



## Landlords Protection Cover



Product Disclosure Statement



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This Product Disclosure Statement (PDS), incorporating the policy wording, was prepared on 24 November 2009 and tells you about Real Landlords Protection Cover to help you decide if this cover is right for you. Any advice provided is general only and does not take into account your individual circumstances. You should carefully read this and any other documentation we send you, such as your Insurance Certificate. Keep them in a safe place for future reference. Real Insurance (Real) is a trading name of The Hollard Insurance Company Pty Ltd ABN 78 090 584 473 AFSL No. 241436

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# Welcome to Real Insurance

Real Insurance is part of the international Hollard Group of companies which has offices in the United States, South Africa, UK, Australia and throughout South East Asia.

The Hollard Group provides a wide range of insurance products and services to more than 5 million policyholders worldwide. Since opening in Australia in 1999, Hollard has issued more than 260,000 policies with more than \$2.4 billion worth of assets insured.

Real Insurance was launched by Hollard in Australia in 2005 and provides a wide range of insurance products including Home and Contents Insurance, Car Insurance, Pay As You Drive Insurance, Life Insurance, Bicycle Insurance and Landlords Insurance.

Real Insurance is focussed on providing innovative, affordable, easy to get and easy to understand insurance solutions to Australians.

## The Real Promise:

- Real Insurance stands for Real Service and Real Savings.
- Ease and convenience are the hallmarks of Real's Service.
- Our goal is to ensure that all our communications with you, the customer, are honest, easy to understand, straightforward and timely.
- We aim to give Australians the opportunity to access a range of smarter and more innovative insurance products to help protect the quality of their lives.

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# Overview

## What this PDS is all about

Our Real Landlords Protection Cover is designed to give you simple and easy to understand cover for your building and landlord's contents, to protect you in the event of a crisis such as a fire, storm, flood or theft.

Plus, Landlords Protection Cover gives you added benefits, which may not be covered by other insurers, such as cover for loss of rent and malicious acts and theft by tenants.

## Real Bonus™

At Real Insurance, we believe in rewarding our customers. So, we've decided to put our money where our mouth is, in fact, money back in your wallet or purse. If you have not had a claim against any of your Real Insurance for 3 years in a row, you will get back 10% of the premiums you have paid us during that time. Now that's a Real Bonus.

## We're trying really hard to reduce your premiums

Real is all about providing simple and easy to understand insurance. Where we can save you money we will. Where we save money, we'll share with you too. Here's how we're trying:

- Take out more than one type of insurance with Real and you may receive a discount;
- Insure more than one property and you may get a discount;
- Choose an excess to suit you;
- Eligible customers can pay by the month at no extra charge;
- Buy online and you will save straightaway.

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## Guaranteed comfort

Full 14-day money back guarantee. If you decide that your Real Insurance cover isn't for you, and you have not had a claim, you can cancel your policy within 14 days of the start of your insurance to receive a full refund of any premiums paid (less any taxes or duties we cannot recover). It's called your Cooling Off Period and it's as simple as that.

## Real peace of mind

With this Real insurance your covered building and landlord's contents are protected against the following major threats:

- theft;
- fire and explosion;
- earthquake;
- lightning;
- storm, rainwater and flood;
- malicious damage including vandalism;
- impact, such as from a falling tree or a motor vehicle;
- bursting, leaking, discharging or overflow of water or liquids;
- riots, civil commotion or industrial unrest.

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## Real benefits

Depending on whether you insure your building or landlord's contents we may also cover:

- accidental breakage of glass;
- your legal liability if you need to pay compensation to another party;
- additional benefits for strata title property owners;
- loss of rent following damage to your property;
- malicious acts by tenants;
- theft by tenants;
- landlord's contents outside your building.

You may also have the option to add cover for:

- Rent Default and Legal Expenses cover;
- Motor Burnout.

## What you pay

When you buy your insurance we tell you the premium you must pay and note it in your Insurance Certificate. To determine it we consider factors such as the cover you want, the property you want to insure, the limits and excesses that will apply and your insurance history.

It also includes amounts that take into account our obligations to pay any relevant compulsory government charges, taxes or levies (e.g. Stamp Duty, GST, State Emergency Services Levy and Fire Services Levy) for your insurance. We set these out in your Insurance Certificate.

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# What our words really mean

## Accident

means an event that you did not intend or expect to happen.

## Agent

means the real estate management company acting as the manager of the property.

## Allowable re-letting expenses

means the re-letting expenses as specified in the current lease or rental agreement for the property.

## Bond money

means money paid by the tenant and held as a security against damage to the property or outstanding rent. Your policy will operate on the basis that a bond equivalent to four weeks rent has been collected.

## Event

means any single occurrence resulting in loss or damage.

## Excess

means the amount you must contribute when a claim is accepted under this policy.

## Fittings

means any items that can be removed from your building without causing damage to your building.

## Fixtures

means items that are permanently attached to or fixed to your building or the site but not carpets, carpet tiles, internal blinds or curtains.

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## Flood

means the inundation of normally dry land by water which:

- overflows, is released from or escapes the normal confines of; or
- because of water that has already overflowed, escaped or been released, is unable to enter;

any lake, reservoir, dam, river, creek, stormwater channel, canal or any other watercourse, whether natural, altered or modified.

