



Mansions of Australia
HOME AND CONTENTS INSURANCE

This combined Financial Services Guide and Product Disclosure Statement was prepared on 15 November 2013.
Distribution of this combined FSG and PDS has been authorised by Calliden Agency Services Limited t/as
Mansions of Australia and ACE Insurance Limited, the Insurer.

Financial Services Guide

Calliden Agency Services Limited t/as Mansions of Australia

(ABN 15 096 726 895) (AFSL 234437)

The Purpose of this Guide

The purpose of this guide is to assist you in making an informed decision about whether to use the financial services we can provide for you. It contains important information about who we act for, the services we offer, the fees we charge, the remuneration paid to our employees, potential conflicts of interest and how complaints are dealt with.

All references in this Financial Services Guide ('FSG') to 'we', 'us' or 'our' are references to Calliden Agency Services Limited t/as Mansions of Australia (ABN 15 096 726 895) ('Mansions'). Mansions is an Underwriting Agency and we also hold an Australian Financial Services Licence (No. 234437). You can learn more about us at: www.calliden.com.au

All references in the FSG to 'insurer' or 'product insurer/issuer' are references to ACE Insurance Limited (ABN 23 001 642 020, AFSL 239687) ('ACE').

This FSG applies from 1 January 2014 and remains valid unless a further FSG is issued to replace it.

The Service We Offer You

We are authorised to deal in and provide financial advice in relation to general insurance products for retail and wholesale clients. To assist in your decision making we will give you information about the particular financial product by providing you with a Product Disclosure Statement ('PDS'). The PDS will help you make an informed decision about whether to choose the financial product. In some cases, we may make a general recommendation or give an opinion about the general insurance product. We will do this WITHOUT reference to your specific individual objectives, financial situation or needs. This is a general advice service only. When providing general advice, we do not act on your behalf.

You need to consider the appropriateness of any specific information we give to you. You should have regard to your specific individual objectives, financial situation or needs before acting on it.

Product Disclosure Statement

If we offer to arrange the issue of an insurance policy to you, we will also provide you with, or pass on to you, a product disclosure statement ('PDS'), unless you already have an up to date PDS. The PDS will contain information about the particular policy which will enable you to make an informed decision about purchasing that policy.

Who We Act For

We act on behalf of ACE for the purposes of this FSG.

We act on behalf of the insurer in issuing the insurance policy and not on your behalf.

General Insurance Code of Practice

We support the General Insurance Code of Practice ('the Code'). The Code is designed to raise the standard of practice and service in the general insurance industry.

You can obtain a copy of the Code by contacting us or visit:
www.codeofpractice.com.au

How we are remunerated

We receive income from the following sources:

Acting as a Managing Agent

When we issue you with a general insurance product we charge a premium, on behalf of the insurer, based on the risk profile you offer us. The total amount you pay is the premium plus any statutory and government charges. These may include GST, stamp duty, and the fire services levy. We will collect the premium from you (via your insurance broker) and remit it to the insurer.

We may receive a commission for issuing business on behalf of the insurer, which will be in the range of 20% to 31%.

Any commission is calculated as percentage of the base premium, excluding statutory and government charges and paid by the insurer.

Our staff are paid a market salary and may also receive a bonus or other incentives based on their performance.

Agency Fee

In some circumstances we may charge you an Agency Fee. Our Agency Fee is noted on your insurance schedule. Such fees might include: preparation and distribution of documentation; and amendments to the policy during the policy year.

Interest

Any premiums received from you (via your insurance broker) are held in a trust account prior to being forwarded to the insurer. We will retain any interest earned on the money held in the trust account.

Associations

We are a related body corporate of Calliden Insurance Limited and a fully owned subsidiary of Calliden Group Limited.

More Information

If you would like more information, about the remuneration that we receive, please contact us by phone, in writing by email or in person.

Contacting Mansions

You can contact Mansions using the following methods:

Telephone: +61 2 9551 1080

Toll Free: 1300 738 308

Facsimile: 1300 855 874

Email: mansions@mansions.com.au

Address: Level 7, 100 Arthur Street, North Sydney NSW 2060

Website: www.mansions.com.au

Privacy

Please refer to the Privacy Statement section contained in this Mansions Home and Contents Product Disclosure Statement ('PDS').

Complaints/Dispute Resolution

If you wish to make a complaint regarding our service, we will do everything we can to try to resolve it as quickly and fairly as possible.

You can make a complaint by contacting us on +61 2 9551 1111 or writing to us at:

- Facsimile: +61 2 9551 1155
- Address: PO Box 348, Milsons Point, NSW 1565
- Email: servicefeedback@calliden.com.au

We will try to resolve your complaint quickly and fairly. We will provide our response within 15 business days unless further time is required and we will seek a later response time.

If you are not happy with our response to your complaint you can seek an external review via our external dispute resolution scheme, administered by the Financial Ombudsman Service ('FOS').

This national scheme is for consumers, free of charge and is aimed at resolving disputes between insureds and their insurance service providers.

You can contact FOS on 1300 780 808 or visit www.fos.org.au

For further information please refer to our Complaints Handling brochure which is available on our website: www.calliden.com.au/docs/Complaints_process.pdf

If your complaint relates to a claim, please refer to ACE's Dispute Resolution Process contained in the PDS.

Compensation Arrangements

Mansions is insured under a Professional Indemnity Policy ('PI Policy').

The PI Policy covers us and our employees for claims made against us by clients as a result of the conduct of us and our employees in the provision of financial services as required under the Corporations Act.



insured.™

Product Disclosure Statement

This Product Disclosure Statement ('PDS') is designed to help you understand the Mansions Home and Contents Insurance Policy and to provide you with sufficient information to enable you to make an informed choice about whether to buy this policy.

General Advice

Any general advice that may be contained within this PDS or accompanying material does not take into account anyone's individual objectives, financial situation or needs. Such matters should be considered in determining the appropriateness of this product. Consideration also needs to be given to whether the limits, type and level of cover are appropriate.

Preparation Date

This PDS was prepared on 15 November 2013. Other documents may form part of our PDS and if they do, we will tell the Policyholder in the relevant document.

This PDS is divided into 3 parts.

- Part 1** contains important information about the insurers of this policy and the policy itself
- Part 2** sets out some important information for Mansions Home and Contents Insurance.

It contains information about the insurance, its features, benefits, risks and costs.

Please read it carefully together with the Insurance Policy Terms and Conditions.
- Part 3** is the Insurance Policy Terms and Conditions. Full details of the insurance, the exclusions and the terms and conditions are set out in the Insurance Policy Terms and Conditions.

By acquiring this insurance, you agree to be bound by those terms and conditions.

PART 1

IMPORTANT INFORMATION

The Insurers

The insurer of this policy is ACE Insurance Limited (ABN 23 001 642 020, AFSL 239687) ('ACE'). You can contact us at ACE Insurance Limited, The ACE Building, 28 O'Connell Street, Sydney NSW 2000, telephone: 1800 815 675, email: customerservice.aunz@acegroup.com, or via Mansions of Australia, Level 7, 100 Arthur Street, North Sydney, NSW 2060, toll free: 1300 738 308, local: +61 2 9551 1080, facsimile: 1300 855 874, email: mansions@mansions.com.au. Mansions acts as an underwriting agency and issues policies on behalf of ACE.

In this PDS, 'we', 'us' or 'our' means the Insurer, ACE.

The terms 'you' or 'your' means – the Company or Companies; person or persons named as the assured in the Insurance Schedule and their Immediate Family.

Calliden Agency Services Limited t/as Mansions of Australia (ABN 15 096 726 895, AFSL 234437) ('Mansions') arranges policies for and on behalf of ACE. Mansions acts under a binding authority given by ACE to act as its agent for the purposes of administering, arranging and issuing policies, alterations and renewals. In all aspects of arranging this policy, Mansions acts as an agent for ACE and not for the Policyholder.

Non Disclosure

Your Duty of Disclosure

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

Who needs to tell us:

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

If you do not tell us:

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

Important:

This Duty of Disclosure applies to all the people named on the Proposal Form. Please read this PDS carefully to ensure:

- You are aware of all the contractual rights and obligations;
- The policy provides the cover you require; and
- You are aware of the limits regarding policy coverage and what we will pay you under the policy.

