claim we have agreed to cover. We pay up to 10% of your contents sum insured in total for these benefits.

### Removal of debris

We pay the reasonable cost of removing any contents debris from the site following loss or damage to your contents.

We do not cover:

- debris from goods you do not own;
- removal of rubbish or abandoned goods left by tenants or arising from tenants' neglect, poor housekeeping or unhygienic living habits.

Refer to Section 3 – Loss of Rent Insurance section of the policy if you require such cover.

### Storage of contents

We pay the reasonable cost of storage charges necessarily incurred to protect your contents from further loss or damage following a claim.

# What We Cover You For – Section 1 – Landlords Building Insurance and Section 2 – Landlords Contents Insurance

We cover your buildings or your contents while they are at the site for accidental loss or damage subject to the terms, conditions, limitations and exclusions of this policy.

We cover the following events with some limitations as outlined below.

## Fire or Explosion

We cover your building or contents for loss or damage as a result of fire or explosion.

We do not cover loss or damage caused by bushfire or grassfire for the first 48 hours from the commencement of this insurance or any amended cover subsequently placed unless:

- you commenced this policy immediately after another policy covering the same risk expired, without a break in cover; or
- you commenced this policy immediately after the risk passed to you as purchaser of your building.

## Theft or Attempted Theft

We cover your building or contents for loss or damage as a result of theft or attempted theft.

An additional excess applies to claims for theft or attempted theft by tenants. This is shown on your policy schedule.

We do not pay for loss or damage caused by theft or attempted theft from internal or external common property areas of residential flats, apartments, home units, town houses or any other type of multiple occupancy residences.



## Malicious Acts

We cover your building or contents for loss or damage as a result of malicious acts of other people.

An additional excess applies to claims for malicious damage by tenants or their visitors. This is shown on your policy schedule.

## Storm and/or Rainwater

We cover your building or contents for loss or damage as a result of storm or rainwater, including run-off and flood.

We cover gates and fences made of wood or that have wooden posts up to 15 years old.

We do not cover:

- retaining walls;
- swimming pool covers or liners; or
- trees, shrubs or plants.

## Escape of Liquids

We cover your building or contents for loss or damage as a result of bursting, leaking, discharging or overflowing of a fixed pipe, gutter, drain, tank or other apparatus used to carry or store liquid of any kind.

Where claimable damage has occurred we pay up to \$2,000 for the exploratory costs incurred in locating the source of the escaping liquid and repairing any damage caused in identifying the source.

We do not cover the cost of repairing or replacing the pipe, gutter, drain, tank or other apparatus that caused the escape of liquid.

## Fusion or Power Surge

We cover the cost to repair or replace electric motors in domestic appliances or equipment damaged as a result of fusion or power surge.

We cover electric motors up to 15 years old.

We do not cover:

- any electric motor or appliance covered by a warranty or guarantee;
- damage to any mechanical part; or
- tools of trade.

## Loss or Damage Caused by Tenants or Their Visitors

We cover your building or contents for loss or damage caused by tenants or their visitors but only if it occurs as a result of:

- accidental breakage of any:
  - fixed glass in your building
  - fixed ceramic or enamel wash basin, toilet, cistern, bath or sink
  - fixed glass forming part of the furniture.

We do not cover:

- glass forming part of a fixed cooking or heating appliance
- glass in a radio, television or visual display unit
- tiles or benchtops
- shower bases;
- fire or explosion (refer above in this section);
- impact by a vehicle;
- theft or attempted theft (refer above in this section);

- malicious acts (refer above in this section)

We do not cover loss or damage arising from:

- tenant carelessness, neglect, poor housekeeping or unhygienic living habits
  - maintenance or repair operations carried out by tenants or anyone acting on their behalf;
- escaping liquids (refer above in this section).

## Section 3 – Loss of Rent Insurance

Your policy schedule indicates whether you have elected to also insure for loss of rent.

There are 2 options available:

- Basic Cover – covers the weekly loss of rent when your building becomes uninhabitable due to accidental loss or damage covered by this policy.
- Extended Cover – taken with Basic Cover, this extends cover to include loss of rent caused by tenants defaulting on rent payments or vacating the property without notice and associated legal expenses. The extended cover option is not available for short term rentals.

### Basic Cover

We pay for the loss of rent when your rental property becomes uninhabitable as a result of accidental loss or damage covered by this policy:

- causing loss or damage to your building or contents;
- causing loss or damage to other property located near your building and preventing access to your building;
- if your building is part of a strata title development, causing loss or damage to other parts of the strata title development and preventing access to your building.

For any one loss this benefit covers the weekly rental amount stated in your lease or rental agreement and shown on your policy schedule for up to 52 weeks from the date of the loss.

If your rental property was not tenanted at the time the accidental loss or damage covered by this policy occurred causing it to become uninhabitable, this benefit covers the amount your rental property could reasonably have been leased or rented for prior to the loss or damage or prevention of access for up to 52 weeks from the date of the loss provided:

- your rental property was advertised as being available for lease or rent in the 14 days prior to the accidental loss or damage covered by this policy occurring; and

- a lease or rental agreement expired less than 60 days prior to the accidental loss or damage covered by this policy occurring; and
- your rental property was not unoccupied for more than 60 consecutive days prior to the accidental loss or damage covered by this policy occurring.

We will only pay a claim under this section 'Basic Cover' if the event causing accidental loss or damage to your building or contents, or preventing access to your building, occurs during the period of insurance.

We will only cover the loss of rent while your building remains uninhabitable as a result of the event.

The standard policy excess applies to claims under this 'Basic Cover' section.

