



**LANDLORD  
INSURANCE**

**PRODUCT DISCLOSURE  
STATEMENT AND POLICY  
BOOKLET (PDS)**



# Thank you for choosing SGIO.

SGIO has been insuring Australians for over 85 years. It's this experience that helps us provide you with great customer service as well as quality cover to protect the things you value.

Plus, when you need us, we provide a simpler way to make a claim, so that you're back on your feet as quickly as possible.

This booklet contains everything you need to know about your insurance policy. If you have any questions, or if there's anything we can help with, get in touch today.

 **133 233**

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# 1. Key details about your policy

This section provides key details about your policy. You should read this section first to understand how your policy works:

- ▶ Who's covered by your policy
- ▶ Your insurance cover
- ▶ Our agreement with you.

## **Words with special meaning**

Some words in this Product Disclosure Statement (PDS) have special meaning – see the Definitions on pages 63 to 65.

## Who's covered by your policy

Your policy covers:

- ▶ you – which means all the people named as 'the insured' on your current Certificate of Insurance.

### More than one person insured

If more than one person is named as the insured, then we will treat a statement, act, omission or claim by any one of those people as a statement, act, omission or claim by all of those people.

## Your insurance cover

Your policy is made up of cover for your rental property and cover for your contents.

The insurance cover we provide under your policy depends on:

- ▶ the type of insurance you choose
- ▶ the amount of insurance you choose, and
- ▶ the listed events you're covered for and any other cover that applies.

### Type of insurance

Your current Certificate of Insurance shows the type of insurance you have chosen.

Buildings and Contents Insurance	Covers your rental property, your contents and loss of rental income
Buildings Insurance	Covers your rental property and loss of rental income
Contents Insurance	Covers your contents and loss of rental income

## Sum insured

Your current Certificate of Insurance shows the amount of insurance you have under your policy as the:

- ▶ Buildings sum insured, and/or
- ▶ Contents sum insured.

Some of the 'other cover' benefits provide cover for costs or expenses which are payable as part of your sum insured. Refer to page 28 for details.

Make sure you insure your buildings and contents for their replacement value.

To help you estimate your buildings replacement value, visit our website at [sgio.com.au](http://sgio.com.au) and use our Landlord calculator.



### **Buildings sum insured**

The Buildings sum insured is the amount of insurance you choose to cover your rental property.

We insure certain types of buildings – see page 10.

### **Contents sum insured**

The Contents sum insured is the amount of insurance you choose to cover your contents.

We insure certain types of contents – see page 11.

### **Listed events**

We cover your rental property or contents when certain things happen – for example, fire, theft, storm, flood and earthquake. These are known as 'listed events'.

You can make a claim if a listed event you are covered for takes place and causes loss or damage to your rental property or contents during the policy period.

The listed events we cover under your policy are shown in Table 3.1 on page 15.

### **Other Cover**

We also cover other things which may cause loss or damage – for example loss of rent. And, we pay for other costs in certain situations – for example rebuilding fees.

The other cover we give you is shown in Table 3.2 on page 25.

### **What we pay for your rental property or contents**

Various things affect what we pay for your rental property or contents. These include:

- ▶ what causes the loss or damage – that is, was it caused by a listed event that is covered under your policy?
- ▶ the amount you have insured your rental property or contents for
- ▶ where your contents are when the loss or damage takes place, and
- ▶ any limits that apply to what we pay.

We provide more details about what we pay in Section 5.

### **Contents replacement value – new for old**

If we replace an item that is part of your contents, we will replace it with a new one. This is known as 'new for old'.

## Our agreement with you

### Your contract

Your policy is a contract between you and us and is made up of:

- ▶ your current Certificate of Insurance, and
- ▶ this Product Disclosure Statement (PDS), and
- ▶ any applicable Supplementary PDS.

### Certificate of Insurance

Your current Certificate of Insurance shows the insurance cover you have chosen under your policy. It also shows the period your policy covers – we only cover you for incidents that happen during this time.

### Exclusions and conditions

Exclusions and conditions may apply to the cover you have chosen:

- ▶ in Section 4, we set out the general exclusions that apply to your policy
- ▶ throughout this PDS, we set out any specific exclusions and conditions with the cover they apply to
- ▶ on page 37, we set out your responsibilities when you are insured with us and make a claim.

### Special conditions

We may apply special conditions on your policy that may exclude, restrict or extend cover for a person or a particular matter at the time that you purchase the policy. For example, we may not cover you for some incidents like a bushfire, storm or flood if they cause loss or damage during a specific period which is also known as an embargo period.

Your current Certificate of Insurance shows any special conditions that apply to your policy, including the period of any applicable embargo.

In addition, we may apply special conditions during your policy that limit your ability to make changes to coverage, sum insured and your policy terms.

### Paying your premium

In return for paying your premium, we provide the cover you have chosen.

You can pay your premium annually or by monthly instalments – for details about how to pay your premium and what happens if you don't pay, see Section 7.

### 21 day cooling-off period

You can tell us to cancel your policy within 21 days from when it was issued. If you choose to cancel your policy, we'll refund the premium you paid us in full (as long as you haven't made a claim on your policy).

### GST

All dollar values described in this PDS include GST, unless stated otherwise.

### Receiving your Policy documents

If we send your policy documents by email, we will send them to the email address you last gave us. Any policy documents we send to your email address will be considered to have been received by you 24 hours from when we send them.

If we send your policy documents by post, we will send them to the mailing address you last gave us.

You are responsible for making sure the email and mailing address we have for you is up-to-date. When you change your postal or email address, it's important that you tell us as soon as reasonably possible.

## 2. Buildings and contents we insure

We insure certain types of buildings and contents. We describe what we insure in:

- ▶ The buildings we insure
- ▶ The types of contents we insure
- ▶ Maximum amount we pay for some contents
- ▶ Where we insure your contents.

## The buildings we insure

Under Buildings Insurance, we insure certain types of buildings.

### Your rental property

Your rental property includes:

- ▶ domestic residential buildings at your site that can be locked up
- ▶ home improvements at your site – for example, garage, carport or in-ground pool
- ▶ fixtures or items permanently attached or fixed to your rental property – for example, carpets, light fixtures, built in wardrobes, kitchen cupboards and floating floorboards.

### Words with special meaning

Some words in this PDS have special meaning. We define key words like 'rental property', 'home improvements' and 'fixtures' see pages 63 to 65.

## Buildings we don't insure

We don't insure:

- ▶ boarding houses or hostels
- ▶ hotels or motels
- ▶ commercial buildings
- ▶ exhibition or display homes
- ▶ buildings under initial construction
- ▶ commercial farm buildings.

We will refuse a claim and cancel your policy if your rental property is or becomes any of these things.

## The types of contents we insure

### Your Contents

Items that are not permanently attached or fixed to the structure of your rental property that you:

- ▶ own, or
- ▶ are responsible for as part of a written employment contract or a hire or lease agreement.

### What are contents?

Contents are the items you leave at your rental property for your tenants' use and include:

- ▶ furniture and furnishings
- ▶ carpets
- ▶ electrical items not permanently attached to your rental property.

### Rental property under strata scheme

If your rental property is part of a strata scheme, then under Contents Insurance we also cover your fixtures that are permanently attached to your rental property.

However, we only cover these fixtures when they are not insured by the Owners Corporation.

We limit the amount we pay for some of your contents. Make sure you review the maximum amount we pay – see Table 2.1 on page 12.

### Contents we don't insure

We don't insure any of these items under Contents Insurance:

- ▶ plants, trees or shrubs growing in the ground
- ▶ animals
- ▶ computers and their equipment
- ▶ clothes and personal effects
- ▶ collections of any kind
- ▶ gold or silver items
- ▶ jewellery and watches
- ▶ money
- ▶ negotiable documents
- ▶ photographic equipment
- ▶ personal electronic devices – for example, mobile phones and PDAs
- ▶ sporting equipment
- ▶ tools of trade
- ▶ works of art
- ▶ goods kept for sale, distribution, on display, exhibition or on consignment
- ▶ stock used in any trade, business or profession
- ▶ watercraft or sailboards
- ▶ trailers, caravans, aircraft or aerial devices
- ▶ vehicles including:
  - motor vehicles
  - motorcycles
  - ride-on vehicles except for ride on lawn mowers that your tenant uses to mow the lawn.

## Maximum amount we pay for some contents

When certain items are part of your contents, we limit how much we pay for them.

For example, if a fire in your rental property damages your television that is valued at \$2,500, we will only pay you \$2,000.

**Table 2.1 – Maximum amount we pay for some contents**

This table shows the maximum amount we'll pay for some contents.

We do not limit items that are not shown here – for example your lounge or dining suite.

Items we limit	The most we pay
Lawn mowers	\$500 in total
Televisions	\$2,000 in total
Stereo and entertainment systems including game consoles	\$2,000 in total
Other electrical items excluding whitegoods	\$2,000 in total

## Where we insure your contents

One of the things that affects what we pay for your contents is where your contents are when the loss or damage takes place.