Significant Risks

The risks associated with this home contents insurance could include the following:

- Cover may be inadequate for your needs because the level or type of cover you need does not match the cover offered by this policy. For example, an exclusion may apply, or you may not satisfy the terms and conditions of cover, or a limit applies to the amount you can claim. Do make sure you carefully read the terms and conditions before deciding whether it will meet your needs.
- Under insurance – for purposes of the Home and Contents cover it is important to make sure that the sum insured you select for your building and/or contents fully reflects the value of your property – otherwise your cover may not be adequate to cover your loss.
- Failure to comply with the policy terms and conditions – if you do not comply with the policy terms and conditions (e.g. your Duty of Disclosure) we may refuse to pay part or all of your claim.
- Failure to pay your insurance premium – in order for your insurance to remain current, you must pay the insurance premium by the due date. Otherwise we may cancel your policy.
- Other insurance (Excess Liability Cover) – for purposes of Section 2 (Liability) cover provided under this Home and Contents Insurance Policy it is important to understand that where you have other insurance in place that provides you with cover for a legal (including personal) liability of a type covered by this policy (e.g. if you have a travel insurance policy which provides you with liability cover), the relevant benefit under this policy will apply only once the applicable benefit under that other policy has been exhausted.

Conditions

All sections of the Insurance Policy are subject to the following important conditions:

- You must at all times comply with your Duty of Disclosure;
- You do not behave in a fraudulent manner;
- Claims are handled in accordance with the claims standards set out on pages 38 and 39 of the Home and Contents Insurance Policy Terms and Conditions;
- We are entitled to inspect and salvage the insured property;
- We are entitled to negotiate, defend and settle any claim in your name;
- Cover will be suspended if the insured property is uninhabited for a period of more than 120 continuous days;

- In the event of a claim, you must notify us of other insurance providing cover the same as this policy;
- We will provide an automatic reinstatement in the event of a partial loss on the payment of an additional premium;
- Disputes must be mediated in accordance with this policy;
- We are entitled to be subrogated to your rights of recovery against a third party and you must not restrict or waive any such rights without our written consent;
- This policy may be cancelled as specified on page 40 of the Home and Contents Insurance Policy Terms and Conditions; and
- You must at all times take all appropriate maintenance and safety precautions (see page 41) of the Home and Contents Insurance Policy Terms and Conditions.

Your Cooling-off Period

Please read all parts of this PDS and your Insurance 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 insurance policy to us within 14 days, which starts on the earlier of:

- the date you received confirmation of this insurance 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.

Policy Costs

The cost of your insurance is shown on your Insurance Schedule. The cost of your policy is made up of your premium, plus any applicable government taxes and charges such as stamp duty, applicable fire services levy and the GST.

We calculate your premium using a rating system that includes certain rating factors. These factors include your insurance history, and, in the case of the Home and Contents cover, the location and value of the building insured, and the value of the contents.

When you make a claim, an excess is applicable. The applicable excess is stated on your policy certificate. More than one excess may be applicable to the one claim.

Cancellation Fee: You may cancel your policy at any time. If you choose to cancel your policy we will retain or be entitled to the premium for the period during which this policy has been in force. After cancellation by us, you will be entitled to a pro-rata refund of the unexpired premium less any non-refundable government taxes and charges and a small cancellation fee. For details of your cancellation fee contact your broker or insurance intermediary.

Administration Fee: Your broker or insurance intermediary may charge an administration fee for issuing your policy documentation. For details of your administration fee please contact your broker or insurance intermediary directly.

Agency Fee: An agency fee is payable by you to cover the agent's administration cost of preparing and distributing your policy. Your agency fee is noted on your Insurance 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.

Commissions: Your broker or insurance intermediary may receive a commission payment from us when your policy is issued and reviewed. If you cancel your policy, this commission payment may be non-refundable. For details of the relevant commission paid please contact your broker or insurance intermediary directly.

Privacy

We are committed to protecting the privacy of persons covered under the policy. We and, where applicable, Mansions, acting as our agent, collect, use and retain any personal information in accordance with the Privacy Act 1988 (Cth). Our detailed privacy policy is available on our website at www.acegroup.com/au. Mansions' detailed privacy policy is available at www.calliden.com.au.

We collect personal information (which may include health information) to determine whether to provide this insurance and the cover under it, to administer it once it is in place and to handle or settle any claims made under it. If you do not consent to the terms of our privacy policy or revoke your consent then we may not be able to process your application for insurance or investigate or assess any claim.

We collect information directly from you or your agent or via our agents and/or representatives.

We may disclose the information we collect to third parties, including contractors and contracted service providers engaged by us to deliver our products and services or carry out certain business activities on our behalf (such as assessors and call centres) in relation to such products and services including to other companies within the ACE Group, other insurers, our reinsurers, and government agencies (where we are required to by law) and agents and/or representatives of persons covered under the policy. These third parties may be located outside Australia such as the ACE Group's regional head offices in Singapore, the UK or USA. For further information please refer to ACE's Privacy Policy.

Anyone covered under the policy agrees to us using and disclosing personal information as set out in this Privacy Statement. This consent remains valid unless the person alters or revokes it by giving written notice to our Privacy Officer.

If a person covered under the policy wishes to access a copy of personal information pertaining to them, or to correct or update such personal information, or has a complaint or wants more information about how we manage a person's personal information, those persons should contact the Privacy Officer, ACE Insurance Limited, GPO Box 4907, Sydney NSW 2001, Telephone: +61 2 9335 3200 or email Privacy.AU@acegroup.com or, in the case of Mansions you can contact Calliden Agency Services Limited's Privacy Officer on +61 2 9551 1111 or email privacy@calliden.com.au.

Dispute Resolution

Both ACE and Mansions take the concerns of customers very seriously and each has detailed complaint handling and dispute resolution procedures that a person covered under the policy may access, at no cost to them.

Where you have a complaint or dispute in relation to any of the services provided with respect to Mansions Home and Contents Insurance please contact the Mansions team on +61 2 9551 1111 or in writing and provide details of the issue concerning you. Depending on the nature of the complaint or dispute, Mansions will attempt to resolve the complaint or dispute with you in the manner specified in the Financial Services Guide ('FSG') or, where it is claims related if you have not made direct contact as per the process below, Mansions will refer it to ACE to resolve the matter with you in accordance with the process set out in more detail below.

To obtain a copy of ACE's procedures, please contact us on 1800 815 675 or email Complaints.AU@acegroup.com. To assist ACE with the enquiries, please provide us with the relevant claim or policy number (if applicable) and as much information as possible about the reason for the complaint or dispute. ACE's complaints and dispute procedures are as follows:

Stage 1 - Complaint Handling Procedure

If a person covered under the policy is dissatisfied with any of ACE's products or services and wishes to lodge a complaint, please contact us at:

The Complaints Officer

ACE Insurance Limited

Postal address: GPO Box 4065 Sydney NSW 2001

Telephone: 1800 815 675

Facsimile: +61 2 9335 3467

Email: Complaints.AU@acegroup.com

Stage 2 – Dispute Resolution Procedure

If a person covered under the policy is dissatisfied with our response to their complaint, the person may ask that their complaint be treated as a dispute and referred to ACE's dispute resolution team at:

Internal Dispute Resolution Service

ACE Insurance Limited

Postal address: GPO Box 4907 Sydney NSW 2001

Telephone: +61 2 9335 3200

Facsimile: +61 2 9335 3467

Email: DisputeResolution.AU@acegroup.com

Stage 3 - External Dispute Resolution

If we are unable to respond to the complaint or dispute to the person's satisfaction, the person covered under the policy may refer the matter to the Financial Ombudsman Service ('FOS') for review. FOS will only review disputes if they have gone through our Complaint Handling and Dispute Resolution procedures. FOS provides a free and independent dispute resolution service for consumers who have general insurance disputes falling within its terms of reference and its contact details are:

Financial Ombudsman Service

Postal address: GPO Box 3, Melbourne VIC 3001

Telephone: 1300 780 808

Facsimile: +61 3 9613 6399

Email: info@fos.org.au

Website: www.fos.org.au

Financial Claims Scheme and Compensation Arrangements

We are an insurance company authorised under the *Insurance Act 1973* ('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 contains prudential standards and practices 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:

- the protection provided under the Financial Claims Scheme legislation applies in relation to us and the policy. If we were to fail and were unable to meet our obligations under the policy, a person entitled to claim under insurance cover under the policy may be entitled to payment under the Financial Claims Scheme (access to the Scheme is subject to eligibility criteria). Information about the Financial Claims Scheme can be obtained from the APRA website at www.apra.gov.au and the APRA hotline on 1300 55 88 49; and
- we are exempted by the *Corporations Act 2001* 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 in respect of Chapter 7 of that Act. We have compensation arrangements in place that are in accordance with the Insurance Act.