## Extended Cover

The extended cover option is not available for holiday rentals.

We pay for the loss of rent when:

- your tenant defaults on rent payments due under the lease or rental agreement and fails to remedy the default; or
- your tenant vacates your rental property before the end of the tenancy period stated in your lease or rental agreement without giving the required notice; or
- your tenant is legally evicted from your rental property; or
- your lease or rental agreement is legally terminated by the relevant authority on the grounds of hardship on the part of your tenant.

If a claim can be made under more than one event you may only claim under one of the events. It is your choice as to which event you wish to claim under.

This benefit covers the weekly rental amount stated in your lease or rental agreement and shown on your policy schedule:

- for a period of up to 15 weeks; or
- up to \$10,000;

whichever is the lesser.

When a lease or rental agreement has defaulted to a periodic tenancy agreement, the benefit payable if your tenant vacates your rental property without giving the required notice is limited to 8 weeks rent.

When you or your agent have issued your tenant with a Notice to Leave or equivalent notice valid under the relevant residential tenancies legislation, the benefit payable if your tenant vacates your rental property without giving notice is limited to 2 weeks rent.

We will only pay a claim under this section 'Extended Cover' if:

- there was a valid lease or rental agreement in place at the commencement of this insurance;
- rent payments were up to date at the commencement of this insurance;
- your tenant has paid at least 4 consecutive weeks rent in accordance with the lease or rental agreement, excluding any bond money paid;
- your tenant breaches your lease or rental agreement; and
- you have promptly taken all reasonable steps under any applicable residential tenancies legislation to remedy any breach or non-payment and, if appropriate, to evict your tenant.

Any benefit payable for loss of rent will cease when another tenant occupies your rental property.

An excess of 4 weeks rent applies to claims made under this 'Extended Cover' section.

## Additional Benefits

We provide the following benefits in addition to your sum insured when the cost is related to a claim we have agreed to cover.

### Removal of rubbish

If we have accepted a claim under the 'Extended Cover' section we will also pay up to \$500 for the cost incurred, with our approval, to remove rubbish left by your tenant. We will only

do this if your tenant has vacated your rental property before the end of the tenancy period stated in your lease or rental agreement without giving the required notice and left your rental property in state unfit for occupation for at least 14 days. For any one period of insurance this benefit is limited to \$500.

### Legal expenses

If we have accepted a claim under the 'Extended Cover' section we will also pay up to \$3,000 toward legal expenses incurred, with our approval, for the purpose of minimising the claim. For any one period of insurance this benefit is limited to \$5,000.

## How We Will Settle Your Loss of Rent Claim

### Basic Cover option

We will pay you the loss of rent for the period your rental property is uninhabitable up to a maximum of 52 weeks. We will not pay more than the weekly rental amount shown in your policy schedule. If your rental property is not tenanted we will not pay more than the amount your rental property could reasonably have been leased or rented for.

We will deduct the standard excess shown on your policy schedule.

### Extended Cover option

We will not pay for the first 4 weeks loss of rent.

We will pay you the weekly rental amount for the period your tenant has defaulted in rent payments beyond the first 4 weeks up to the limit of your policy. We will pay up to 15 weeks rent or \$10,000, whichever is the lesser.

# Section 4 – Legal Liability Insurance

We will indemnify you should you become legally liable to pay compensation for:

- death or bodily injury or illness to any person;
- loss or damage to property;

resulting from an occurrence during the period of insurance anywhere in the world not limited or excluded by this section.

An occurrence is an accident which may include continuous or repeated exposure to substantially the same general conditions. It is all bodily injury or damage to property arising from one original source or cause.

We will also pay the reasonable costs, charges and expenses incurred with our consent in the investigation, settlement or defence of a demand, claim or legal proceeding.

## Limitations

The following limitations apply:

- if your building is insured with us the cover we provide is confined to your legal liability as owner of the building and the site;
- if your contents are insured with us the cover we provide is confined to your legal liability as owner of the contents and any resultant personal legal liability occurring anywhere in the world. We do not cover any liability in connection with ownership of the building or the site;
- the most that we will pay is \$20,000,000 under this section for any one claim or series of claims arising from any one event, inclusive of all reasonable legal costs, charges and expenses.

## Exclusions

We will not pay should liability arise from:

- any act intentionally committed by you or any person acting with your express or implied consent;
- your business or occupation;



- the ownership or occupation of buildings or land other than the site specified in your policy schedule;
- vibration or interference with support of land, buildings or other property;
- any bodily injury or damage to property which is attributable to or contributed to by the consumption of illegal drugs of any kind by you or provided or permitted by you;
- the transmission or contracting of HIV/AIDS or any HIV/AIDS related disease or illness, any venereal disease or illness, herpes, or any other communicable disease or illness;
- the use of any motorised vehicle (except a domestic gardening appliance, wheelchair or golf buggy), caravan, trailer, motorcycle, watercraft, aircraft or any landing area for aircraft;
- defamation (libel or slander);
- the manufacture, storage, filling, breakdown, transport or use of fireworks, ammunition, fuses, cartridges, gunpowder, nitro-glycerine, celluloid, pyroxylin or other explosives;
- bodily injury or death to you, any other person living with you, your employee or any other person deemed by law to be employed by you arising out of or in the course of their employment;
- loss or damage to property which is in your physical or legal control;
- loss or damage to property that is owned by you or any of your employees;
- liability assumed under any contract, warranty or agreement unless the liability would have existed irrespective of the agreement;
- fines, penalties, punitive, aggravated or exemplary damages;
- the ownership or keeping of animals at the site or any other location;
- that part of any loss, cost or expense for the cost of 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.

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