## Insurance Certificate

is the latest Insurance Certificate we send you.

## Insured events

means the nine events listed in this PDS under “All about the cover”.

## Malicious damage and acts

means damage caused by a wrongful act motivated by malice, vindictiveness or spite with the intention of damaging the property. It does not include damage caused by untidy, unclean or unhygienic living habits, lack of care or the failure to control children or pets.

## Period of insurance

means the period during which this policy is current. The period of insurance is stated on your Insurance Certificate. If this insurance policy is cancelled, the period of insurance terminates when the cancellation becomes effective.

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## Rent Default

means that the tenant:

- is still occupying the building but not paying rent and has been issued with the appropriate breach notices as provided for under the relevant Residential Tenancies Act applicable to your State or Territory; or
- has left the building before the end of the rental period stated in the rental agreement and has not given you or your agent notice.

## Site

means the land at the insured address on the Insurance Certificate. The site does not include common property.

## Storm

means a violent wind (including cyclones) or hailstorm, sometimes accompanied by heavy falls of rain, hail or snow. Storm does not mean persistent bad weather, heavy or persistent rain by itself or heavy or persistent wind by itself.

## Terrorism

means any act which may or may not involve the use of, or threat of, force or violence where the purpose of the act is to further a political, religious, ideological aim or to intimidate or influence a government (whether lawfully constituted or not) or any section of the public.

## We, us or our

means Real Insurance, a trading name of The Hollard Insurance Company Pty Ltd.

## You, your

means the policy holder or policy holders named on the Insurance Certificate.

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# Must do's

## Understand this insurance cover

Real Landlords Protection Cover is designed to protect your building and landlord's contents against the most common threats you may face such as theft, fire and storm.

It also provides a broad range of additional benefits not offered by all insurers and the option to add extra cover such as Rent Default and Legal Expenses.

There are limits to the cover provided and also exclusions which apply to certain events. General exclusions also apply to all cover under this insurance.

You should read this PDS in full to ensure you understand the insured events and benefits, as well as the limits and exclusions to this cover.

## Work out how much insurance you need

Many landlords do not have enough insurance cover for their building or landlord's contents. If you are under-insured you will have to cover any shortfall yourself. Details of what constitutes building and landlord's contents are on the following pages.

If the amount your building and landlord's contents is insured for is not equal to the full cost of rebuilding or replacing them, including the cost of any structural improvements such as carports, fences and pools, the cost of any demolition work, removal of debris and any architectural or council fees, you may be under-insured. The cost of land is not however included in determining your sum insured.

Remember, this insurance only provides cover up to the applicable limits specified in this PDS and on your Insurance Certificate. Any sum insured, market value, agreed value or maximum amount in your insurance will be inclusive of GST.

If you are having difficulties working out the replacement value of your building or landlord's contents, please seek the advice of a professional valuer.

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## Understand your Duty of Disclosure

We rely on the information you provide us with, to decide whether to insure you and the terms on which we will insure you.

To comply with your Duty of Disclosure when first entering into an insurance contract with us, you must tell us everything you know and that a reasonable person in the circumstances could be expected to tell us, in answer to the questions we ask you. This applies to every insured under the policy.

If you fail in your Duty of Disclosure we may reduce or deny any claim you make or cancel your policy. If you fraudulently keep information from us or deliberately make false statements we may avoid your contract and treat your insurance as if it never existed.

To comply with your Duty of Disclosure when you vary, renew, extend, reinstate or replace your policy, you must tell us everything that you know, and which a reasonable person in the circumstances could be expected to know, is relevant to our decision whether to insure you and, if so, on what terms.

You do not have to tell us anything that is common knowledge, that we should know through our business, that reduces the risk of a claim or that we tell you we do not need to know.

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## Keep your building and landlord's contents in good condition and repair and always protect them

You must make reasonable efforts to maintain your building and landlord's contents in a good state of repair and condition. Any loss or damage caused by poor maintenance is not covered under your insurance. You must also make reasonable efforts to protect your building and landlord's contents from any loss or damage. If you make a claim and knew about something that could cause loss or damage to your property and you did not make reasonable efforts to avoid it before the loss or damage occurred, then your claim may not be paid. If you do suffer loss or damage to your property, you must also make reasonable efforts to prevent any further loss or damage.

## Keep proof of ownership of your property

When you make a claim for loss or damage to an item, we will require proof that you owned the item and of its value or your claim may not be paid. The easiest way to do this is by keeping receipts, manuals and warranties for any items you purchase. If you cannot find any of these, you can for example, take detailed photographs of your property.

## Review the replacement value of your property regularly

Each year at your insurance renewal we automatically adjust the amount you are insured for, in accordance with the latest Consumer Price Index figures, to help your cover keep pace with inflation. However, you may have made some improvements to your building and if you do not review the replacement value of your building and landlord's contents annually, and increase your cover where appropriate, you may be under-insured.

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## Tell us if you plan to carry out building work or if your building is going to be unoccupied

If you notify us in advance, we may be able to provide you with cover during this period. If so, it will be confirmed in writing and noted on your Insurance Certificate.