Updating this PDS

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 or other compliant document 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 you with notice of this information in other forms or keep an internal record of such changes including via the Mansions website at www.mansions.com.au.

A paper copy of any updated information is available to the Policyholder at no cost by contacting us.

PART 2

Benefits and Features of the Home and Contents Cover Policy

This Home and Contents Insurance policy has three sections of cover. They are:

- Section 1 – provides a choice of cover for either:
 - your home building; or
 - your home contents; or
 - your home building and contents.
- Section 2 – provides cover up to \$20 million for your legal liability to pay compensation. This cover is automatically included with any cover under Section 1.
- Section 3 – provides cover for specified personal property. (This cover is available, at your election, in addition to your home contents insurance).

The benefits and features of this policy are set out below.

Please note that conditions, limitations and exclusions will apply to these benefits. Details about the terms, conditions and exclusions of the insurance are outlined in the Insurance Policy Terms and Conditions in Part 2.

Section 1 – cover for your home building or your home contents, or both.

Benefits of the home building insurance includes cover for accidental loss or damage to the building up to the Replacement Cost. We also include cover for the following:

- Removal of debris up to 20% of the Sum Insured for the Building;
- Professional fees up to 20% of the Sum Insured for the Building;
- Loss of rent up to 20% of the Sum Insured for the Building;
- Temporary accommodation up to 20% of the Sum Insured for the Building;
- Building escalation costs up to 20% of the Sum Insured for the Building;
- The cost of replacement locks;
- Necessary alterations to the building up to \$25,000;
- Automatic indexation of 0.42% per month.

Benefits of the home contents insurance includes cover for accidental loss or damage for the insured contents up to the Replacement Cost. We also include cover for:

- Removal of debris up to 20% of the Sum Insured for the Contents;
- Storage up to \$100,000 whilst contained in a professional furniture storage facility;

- Transit up to the Sum Insured for the Contents;
- Temporary removal for contents in certain circumstances. The benefit is a maximum of \$25,000 per article or set and \$50,000 in total;
- Illegal use of credit cards up to \$10,000;
- Visitor's belongings up to \$10,000;
- Contents moved to a new location for up to 30 days;
- Frozen food up to \$10,000;
- Temporary Accommodation up to 20% of the Sum Insured for the Contents;
- Automatic Indexation of 0.42% per month;
- Contents in the open air at the insured situation up to 20% of the Sum Insured for the Contents.

The following additional benefits are also automatically included in the cover for your home building and your home contents insurance:

- Damage to electrical items;
- Automatic reinstatement;
- Pet care up to \$10,000;
- Temporary accommodation where you are denied access to the insured property, up to the reasonable costs of accommodation for you and your pets;
- Costs of relocating your home as a result of violent crime – the benefit we will pay is \$20,000;
- Automatic cover for additional property acquired to a total limit of \$50,000;
- Appreciating assets for items with specified sums insured declared in the Asset Schedule – if, at the time of loss, a declared item has appreciated in value, we will, under certain conditions, pay the cost of replacing that item at its increased value;
- Removal of fallen trees and branches up to \$10,000.

Section 2 – cover for your legal liability

The policy provides cover up to \$20 million for your legal liability to pay compensation for:

- death or bodily injury to other people;
- loss or damage to other people's property anywhere in the world.

Section 3 – cover for specified personal property

Benefits include cover for accidental loss or damage to the specified property whilst the property is anywhere in the world.

PART 3

INSURANCE POLICY TERMS AND CONDITIONS

Our Agreement to insure

Provided You have paid or agreed to pay the premium to Us and have lodged with Us a fully completed, signed and dated Proposal Form which forms the basis of this Agreement, then subject to the terms, conditions and exclusions contained in this Insurance Policy or endorsed onto Your Insurance Schedule, We will insure You against loss, damage or liability as described in the Insurance Policy occurring during the Period of Insurance stated in the Insurance Schedule and any future period for which We may accept payment of premium.

You are covered for each Section or Part where a Sum Insured appears in the Insurance Schedule or which is indicated as being operative in the Insurance Schedule.

This Insurance Policy and the Insurance Schedule issued by Us to You forms Our Agreement to insure.

In accepting this insurance, We have relied on the information and statements that You have provided on the Proposal Form. Please read the Insurance Policy Terms and Conditions in this Policy carefully to ensure it is adequate for Your needs. It is an important document and it should be retained by You with all other papers relating to this insurance in a safe place.

Definitions

Where used in this insurance policy:

Asset Schedule means – the specific schedule attaching to the Insurance Schedule which provides a description and value of all items of Special Contents or Specified Personal Property insured under this PDS.

Building means – the dwelling, residential flat, home unit or that portion of the Building used as a business office at The Situation, or, if the Building is Heritage Listed:

Building means – the dwelling, residential flat, home unit or other buildings classified by The National Trust or Historical Foundation or which is the subject of any State or Local Authority classification order including any ancillary building at The Situation and includes unclassified buildings forming an integral part of a Building subject to a classification order including that portion of the Building used as a business office.

In both cases, Building includes:

1. all domestic buildings and their fixtures, including boat houses, garages and outbuildings, including temporary or mobile structures;
2. fixed pontoons and jetties, and air docks attached thereto, up to four metres in length. Pontoons and jetties over four metres in length are not covered by this

- Policy unless specifically agreed in writing by Us and an additional premium paid;
3. fixed coverings to walls, floors and ceilings including landlord's fixtures and fittings. In all instances carpets are excluded;
 4. services (whether underground or not) including communication installations;
 5. exterior blinds and awnings;
 6. the following structural improvements:
 - (a) fixed swimming pools, prefabricated above-ground swimming pools, spas and saunas, including their accessories;
 - (b) paved terraces, paths, driveways, retaining walls, gates, domestic fences, masts, aerals, clothes lines and tennis courts;
 7. landscaping trees and plants for damage caused by Fire, Theft, Lightning, Explosion, Vandalism and Impact by Vehicle, limited to a maximum of \$30,000 any one event.

Building does not include:

unpaved paths or driveways constructed of earth or gravel. Any artificial or synthetic grass.

Business means - the deriving of income from any professional activity, trade or commercial or similar activity involving the provision of goods and/or services.

Computer Virus means - a set of corrupting, harmful or otherwise unauthorised instructions or code including a set of maliciously introduced unauthorised instructions or code, programmatic or otherwise, that propagate themselves through a computer system or network of whatsoever nature. Computer Virus includes but is not limited to 'Trojan Horses', 'worms' and 'time or logic bombs'.

Contents means - all Your household contents at The Situation, including:

1. carpets, unfixed floor coverings, internal blinds and curtains;
2. money, cheques, negotiable securities, stamps (not being part of a stamp collection), title deeds, documents of any kind, up to \$10,000 in all any one claim. In addition, We will also pay You up to \$10,000 in all any one claim for the reasonable costs incurred, to restore or replace personal documents following loss or damage at The Situation or whilst in a bank vault or safe deposit box;
3. CDs and DVDs. We will pay for the cost to replace CDs and DVDs however We will not pay the cost to replace the lost data from these disks nor will We pay for the cost of remaking a film or disk or rewriting the lost information;
4. Business and professional equipment used to generate an income to a maximum of \$50,000 any one claim;
5. valuables such as:
 - (a) fine art, paintings, works of art, antiques or curios. At The Situation these are limited to \$250,000 any one article. The most We will pay for all articles is a maximum of \$2,500,000;
 - (b) articles of jewellery, furs, watches, gold or silver articles or objects, bullion,

precious stones, coin collections, stamp collections and guns. At The Situation or in storage these items are limited to \$25,000 any one article, set or collection. The most We will pay for all articles, sets or collections is \$50,000 or 20% of the contents sum insured, whichever is the greater up to a maximum of \$100,000;

- (c) wine collections (meaning any alcoholic wine stored within the home regardless of colour) at The Situation or in storage are limited to \$25,000 for any one bottle to a maximum of \$50,000 for all bottles.