We insure your contents when they are:

- ▶ at your rental property – inside
- ▶ at your rental property – in the open air.

### At your rental property – inside

We cover your contents when they are inside your rental property.

#### Covered

- ▶ contents inside your rental property.

### At your rental property – in the open air

We cover your contents when they are in the open air at your site.

#### Covered

- ▶ contents in the open air at your site.

The most we pay is 20% of the Contents sum insured.

# 3. What you're covered for

We cover you in certain situations. We describe what you're covered for in:

- ▶ The events we cover
- ▶ Other cover – Buildings Insurance
- ▶ Liability cover – claims made against you.



## The events we cover

We cover your rental property or contents when certain things happen. These are known as 'listed events'. You can make a claim if a listed event takes place and causes loss or damage to your rental property or contents during the policy period.

In this section, we tell you what events you're covered for and any specific exclusions and conditions that apply to the event. General exclusions may also apply – see Section 4.

Also, if you don't meet your responsibilities when you make a claim you may put your claim or cover at risk – see page 37.

How we settle a claim is set out in Section 5.

**Table 3.1 – Listed events**

Listed events	Buildings Insurance	Contents Insurance
Rent default	✓	✓
Theft or attempted theft – by a tenant or their guest	✓	✓
Theft or attempted theft – by someone else	✓	✓
Vandalism or a malicious or intentional act – by a tenant or their guest	✓	✓
Vandalism or a malicious act – by someone else	✓	✓
Burn out of electric motors – fusion	✓	✓
Storm	✓	✓
Flood	✓	✓
Water and oil leaks	✓	✓
Tsunami	✓	✓
Earthquake	✓	✓
Lightning	✓	✓
Fire	✓	✓
Broken glass – buildings	✓	✗
Broken glass – contents	✗	✓
Impact damage	✓	✓
Animal damage	✓	✓
Explosion	✓	✓
Riots or civil commotion	✓	✓

## Rent default

If your tenant defaults on their rent payments during the term of the rental agreement. That is, when your tenant:

- ▶ stops paying rent, or
- ▶ leaves without giving you notice.

## Covered

- ▶ the amount of rent in default less these deductions:
  - 4 times the weekly rent amount that is shown in your written rental agreement, and
  - the rent default excess
- ▶ legal costs directly related to recovering the rent owed to you.

The most we pay for each rental agreement is \$5,000 for rent default and \$5,000 for legal costs.

For one incident, you can only claim rent default under Buildings Insurance or Contents Insurance – you can't claim under both.

## Not covered

- ▶ if we previously paid a claim under the same rental agreement for:
  - rent default
  - theft or attempted theft by a tenant or their guest, or
  - vandalism or a malicious or intentional act by a tenant or their guest
- ▶ if your tenant is behind in rent payments before your policy starts but cover will begin when the tenant has paid all:
  - rental arrears, and
  - rental payments under the rental agreement for at least four consecutive weeks.

## Conditions

- ▶ you must have a written rental agreement that states the:
  - term of the rental period, and
  - amount of rent and bond your tenant needs to pay.

The 4 weeks rent amount we deduct from your claim is designed to equal an average bond.

## Theft or attempted theft – by a tenant or their guest

If loss or damage is caused by a theft or attempted theft by a tenant or their guest.

## Covered

- ▶ theft or attempted theft by a tenant or their guest
- ▶ the loss or damage caused less:
  - 4 times the weekly rent amount that is shown in your written rental agreement.

## Not covered

- ▶ theft or attempted theft by a tenant or their guest if we previously paid a claim under the same rental agreement for:
  - rent default
  - theft or attempted theft by a tenant or their guest, or
  - vandalism or a malicious or intentional act by a tenant or their guest.

## Conditions

- ▶ you must have a written rental agreement that states the:
  - term of the rental period, and
  - amount of rent and bond your tenant needs to pay.

## **Theft or attempted theft – by someone else**

If loss or damage is caused by a theft or attempted theft by someone other than a tenant or their guest.

### **Covered**

- ▶ theft or attempted theft by someone other than a tenant or their guest.

### **Not covered**

- ▶ theft or attempted theft by:
  - someone who enters your rental property or site with your consent, or the consent of your tenant.

## **Vandalism or a malicious or intentional act – by a tenant or their guest**

If loss or damage is caused by vandalism or a malicious or intentional act by a tenant or their guest.

### **Covered**

- ▶ vandalism or a malicious act by a tenant or their guest
- ▶ intentional and deliberate damage by a tenant or their guest
- ▶ the loss or damage caused less:
  - 4 times the weekly rent amount that is shown in your written rental agreement.

### **Not covered**

- ▶ vandalism or a malicious or intentional act by a tenant or their guest if we previously paid a claim under the same rental agreement for:
  - rent default
  - theft or attempted theft by a tenant or their guest, or
  - vandalism or a malicious or intentional act by a tenant or their guest.

### **Conditions**

- ▶ you must have a written rental agreement that states the:
  - term of the rental period, and
  - amount of rent and bond your tenant needs to pay.

### **Vandalism or a malicious act – by someone else**

If loss or damage is caused by vandalism or a malicious act by someone other than a tenant or their guest.

#### **Covered**

- ▶ vandalism or a malicious act by someone other than a tenant or their guest.

#### **Not covered**

- ▶ if the vandalism or malicious act is committed by:
  - someone who enters your rental property or site with your consent, or the consent of your tenant.

### **Burn out of electric motors – fusion**

If an electric motor burns out at your rental property.

We cover your electric motors for up to 15 years from when they were made.

#### **Covered under Buildings Insurance**

- ▶ an electric motor that burns out and is part of your rental property – for example, in a ducted air conditioning unit
- ▶ costs for the service call, parts and labour charges.

#### **Covered under Contents Insurance**

- ▶ an electric motor that burns out and is part of your contents – for example, in a washing machine or fridge
- ▶ costs for the service call, parts and labour charges.

#### **Not covered**

- ▶ any damage caused to an electric motor that is covered by a warranty
- ▶ an electric motor that:
  - is used for a business, trade or profession, or
  - you don't keep at the site
- ▶ we don't pay to remove or re-install submerged or underground motors.

## Storm

If loss or damage is caused by a storm.

For example, hail damages your roof.

### Covered

- ▶ violent wind, cyclone or tornado
- ▶ rain, thunderstorm, hail or snow
- ▶ landslide or subsidence that happens immediately as a result of a storm
- ▶ sudden, excessive run-off of water as a direct result of a storm in your local area.

### Not covered

- ▶ loss or damage to:
  - retaining walls
  - gates, fences or free-standing walls if the damage occurred because they are not structurally sound or well-maintained
  - pontoons, jetties or bridges
  - gravel driveways
  - swimming pool/spa covers that are more than 5 years old
- ▶ loss or damage caused by water which enters your rental property through any tarpaulins or fixings set up while you're renovating or altering your rental property
- ▶ loss or damage caused by actions of the sea, unless the loss or damage is the result of:
  - storm surge that happens at the same time as a storm has caused damage to your rental property or contents.

Storm surge is the increase in sea level that usually happens when there is an intense storm or cyclone.

## Flood

If loss or damage is caused by flood.

For example, damage is caused when heavy or sustained rainfall upriver causes a river or creek near you to overflow.

### Covered

- ▶ flood
- ▶ landslide or subsidence that happens immediately as a direct result of a flood. '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.

### Not covered

- ▶ loss or damage to:
  - retaining walls
  - gates, fences or free-standing walls if the damage occurred because they are not structurally sound or well-maintained
  - pontoons, jetties or bridges
  - gravel driveways
  - swimming pool/spa covers that are more than 5 years old
- ▶ loss or damage caused by actions of the sea, unless the loss or damage is the result of:
  - storm surge that happens at the same time as a flood has caused damage to your rental property or contents.

Storm surge is the increase in sea level that usually happens when there is an intense storm or cyclone.

### Water and oil leaks

If loss or damage is caused by water or oil leaking or escaping from an item shown here.

#### Covered

- ▶ water leaking or escaping from:
  - house gutters, drainpipes or pipes
  - sanitary fixtures – for example, baths or toilets
  - appliances – for example, washing machines or dishwashers
  - waterbeds
  - aquariums
  - water tanks
  - swimming pools
- ▶ oil leaking from a fixed heating system or sealed portable heater
- ▶ costs to locate the cause of damage (if we agree to pay these costs before you make any arrangements).

### Not covered

- ▶ water leaking or escaping from a shower recess or shower base
- ▶ costs to repair or replace the item that the water or oil leaked or escaped from
- ▶ loss or damage caused by storm surge.

## Tsunami

If loss or damage is caused by tsunami.

### Covered

- ▶ tsunami.

## Earthquake

If loss or damage is caused by an earthquake.

### Covered

- ▶ earthquake
- ▶ landslide or subsidence that happens immediately as a result of an earthquake.

## Lightning

If loss or damage is caused by lightning.