## Have a property inspection report completed

You must complete a property inspection report:

- when a new lease or rental agreement commences;
- when an existing tenant vacates the property; or
- on an annual basis if there is a long term tenancy.

If you make a claim you must provide us with copies of all property inspection reports.

## Ensure your premiums are always paid

You are responsible for ensuring that your premiums are paid and kept up to date or your cover could be put at risk. If any monthly premium instalment remains unpaid for more than 14 days, any claim you make may not be paid. If you change your bank account or credit card details you must contact us and tell us the new details. Please call us if you are ever unsure about your premium.

## Meeting your other obligations

You will need to meet other conditions of your insurance, such as the claims conditions, or we may reduce or refuse to pay a claim and cancel your policy.

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# Building? Contents? Excess?

## What is your 'building'?

The Real definition of your building is a fully enclosed building with walls and a roof used primarily for domestic purposes that can be locked up.

It includes any fixtures or building improvements at the site, secured outbuildings (such as your garage) and other domestic structural improvements on your site that comply with local government or other statutory requirements. It does not cover a building under construction.

If your building is insured it will be noted on your Insurance Certificate.

## What are your 'landlord's contents'?

The Real definition of landlord's contents is any household good in the building that belongs to you and is provided by you specifically for the use of your tenant. All landlord's contents must be listed in the property condition report or inventory forming part of the lease.

Landlord's contents cover is limited to:

- furniture, furnishings and household goods;
- fixed carpets, carpet tiles, loose floor rugs under \$500 each, curtains, internal blinds;
- portable household electrical items; and
- a free standing swimming pool or spa that can be removed from the site.

## What is an 'excess'?

An excess is the amount you agree to contribute at claim time and, the higher the excess you select, the lower your premium will be. The excess you select for your building and landlord's contents cover will be clearly documented on your Insurance Certificate.

In the event of an earthquake or flood, a fixed excess of \$500 applies to each event. Claims made under the additional benefit cover for Malicious Acts and Theft by

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Tenants will also be subject to a fixed excess of \$500. If you have a claim for one of these events, the higher of either your selected policy excess or the fixed excess will apply.

If you have taken optional cover for Motor Burnout, a fixed excess of \$100 will apply to any claim under this optional cover, irrespective of the selected excess on your policy. Any claim under the optional cover for Rent Default and Legal Expenses will be subject to a fixed excess of \$400, irrespective of the selected excess on your policy.

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# What's not included?

## Your building does not include:

- property that a tenant is liable for under the terms of a rental agreement;
- carpets, carpet tiles, floor rugs, internal blinds or curtains (these are landlord's contents);
- temporary or mobile structures, including caravans and trailers;
- a free standing swimming pool or spa that can be removed from the site;
- items within the building that are not fixed;
- any wharf, jetty or pontoon;
- trees, shrubs, hedges or other plant life including lawns and landscaping.

## Your landlord's contents does not include:

- clothing, personal effects, mobile phones, computers, jewellery, works of art, antiques, gold, silver, cash or collections of any kind;
- battery powered items such as radios, cassette or compact disc players, laptop computers, pocket computers, electronic diaries, video recorders, video cameras or photographic equipment;
- fish, birds or other animals;
- motorised vehicles (except lawnmowers), go-carts, motor cycles, mini-bikes, bicycles, caravans and trailers or any of the parts or accessories for these vehicles;
- lawns, hedges, trees, shrubs and plants;
- aircraft, micro-lights, hang gliders or their parts and equipment;
- boats and other types of watercraft or their parts and accessories;
- building materials;
- items belonging to you or any other person, which are being stored at the site.

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# Making a claim

## What happens if you need to make a claim?

If an event occurs that is likely to result in a claim, the following checklist will help you ensure that you have done everything you need to do, so that your claim can be assessed quickly. Not all items may be applicable to your claim.

### **First you should:**

- do what you can to prevent any further loss, damage, cost or liability;
- tell the police if the event involves theft, attempted theft, malicious acts, civil unrest or impact by a vehicle and get an event number;
- call us on 1300 00 7325.

### **You must never, without our consent:**

- admit guilt, fault or liability (except to the Police);
- offer or negotiate to pay a claim;
- approve any repairs or arrange replacements (other than emergency repairs necessary to minimise or prevent further loss or damage);
- dispose of any damaged property.

### **We will also require you to:**

- provide us with the proof that we need regarding lost or damaged items;
- help us manage the claim, which may include us inspecting your building or asking you questions, or you providing written statements to us under oath;
- keep items that have been damaged and allow us to inspect them or assess repair costs;
- allow us to take possession of damaged property that is the subject of a claim;
- send us any communication you receive relating to the claim (including telling us of pending court proceedings or offers of settlement);
- help us as we work to negotiate, defend or settle any claim made under this insurance and to exercise for our benefit your legal right of recovery against any other party;

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- tell us about any other insurance that may be relevant to the claim.

## Claims for your building

If your building is insured and we agree to pay a claim, we will pay up to your building sum insured, or any lesser limit that applies, less any applicable excess.

If your building is destroyed or damaged as a result of an insured event which occurs during the period of insurance, we will rebuild or repair your building as new, or pay you the cost of rebuilding or replacing it, at our discretion.