Cover at The Situation can be increased by listing items which are above the per item limit as Special Contents.

Worldwide cover can be included by listing items as Specified Personal Property;

6. computer systems including data carrying material forming part of a fixed head drive unit, monitors, printers and other peripheral devices including software, photocopiers, communication equipment including radio transmitting, monitoring and receiving devices and telephone answering and facsimile machines, amplification equipment, sound and visual systems including televisions and video devices; and cameras, projectors, screens, enlargers and developing equipment, photographic equipment, processed film slides and prints, video cameras and equipment, tapes, cassettes, cartridges and disks;
7. personal data stored on computer software which You own or posses. We will pay up to \$5,000 for replacing or recreating that personal data as a result of a covered loss or Computer Virus if it is actually replaced at Your expense. The cover is subject to Your computer having anti virus software installed and You subscribe to a virus checking service;
8. clothing and personal effects;
9. accessories or spare parts for motor cars, motor cycles, Watercraft, or aircraft, but:
 - (a) only whilst not attached to the motor car, motor cycle, Watercraft, or aircraft;
 - (b) only up to \$10,000 in all any one claim;
10. fixtures and domestic structural improvements in a strata title home unit that are not insured by the Body Corporate of the Building;
11. sporting equipment, but excluding losses occurring when the equipment is in use or play. We will also pay You if the equipment is usually kept permanently in a locked clubroom or locker away from The Situation when not in use or play.
12. Contents in the open Air at The Situation is limited to 20% of the Contents sum insured;
13. Contents in any boat house, garage or outbuilding at The Situation is limited to 50% of the Contents sum insured.

Contents does not include:

- (a) pets, birds, fish, livestock;
- (b) motor cars and other motor vehicles, motor cycles, mechanically propelled

mini bikes and scooters, farm vehicles, Watercraft, aircraft, aerial devices, and equipment belonging to these items including keys, unless otherwise stated in the Insurance Schedule;

- (c) mechanically propelled vehicles or caravans or trailers of any and every kind other than:
 - (i) a lift or inclinator;
 - (ii) a ride on motor mower under 18 horse power, wheel chair or golf buggy not requiring registration or statutory motor insurance under any law for the purpose for which it was being used at the time of loss, unless otherwise stated in the Insurance Schedule;
- (d) stock used for Business purposes;
- (e) money being takings relating to Your Business;
- (f) travel tickets;
- (g) photos either stored electronically or as a hard copy.

Electronic Data means - facts, concepts and information converted to a form useable for communications, interpretation or processing by electronic and electromechanical data processing or electronically controlled equipment and includes programmes software and other coded instructions for the processing and manipulation of data or the direction and manipulation of such equipment.

Endorsement means - the document which may be issued and form part of the Policy and which details any amendments made to the coverage granted by Us to You during the Period of Insurance.

Excess means - the amount as shown in the Insurance Schedule which You must first contribute towards each claim arising from any one event. There is no excess to be paid on any items listed in Section 3, Specified Personal Property of the Policy. In the case of loss or damage by EARTHQUAKE, the excess is \$2,000, unless otherwise stated in the Insurance Schedule. All destruction or damage from earthquake occurring within a period of 48 hours of the first tremor shall be deemed one event. In the case of loss or damage by Flood, the excess will be 10% of the total loss or damage caused by one event. All destruction or damage for Flood occurring within a limit of 48 hours from the time water moves into or over The Situation until it recedes shall be deemed one event.

Fixed Pontoon means – the structure that is actually floating on the water and the ancillary attachments that form part of the pontoon structure including the articulated part of any walkway such as gangways or sections of the walkway leading down to and attached to the floating part of the pontoon, the anchor poles or pylons or piles which assist the pontoon in rising up and down but “fix” it to one spot and associated attachments to the pontoon structure including winches, flood chains, weights, superfenders and pontoon pile caps.

Flood means - the covering of normally dry land by water that has escaped or been released from the normal confines of any of the following:

- a) a lake (whether or not it has been altered or modified);

- b) a river (whether or not it has been altered or modified);
- c) a creek (whether or not it has been altered or modified);
- d) another natural watercourse (whether or not it has been altered or modified);
- e) a reservoir;
- f) a canal;
- g) a dam.

A \$1,000,000 limit per event applies to all Flood claims when Flood cover is provided on Your Policy.

We will not pay any valid claim for loss or damage arising from Flood for the first 30 days from 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.

Heritage Listed means - that the Building is classified by The National Trust or Historical Foundation or is the subject of any State or Local Authority classification and any other Building governed by appropriate legislation including the following:

The National Trust

Australian Heritage Commission (Australian Heritage Commission Act 1975) Heritage Council of NSW (Heritage Act 1977 & Amendments Act 1987 - NSW) Department of Environment & Conservation (Landscapes Queensland and Queensland Estate Act 1987 - Qld)

Department of Environment & Planning - State Heritage Branch (South Australia Heritage Act 1978 - SA)

Ministry for Planning & Environment - Heritage Branch (Historic Building Act 1974)

Immediate Family means – the Assured's spouse (legal or de facto), unmarried children and parents of the Assured and their spouses, where such person(s) permanently reside(s) with the Assured.

Insurance Schedule means - the document which forms part of this Policy and which provides details of the Assured, Situation of Risk, Period of Insurance, coverage provided, Sums Insured and any amendments to the Policy Wording.

Policy means - this PDS/Policy Wording, the Proposal Form, Insurance Schedule, any Asset Schedule and Endorsements which form the Agreement and which provide formal evidence of coverage granted by Us to You.

Present Value means - the cost of replacement or repair of the Building and/or Contents immediately preceding the loss, up to the Sum Insured shown in the Insurance Schedule, subject always to due allowance for wear, tear, depreciation or betterment.

Replacement Cost means - the cost of replacing, rebuilding or repairing the Building and/or its Contents to a condition equal to their condition when new. This includes the additional costs necessary to comply with Government or local body by-laws. Until an amount equal to the Replacement Cost or Present Value, whichever is the lesser, has been actually expended, Our liability is limited to the Sum Insured shown

in the Insurance Schedule of the Building and/or Contents destroyed or damaged, or, if the Building is Heritage Listed:

Replacement Cost in those cases where the architectural features and/or structural materials of the Buildings described in this PDS possess an ornamental, antiquarian or historical character, or the original materials are not available and when property is lost or damaged, means - the rebuilding, replacing, repairing or restoring to a reasonably equivalent appearance and capacity using original design and suitable equivalent materials. This includes the additional costs necessary to comply with Government or local body by-laws. Until an amount equal to the Replacement Cost or Present Value, whichever is the lesser, has actually been expended, Our liability is limited to the Sum Insured shown in the Insurance Schedule of the Building and/or Contents destroyed or damaged.

Standard Gross Rentals means - the gross rentals during that period in the twelve months immediately before the date of the damage which corresponds with the indemnity period.

The Situation means - the situation of the Building shown in the Insurance Schedule.

Theft means - burglary, attempted burglary and/or housebreaking.

Uninhabited means - without an authorised person sleeping in the Building for more than 60 consecutive days.

Watercraft means - any craft or vessel intended for use on or in water:

- (a) which is powered, or designed to be powered, or which is propelled by motor or sail; or
- (b) which exceeds three metres in length, unless otherwise stated in the Insurance Schedule.

We, Us or Our means – ACE Insurance Limited (ABN 23 001 642 020, AFSL 239687) ('ACE').