### Covered

- ▶ lightning
- ▶ power surge only as a result of lightning.

## Fire

If loss or damage is caused by a fire.

### Covered

- ▶ fire
- ▶ bushfire.

### Not covered

- ▶ if the fire was started with the intention to cause damage by:
  - you, or
  - someone who enters your rental property or site with your consent (this does not include a tenant or their guest)
- ▶ damage which results from scorching or melting when your rental property or contents did not catch fire.

## Broken glass – buildings

If any item shown here is unintentionally broken and has a fracture that extends through its entire thickness.

### Covered under Building Insurance

- ▶ glass panels in fixtures
- ▶ cooktop or oven door
- ▶ vitreous china or acrylic or fibreglass fixed shower base, bath, spa bath, basin, sink, toilet, bidet or sanitary fixtures
- ▶ the reasonable cost to reconnect any electrical components to the item.

### Not covered

- ▶ an item that broke because heat was directly applied to it
- ▶ glass in a greenhouse or glasshouse
- ▶ water or sewerage pipes
- ▶ any damage caused by the broken item.

## Broken glass – contents

If fixed glass in an item shown here is unintentionally broken and has a fracture that extends through its entire thickness.

### Covered under Contents Insurance

- ▶ fixed glass in:
  - your furniture, including outdoor furniture
  - a light fitting
  - a mirror or picture
- ▶ damage that is also caused to the frame of a broken mirror or picture
- ▶ the reasonable cost to reconnect any electrical components to the item.

### Not covered

- ▶ glass that is in a TV or radio
- ▶ any damage caused by the broken item.

## Impact damage

If loss or damage is caused by an item shown here.

### Covered under Buildings Insurance and Contents Insurance

- ▶ loss or damage caused by the impact of:
  - external aerials, masts, flagpoles or satellite dishes
  - aircrafts, vehicles or watercrafts
  - debris from space, aircrafts, rockets or satellites
  - trees or branches.

### Covered under Buildings Insurance

- ▶ if a tree on your site causes loss or damage to your rental property and a qualified expert agrees it needs to be removed, then we pay the costs:
  - cut down and remove the tree
  - treat the stump so it doesn't grow.

### Not covered

- ▶ loss or damage caused by tree cutting, lopping or felling on your site
- ▶ costs to remove the stump
- ▶ costs to cut down or remove a tree if it didn't cause any damage to your rental property or contents.

## Animal damage

If loss or damage is caused by an animal not kept at your site.

### Covered

- ▶ loss or damage caused by animals not kept at your site.

### Not covered

- ▶ loss or damage caused by:
  - vermin and insects
  - birds pecking, scratching or biting.



## Explosion

If loss or damage is caused by an explosion and there is physical evidence of the explosion.

### Covered

- ▶ explosion
- ▶ landslide or subsidence that happens immediately as a result of an explosion.

### Not covered

- ▶ the item that exploded.

## Riots or civil commotion

If loss or damage is caused by a riot or civil commotion.

### Covered

- ▶ riot, civil commotion, industrial or political disturbance.

## Other cover – Buildings Insurance

We may also provide 'other cover' for your rental property during the policy period.

Table 3.2 shows the other cover we give you and the type of policy the cover applies to.

In this section, we outline any specific exclusions and conditions that apply to the 'other cover'.

General exclusions may also apply – see Section 4.

Also, if you don't meet your responsibilities when you make a claim you may put your claim or cover at risk – see page 37.

How we settle a claim is set out in Section 5.

### When you can claim for other cover

In most cases, you can make a claim for other cover when a listed event causes loss or damage to your rental property and we agree to pay for that loss or damage.

### Other cover and your sum insured

Your Buildings sum insured is the most we'll pay for your buildings when you make a claim.

For these 'other cover' benefits we'll pay the cover amount on top of your sum insured:

- ▶ Loss of rent during repairs, and
- ▶ Mortgagee discharge costs.

The amount for all the remaining 'other cover' benefits are included in your sum insured.

**Table 3.2 – Other cover**

Other cover	Buildings Insurance	Contents Insurance
Furniture and furnishings – non strata scheme	✓	×
Loss of rent during repairs	✓	×
Building materials	✓	×
Keys and locks	✓	×
Demolishing and removing debris	✓	×
Locating the cause of damage	✓	×
Rebuilding fees	✓	×
Meeting building regulations	✓	×
Mortgagee discharge costs	✓	×

## Furniture and furnishings – non strata scheme

If your rental property is not under a strata or similar scheme and a listed event causes loss or damage to the items shown here.

### Covered under Buildings Insurance

- ▶ your furniture, furnishings or carpets in your rental property for tenants' use.

Any amount payable for this cover is included in your Buildings sum insured.

The most we pay is 10% of the Buildings sum insured.

### Not covered

- ▶ loss or damage caused intentionally by:
  - you, or
  - someone (other than your tenant) enters your rental property or site with your consent
- ▶ electrical items – for example, TVs and stereos (we don't classify them as furniture).

## Loss of rent during repairs

If a listed event causes loss or damage to your rental property and we agree your tenants are unable to live in your rental property and need to move out while it is being repaired or rebuilt.

### Covered under Buildings Insurance

- ▶ the rent you lose during the reasonable time it should take to repair or rebuild your rental property.

We pay the rent you lose for the reasonable time we agree it should take to repair or rebuild your rental property for up to 12 months from when the listed event took place.

We pay this on top of the Buildings sum insured.

### Not covered

- ▶ loss of rent during any time you live in the building
- ▶ if you also make a claim for rent default and we pay your claim
- ▶ loss of rent as a direct result of a claim under these listed events:
  - theft or attempted theft by a tenant or their guest, or
  - vandalism or a malicious or intentional act by a tenant or their guest.

## Conditions

- ▶ you must have a rental agreement that states the:
  - term of the rental period, and
  - amount of rent and bond your tenant needs to pay.

## Building materials

If you're renovating or altering your rental property and a listed event causes loss or damage to your building materials at your site.

### Covered under Buildings Insurance

- ▶ building materials – for example, bricks, tiles or timber
- ▶ items that are due to be fitted to your rental property – for example an oven or dishwasher.

The most we pay for these items is up to \$1,000.

Any amount payable for this cover is included in your Buildings sum insured.

### Not covered

- ▶ sand, gravel or soil (we don't classify them as building materials).

## Keys and locks

If a key for an external lock to your rental property is stolen during a theft at your site and we have agreed to pay your claim for theft.

### Covered under Buildings Insurance

- ▶ up to \$800 to replace the key to your rental property and the lock barrels it operates.

Any amount payable for this cover is included in your Buildings sum insured.

### Not covered

- ▶ if we previously paid a claim under the same rental agreement for:
  - rent default
  - theft or attempted theft by a tenant or their guest, or
  - vandalism or a malicious or intentional act by a tenant or their guest
- ▶ when keys are the only things that are stolen during a theft.

## Demolishing and removing debris

If a listed event causes loss or damage to your rental property and we agree you need to demolish part or all of your rental property or remove any debris.

### Covered under Buildings Insurance

- ▶ costs to demolish and remove debris
- ▶ costs to make your site safe – for example, the costs to install a temporary fence around the damaged area.

Any amount payable for this cover is included in your Buildings sum insured.

### Conditions

- ▶ we must agree to pay the costs before you make any arrangements.

## Locating the cause of damage

If a listed event causes loss or damage to your rental property and you need to confirm that it was caused by a listed event.

### Covered under Buildings Insurance

- ▶ the reasonable costs you have paid to find the cause of damage if the loss or damage was caused by a listed event.

Any amount payable for this cover is included in your Buildings sum insured.

### Conditions

- ▶ the costs must relate directly to the part of your rental property that suffered the loss or damage
- ▶ we must agree to pay the costs before you make any arrangements.

## Rebuilding fees

If a listed event causes loss or damage to your rental property and you need to pay certain fees to repair or rebuild your rental property.

### Covered under Buildings Insurance

- ▶ the reasonable fees for architects, engineers or surveyors
- ▶ any fees we agree you need to pay to meet the requirements of a statutory authority to repair or rebuild your rental property after the loss or damage covered by the policy occurs.

Any amount payable for this cover is included in your Buildings sum insured.

### Not covered

- ▶ fees to rebuild any part of your rental property which was an illegal construction
- ▶ if a statutory authority served a notice on you before the listed event took place but we will pay any increase in these fees caused by the listed event.

### Conditions

- ▶ we must agree to pay the rebuilding fees before you make any arrangements.

## Meeting building regulations

If a listed event causes loss or damage to your rental property and you need to meet current building regulations to repair or rebuild the part of your rental property that was damaged.

### Covered under Buildings Insurance

- ▶ the costs to meet current building regulations to repair or rebuild the part of your rental property that was damaged.

Any amount payable for this cover is included in your Buildings sum insured.

### Not covered

- ▶ costs to meet building regulations:
  - that were already in place when your rental property was built, renovated or altered
  - for undamaged parts of your rental property – for example, installing insulation in ceilings that were not damaged.