However, if you decide not to proceed with the rebuild or repair of your building we will pay the lesser of:

- the rebuild or repair cost; or
- the difference in the value of your building and the land it is situated on before the damage occurred and the value of the building and land after the damage has been sustained.

We will only pay to repair or rebuild that part of your building that was damaged.

We do not cover any additional expenses to replace undamaged parts of your building to create a uniform appearance. Where the original materials used to build your building are not readily available in Australia, we will pay for the cost of materials we believe to be of a similar kind or quality.

## Claims for your landlord's contents

If your landlord's contents are insured and we agree to pay a claim, we will pay up to your landlord's contents sum insured, or any lesser limit that applies to the item, less any applicable excess.

If your landlord's contents are lost or damaged by an insured event which occurs during the period of insurance, we will at our discretion, repair or replace any lost or damaged item or pay you the cost of repairing or replacing the item (if unusual circumstances exist), based on the amount that it would have cost us to repair or replace it.

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Where we can, we will match materials and items or where this is not possible, use materials and items that in our opinion match as near as reasonably possible.

Claims for the replacement or repair of damaged fixed carpets will be limited to the passageway, room or stairwell where the damage occurred.

Replacement is on a new for old basis but does not apply to second-hand furniture or electrical items which were more than three years old at the time that they came into your possession.

## How claims impact your policy

After we pay a claim under your policy, other than a claim for a total loss, the amount you are insured for will remain the same as the value shown on your Insurance Certificate at the date of loss.

If a claim is for the total loss of your building or landlord's contents, your insurance will cease as soon as we accept liability. No premium refund is due if you have paid your premium annually. If you are paying your premium monthly, we will deduct the balance of the yearly premium from the claim settlement. You will need to contact us if you want to apply for a new policy for the building or landlord's contents you replace.

## If there is a mortgage over your property

If a mortgagee (usually your bank or credit provider) is noted on your Insurance Certificate and if you have a claim and we agree to settle on a cash basis, we have the option of making this payment to the mortgagee in full or part settlement of your claim. In this situation, we will pay the mortgagee the amount we agree to pay to settle the claim, up to the amount outstanding under your mortgage. We only cover your interest in the insured property, unless we specifically include cover for the interest of a third party.

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## Claims Conditions

We may refuse or reduce a claim if you do not:

- take reasonable care to avoid the risk of injury to tenants and others;
- provide us with copies of all property inspection reports;
- ensure that all building, maintenance or repairs to the building and/or landlord's contents are undertaken by appropriately qualified and licensed tradesmen;
- ensure that your building and/or landlord's contents do not have any defects that may cause injury to any person at the time the tenant takes possession;
- ensure that at any other time, defects which are identified by a tenant, in your building and/or landlord's contents are immediately rectified once they are brought to your attention;
- comply with all statutory obligations, by-laws and regulations imposed by any public authority, for safety of persons or property.

## Goods and Services Tax (GST)

Any claim payments made under this insurance will be based on GST inclusive costs, up to the relevant sum insured, market or agreed value or maximum amount we pay. However, if you are, or would be, entitled to claim any input tax credits for the repair or replacement of insured property or for other things covered, we will reduce any claim under the policy by the amount of such input tax credits.

# All about the cover

Your Real Insurance covers loss or damage to your building or landlord's contents when the loss or damage is caused by one of the following nine 'Insured events':

<b>Insured events - You are covered for loss or damage to your building or landlord's contents caused by</b>	<b>Our exclusions - You are not covered for</b>
<b>Fire</b> (where there is a flame) and <b>Explosion</b>	Loss or damage: <ul style="list-style-type: none"><li>• to a heat resistant item such as a cooking appliance, dryer, heater or iron, if it ignites;</li><li>• caused by any process involving the application of heat where there is no flame, including cigarette burn marks and scorch marks caused by an iron or radiator;</li><li>• caused by the ignition of any mineral spirit or dangerously flammable substance brought onto or kept at your site in quantities which are in breach of any statutory regulations.</li></ul>
<b>Lightning</b>	
<b>Malicious damage</b>	Loss or damage caused by someone who lives in your building (including your tenants) unless we agree to pay a claim under the additional benefit for Malicious Acts and Theft by Tenants.
<b>Impact</b> caused by a falling tree, branch, power or communication pole, a motor vehicle or trailer, an aircraft or watercraft, debris falling from space, or a satellite dish, television or radio aerial which breaks or collapses.	