You or Your means – the company or companies; person or persons named as the Assured in the Insurance Schedule and their Immediate Family.

SECTION 1

ITEM 1 – BUILDING

APPLIES WHEN INDICATED IN THE INSURANCE SCHEDULE

The Cover

We will cover You if there is accidental loss of or accidental damage, which occurs during the Period of Insurance, to the Building described in the Insurance Schedule. This means We will, at Our option, repair, replace or pay You the reasonable cost to repair or replace the Building to its Replacement Cost.

If We agree to repair Your Building and You nominate to choose Your own repairer, You must obtain Our authorisation for the repairs and quoted cost before those repairs are commenced.

In the event that no evidence of repair or replacement is provided by You, Our Liability is limited to the Present Value of the Building.

We will not pay You more than the Building Sum Insured shown in the Insurance Schedule unless otherwise stated in this PDS.

We include cover for:

- 1. Removal of Debris.** In addition to the repair or replacement of the Building, We will pay up to 20% of the Building Sum Insured for the demolition, removal of debris and disposal costs necessarily incurred to remove insured property in order to repair or replace accidental damage caused to the Building, unless otherwise stated in the Insurance Schedule provided the Sum Insured on the Building represents at least 90% of the Replacement Cost of the Building. Otherwise Removal of Debris is included in the Building Sum Insured. For uninsured property, We will pay the costs necessarily incurred to remove the property from the Building in order to repair or replace accidental damage.
- 2. Professional Fees.** In addition to the repair or replacement of the Building, We will pay up to 20% of the Building Sum Insured for architects fees, surveyors fees, consulting engineers fees and legal fees necessarily incurred in the repair or replacement of accidental damage to the Building, unless otherwise stated in the Insurance Schedule provided the Sum Insured on the Building represents at least 90% of the Replacement Cost of the Building. Otherwise Professional Fees are included in the Building Sum Insured. Payment of professional fees is subject to Our prior written approval.
- 3. Loss of Rent.** In addition to the repair or replacement of the Building, where the Building is rented to others and there is a signed rental agreement in place, if the Building becomes uninhabitable as a result of any loss, destruction or damage covered by this Policy, and lost rental income has occurred, We will pay an amount equal to the Standard Gross Rentals lost for the period reasonably necessary for repair or replacement up to 20% of the Building Sum Insured for a

maximum period of twenty four (24) months in all, unless otherwise stated in the Insurance Schedule.

- 4. Temporary Accommodation.** If the Building is Your principal private residence and a loss covered by this Policy has occurred, We will reimburse You monies You have incurred for the reasonable additional cost of alternative accommodation in the event that the Building is accidentally damaged so as to become uninhabitable.

Payment is limited to the following amounts:

- (a) the amount You have paid in rent only (excluding deposit) for renting similar premises, up to a maximum of twenty four (24) months;
- (b) an amount equal to 20% of the Building Sum Insured.

Whichever is the least.

In addition, We will reimburse You for the reasonable costs of temporary accommodation for Your household pets. Cover is limited to a maximum of \$10,000 any one claim.

- 5. Building Escalation Costs.** If the Building is Your principal private residence, We will reimburse Your additional costs due to delay imposed by local council or other relevant authority which requires an escalation in the building costs.

Payment is limited to an amount equal to 20% of the Building Sum Insured.

- 6. Replacement Locks.** If the keys to external door locks in the Building are stolen, We will cover the costs necessarily incurred in replacing the locks operated by the keys.

- 7. Necessary Alterations to the Building.** We will pay You up to \$25,000 any one claim for the reasonable costs of necessary alterations to the Building in order to enable You to remain in the property following Your permanent disability as a result of paraplegia or quadriplegia due to an accident during the Period of Insurance stated in the Insurance Schedule provided that You have not been compensated for the injury under workers' compensation, compulsory third party or other insurance required to be effected by or under any Australian law.

- 8. Automatic Indexation.** We will increase the Building Sum Insured other than fixed pontoons and jetties shown in the Insurance Schedule by 0.42% per month until the 'To' date shown in the Insurance Schedule. At the end of the Period of Insurance the renewal premium will be calculated on the new indexed Sum Insured. There will be no extra or return premium due during the Period of Insurance.

The total increase in the Sum Insured over a twelve (12) month period will be 5.04%.

If You make a claim on Your Policy during the Period of Insurance the maximum Sum Insured payable will be that sum calculated at the end of the month preceding the incident date of the claim.

SECTION 1

ITEM 2 – CONTENTS

APPLIES WHEN INDICATED IN THE INSURANCE SCHEDULE

The Cover

We will cover You if there is accidental loss of or accidental damage, which occurs during the Period of Insurance, to the Contents described in the Insurance Schedule whilst contained at The Situation or whilst temporarily removed from The Situation unless otherwise stated. This means that for all Contents, We will, at Our option, repair, replace or pay You the reasonable cost to repair or replace the Contents to their Replacement Cost.

If We agree to repair Your Contents and You nominate to choose Your Own repairer, You must obtain Our authorisation for the repairs and quoted cost before those repairs are commenced.

In the event that no evidence of repair or replacement is provided by You, Our liability is limited to the Present Value of the Contents.

We will not pay You more than the Contents Sum Insured shown in the Insurance Schedule unless otherwise stated in this PDS.

We include cover for:

- 1. Removal of Debris.** In addition to the repair or replacement of the Contents, We will pay up to 20% of the Contents Sum Insured for removal of debris and disposal costs necessarily incurred to remove insured property in order to repair or replace accidental damage caused to the Contents provided the Sum Insured on Contents represents at least 90% of the Replacement Cost of the Contents. Otherwise Removal of Debris is included in the Contents Sum Insured.
- 2. Storage.** In respect of Contents which are temporarily moved into a professional storage facility We will automatically cover such Contents against accidental loss or accidental damage occurring whilst at the professional storage facility, for 25% of the Sum Insured up to a maximum \$100,000 any one claim, unless otherwise stated in the Insurance Schedule, subject to any other indemnities under any other insurance being first invoked and exhausted prior to indemnity being provided under this clause.
- 3. Transit.** We will cover You automatically for Contents whilst in the course of transit from The Situation to another within Australia, unless otherwise stated in the Insurance Schedule, subject to any other indemnities under any other insurance being first invoked and exhausted prior to indemnity being provided under this clause. Cover is provided up to the Contents Sum Insured.
- 4. Temporary Removal.** Cover is provided for Contents for an amount up to \$25,000 in respect of any one article, set or collection or component set up to a maximum of \$50,000 in all whilst temporarily removed from The Situation to anywhere in the world.

Temporary Removal does not include:

- (a) Theft or disappearance of money greater than \$5,000;
- (b) Contents with a value greater than \$10,000 in all whilst on exhibition at auctioneers' rooms, museums and art galleries or on consignment;
- (c) Theft of or disappearance of money from unattended motor vehicles, or Theft of or disappearance of other Contents greater than \$5,000 in total from unattended motor vehicles;
- (d) loss of or damage to Contents from an unattended Watercraft;
- (e) Contents moved from The Situation to another property owned by You unless that property is insured by Us;
- (f) accessories or spare parts for motor cars, motor cycles, Watercraft or aircraft, unless otherwise stated in the Insurance Schedule.

5. Credit Cards. We will cover You up to \$10,000 any one claim for liability for debts which arise from the illegal use by an unauthorised person of any credit or debit cards belonging to You but only if:

- (a) You comply with the requirements of the bank or organisation which issued the card; and
- (b) the unauthorised person is not a member of Your family or other person normally residing in Your home.

6. Visitors' Effects. We will pay up to \$10,000 any one claim for accidental loss of or accidental damage to visitors' effects whilst the property is contained in The Situation, but:

- (a) only if the property is not otherwise insured;
- (b) only if We would have paid the claim had the property been Your own;
- (c) only if the visitors are not tenants or paying guests.