### Conditions

- ▶ we must agree to pay the costs before you make any arrangements.

## **Mortgagee discharge costs**

If we agree to pay the Buildings sum insured and you need to discharge any mortgage over your rental property.

### **Covered under Buildings Insurance**

- ▶ the administrative costs to discharge any mortgage over your rental property.

We pay these costs on top of the Buildings sum insured.

## Liability cover – claims made against you

Your policy provides cover for claims that are made against you. This is known as liability cover.

In this section, we describe the liability cover you have under your policy. We also outline the exclusions and conditions that apply to this cover.

General exclusions also apply to liability cover – see Section 4.

Also, if you don't meet your responsibilities when you make a claim you may put your claim or cover at risk – see page 37.

### What is liability cover?

Liability cover protects you for claims that may be made against you for an incident which causes:

- ▶ death or bodily injury to someone else, or
- ▶ loss or damage to someone else's property.

The most we pay for any one incident is \$20 million under Buildings Insurance and \$20 million under Contents Insurance. This includes legal costs when our lawyers handle the claim.

### What we cover

#### Covered under Buildings Insurance

We cover your legal liability for:

- ▶ death or bodily injury to someone else, or
- ▶ loss or damage to someone else's property

in an incident that takes place in your rental property or at the site for which you are responsible as owner of the rental property or site.

For example, you may be liable if your tenant is injured at the rental property.

#### Covered under Contents Insurance

If your rental property is under a strata or similar scheme, we cover your legal liability for:

- ▶ death or bodily injury to someone else, or
- ▶ loss or damage to someone else's property

in an incident that takes place in your rental property or at the site for which you are responsible as an owner.

For example, you may be liable if your tenant's visitor is injured in a car park that you own.



## When we provide liability cover

To be entitled to liability cover:

- ▶ the claim must result from an incident which takes place during the policy period
- ▶ someone must make a claim against you for the incident
- ▶ you must lodge a claim with us for liability cover.

## When you lodge a claim with us

When a claim is lodged with us, if you are entitled to liability cover, we will:

- ▶ act for you or arrange for a lawyer to represent you
- ▶ attempt to resolve the claim if we consider that you are liable for the incident
- ▶ defend the claim in a court or tribunal if we consider that you are not liable for the incident.

We can decide whether to defend or resolve a claim and how much to pay to resolve a claim.

We provide an example of how we calculate claims under liability cover – see page 52.

## Liability cover – what we don't cover

It's important for you to read these specific exclusions and conditions that apply to the liability cover we provide under your policy.

### Death or bodily injury

We don't cover death or bodily injury to you.

### Loss or damage to property

We don't cover loss or damage:

- ▶ to property that you own or have in your custody, control or possession
- ▶ to property that is owned by any person employed by you under a contract of service.

### Other liability exclusions

We will not cover:

- ▶ the legal liability of you in connection with any house, land or other property that you own, or have owned in the past, other than your rental property or your site shown on your current Certificate of Insurance.
- ▶ any exemplary or punitive damages, fines or penalties claimed, ordered or awarded against you
- ▶ fines or court costs if you are charged or convicted under a law.

We will not cover you if liability arises or results from:

- ▶ an incident that occurs outside the site
- ▶ you agreeing to accept liability for the claim
- ▶ death or bodily injury to any person employed by you under a contract of service
- ▶ any act or omission by you, or a person acting with your consent, which shows a reckless disregard for the consequences of that act or omission
- ▶ a deliberate and unlawful act by you, or a person acting with your consent
- ▶ any business, trade or profession other than the renting of your rental property for domestic use
- ▶ any professional sporting activity
- ▶ the transmission of a disease by you
- ▶ using or owning a vehicle, aircraft or watercraft
- ▶ landslide or subsidence
- ▶ your rental property or the site being used for farming
- ▶ asbestos, whether directly or indirectly
- ▶ removing, containing, stopping or cleaning up pollution
- ▶ building work to your rental property or on the site, or at any other house, land or property that you owned or occupied in the past, which costs or cost more than \$50,000
- ▶ an incident caused by an animal.

# 4. General exclusions that apply to your policy

There are certain situations when we won't provide cover under your policy. This section outlines the general exclusions that apply to all cover we provide under your policy. This includes liability cover, unless we say it doesn't.

## **Other exclusions and conditions**

There are specific exclusions, conditions and limits that apply to some parts of your cover. These are described throughout this PDS with the information they relate to.

The specific exclusions that apply to your liability cover are shown on pages 31 to 32.

Your responsibilities when you are insured with us and make a claim are shown on page 37. You may put your insurance claim or cover at risk if you do not meet your obligations to us.

## Exclusions for all cover

These exclusions apply to all cover under your policy.

### What we don't cover

Loss, damage, injury or death arising from:

- ▶ tenant neglect, carelessness, poor housekeeping, or unhygienic living habits
- ▶ rust, corrosion, gradual deterioration, depreciation, wear or tear
- ▶ erosion, deterioration, collapse, shrinkage or any other earth movement
- ▶ actions of the sea, unless the loss or damage is the result of:
  - storm surge that happens at the same time as a storm or flood has caused damage to your rental property or contents
- actions of the sea includes:
  - high tides or king tides
  - sea waves
  - normal movement or changes in ocean levels
  - storm surge
- ▶ landslide or subsidence unless it happens immediately as a result of:
  - an earthquake or explosion
  - a storm or flood
- ▶ atmospheric conditions or extreme temperature

- ▶ mould unless arising from loss or damage covered by a listed event
- ▶ vermin or insects
- ▶ birds pecking, scratching or biting
- ▶ tree lopping or felling on your site
- ▶ tree roots
- ▶ radioactivity, or the use or escape of any nuclear fuel, material or waste
- ▶ the lawful seizure, confiscation, nationalisation, or requisition of your rental property, contents or anything else covered by this policy
- ▶ any war – whether it is formally declared or not – or hostilities or rebellion
- ▶ pollutants or contaminants that discharge or escape
- ▶ any act of terrorism that involves any biological, chemical, or nuclear pollution, contamination or explosion
- ▶ any intentional act or omission by:
  - you
  - someone who acts with your consent
- ▶ hydrostatic pressure including loss or damage to swimming pools or similar structures
- ▶ any illegal activity you are involved in.

### What we don't cover:

- ▶ mechanical, structural or electrical failure of an item
- ▶ costs arising from any business interruption
- ▶ the cost of reinstalling or replacing electronically stored files
- ▶ the intellectual or sentimental value of an item
- ▶ the settling, shrinkage or expansion in buildings, foundations, walls or pavements
- ▶ items owned by you that are in storage at the site
- ▶ claims arising from incidents that occur outside the policy period
- ▶ loss or damage to buildings or contents that are:
  - covered by an insurance policy taken out by an owners' corporation or similar body, or
  - part of common property
- ▶ financial loss or cost arising from:
  - you breaching the rental agreement or breaching tenancy laws, or
  - an incident involving your tenant where there is no rental agreement
- ▶ compensation for distress, inconvenience or other non financial loss, except if covered under liability cover.

## **Maintaining and occupying your rental property**

We don't cover loss, damage, injury or death arising from:

- ▶ you not maintaining your rental property in good repair and condition. This means it must be watertight, structurally sound, secure and well maintained
- ▶ you not maintaining your site in good repair and condition
- ▶ you leaving your rental property unoccupied for 30 consecutive days or more and not maintaining it in a lived-in state by:
  - keeping lawns mowed and gardens tidy
  - stopping regular mail and newspaper deliveries, and
  - organising someone to check inside and outside it at least once a week
- ▶ faulty design or workmanship
- ▶ you illegally keeping explosives, flammable or combustible substances or liquids in your rental property or at the site
- ▶ maintenance operations
- ▶ repairs or attempted repairs carried out by the tenant or anyone acting on their behalf
- ▶ you not taking reasonable care to protect your rental property or contents against loss or damage
- ▶ previous damage that has not been repaired.

# 5. Claims and what we pay

This section provides information about our claims process and what we pay when you make a claim:

- ▶ What happens when you make a claim
- ▶ Working out what we pay for your claim
- ▶ What we pay for – Buildings Insurance
- ▶ What we pay for – Contents Insurance
- ▶ How we settle certain things
- ▶ Businesses registered for GST
- ▶ Recovery actions
- ▶ How we pay claims – some examples.

When you need to make a claim, we want to help you as much as we can.

We're available 24 hours a day, 7 days a week on 133 233 or visit our website [sgio.com.au](http://sgio.com.au).

## What happens when you make a claim

When you make a claim, we will:

- ▶ ask you some questions over the phone
- ▶ tell you if you need to pay any excess and how to pay it.

We may organise help through our preferred repairers and suppliers.

### Your responsibilities

When you make a claim, you have certain responsibilities. These responsibilities also apply to any person that is covered by your policy.