<p><b>Insured events - You are covered for loss or damage to your building or landlord's contents caused by</b></p> <p><b>Storm, rainwater and flood</b> For flood claims, we will pay:</p> <ul style="list-style-type: none"> <li>• for your building, up to 25% of the building sum insured or \$15,000 (whichever is the lesser); and</li> <li>• for your landlord's contents, up to 25% of the landlord's contents sum insured or \$15,000 (whichever is the lesser).</li> </ul>	<p><b>Our exclusions - You are not covered for</b></p> <p>Loss or damage:</p> <ul style="list-style-type: none"> <li>• to swimming pool covers, spa covers or plastic or vinyl swimming pool liners;</li> <li>• to retaining walls, gates or fences;</li> <li>• to external shade cloth, solar covers, textile awnings or blinds;</li> <li>• to the interior of your building or to your landlord's contents if the damage or loss has not occurred as a result of an opening made by the storm, or where windows, doors or other openings were not properly closed;</li> <li>• caused by water entering your building due to building alterations, renovations or additions;</li> <li>• caused by water that has seeped or percolated into your building;</li> <li>• caused by gradual deterioration from rainwater;</li> <li>• caused to external paintwork if that is the only damage to that part of your building.</li> </ul>
<p><b>Theft</b></p>	<p><b>Theft:</b></p> <ul style="list-style-type: none"> <li>• by someone who lives in your building (including your tenants) unless we agree to pay a claim under the additional benefit for Malicious Acts and Theft by Tenants;</li> <li>• from any common property or from any similar common or public area in a building;</li> <li>• of landlord's contents items which are not listed as being present on the current property inspection report.</li> </ul>

All about the cover...continued

<p><b>Insured events - You are covered for loss or damage to your building or landlord's contents caused by Riot, civil commotion or industrial unrest</b></p>	<p><b>Our exclusions - You are not covered for</b></p> <p>Loss or damage sustained after the first 72 hours of any riot, civil commotion or industrial unrest.</p>
<p><b>Earthquake</b></p>	<p>Subsequent damage sustained after 72 consecutive hours of the initial earthquake.</p>
<p><b>Bursting, leaking, discharge or overflow of water or liquids</b> from pipes, taps, dishwashers, washing machines, baths, spas, sinks, toilets, basins, hot water systems, refrigerators, air conditioners, roof gutters, rainwater down pipes, drainage and sewerage systems or aquariums in or at your building.</p> <p>We will pay the costs of searching for the unknown source of a leaking pipe, up to \$500, but only if the water or liquid from the leaking pipe is causing permanent damage to your building or landlord's contents.</p>	<p>Loss or damage caused by:</p> <ul style="list-style-type: none"> <li>• the gradual seepage of water or other liquids;</li> <li>• a leaking or faulty shower recess or base;</li> <li>• escape of water from a storm water channel or canal;</li> <li>• an inadequate drainage system.</li> </ul> <p>The cost to repair the item from which the water leaked or escaped.</p>

# Building & contents benefits

The following additional benefits are included in your Real Insurance. These benefits are available for both building and landlord's contents cover.

Real additional benefits to your building and landlord's contents cover	Our exclusions - You are not covered for	Building cover limit	Landlord's contents cover limit
<p><b>Legal liability</b> Legal liability cover insures you against the substantial costs you may face if you are sued by another party for negligence. When your building is insured, you are covered for your building-owners liability. When your landlord's contents are insured, you are covered for your liability, arising out of a defect in your landlord's contents.</p>	<p>Legal liability cover is complex and full terms of cover are detailed later in this PDS.</p> <p>If both your building and landlord's contents are insured the legal liability benefit is limited to \$10 million in any one event.</p>	\$10 million	\$10 million
<p><b>Accidental glass breakage</b> When your building is insured, we will cover the cost of replacing the following building-related items: window glass and other fixed glass, shower screens, basins, baths and toilets. When your landlord's contents are insured, we will cover the cost of replacing landlord's contents-related items such as mirrors and fixed glass in furniture.</p>	<p><b>Breakage of:</b></p> <ul style="list-style-type: none"> <li>any glass unless the break extends through the entire thickness of the glass;</li> <li>the picture tube or screen of a computer, television set or other type of visual display unit;</li> <li>glass vases, ornaments or hand-held mirrors;</li> </ul>	Replacement cost	Replacement cost

Building & contents benefits...continued

Real additional benefits to your building and landlord's contents cover	Our exclusions - You are not covered for	Building cover limit	Landlord's contents cover limit
<p><b>Accidental glass breakage</b>...continued</p>	<ul style="list-style-type: none"> <li>• glass forming part of a stove top, cooking surface, heater or oven door;</li> <li>• glass in a glasshouse or conservatory.</li> </ul>		
<p><b>Malicious Acts and Theft by Tenants</b> We will pay for loss or damage caused by malicious acts and theft by your tenant, or their visitors or the children of those tenants or visitors. We will pay up to 20% of your building sum insured for loss or damage to your building and up to your sum insured for your landlord's contents.</p>	<p>Damage resulting from poor housekeeping by your tenant or a member of their immediate family or your tenant's invitees.</p> <p>The cost of cleaning, redecorating, painting or wallpapering unless:</p> <ul style="list-style-type: none"> <li>• physical structural damage has occurred to the building; or</li> <li>• the building has been damaged by graffiti;</li> </ul> <p>and we agree that this necessitates cleaning, redecorating, painting or wallpapering.</p>	20% of building sum insured	Your landlord's contents sum insured
		<p>The maximum amount we will pay for any one event under this section is \$35,000 in total. This limit will not apply to malicious acts which result in explosion, fire or impact.</p>	