7. Contents Moved to a New Situation. If You are moving to a new Situation, to be permanently occupied by You within Australia, We will cover Your Contents against accidental loss or accidental damage whilst they are contained in the new Situation for a period of thirty (30) days but:

- (a) the cover on Contents contained in The Situation will be reduced by the value of the Contents in the new Situation;
- (b) the total liability at both Situations will be limited to the Sum Insured shown in the Insurance Schedule;
- (c) the cover on Your Contents at The Situation will cease thirty (30) days from the date Contents were first removed to the new Situation;
- (d) You must advise Us in writing of the new Situation within thirty (30) days from the date Contents were first removed to the new Situation.

- 8. Frozen Foods.** We will pay up to \$10,000 any one claim for loss of or damage to frozen food in a domestic freezer or refrigerator as a result of any mechanical or electrical breakdown.
- 9. Temporary Accommodation.** We will pay You the reasonable additional cost of rent paid in renting a similar property not otherwise reimbursed by Us that is necessarily incurred if The Situation becomes uninhabitable as a result of accidental loss or accidental damage.

This cover is limited to:

- (a) a maximum period of twenty four (24) months; or
- (b) an additional amount of 20% of the Contents Sum Insured.

Whichever is less.

- 10. Automatic Indexation.** We will increase the Contents other than Special Contents Sum Insured shown in the Insurance Schedule by 0.42% per month until the 'To' date shown in the Insurance Schedule. At the end of the Period of Insurance the renewal premium will be calculated on the new indexed Sum Insured. There will be no extra or return premium due during the Period of Insurance.

The total increase in the Contents Sum Insured over a twelve (12) month period will be 5.04%.

If You make a claim on Your Policy during the Period of Insurance the maximum Sum Insured payable will be that sum calculated at the end of the month preceding the incident date of the claim.

- 11. Contents in the Open Air at The Situation.** Cover is limited to 20% of the Contents Sum Insured.

Additional Benefits

SECTION 1 (Applicable to Items 1 & 2 BUILDING AND CONTENTS)

The following additional benefits are also automatically included in the Policy:

- 1. Damage to Electrical Apparatus.** We will pay for loss or damage caused by the actual burning out by the electrical current to any part or parts of household electrical machines or apparatus forming part of the:
- (a) Building where the Building is insured;
 - (b) Contents where the Contents are insured.

This additional benefit excludes loss of or damage to Your property which is caused by wear and tear.

Prior to acceptance of liability by Us, Our express authority for the repair or replacement of electrical apparatus must be obtained in writing.

- 2. Automatic Reinstatement.** Following the payment of a claim, other than a claim for total loss, the Sum Insured will be automatically reinstated to the value shown in the Insurance Schedule at the date of loss.
- 3. Pet Care.** We will pay the veterinary/hospital costs for the treatment and care of Your household pets registered at The Situation as a result of accident. Cover is limited to a maximum of \$10,000 during the Period of Insurance.
- 4. Alternative Temporary Accommodation Due to Denial of Access.** If, as a direct result of damage to neighbouring premises by a cause insured under the relevant Section of Insurance cover, a local or police authority prohibits access to The Situation, We will pay for a period not exceeding sixty (60) days for:
 - (a) the reasonable additional costs of comparable accommodation incurred by You;
 - (b) the reasonable costs of temporary accommodation for Your household pets.
- 5. Violent Crime.** If during the period of insurance a violent crime is committed against You at The Situation by a person unknown to You, against whom as a result criminal charges have been preferred, and if, as a direct and exclusive consequence, You decide to move home, We will pay up to \$20,000 any one claim for the conveyancing costs, estate agent fees and removal expenses You incur, providing You notify Us of Your intention to move within 90 days of the incident occurring. We shall not be liable for expenses for which You have incurred or are contracted to incur at the time of effecting this Insurance or before this violent crime is committed against You.
- 6. Additional Acquired Property.** Cover is provided anywhere in the world automatically for additional property purchased or acquired during the Period of Insurance to a total limit of \$50,000, subject to immediate advice to Your designated insurance broker within thirty (30) days on return to Australia or since its first purchase in Australia and payment of the appropriate premium. Subject always to indemnities provided under any credit card insurance being first invoked and exhausted prior to indemnity being provided under this clause.
- 7. Appreciating Assets.** Notwithstanding any Sums Insured declared for items of Special Contents as stated in the Asset Schedule, it is agreed that We will pay the cost of replacing any item to its full value at the time of loss or damage provided that the item has not increased in value by more than 10% during the Period of Insurance at the time of loss, the item has a certified valuation not more than sixty (60) days old at the inception of coverage and that the item was insured for its full value. All items must be revalued annually and insured for their full value for this coverage to apply.
- 8. Fallen Trees and Branches.** We will pay the professional costs for the removal of fallen trees and branches and associated disposal costs where they have caused accidental loss or damage to the Building or Contents but excluding any loss or damage caused by a contractor. Cover is limited to a maximum of \$10,000 any one claim, unless otherwise stated in the Insurance Schedule.

9. Emergency Clothing and Personal Effects. We will pay the Insured the cost of emergency clothing and personal effects where the Insured suffers accidental loss or damage caused by an event covered by the Policy.

10. Fire Department Charges. We will pay charges as a result of the Fire Brigade attending The Situation to a maximum of \$10,000.

SECTION 2

LIABILITY

The Cover

We will cover You against Your legal liability, including Your personal legal liability, to pay compensation for:

- 1. death or bodily injury to any person; or**
- 2. physical damage to property including loss of property**, as a result of an incident or series of incidents forming one occurrence which occur during the Period of Insurance anywhere in the world to a maximum of \$20,000,000. In the U.S.A. and Canada jurisdictions, personal legal liability cover is limited to a total of thirty (30) days during the Period of Insurance.

In providing this cover:

- (a) We will pay no more than the liability limits specified in the Insurance Schedule in relation to any one occurrence;
- (b) We will only indemnify You:
 - (i) where Buildings are insured, for Your legal liability as owner or occupier of the insured Building; or
 - (ii) where Contents are insured and You are the occupier of a Building not owned by You, or You are the owner of a strata title home unit, for Your legal liability as occupier of that Building; or
 - (iii) where Contents are insured, for Your legal liability other than Your legal liability as owner or occupier of any Building not insured under this Policy.

In addition, We will pay, in connection with such compensation, all legal costs and expenses incurred by You with Our written consent.

Exclusions

This section does not extend to cover Your legal liability:

- 1. to You or to any person who normally resides with You at The Situation;**
- 2. incurred as an employer or for which You hold, or ought to hold, a policy of insurance required by law (including a policy under any workers' compensation legislation or statutory accident compensation scheme), or incurred under any industrial award or agreement;**
- 3. in respect of any business, trade or profession, other than Your legal liability as occupier of the premises or owner/occupier of the premises;**
- 4. which arises only because You agreed to take the liability upon Yourself;**
- 5. in respect of the ownership or use of any:**
 - (a) motor cars or other motor vehicles, motor cycles or farm vehicles;
 - (b) mechanically propelled vehicles of any and every kind other than:
 - (i) a lift or inclinator, but only whilst at The Situation;
 - (ii) a ride on mower under 18 horse power, wheel chair or golf buggy not requiring registration or statutory motor insurance under any law for the purpose for which it was being used at the time of loss, caravan or trailer unless they are in a fixed stationary position at The Situation, Watercraft, aircraft or aerial device other than a toy kite or model aircraft, any conveyance designed to travel supported by air pressure, unless otherwise insured under this Policy;
- 6. which results from the Building undergoing any process of building, rebuilding, alteration, extension or renovation, where the value of such works is in excess of \$75,000;**
- 7. for damage to property owned by You or in Your physical and legal control.** This exclusion shall not apply to liability in respect of guests' and/or visitors' property including motor vehicles whilst at The Situation;
- 8. arising directly or indirectly out of You transmitting or contracting:**
 - (a) AIDS or any AIDS related disease;
 - (b) any venereal disease;
 - (c) herpes;
 - (d) any other communicable disease or infection.

SECTION 3

SPECIFIED PERSONAL PROPERTY

APPLIES WHEN INDICATED IN THE INSURANCE SCHEDULE

The Cover

We will cover You if there is accidental loss of or accidental damage, which occurs during the Period of Insurance, to the Specified Personal Property described in the Insurance Schedule. This means We will, at Our option, repair, replace or pay the reasonable cost to repair or replace the property lost or damaged.