If you don't meet these responsibilities, we may not pay a claim in full, or we may decide not to pay it at all.

The course of action we take when you fail to meet your responsibilities will be considered in each circumstance based on what impact or effect your failure caused or contributed to the claim or our decision to issue your policy.

### Settle claims and make admissions

You must not:

- ▶ attempt to settle a claim that is made against you without our permission, or
- ▶ make any admissions to anyone about any incident covered by your policy
- ▶ limit by agreement our rights to recover money from someone else.

### Co-operate

You must:

- ▶ be truthful and frank in any statement you make to us
- ▶ not behave in a way that is improper, hostile, threatening, abusive or dangerous
- ▶ co-operate fully with us, so we can reasonably manage your claim, even if we have already paid your claim which includes:
  - providing us with all the relevant information, documents and help we need to deal with your claim – for example, bank, statements or phone records
  - if we request information or documents that are relevant to your claim, we will provide an explanation as to why it is needed
  - as soon as reasonably possible sending us any communications that you receive about any incident – for example, emails, letters, notices or court documents

- being interviewed by us or our representatives
- attending court to give evidence
- giving us reasonable access to your rental property for a repairer or other specialist so they can assess any damage to your rental property and contents.

### Prevent further loss or damage

You must:

- ▶ do everything reasonable to prevent further loss or damage to your rental property or contents
- ▶ take all reasonable steps that are available to relet your property, and/or legally terminate the rental agreement and evict your tenant when you become aware that your tenant's behaviour may cause you to make a claim under:
  - rent default
  - theft or attempted theft – by a tenant or their guest
  - vandalism or a malicious or intentional act – by a tenant or their guest.

### **ABN and input tax credit claimed**

If you are a business registered or required to be registered for GST purposes, then you must provide us with:

- ▶ your Australian Business Number (ABN), and
- ▶ the percentage of any input tax credit you have claimed or are entitled to claim on the premium you paid.

### **Proof of tenancy, loss and ownership**

When you make a claim, we may ask you to provide certain documents, to provide proof of loss, ownership and tenancy. This may include providing the following information:

- ▶ a rental agreement
- ▶ rent ledger or receipts
- ▶ property inspection reports
- ▶ copies of the notices issued to the tenant about the termination of the rental agreement
- ▶ proof of ownership for any item that is part of your claim
- ▶ receipts, valuations or model and serial numbers
- ▶ proof of the value of any item that is part of your claim.

We may compare information you provide to us with a range of other sources – for example websites, such as auction or sale websites.

### **Report to the Police**

You must:

- ▶ as soon as reasonably possible report to the Police any theft, attempted theft, or vandalism or malicious act, and
- ▶ give us any incident report number they give you.

### **Appointing of others**

You must not assign any benefits, rights or obligations under your policy unless you get our written consent first.

If you want to appoint someone to manage your claim, then you need to tell us and we need to agree that we will deal with them on your behalf. You can usually appoint someone like a family member.

We will not unreasonably withhold our consent to an appointment. However, we may have a concern with a party that may present a conflict of interest. For example, someone who supplies goods or services for your claim.

### **Inspections and quotes**

If we ask you, you must:

- ▶ let us or our representative inspect your rental property or contents at a reasonable time
- ▶ allow us to obtain quotations from any repairer or supplier.



## Excesses

An excess is the amount you contribute towards the cost of your claim.

There are 4 types of excesses:

- ▶ basic
- ▶ earthquake
- ▶ rent default, and
- ▶ special.

The type of excess you need to pay depends on what your claim relates to. Also, you may need to pay more than one excess.

Your current Certificate of Insurance shows the types of excesses that apply to your policy.

## Paying your excess

When you make a claim, an excess may apply. If so, we will:

- ▶ deduct the excess from any claim payment, or
- ▶ request you pay the excess to us or, to the repairer or supplier.

If we request you pay the excess, we will tell you who to pay and may require payment as part of the finalisation of your claim.

If you want more details about excesses and how we calculate them, then see our SGIO Landlord Insurance Premium, Excess, Discounts and Benefits Guide.

You can get a copy by visiting [sgio.com.au/help-information/policy-booklets](http://sgio.com.au/help-information/policy-booklets) or by calling us on 133 233.

## When an excess does not apply

You don't need to pay an excess for a liability claim.

## Working out what we pay for your claim

We follow these steps to work out what to pay for your claim. These steps don't apply to liability claims.

### Step 1

#### Type of insurance

Do you have:

- ▶ Buildings and Contents Insurance?
- ▶ Buildings Insurance?
- ▶ Contents Insurance?

### Step 2

#### Your rental property and contents

- ▶ do we insure the things that suffered the loss or damage? – pages 10 and 11

### Step 3

#### The incident

- ▶ is it a listed event? – pages 15 to 23
- ▶ is it covered under 'other cover'? – pages 24 to 29

### Step 4

#### Exclusions and conditions

Is your claim affected by:

- ▶ any general exclusions? – pages 34 and 35
- ▶ any specific exclusions and conditions shown throughout this PDS?
- ▶ not meeting your responsibilities? – page 37

### Step 5

#### Sum insured

How much is:

- ▶ your Buildings sum insured? – page 7
- ▶ your Contents sum insured? – page 7

### Step 6

#### Limits to cover

- ▶ do maximum limits apply to your contents? – page 12
- ▶ do we limit cover based on the location of your contents? – page 13
- ▶ do other limits apply?

### Step 7

#### Excess

- ▶ what type of excess applies to your claim? – page 39
- ▶ how much is your excess?

## What we pay for – Buildings Insurance

If we agree to cover your claim under Buildings Insurance, then we will:

- ▶ pay the cost to repair or rebuild the part of your rental property that was damaged (whichever is lower)
- ▶ pay for any extra costs we cover under 'other cover' – see below.

### The most we pay

The most we pay for your rental property is the Buildings sum insured.

### Other cover

We may also pay some costs on top of the Buildings sum insured under 'other cover' for:

- ▶ Loss of rent during repairs – see page 26
- ▶ Mortgagee discharge costs – see page 29.

## How we settle your buildings claim

We will choose to settle your claim for loss or damage to your rental property or 'other cover' in one of the following ways. Our choice will have regard to the circumstances of your claim and consider any preference you may have.

### 1. Arrange for repairers, builders and suppliers to repair or rebuild your rental property.

If you agree, we can arrange for our preferred repairers, suppliers or builders to repair or rebuild your rental property. We may enter into any contract with the selected repairer, builder and/or supplier on your behalf.

### 2. Pay you the reasonable cost to repair or rebuild your rental property.

We can choose to:

- ▶ pay you
- ▶ pay your nominated repairer, supplier or builder, or
- ▶ provide you with store credits from one of our nominated suppliers.

For example, we may pay you directly when:

- ▶ you decide not to repair or rebuild your rental property, or

- ▶ you don't start repairing or rebuilding your rental property within 6 months from when the damage takes place, or within any longer period we agreed to in writing.

### How we calculate the amount if we choose to pay you

If your building is repairable, in some circumstances we will choose to settle your claim by deciding to pay you. We will pay you the reasonable costs of what it would cost us provided that cost is available to or actionable by you.

### What are some examples of when we do this?

- ▶ when you decide not to repair or rebuild your rental property
- ▶ if you don't start repairing or rebuilding your rental property within 6 months of the loss or damage, or within any longer period we agree to in writing
- ▶ if not all the damage to your rental property building is covered by this policy – you can find examples of these under 'Not covered' or 'General exclusions for all cover' and 'Your responsibilities' in this policy
- ▶ your rental property building may have had some damage that existed prior to the event you are claiming for

- ▶ your rental property building cannot be repaired until other work that is required to be done by you is completed, or
- ▶ when it is the only way to settle your claim.

### Calculation of the amount

- ▶ we may ask you to obtain a quote or we will obtain a quote for the repairs from our builder or repairer
- ▶ if we obtain the quote, we will provide you with details of the work that has been included:
  - this will be detailed in the quote or
  - for larger claims we may include a scope of works
- ▶ we will confirm that the builder who has provided the quote is prepared to undertake the work – provided you have completed any work that is required to be done by you first.

The amount we will pay you will not be more than the Buildings sum insured.

We will use this method to calculate your settlement provided we have not chosen to settle your claim under '3. Pay you the Buildings sums insured'.

### 3. Pay you the Buildings sum insured

We may do this when we consider your rental property to be a total loss or when we choose to do so.

If we pay you the Buildings sum insured, then your policy ends and you don't get a refund of your premium.

We will continue your liability cover (see pages 30 to 32) for up to 6 months from when the listed event took place. However, liability cover will end during this period if:

- ▶ construction starts at your site, or
- ▶ you sell the land, or
- ▶ you take out a new Buildings Insurance policy for your site.

### 4. Paying for other cover

If we agree to pay you for 'other cover', then we will choose the method of settlement.

We provide examples of how we calculate claims under Buildings Insurance – see pages 47 to 49.