Real additional benefits to your cover	Our exclusions - You are not covered for	Cover limit
<p><b>Loss of rent following damage</b> When your building is insured and we accept a claim, and agree that your tenant cannot safely reside in the building because of damage caused, we will pay the actual rent you lose while your building is being repaired or rebuilt.</p>	<p><b>Loss of rent:</b></p> <ul style="list-style-type: none"> <li>beyond the period it should reasonably take to repair or rebuild your building;</li> <li>if your building has not been tenanted for more than 60 consecutive days immediately before the loss or damage; or</li> <li>if you did not have a contract in place at the time of the claimed event for your building to be tenanted within the 30 days immediately following the date of loss or damage.</li> </ul>	<p><b>The lesser of:</b></p> <ul style="list-style-type: none"> <li>12 months rent; or</li> <li>10% of your building sum insured; or</li> <li>the actual rent you lose.</li> </ul>
<p><b>Landlord's contents outside your building</b> When your landlord's contents are insured, we will pay to replace any items left outside your building, such as garden furniture and BBQs. Outside your building means any place at the site that is not fully enclosed by walls and a roof and is not able to be secured, such as a carport, a pergola or similar structure.</p>		<p>\$500</p>

Building & contents benefits...continued

Real additional benefits to your cover	Our exclusions - You are not covered for	Cover limit
<p><b>Cover for Strata Title Property owners</b>                      When your landlord's contents are insured, we will also cover the following items, usually covered under a building policy:</p> <ul style="list-style-type: none"> <li>• fixtures that are owned by you and are not insurable by the body corporate;</li> <li>• loss of rent following damage (this benefit is in addition to your landlord's contents sum insured).</li> </ul>	<p>For fixtures the normal terms and conditions applicable to this benefit under building cover will apply.</p> <p>For loss of rent following damage, the normal terms and conditions applicable to this benefit under building cover will apply.</p>	<p><b>Loss of rent following damage limited to the lesser of:</b></p> <ul style="list-style-type: none"> <li>• 12 months rent; or</li> <li>• 10% of your landlord's contents sum insured; or</li> <li>• the actual rent you lose</li> </ul>

# Add these options

The following optional benefits can be added to your Real insurance for an additional premium. If taken, these benefits will be shown on your Insurance Certificate with your building or landlord's contents cover.

<p><b>Real optional benefits for your building and landlord's contents.</b> You can add to your cover</p>	<p><b>Our exclusions - You are not covered for</b></p>
<p><b>Rent Default and Legal Expenses</b> If you choose this benefit, we will pay for your loss of rent under a written rental agreement due to the happening of one or more of the following events:</p> <ul style="list-style-type: none"> <li>• your tenant leaves your building before the end of the rental period stated in the agreement and does not give you or your agent notice;</li> <li>• your tenant does not pay rent owing under the agreement and leaves your building;</li> <li>• your tenant does not pay rent and is legally evicted from your building;</li> <li>• your tenant is denied legal access to your building by a Local, State or Commonwealth Authority.</li> </ul> <p>The most we will pay for your loss of rent arising out of these events is the lesser of ten weeks of rent or the sum insured for loss of rent stated in your current Insurance Certificate. We will only pay the weekly rental amount shown on the current written rental agreement. The maximum weekly benefit we will pay for loss of rent is \$1000. If a claim for loss of rent can be made under more than one of the events listed in this section, you may only claim under one of these insured events.</p>	<p><b>We will not pay for:</b></p> <ul style="list-style-type: none"> <li>• loss of rent if the tenant's rent payment is in arrears at the commencement date of this policy. This cover will not operate until the rent arrears have been paid and the tenant has paid usual rent for a period of not less than four weeks;</li> <li>• loss of rent unless you have a written lease or rental agreement in place from the time your tenant takes up residence, which states:             <ul style="list-style-type: none"> <li>- the term of the rental period;</li> <li>- the amount of rent payable;</li> <li>- the amount of the bond that the tenant is required to pay;</li> </ul> </li> </ul>

Add these options...continued

<p><b>Real optional benefits for your building and landlord's contents.</b> You can add to your cover</p>	<p><b>Our exclusions - You are not covered for</b></p>
<p><b>Rent Default and Legal Expenses</b> ...continued</p> <p>If we accept a claim for loss of rent under this section of the policy we will also pay your legal expenses up to a maximum of \$1000 for each claim. The cover for legal expenses is restricted to costs incurred to reduce a claim for loss of rent under this optional benefit.</p> <p>When we pay a claim for loss of rent and legal expenses, the claim will be reduced by the balance, if any, of any bond money remaining after deduction of allowable re-letting expenses and any other costs or expenses you are legally entitled to deduct from the bond money. At the time your tenant entered into the written rental agreement you must have collected the total amount of bond monies due under the terms of the rental agreement.</p>	<p><b>We will not pay for:</b></p> <ul style="list-style-type: none"><li>• arrears that have accrued up to the time that your tenant departs the building if you or your agent fail to issue and/or act on breach notices as provided under the relevant Residential Tenancies Act applicable to your State or Territory;</li><li>• legal expenses other than those incurred with our prior written approval.</li></ul>

**Real optional benefits for your building and landlord's contents.**  
You can add to your cover

**Motor Burnout**

Motor Burnout refers to an item with an electric motor which has fused due to the actual burning out of the wiring of the motor by an electrical current.

When your building is insured, and you take the Motor Burnout cover, we will pay for the cost of repairing or replacing any motor which forms part of your building up to a limit of \$1,000.