If We agree to repair Your Specified Personal Property and You nominate to choose Your own repairer, You must obtain Our authorisation for the repairs and quoted cost before those repairs are commenced.

In the event that no evidence of repair or replacement is provided by You, Our Liability is limited to the Present Value of the Personal Property.

This cover is provided whilst the property is anywhere in the world, unless otherwise stated in the Insurance Schedule.

We will not pay You more than the Sum Insured stated against each item in the Insurance Schedule.

We include cover for:

- 1. Pairs, Sets and Parts.** For a covered loss to a pair or set, or to part of a larger unit, We will pay whichever is the lesser of:
 - (a) the cost to repair the damaged property to its condition before the loss;
 - (b) the cost to replace it; or
 - (c) the cost to make up the difference between its market value before and after the loss.

However, if You agree to surrender the undamaged article(s) of the pair, set or parts to Us and We agree to accept, We will pay You the full Replacement Cost of the entire pair, set or parts.

- 2. Additional Acquired Property.** Cover is provided anywhere in the world automatically for additional property purchased or acquired during the Period of Insurance to a total limit of \$50,000, subject to immediate advice to Your designated insurance broker within thirty (30) days on return to Australia or since its first purchase in Australia and payment of the appropriate premium.
- 3. Appreciating Assets.** Notwithstanding the Sums Insured declared in the Asset Schedule, it is agreed that We will pay the cost of replacing any item to its full value at the time of loss or damage provided that the item has not increased in value by more than 10% during the Period of Insurance at the time of loss, the item has a certified valuation not more than sixty (60) days old at the inception of coverage and that the item was insured for its full value. All items must be revalued annually and insured for their full value for this coverage to apply.

General Exclusions

These apply to the whole Policy

Unless otherwise stated in the Insurance Schedule, this Policy does not cover:

1. loss of or damage to Your property which is caused by:
 - (a) wear, tear, rust, corrosion or gradual deterioration;
 - (b) mechanical breakdown, electrical breakdown, faulty workmanship, inherent defect, omission, faulty design or faulty materials;
 - (c) vermin, insects, mildew, atmospheric or climatic conditions (other than storms);
 - (d) tearing, chewing, fouling caused by a domestic animal or any infestations;
 - (e) wildlife, but only in respect of external damage to the Building or any property in the open air;
 - (f) it undergoing any process necessarily involving the application of heat;
 - (g) any process of cleaning, repairing, restoring or renovating of any item;
 - (h) tenants or paying guests, arising from or due to:
 - (i) larceny or Theft from any portion of the Building occupied by a tenant or paying guest; or
 - (ii) rough usage or deliberate, intentional and malicious vandalism of the surfaces and fixtures of the Building and/or Contents by tenants or paying guests and/or their visitors;
 - (i) loss or damage caused by tree roots, but this does not exclude subsequent damage resulting from an ensuing cause which is not otherwise excluded;
2. loss or damage caused by any consequence of war, invasion, acts of foreign enemies, hostilities (whether war be declared or not), civil war, rebellion, revolution, insurrection, military or usurped power or confiscation or nationalisation or requisition or destruction of or damage to property by or under the order of any government or public or local authority;
3. loss, damage, cost or expense of whatsoever nature directly or indirectly caused by, resulting from or in connection with any act of terrorism regardless of any other cause or event contributing concurrently or in any other sequence to the loss.

For the purpose of this exclusion an act of terrorism means an act, including but not limited to the use of force or violence and/or threat thereof, of 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 done for, or in connection with, political, religious, ideological or similar purposes or reasons, including the intention to influence any government and/or to put the public, or any section of the public, in fear.

This exclusion also does not cover loss, damage, cost or expense of whatsoever nature directly or indirectly caused by, resulting from or in connection with any action taken in controlling, preventing, suppressing or in any way relating to any act of terrorism;

4. any loss or damage or any additional expense that is not directly associated with the incident that caused You to claim, unless expressly stated in this Policy;
5. (a) loss or destruction of or damage to any property whatsoever or any loss or expense whatsoever resulting or arising therefrom;
- (b) any legal liability of whatsoever nature;

directly or indirectly caused by or contributed to by or arising from:

- (i) ionising radiations or contamination by radioactivity from any nuclear fuel or from any nuclear waste from the combustion of nuclear fuel;
 - (ii) the radioactive, toxic, explosive or other hazardous properties of any explosive nuclear assembly or nuclear component thereof;
6. loss, damage, destruction, distortion, erasure, corruption or alteration of Electronic Data from any cause whatsoever (including but not limited to Computer Virus) or loss of use, reduction in functionality, cost, expense of whatsoever nature resulting therefrom, regardless of any other cause or event contributing concurrently or in any other sequence to the loss. However, in the event that a fire or explosion results from any of the matters described here, this Policy, subject to all its terms, conditions and exclusions, will cover physical damage occurring during the Policy period to property insured by this Policy directly caused by such fire or explosion;
 7. except as set forth in the following Exclusion 7, this Policy does not insure asbestos or any sum relating thereto.

This Policy only insures asbestos physically incorporated in an insured Building or structure, and then only that part of the asbestos which has been physically damaged during the period of insurance by one of these Listed Perils: fire; explosion; lightning; windstorm; Flood; hail; direct impact of vehicle, aircraft or vessel; riot or civil commotion, vandalism or malicious mischief; or accidental discharge of fire protective equipment.

This coverage is subject to each of the following specific limitations:

- (a) The said Building or structure must be insured under this Policy for damage by that Listed Peril;
- (b) The Listed Peril must be the immediate, sole cause of the damage of the asbestos;
- (c) You must report to Us the existence and cost of the damage as soon as practicable after the Listed Peril first damaged the asbestos. However, this Policy does not insure any such damage first reported to Us more than twelve (12) months after the expiration, or termination, of the period of insurance;

- (d) Insurance under this Policy in respect of asbestos shall not include any sum relating to:
 - (i) any faults in the design, manufacture or installation of the asbestos;
 - (ii) asbestos not physically damaged by the Listed Peril including any governmental or regulatory authority direction or request of whatsoever nature relating to undamaged asbestos;
- 8. loss, damage, cost or expense of whatsoever nature directly or indirectly caused by, resulting from or in connection with the actual or threatened malicious use of pathogenic or poisonous biological or chemical materials regardless of any other cause or event contributing concurrently or in any other sequence thereto;
- 9. any losses which are not directly covered by the terms and conditions of this Policy;
- 10. floor coverings, internal blinds and curtains other than in the room or rooms in which damage occurs;
- 11. loss or damage when the Building is undergoing any process of building, rebuilding, alteration, extension or renovation, where the value of such work is in excess of \$75,000;

However, this exclusion does not apply:

- (a) to property not affected by the building, rebuilding, alteration, extension or renovation; and
 - (b) when the Building is enclosed and under roof, with all outside doors and windows permanently in place;
12. If Your Policy covers Flood, the following items are excluded from the Flood coverage:
- retaining walls, garden borders and free standing walls;
 - the surfaces of tennis courts;
 - wharves, jetties, pontoons or sea walls;
 - swimming pools or spas or their liners or covers;
 - cabanas and gazebos;
 - 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.
13. loss or damage caused by subsidence and heave to footpaths, gates, fences, swimming pools, walls including retaining walls, boat houses, garages or outbuildings and other structures, however this exclusion does not apply to the main Building;

14. Theft of or disappearance of Contents greater than \$5,000 from a motor vehicle at The Situation;
15. loss or damage or liability arising out of the pollution and/or contamination of air, water or soil unless it can be demonstrably proven to have been caused by immediate discharge consequent upon an accident, and You notify Us of the incident as soon as possible;
16. loss or damage caused by delay, detention, confiscation or destruction by customs officials or other authorities;
17. loss or damage incurred:
 - (a) in the capacity of a director, officer or an employee or any person deemed to be an employee by any Workers' Compensation legislation; or
 - (b) in the course of any Business, trade or profession, except in relation to a surgery or Business office in the Building, or Business and professional equipment used by You in connection with Your Business;
18. loss or damage to any Building or Contents whilst the Building is Uninhabited unless all security devices were in full and effective operation;
19. all costs associated with preparing and presenting a claim to Us;
20. liability for fines, penalties or punitive damages;
21. any loss or damage caused, or allowed to be caused, deliberately, willfully maliciously, illegally or unlawfully by You or any member of Your family, paying guest or tenant, or anyone lawfully in the home;
22. loss or damage:
 - (a) occurring before cover starts or arising from an event before cover starts;
 - (b) caused deliberately by You or any permanent member of Your home;
23. loss or damage caused by anything which happens gradually, including smoke or rising damp;
24. We will not pay the cost of replacing or repairing any undamaged external parts of the Building which form part of, a pair, set, suite or part of a common design or function when the loss or damage is restricted to a clearly identifiable area or to a specific part.