### Lifetime guarantee

We provide a 'lifetime guarantee' when your rental property is repaired or rebuilt by one of our preferred repairers or builders.

This means:

- ▶ we guarantee the workmanship of repairs that we authorised for the lifetime of your rental property
- ▶ we will fix any defect caused by poor workmanship.

We will decide on what needs to be done to fix any defect.

### When you're not covered by this guarantee

This guarantee does not apply to:

- ▶ repairs you authorised yourself
- ▶ loss, damage or failure of any electrical or mechanical appliance or machine
- ▶ wear and tear that is consistent with normal gradual deterioration of your rental property.

## Credit provider's rights

You may have used all or part of your rental property as security for a loan with a credit provider. Your credit provider may be a bank, credit union or other type of lender.

When you have Buildings Insurance, we note any credit provider you tell us about on your current Certificate of Insurance.

When you have noted a credit provider:

- ▶ we treat the rental property as being under mortgage
- ▶ we treat any statement, act, omission or claim by you as a statement, act, omission or claim by the credit provider
- ▶ we may recover any payment either in your name or the credit provider's name.

When you have Contents Insurance, we don't note any credit provider on your current Certificate of Insurance. But, you need to give us their name when you make a claim for a contents item.

## Payments to the credit provider

We may decide to pay you cash for a claim on your mortgaged property. If so, we will first pay the credit provider the lowest of these amounts after deducting any excess and unpaid premium:

- ▶ the Buildings sum insured, or
- ▶ the reasonable cost of repairing or replacing your rental property, or
- ▶ the balance then owing to the credit provider under the mortgage.

However, we will only pay the credit provider if:

- ▶ they are noted on your current Certificate of Insurance, and
- ▶ they give us any help we ask for.

If we make a payment to a credit provider, then the payment discharges our obligation to you under your policy for the amount paid.

## What we pay for – Contents Insurance

If we agree to cover your claim under Contents Insurance, then we will:

- ▶ pay the cost to repair or replace your contents (whichever is lower).

### The most we pay

The most we pay is the Contents sum insured.

## How we settle your contents claim

If we agree to cover your claim under Contents Insurance, then we can choose to pay your claim through any of these ways:

- ▶ repair an item, or
- ▶ replace an item with the same or similar type and quality, or
- ▶ pay you the reasonable cost of what it would cost us to repair or replace the item provided the cost is available to and actionable by you, or
- ▶ provide you with store credits to replace an item from one of our nominated suppliers, or
- ▶ pay you the sum insured or provide you with store credits from one of our nominated suppliers to the value of the sum insured.

Our choice will have regard to the circumstances of your claim and consider any preference you may have.

### Conditions

- ▶ we can nominate the repairer or supplier and claims settlement method
- ▶ we may enter into any contract with the repairer or supplier on your behalf.

## How we calculate the amount if we choose to pay you

In some circumstances we will choose to settle your claim by deciding to pay you. We will pay you the reasonable costs of what it would cost us to repair or replace the items provided the cost is available to or actionable by you.

### What are some examples of when we do this?

This may occur when the settlement types under 'How we will settle your contents claim'.

### Calculation of the amount

If we choose to settle your contents claim by paying you the reasonable cost to repair or replace the items, we will calculate this amount in the following way.

If it is based on the cost to replace the item included as part of your claim:

- ▶ we will agree with you the appropriate replacement item to settle your claim
- ▶ we may ask you to obtain a quote or we will obtain a quote from our supplier to replace the item and supply it to you
- ▶ we will use the quoted amount as the basis of the settlement.

The amount we pay you will not be more than the Contents sum insured.

If it was based on the cost to repair the item included as part of your claim:

- ▶ we will agree with you the repairs covered by your policy that are required to settle your claim
- ▶ we may ask you to obtain a quote or we will obtain a quote from our supplier or repairer to repair the item for you
- ▶ the quote will include the details of the repairs required
- ▶ we will use the quoted amount as the basis of the settlement.

The amount we pay you will not be more than the Contents sum insured.

## **What happens after we pay the Contents sum insured**

If we pay the Contents sum insured, then:

- ▶ your contents cover ends and you don't get a refund of any premium.

We provide examples of how we calculate claims under Contents Insurance – see pages 47 to 49.

## How we settle certain things

When we pay your claim, we settle certain things in line with the information shown in this section.

### Deducting '4 times weekly rent' amount

When an incident takes place, you may need to make a claim under more than one of these listed events at the same time:

- ▶ rent default
- ▶ theft or attempted theft – by a tenant or their guest
- ▶ vandalism or a malicious or intentional act – by a tenant or their guest.

When we settle your claim, we will only deduct the '4 times weekly rent' amount once.

### Rent default

If we agree to pay your claim for rent default we pay you direct.

For how we calculate your claim – see page 16. We also provide a rent default claims example – see page 51.

### Matching materials

#### Under Buildings Insurance

- ▶ we only repair the damaged parts of your rental property. We don't pay for materials to match the undamaged parts of your rental property to create a uniform appearance.
- ▶ in the event of repairs, we will make a fair and reasonable attempt to match the repairs to undamaged areas, using the closest match available.

If you are not satisfied with the closest match, you are able to:

- ▶ pay the extra cost of repairing undamaged areas to achieve a matching appearance, or
- ▶ we will pay you what it would have cost us to repair the damaged area.



## Carpet, vinyl, tiles or floorboards

### Under Buildings Insurance and Contents Insurance

- ▶ we only repair or replace the carpet, vinyl, tiles or floorboards in the part of your rental property that was damaged
- ▶ we don't pay for any adjoining rooms, or your entire rental property.

## Pairs or sets

### Under Contents Insurance

- ▶ if there is loss or damage to a pair or set, then we only cover the part that was affected.

Where it is not possible to repair or replace the damaged part and this will impact the mechanical or electronic operation of the entire pair or set, we will:

- ▶ replace the entire pair or set, or
- ▶ pay you the value of the damaged pair or set.

## Damaged or recovered property

### Under Buildings Insurance and Contents Insurance

If we settle your claim:

- ▶ for damaged property, or
- ▶ for lost or stolen property and it is subsequently recovered then it becomes our property, unless we let you keep it.

If we let you keep the property, then:

- ▶ you are free to do whatever you like with it, and
- ▶ you are responsible for it and can't abandon it to us.

## Businesses registered for GST

Before we make a payment, we deduct an amount equal to your input tax credit entitlement. This applies to any amount we pay, including where we state that an amount will include GST.

Any payment we make to settle your claim will be considered to be made in full even if we have reduced the amount we pay as described above.

## Recovery actions

You agree that the following provisions, which appear under the headings **Recovery action by us** and **Recovery action by you**, apply where we cover you under the policy for some or all of the loss or damage you suffer in connection with an incident.

### Recovery action by us

You agree we may, if we choose to, take steps to recover from someone else we consider responsible for the incident:

- ▶ some or all of the loss or damage we cover; and/or
- ▶ some or all of the loss or damage which we do not cover, whether or not it is covered by another insurer or you do not have cover for it.

You agree we may take such recovery action:

- ▶ without your consent;
- ▶ using your name; and
- ▶ whether or not you have been, or have a right to be, fully compensated for all of your loss or damage by us or anybody else.

Examples of recovery action we may take include:

- ▶ conducting legal proceedings using your name, including as an applicant or plaintiff in representative or group proceedings (commonly known as class actions);
- ▶ conducting legal proceedings on your behalf as a member of representative or group proceedings;
- ▶ taking over the conduct of legal proceedings started by you or on your behalf, including as an applicant or plaintiff in representative or group proceedings;
- ▶ exercising any statutory or contractual rights, including rights to opt-out, that you have in or in connection with representative or group proceedings; and/or
- ▶ entering into contracts in your name in relation to litigation funding or legal representation, including where entry into those agreements causes you to become a group member of representative or group proceedings.

We have in our discretion the right to decide upon the conduct and any settlement of any recovery action we take. You agree we may exercise all the rights you have in connection with the loss or damage you have suffered in connection with the incident.

Of any amount recovered in recovery action we take, you agree we first keep the amount we have paid, or must pay, you under the policy plus any interest recovered on that amount and any administrative, recovery agent, funding and legal costs we have incurred in taking the recovery action. We then pay you the amount of loss or damage you have suffered in connection with the incident for which you do not have any cover with us plus any interest recovered on that amount and costs you may have been required by us to contribute. Finally, we keep any remaining balance.

You must give us all the information and co-operation that we require to take the recovery action. We will only request information or co-operation which is relevant to pursue the recovery action and will provide an explanation as to why it is needed.

You must not do anything which prejudices us in taking any recovery action without our written consent. For example, you must not:

- ▶ assign your rights to anyone else; or
- ▶ opt-out of any representative or group proceedings taken by us.

### **Recovery action by you**

You may only take recovery action with our prior written consent and on conditions which we in our discretion impose.

You must have proper regard for our interests in respect of loss or damage that we cover.

You must seek to recover the loss or damage we cover in addition to any other loss or damage you have suffered in connection with the incident.