When your landlord's contents are insured, and you take the Motor Burnout cover, we will pay for the cost of repairing or replacing any motor which forms part of your landlord's contents up to a limit of \$1,000.

**Our exclusions - You are not covered for**

Loss or damage to:

- fuses, switches, electrical contacts or protective devices;
- an electrical motor that is more than 10 years old, from the date of manufacture;
- motors under any form of warranty.

The cost of any part, such as a bearing, filter or dryer, which does not form part of an electrical motor, and was fitted during the repair or replacement of the motor.

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# Legal liability

**We will cover you for legal liability** to pay compensation as a result of an accident at the insured situation caused by your negligence, which occurs during the period of insurance, and causes death, bodily injury or loss or damage to others' property:

- **if your building is insured**, which arises from your ownership of the building and the land on which it stands;
- **if your landlord's contents are insured**, which arises because of any defect in your landlord's contents. The liability cover under your landlord's contents insurance does not extend to liability arising out of your ownership of any residence, land or building at the site unless your building is a Strata Title property.

The most we will pay for any event(s) arising directly or indirectly from the one original accident, source or cause, is \$10 million in total under this and all other policies issued by us, including a separate building or landlord's contents insurance policy. This amount includes all legal costs and expenses incurred with our consent or which you have a legal liability to pay. If we agree to pay your claim we will pay the costs of compensation awarded by an Australian court or a settlement agreed to by us and your reasonable legal fees and expenses that we incur on your behalf or that you incur with our written consent. You can only claim for legal fees and expenses if we have agreed to them in writing before you incur them.

**We will not pay for legal liability that arises:**

- from the death or illness of, or bodily injury to, you or your family, or to your employees arising out of their employment by you;
- from loss or damage to any property that is owned or controlled by you, your family or your employees;
- while your building is in the course of construction or from building work being carried out on your building or site costing more than \$25,000;

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- because of vibration or interference with any land, building or property;
  - due to any erosion, subsidence or landslide;
  - from asbestos or any product containing asbestos;
  - as a result of any actual, alleged or threatened contamination or pollution of any property, land, the atmosphere or any watercourse or body of water (including groundwater) other than arising from an occurrence which is neither reasonably expected or intended by you and is a consequence of a sudden cause which takes place at a clearly identifiable time and place during the period of insurance;
  - from the transmission of any disease;
  - from the supply of any alcohol or drugs;
  - because you own or occupy any land or buildings other than the site listed on the Insurance Certificate;
  - because you own or are legally responsible for any wharf, jetty or pontoon;
  - out of, or in connection with, any business, profession or occupation carried on by you, other than the renting or leasing out of the building at the site;
  - out of your employment of any workers;
  - in connection with the common property where the building is a Strata Title property;
  - from negligent mis-statement, advice or treatment;
  - out of your ownership or use of motorised vehicles (except wheelchairs, golf buggies and lawn mowers), go carts, mini-bikes, caravans or trailers, or motorised watercraft or other watercraft more than 3 metres in length, or aircraft, aircraft landing areas or hovercraft;
  - for any penalties, fines, punitive, exemplary or aggravated damages for which you are liable;
  - for actions brought against you in a court outside Australia or a court that applies law that is not Australian law;
  - for claims made against you because your body corporate failed to insure (or adequately insure) against property damage as required by relevant State or Territory, Strata Title or unit legislation.

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## What you are not covered for

Like most insurance policies, there are general exclusions that apply to all covers.

**You are not covered for any loss or damage caused by or resulting from, or the costs incurred from or of:**

- bushfire, storm, rainwater or flood which occurs within the first 72 hours of the start of this policy unless you transferred a building and/or landlord's contents insurance policy, with equivalent cover, to us from another insurance company without an interruption in cover;
- your building being unoccupied for longer than 60 consecutive days, unless you have told us about this and we have agreed to provide cover;
- the inability of your tenant or a member of their immediate family and/or your tenant's invitees to control their children or domestic pets;
- poor housekeeping by your tenant or a member of their immediate family or your tenant's invitees;
- actions of the sea, including tidal waves, tsunamis and high tides;
- gradual deterioration, including wear and tear, rust, corrosion, depreciation, fading or deterioration from exposure to light;
- mould or mildew, wet or dry rot, rising damp or dampness;
- inherent defects, structural faults, faulty design or faulty workmanship;
- poor maintenance;
- insects, birds, wildlife or vermin;
- any earth movement not caused by earthquake, including erosion, subsidence, landslide, mudslide, collapse, earth shrinkage and expansion;
- tree roots, tree felling or tree lopping on the site;
- removing any tree stump from the ground or trees which have fallen but not damaged your building;
- any deliberate action by you or a person acting with your consent or implied consent;
- any process of cleaning involving the application of heat or the use of chemicals;

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- mechanical breakdown, electronic or mechanical derangement of electronic data, virus, malfunction or processing error;
  - electrical or electronic breakdown or malfunction unless directly caused by one of the insured events listed earlier in this PDS or covered by the Optional Motor Burnout section of this policy;
  - power surge, unless directly caused by one of the insured events;
  - accidental damage caused by, or as a consequence of, building work, including any extensions or renovations;
  - damage to swimming pools, spas, septic tanks, water tanks (and other in-ground structures or their surrounds) caused by hydrostatic pressure.