Date Change Clause

This Policy does not cover You against any loss or damage directly or indirectly caused by the failure or inability of any item, equipment, computer software or any other property to correctly recognise, process or interpret any date, or to function correctly beyond any time when that item, equipment, computer software or any other property has not correctly recognised, processed or interpreted any date.

We will not pay for the loss or damage to the item, equipment, computer software or any other property or frozen food as a result of such loss although We will pay You for any ensuing loss or damage or legal liability which arises as a result of such failure or inability provided always that such loss or damage or legal liability is normally covered by this Policy.

We will also pay You for loss or damage in the event of the failure or malfunction of any alarm system or other security system or device which results in loss or damage normally covered under this Policy.

You are reminded that You have a duty under the terms and conditions of the Policy to ensure that You take all reasonable precautions to safeguard Your property and to ensure that any security system that You may have is maintained in entire working order at all times. Therefore, We require You to take every reasonable precaution to be certain that Your security system will not be affected by any change in date which may result in the malfunction of such a system.

General Conditions

These apply to the whole Policy

1. Fraud

We are entitled to refuse to pay a claim without prejudice to any other right We may have under this Policy if:

- (a) any claim is in any way fraudulent; or
- (b) any fraudulent means or devices are used by You or anyone acting on Your behalf to obtain any benefits under this Policy; or
- (c) any destruction or damage is occasioned by Your wilful act or connivance.

2. Claims

On the happening of any event likely to give rise to a claim You must:

- (a) take all reasonable precautions without delay to minimise the loss or damage and to prevent further loss or damage;
- (b) immediately inform the police if the insured property is lost or damaged or if forcible and violent entry or malicious damage has occurred or is suspected;
- (c) notify Us verbally and confirm in writing as soon as possible to Mansions of Australia, Level 7, 100 Arthur Street, North Sydney, NSW 2060, toll free: 1300 738 308, local: +61 2 9551 1080, facsimile: 1300 855 874, email: mansions@mansions.com.au
- (d) complete and lodge a claim form as soon as practicable and submit in writing to Us all particulars of the claim;
- (e) not authorise the repair of the insured property without Our consent except to prevent or limit further damage;
- (f) promptly forward to Us any writ, summons or communication received concerning the event or claim and You shall not negotiate, admit or repudiate liability without Our written consent;
- (g) provide Us with all information, including both proof of ownership and value, as We may reasonably require together with a statutory declaration (if requested) of the truth of the claim and any other matter connected with it.

3. Inspection and Salvage

We will be entitled on the happening of any loss or damage, without incurring any liability, to enter any Building where the loss or damage has occurred and to take possession of the insured property and to deal with the salvage in a reasonable manner provided that the insured property may not be abandoned to Us.

4. Proceedings

We have the right to negotiate, defend or settle in Your name and on Your behalf any claim and will have full discretion in the conduct of any proceedings or in the settlement of any claim. We will have the right for Our own benefit of any legal right of recovery held by You and You must give all information and assistance required by Us.

5. Unoccupancy

Unless Our written consent has been obtained, cover shall be entirely suspended if:

- (a) The Situation is Uninhabited and has been without an inhabitant for a continuous period of more than 120 days;
- (b) The Situation was previously tenanted and becomes Uninhabited and has been without an inhabitant for a continuous period of more than 30 days;
- (c) the Contents are contained in premises which are Uninhabited and have been without an inhabitant for a continuous period of more than 120 days.

6. Other Insurance

Should You make a claim under this Policy, You must give Us written notice of any insurance already effected to cover anything that is covered under this Policy.

To the extent that any claim or loss in respect of Your legal liability to pay compensation for:

- (a) death or bodily injury to any person; or
- (b) physical damage to property including loss of property

is or would be recoverable by You under any other policy effected by You or on Your behalf then, to the extent permitted by law, the cover provided under Section 2 of this Policy (Liability), subject to its limitations, conditions, provisions and other terms, will only provide cover for Your covered loss in excess of the amount provided or available under such other insurance.

7. Reinstatement for Partial Loss

Where partial loss or damage to the Building, Contents, Special Contents or Specified Personal Property occurs, the Sum Insured will be automatically reinstated to the original Sum Insured, subject in all instances to the payment of the customary additional premium. However, the premium is waived where the additional premium is less than \$100.

8. Retained Asset Schedules

Any Asset Schedule forming part of this Policy may be retained at the office of Your designated insurance broker, or solicitor, or accountant whichever is applicable, subject to the Asset Schedule being formulated in its entirety and the date of formulation being signed by the Assured. A written confirmation is required that the Asset Schedule is retained and it must be available for Our inspection upon request. In the event of a claim, the Asset Schedule must be produced to support the ownership and value of the item or items which have been lost and/or damaged.

9. Disputes

In the event of a dispute under this Agreement, You are entitled to request a mediation, for which We will pay the costs, with a mediator mutually agreeable to both parties.

10. Waiver of Subrogation

We will be entitled to Your rights of recovery against others arising from loss or damage for which a claim payment has been made under this Policy and You may not limit or restrict Your right of recovery against any third party without Our written agreement.

11. Cancellation

- (a) You may cancel this Policy at any time by notifying Us in writing.
- (b) We may also cancel this Policy by giving You written notice to that effect where:
 - (i) You, or any person who was at any time insured under this Policy, failed to comply with the duty of utmost good faith; or
 - (ii) You failed to comply with the Duty of Disclosure at the time when this Policy was entered into; or
 - (iii) You, or the person who was insured under this Policy at the time when this Policy was entered into, made a misrepresentation to Us during the negotiations for this Policy but before it was entered into; or
 - (iv) You, or any other person who was at any time the Assured, failed to comply with a provision of this PDS, including one with respect to the payment of the premium; or
 - (v) You made a fraudulent claim under this Policy or any other policy of Insurance (whether with Us or some other insurer) that provided insurance cover during any part of the period during which this Policy provides insurance cover; or
 - (vi) You failed to notify Us of any specific act or omission where such notification is required under the terms of this PDS; or
 - (vii) You acted in contravention of, or omitted to act in compliance with, any condition of this Policy which empowers Us to refuse to pay or reduce Our liability in respect of a claim in the event of such contravention or omission.
- (c) Notice of cancellation has effect to cancel this Policy at whatever is the earlier of the following times:
 - (i) the time when another contract of insurance between You and Us or another company, being a policy that is intended by You to replace this Policy, is entered into; or
 - (ii) 4.00 p.m. of the third business day after the day on which notice was given to You.
- (d) After cancellation by You, We will retain or be entitled to the premium for the period during which this Policy has been in force, based on Our customary short-rate scale, the details of which are available on request. After cancellation by Us, You will be entitled to a pro-rata refund of the unexpired premium.

12. Maintenance and Safety

You must at all times:

- (a) maintain the insured property in a satisfactory state of repair;
- (b) take all reasonable precautions for the safety of the insured property;
- (c) take all reasonable precautions to prevent injury, loss or damage;
- (d) comply with all laws, by-laws or statutory regulations;
- (e) comply with all safety regulations imposed by any responsible authority;
- (f) maintain the security system installed at The Situation in entire working order.

Level 7
100 Arthur Street
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PO Box 348, Milsons Point NSW 1565

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Toll Free: 1300 738 308
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