Of any amount recovered in recovery action you take, you may first keep the amount of loss or damage you have suffered in connection with the incident and for which you do not have any cover with us plus any interest recovered on that amount and any administrative and legal costs you have incurred in taking the recovery action. You will then pay us the amount we have paid, or must pay, you under the policy plus interest recovered on that amount. Finally, you keep or pay any remaining balance in accordance with any other obligations you have.

You agree we may:

- ▶ take over the conduct of legal proceedings started by you or on your behalf, including where you are an applicant or plaintiff, or a group member, in representative or group proceedings; and
- ▶ require you to cease recovery action that you have commenced.

## How we pay claims – some examples

In this section, we outline examples of how we may pay some claims.

These claims are based on certain scenarios. Any amount we pay for your claim depends on the details that apply to your situation.

### Claim 1 – Repairing your rental property

A storm damages the roof of your rental property and the cost to repair it is \$3,500.

Policy type	Buildings Insurance
Buildings sum insured	\$360,000
Basic Excess	\$500

#### How we settle your claim

We arrange for a builder to repair your roof.

We pay the builder \$3,000.

We ask you to pay the builder the \$500 basic excess.

### Claim 2 – Replacing your contents

Someone steals your lawn mower from your rental property. The cost to replace your lawn mower is \$500.

Policy type	Contents Insurance
Contents sum insured	\$15,000
Policy limits	\$500 for lawn mowers
Basic Excess	\$300

#### How we settle your claim

We pay the supplier \$200 to replace the lawn mower.

We ask you to pay the supplier the \$300 basic excess.

### Claim 3 – Your rental property and contents are totally destroyed

Your rental property and contents are insured for their correct replacement value and are destroyed by fire.

Policy type	Buildings and Contents Insurance
Buildings sum insured	\$300,000
Contents sum insured	\$70,000
Basic Excess	\$1,000

#### How we settle your claim

We choose to pay you directly for the damage.

We pay you \$369,000 as follows:

Buildings sum insured	\$300,000
Contents sum insured	\$70,000
Less basic excess	\$1,000

**Total** **\$369,000**

### Claim 4 – Rent default

Your tenant leaves without giving notice and owes you 16 weeks rent.

Policy type	Buildings and Contents Insurance
Buildings sum insured	\$360,000
Contents sum insured	\$30,000
Weekly rent	\$500
Rent default excess	\$300

#### How we settle your claim

We pay you \$5,000 as follows:

16 weeks rent	\$8,000
Less 4 weeks rent	\$2,000
Less rent default excess	\$300

**Total** **\$5,700**

However, we pay you \$5,000 as this is the maximum amount that we pay for rent default.

### Claim 5 – Repairing your rental property – loss of rent

A fire damages your kitchen and living areas and the cost to repair these areas is \$45,000.

We agree your tenants are unable to live in your rental property for 6 weeks while the damage is repaired.

Policy type	Buildings Insurance
Buildings sum insured	\$250,000
Weekly rent	\$400
Basic Excess	\$500

#### How we settle your claim

We arrange for a builder to repair your rental property. You claim for loss of rent.

We pay the builder \$45,000.

We pay you \$1,900 as follows:

6 weeks rent (we pay this on top of the Buildings sum insured)	\$2,400
Less basic excess	\$500

**Total** **\$1,900**

### Claim 6 – Liability claim at your rental property

A visitor falls over a loose tile in the kitchen at your rental property and sprains their ankle. We or a court decide that you are liable to pay \$3,000 for the claim made against you by the visitor.

Policy type	Buildings Insurance
Liability cover	\$20 million
Basic Excess	\$500

#### How we settle your claim

We pay the visitor \$3,000.

We pay our lawyers \$500 to defend the claim on your behalf.

You don't need to pay us the basic excess – it doesn't apply to Liability claims.

# 6. Changes to your policy

This section describes the changes that can be made to your policy:

- ▶ Changes you can make
- ▶ Changes we can make.

## Changes you can make

You may need to make changes to your policy.

### Additional premium or Refund less than \$15

When a change is made to your policy, you may need to pay us an additional premium, or we may need to refund part of your premium. If the additional premium we need to charge you is less than \$15, then we'll waive it - that is, you don't need to pay it.

However, if the amount we need to refund is less than \$15, then we'll donate it to charity rather than refund it to you.

### Change your policy

You may want to make certain changes to your policy. For example, you may choose to increase your basic excess so you pay a lower premium.

#### You need to:

- ▶ contact us first, and
- ▶ if an additional premium applies to the change, you are required to pay the additional premium at the time the changes are made. If we make the change before you pay any additional premium, then you must pay the additional premium by the date we tell you it is due, or we may remove the change from your policy. If we cannot remove the change and maintain cover, we may cancel your policy.

#### We will:

- ▶ make the change only if we agree
- ▶ issue you with a current Certificate of Insurance
- ▶ refund any amount we owe you.

### You want to cancel your policy

#### You need to:

- ▶ contact us.

#### We will:

- ▶ deduct from the premium you paid:
  - an amount that covers the period that you have been insured for
  - a cancellation fee of \$30 (plus GST and Government charges)
- ▶ then pay you what is left of the premium.

However, if you currently pay your premium by monthly instalments, you must pay us any monthly instalments that are due but unpaid and a cancellation fee of \$30 (plus GST and Government charges).

You authorise us to deduct these amounts by direct debit from the account or credit card you previously nominated for monthly instalment deductions.

If you tell us to cancel your policy within the 21 day cooling off period, we'll give you a full refund – see page 8 for further details.



## Changes we can make

We may need to cancel your policy or give you written notice about your policy.

### Cancel your policy

There may be circumstances when we need to cancel your policy. We will only do that if the law allows it.

#### We will:

- ▶ give you written notice, if required
- ▶ refund your unused premium after we deduct an amount that covers the period that you've been insured for.

However, if you're currently paying your premium by monthly instalments, then you must pay us any monthly instalments that are due but unpaid.

You authorise us to deduct these amounts by direct debit from the account or credit card you previously nominated for monthly instalment deductions.

### Give you written notice

We may need to provide you with written notice about your policy.

#### We will:

- ▶ deliver it personally
- ▶ mail it to your last known address
- ▶ deliver it by fax or electronically (where allowed by law) or
- ▶ send you an electronic link so you can access the notice (where allowed by law).

When you change your postal or email address, it's important When you change your postal or email address, it's important that you tell us as soon as reasonably possible.

# 7. Your premium

This section provides information about your premium:

- ▶ How we work out your premium
- ▶ Paying your premium.

## How we work out your premium

Your premium is based on the level of risk we need to take to insure you. If you have a low risk of making a claim, then we charge you a lower premium than someone who has a higher risk of making a claim.

To assess your risk level, we use pricing factors based on our claims experience.

For more details on how we work out your premium and the discounts you may be eligible for, refer to our SGIO Landlord Insurance Premium, Excess, Discounts and Benefits Guide. You can get a copy by visiting [sgio.com.au/help-information/policy-booklets](http://sgio.com.au/help-information/policy-booklets) or contacting us on 133 233.

## Discounts you may be eligible for

When you take out insurance with us, you may be eligible for one or both of these discounts:

- ▶ Loyalty Discount
- ▶ No Claim Bonus.

Your current Certificate of Insurance shows the discounts we give you. It is important for you to check your Certificate of Insurance to make sure you are getting the discounts you're entitled to and that your personal information is accurate, complete and up-to-date.

We may change the discounts or introduce more discounts from time to time.

### Loyalty Discount

Your Loyalty Discount is based on how long you have had a relationship with us and how many eligible policies you have. The longer you maintain your continuous relationship with us and the more policies you hold, the higher the discount you could receive.

## No Claim Bonus

We give you a No Claim Bonus to reward you for having a good claims record. We calculate your No Claim Bonus based on your insurance and claims history.

## Paying your premium

It's important to pay your premium on time. This section outlines how you can pay your premium and what happens if you don't pay it.

### Payment options

You can pay your premium:

- ▶ annually in one lump sum, or
- ▶ by monthly instalments by direct debit from an account or credit card you nominate (if we offer this option to you).

Your current Certificate of Insurance shows the amount you need to pay and the due date for your annual premium or for each monthly instalment.

### What happens if you don't pay on time

When you take out insurance, you need to pay your annual premium or any instalments by the due date specified on Your Certificate of Insurance.

An instalment is unpaid if it cannot be deducted from your nominated account or credit card.

If your premium is overdue, we will send you a notice outlining the overdue amount and when it needs to be paid.

If your premium remains unpaid after the time period specified in the notice we send, we will:

- ▶ cancel your policy for non-payment; and
- ▶ refuse to pay any claim for an incident occurring after the cancellation date.

If you pay by instalment, we will send you a second notice either before cancellation informing you of the effective date of cancellation, or within 14 days after cancellation confirming the effective date of cancellation.