#### You are also not covered for:

- any consequential loss or loss of profit;
- any event or liability for which you or your family are required by law to hold an insurance policy;
- your liability under any contract, or if you have agreed to or accepted liability without our agreement first;
- acts or omissions by you or someone with your consent, if the acts are unlawful or are intended to be done with reckless disregard for the consequences;
- confiscation or damage caused by the lawful seizure, confiscation, nationalisation or requisition of, or damage to, the insured property by a government, public or local authority;
- loss or damage caused by war, invasion, acts of foreign enemies, hostilities (whether war is declared or not), civil war, rebellion, revolution, insurrection or military or usurped power or by contamination or pollution by chemical, biological or nuclear agents which results from an act of terrorism;
- direct or indirect exposure to radiation or contamination by radioactivity from any nuclear fuel, nuclear waste or nuclear material.

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## Goods and Services Tax (GST)

This policy does not cover any amount of GST or any fine, penalty or charge that you are liable for because of a failure to disclose or a mis-statement made by you, in relation to your entitlement to an input tax credit for the premium. You must tell us if you become aware that the extent of your entitlement to an input tax credit for your premium, disclosed to us, is incorrect.

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# What we need to do for you

## Renewing your insurance

Unless you are otherwise notified by us, we will automatically continue your cover on the terms contained in the renewal offer we send you. At least 14 days before your insurance expires, we will send you a renewal notice, outlining our renewing terms for your insurance. Unless you notify us to the contrary, your cover will be automatically renewed each year.

## Cancelling your insurance

You can cancel your insurance at any time by calling us. We will explain the cancellation process to you. If you have paid an annual premium, we will refund any premium you have paid, less an amount that covers the period for which you were insured. There is no refund if you have been paying monthly.

We can cancel your insurance to the extent permitted by law, for example, if you do not comply with the policy terms and conditions, fail to pay your premium, make a fraudulent claim or if you did not comply with your Duty of Disclosure or misrepresented information when you entered into this insurance contract. If we cancel your policy we will send you a cancellation letter.

## How we resolve your complaints

If you have concerns about our products or service we will do our best to work with you to resolve them using the following process:

**Step 1:** You should tell us about your concerns by contacting a trained Customer Care Specialist (CCS) on 1300 00 7325.

**Step 2:** If, after speaking to our CCS team, you remain dissatisfied with our products or service you can ask to speak to a CCS manager to further discuss your concerns. They can also be reached on 1300 00 7325.

**Step 3:** If, after speaking to a CCS manager, you are still not happy you can take the matter further by writing to our Internal Dispute Resolution Committee at: Real

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Insurance, Locked Bag 9042, Castle Hill NSW 1765 or email: [resolution@realinsurance.com.au](mailto:resolution@realinsurance.com.au). Your concerns will be investigated by an officer with full authority to deal with the complaint and we will inform you of the outcome within fifteen working days of receiving your letter.

**Step 4:** In the unlikely event that your concerns are not resolved to your satisfaction by the Internal Dispute Resolution Committee, please contact the Financial Ombudsman Service (FOS) via one of the following methods:

**Financial Ombudsman Service**

Mail : GPO Box 3, Melbourne VIC 3001

Telephone : 1300 780 808

Fax : (03) 9613 6399

Website : [www.fos.org.au](http://www.fos.org.au)

Email : [info@fos.org.au](mailto:info@fos.org.au)

## How we protect your privacy

We value your privacy. Our Privacy Policy, available at [realinsurance.com.au](http://realinsurance.com.au) or by calling us, sets out how we protect your personal information. We collect, store and use your personal information to provide you with, and inform you about, insurance and insurance-related services. To do this we may communicate your personal information to our service providers. This will always be done as permitted by the relevant privacy legislation.

If you wish to stop receiving information about new insurance and insurance-related services you can call us or email us at [privacy@realinsurance.com.au](mailto:privacy@realinsurance.com.au). You also have a right to access and correct your personal information held by us. If you would like to do this please call us.

## Contact Details

If you need to contact us for any reason about your insurance or to obtain confirmation of any policy transaction, please call us on:

**1300 00 7325.**

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# If you've got questions, we've got answers.

After reading this Product Disclosure Statement (also known as a PDS) you may have some questions – no matter how clear and simple we try to make it. We want nothing to come between you and your Real cover. Contact us any of these four ways to help clear things up.

- Call us on **1300 00 7325**. We're friendly, helpful and absolutely 100% here for you. Our hours are 8am to 7pm weekdays or 9am to 5pm on Saturdays (EST).
- Email us on **customer@realinsurance.com.au** and you'll find we're just as helpful in writing.
- Visit **realinsurance.com.au**
- Write to us. We'll respond as soon as we get your letter. Send it to **Real Insurance, Locked Bag 9042, Castle Hill NSW 1765**.

## CONTACT US

Locked Bag 9042

Castle Hill NSW 1765

1300 00 7325

[customercare@realinsurance.com.au](mailto:customercare@realinsurance.com.au)

[realinsurance.com.au](http://realinsurance.com.au)