If you need to make a claim when your policy is overdue, and before your policy has been cancelled for non-payment, we will require you to pay the overdue amount as part of the claim settlement process. Alternatively, where the settlement method allows we can reduce the settlement payment by the overdue amount.

# 8. Other information you need to know

When you take out insurance with us, you need to know some other things that are outlined in this section:

- ▶ How to resolve a complaint or dispute
- ▶ Privacy of your personal information
- ▶ General Insurance Code of Practice
- ▶ Financial Claims Scheme
- ▶ Helpline 132 900.

## How to resolve a complaint or dispute

We want to resolve any complaint or dispute and we aim to resolve your complaint or dispute as quickly as possible. These steps are part of our complaint and dispute resolution procedures. If you want more details, call us on 133 233.

### Step 1

#### Talk to us first

The first thing you should do is talk to one of our Consultants about your concerns. Call us on 133 233. The Consultant may be able to resolve the complaint for you. If not, they will refer you to, or you may request to speak to a Manager.

The Consultant or Manager will attempt to respond to your complaint as soon as possible. If they require more information they will aim to respond within 15 business days of receipt of your complaint.

### Step 2

#### Contact Customer Relations

If the Manager cannot resolve your complaint, you may request the matter be referred to our Customer Relations area or you can choose to contact them by phoning or writing to:

Free Call: 1800 045 517

Free Fax: 1800 649 290

Email: [Customer.Relations@iag.com.au](mailto:Customer.Relations@iag.com.au)

Mail: Customer Relations

Reply Paid 89824

Sydney NSW 2001

Free post (no stamp required)

Customer Relations will treat your complaint as a dispute and assign one of their staff members to conduct an independent review of the matter. Customer Relations will contact you with a decision usually within 15 business days of receiving your dispute.

### Step 3

#### Seek an external review of the decision

If you are unhappy with the decision, you may wish to seek an external review. Customer Relations will provide you with information on external review options, such as referring you to the Australian Financial Complaints Authority (AFCA).

AFCA is contactable on 1800 931 678 (free call).

## Privacy of your personal information

We value the privacy of personal information we collect about you.

We collect your personal information directly from you or through others including entities listed in our Privacy Policy. They include our related entities, agents and distributors.

### How we use your personal information

We and the parties listed in our Privacy Policy will use your personal information for the purposes it was collected for. That usually includes to provide you with assistance, a product or service you requested and to deal with claims. Your personal information may also be used for other purposes that are set out in our Privacy Policy. You may choose to not give us your personal information. However, not giving us your personal information may affect our ability to provide you with a product or service, including processing a claim.

To get a free copy of our Privacy Policy

- ▶ visit [sgio.com.au](http://sgio.com.au)
- ▶ call 133 233

### Further information

We may disclose your personal information to:

- ▶ our related entities
- ▶ our service providers – which includes some service providers that may be based overseas, and
- ▶ other parties as set out in our Privacy Policy.

Our Privacy Policy provides more information about how we collect, from whom we collect and how we hold, use and disclose your personal information. Our Privacy Policy also provides information about how you can:

- ▶ access your personal information
- ▶ ask us to correct your personal information, and
- ▶ complain about a breach of the privacy principles set out in the Privacy Act 1988 (Cth) and how we will deal with your complaint.

### Your consent

You agree to us collecting, holding, using and disclosing your personal information as set out in our Privacy Policy when you:

- ▶ provide us with your personal information, or
- ▶ apply for, use or renew any of our products or services.

## General Insurance Code of Practice

We support and comply with the General Insurance Code of Practice.

You can get a copy of the Code from the Insurance Council of Australia by visiting [www.codeofpractice.com.au](http://www.codeofpractice.com.au).

## Financial Claims Scheme

You may be entitled to payment under the Financial Claims Scheme in the event that we become insolvent. Access to the scheme is subject to eligibility criteria.

Information about the scheme can be obtained from [www.fcs.gov.au](http://www.fcs.gov.au).

## Helpline 132 900

Our Helpline telephone service provides you with help and advice 24 hours a day, 7 days a week.

For example, something may happen to you in Australia. If we agree you need trauma counseling, we will arrange it and pay up to \$1,000.

For more details on Helpline 132 900 refer to our SGIO Landlord Insurance Premium, Excess, Discounts and Benefits Guide.

You can get a copy by visiting [sgio.com.au/help-information/policy-booklets](http://sgio.com.au/help-information/policy-booklets) or contacting us on 133 233.



# Definitions

The following words have special meaning.

## Bond

an amount of money paid by a tenant as security for the landlord against any future breaches of the rental agreement.

## Buildings sum insured

is the amount of insurance you choose for your rental property. This amount is shown on your current Certificate of Insurance.

## Common property

property owned by the owners corporation or similar body.

## Condition Report

a report completed by the tenant and/or agent on the condition of the property.

## Contents

are those items that are not permanently attached or fixed to the structure of your rental property that you:

- ▶ own
- ▶ are responsible for as part of a hire or lease agreement or written employment contract, and
- ▶ leave at your rental property for your tenants' use.

## Contents sum insured

is the amount of insurance you choose for your contents. The amount is shown on your current Certificate of Insurance.

## Excess

is the amount you contribute towards the cost of your claim on your policy. The amount and types of excesses that apply to your policy are shown on your current Certificate of Insurance.

## Fittings

are any items that can be removed from your rental property without causing damage to your rental property.

## Fixtures

are any items that are permanently attached or fixed to the structure of your rental property that can't be removed without causing damage to your rental property.

## Flood

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

- a lake (whether or not it has been altered or modified);
- a river (whether or not it has been altered or modified);
- a creek (whether or not it has been altered or modified);
- another natural watercourse (whether or not it has been altered or modified);
- a reservoir;
- a canal;
- a dam.

## Fusion

is the burning out of an electric motor or its wiring as a result of the electric current in it.

## Home improvements

are any permanent additions at your site that add to the cost of rebuilding or repairing your rental property, such as a garage, in-ground pool, above ground pool (when enclosed by decking), carport, pontoon, boat jetty and permanent landscaping features. We do not consider soil or bushland to be home improvements.

## Intentional and deliberate damage

is damage resulting from an act deliberately performed by your tenant or their guest, with the full knowledge that the act will alter the state of the rental property, and done without the owners permission.

## Incident

is a single occurrence, or a series of occurrences arising out of the one event.

## Listed event

is an event we cover under your policy shown in Table 3.1 – page 15.

## Owners' corporation

also known as the body corporate. The body that controls the administration of common property in a strata title or subdivided building or land. The members of the body corporate are the owners of each unit in the building.

## Policy period

is the period shown on your current Certificate of Insurance.

## Premium

is the total amount you pay for your insurance that includes applicable government taxes such as GST, duties or charges payable by you. It is shown on your current Certificate of Insurance. If you pay by monthly instalments, the premium means the total of the instalments you must pay for the full policy period.

## Rent

is the amount of money payable on a regular basis by the tenant to lease or rent your rental property, as set out in a current valid written rental agreement.

## Rental agreement

is a current valid written agreement between you and a tenant that details the terms and conditions of the tenancy including the rental period, the amount of rent payable to you and the amount of bond that a tenant is required to pay. Once the fixed term period of the tenancy ends, the rental agreement becomes a continuing agreement with the same terms and conditions.

## Rental property

is any enclosed building at your site that has walls and a roof that can be locked up which you use mainly for domestic purposes:

- ▶ for Buildings Insurance, your rental property includes any home improvements or fixtures
- ▶ for Contents Insurance, if your rental property is a flat or unit, it is your flat or unit and includes any lockable storage compartment that is reserved for you in another section of the building or complex that your flat or unit is part of.

## Set

is a pair or group of items that belong together, are similar in appearance and are related by a common size, shape, colour, pattern or material.

## Site

is the land where your rental property is located and the yard or garden surrounding it that you use primarily for domestic residential purposes, at the address shown on your current Certificate of Insurance. The site includes any land or other area that touches your site and for which any statutory authority has made you responsible, including the nature strip or verge outside your rental property.

## Storm

means

- ▶ a violent wind, cyclone or tornado
- ▶ rain, thunderstorm, hail or snow.

## Storm surge

is the increase in sea level that usually happens when there is an intense storm or cyclone.

## Strata

any form of land title which allows for multiple titles to exist in or on a building or land where the common property is held under a single separate title.

## Tenant

any person named in a rental agreement who has been granted the right to occupy the property and any other person who permanently resides at the property.

## Unable to live in your rental property

we will consider your tenants will be unable to live in your rental property if the loss or damage we cover has caused

- ▶ significant interruption to water, gas, electricity, sewerage, heating or cooling connections, or
- ▶ significant damage requiring extensive repair, or
- ▶ an inability to use sleeping or cooking facilities.

## Us, we and our

is Insurance Australia Limited trading as SGIO.

## You

all the people named as the insured on your current Certificate of Insurance. If more than one person is named as the insured, we will treat a statement, act, omission or claim by any one of those people as a statement, act, omission or claim by all those people.

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