

Summary of Key Changes

Commercial Strata Insurance Plan



This document outlines a brief description of how the newer version of your **Product Disclosure Statement (PDS) and Policy Wording** (QM569-0618) has changed from the older version, which is effective from 15th July 2018.

Please note that this is a summary only and does not form part of Your policy. Please read the new PDS and Policy Wording thoroughly for full details of cover, conditions and exclusions to ensure it meets your requirements. Insofar as there are any derogations in cover, this document also serves as a **Derogation Notice**.

You can download a copy of the new **Product Disclosure Statement (PDS) and Policy Wording** (QM569-0618) from CHU's website www.chu.com.au or alternatively You may request a copy to be forwarded to You.

Description of Changes

Product Disclosure Statement

The Product Disclosure Statement (PDS) has been amended, incorporating new and existing provisions in accordance with Our duty to advise You of these changes. Please read the PDS for full details of these changes.

Policy Wording

General Definitions

- In the definitions of 'Body Corporate', 'Body Corporate Manager/Agent', 'Insured Property', 'Lot/Unit', 'Lot Owner' and 'Members', the reference to 'Strata Schemes Management Act, Strata Titles Act, Community Titles Act or similar legislation' has been replaced with 'Strata Legislation';
- 'Damage' defined and includes the use of the word '**physical**' which qualifies losses claimable under the Policy;
- Common Area redefined in terms of Strata Legislation;
- Amended definition for 'Insured Property' to include: '*vii Stratum Lot or Volumetric Lot*';
- New definition for 'Limit of Liability' - *where such limits apply to Policy 2 – Liability to Others and Policy 6 – Office Bearers' Legal Liability*;
- Amended definition for 'Policy';
- Amended definition for 'Premium';
- Amended definition for 'Schedule';
- Added definition for 'Storm Surge';
- Added definition for 'Strata Legislation';
- Added definition for 'Stratum Lot or Volumetric Lot';
- Added definition for 'Stratum Lot or Volumetric Lot Owner';
- Amended definition for 'Sum Insured and Limit of Liability' where referenced in the applicable Policies;
- Added definition for 'Tenant'.

Claims Conditions

- Claims Condition '8. Claim administration and legal proceedings', is now 'General Condition 9. Subrogation'.
- Claims Condition '10. Contribution' has been renamed '10. Other Insurance'.

Policy 1 - Insured Property

Floating Floors is now covered as a standard inclusion.

Additional Benefits

- Additional Benefit '2. Emergency cost of minimising losses' renamed '2. Emergency minimisation and temporary protection costs'; combined (previous Additional Benefits 2 & 6) with an increased limit of \$7,500;
- Additional Benefit '5. Emergency Services' (previously 8. Welfare concern) renamed;
- Storm damage to gates and fences (previously Additional Benefit 5) is now included under the amended definition for 'Insured Property';
- Additional Benefit '6. Lot/Unit Internal wall coverings or paint (in NSW& ACT)' is automatically covered;
- Tsunami damage is standard cover (previously Additional Benefit 7).

Special Benefits

- Special Benefit '1. b. Rent':
 - New cover '1.b.iii. Rent abatement' which provides for tenant disruption of occupancy up to for a maximum of 3 months;
- Special Benefit '2. Emergency accommodation' – limit increased to \$2,500 per Lot/Unit;
- Special Benefit '3. Alterations / additions':
 - Clause a. - during the construction period – limit increased to \$250,000; and
 - Clause b. - upon practical completion – limit increased to \$500,000;
- Special Benefit 7. Fusion of motors (previously Special Benefit 5) amended from 5 kilowatts to \$5,000 in value. Also included is a claims settlement clause;
- Special Benefit '8. Environmental Improvements' – limit increased to \$20,000;
- Special Benefit '13. Landscaping' limit amended to the lesser of 1% of the Building Sum Insured or \$100,000 and combines Damage caused by fallen trees or branches (previously Special Benefit 10. Fallen trees) which is limited to \$5,000;
- Special Benefit '16. Money' – limit of Money in personal custody of an Office Bearer or committee member increased to \$25,000;
- Special Benefit '22. Removal, storage costs' renamed '22. Removal, storage costs of Lot Owners Contents' limit for costs necessarily incurred increased to \$25,000.

Exclusions

- Exclusion 1.d is now exclusion 3.b.i. Exclusion 2.b is now Exclusion 3.c, has been amended to exclude cover for the cost of rectifying faulty design or specification. **(Note this is a major change to existing cover).**

CHU Underwriting Agencies Pty Ltd ABN 18 001 580 070 (AFS Licence No: 243261) is an underwriting agency acting on behalf of the insurer: QBE Insurance (Australia) Limited ABN 78 003 191 035 (AFS Licence No: 239545).

Summary of Key Changes

Commercial Strata Insurance Plan



Claims - how We will settle Your Claim

- '1. Replacement' has been amended to include a 'cash settlement' provision if You choose not to repair or replace Your Insured Property.

Policy 2 - Liability to Others

- The operative clause 'What We insure', has been amended to add clarity (no change in cover);
- Additional Benefits and Special Benefits sub headings have been removed as these covers form part of standard covers offered by this Policy and are now referenced under Clauses 1 to 9;
- Clause '3. Fertiliser, pesticide, herbicide application' has been amended, deleting reference to 'Common Area' as this is included within the definition of Insured Property;
- Clause '6. Services' has been amended to include provision for local council requirements for contractors (e.g. garbage) entering premises to perform related services on Insured Property;
- Clause '9. Court appearance' (previously Special Benefit 2 is amended, deleting reference to 'Office Bearer') as this is extended to all members of the Body Corporate.

Exclusions

- Exclusion '10.b.' has been amended more specifically referencing Common Area and Insured Property.

Definitions

- The definition for 'Business' has been deleted.

Policy 3 - Voluntary Workers

Table of Benefits

The Insured Events in the Table of Benefits, has been amended to draw distinction between weekly and maximum benefits payable under:

- Insured Events '6.a. Total Disablement' and '6.b. Partial Disablement', which are subject to a maximum benefit period of 104 weeks;
- Insured Events '7 domestic care' which is subject to a maximum benefit of \$5,000;
- Insured Events '9 tutorial expenses' which is subject to a maximum benefit of \$2,500.

Exclusions

- Exclusions '1.' and '2.' have been consolidated, as a. to j.

Policy 4 - Workers Compensation

The Law does not permit us to transact workers compensation cover in New South Wales, Queensland, Victoria or South Australia.

Policy 6 - Office Bearers' Legal Liability

Conditions

The following Conditions have been deleted: 'Jurisdiction', 'Severability and non-imputation' and 'Subrogation' and moved to the General Conditions Section.

Policy 7 - Machinery Breakdown

Added Special Benefit for Loss of Rent and/or Temporary Accommodation following a breakdown of plant and equipment – amount payable in addition to the Sum Insured of up to 20% of the amount shown in the Schedule as applying to Policy 7 - Machinery Breakdown, if Your Lot/Unit is unfit to occupy for its intended purpose, following Insured Damage.

Policy 9 - Government Audit Costs, Appeal Expenses and Legal Defence Expenses

Part C - Legal Defences

- 'Excess' has been amended to a minimum of \$1,000 for each and every claim applies unless otherwise varied in the Policy Schedule.

Conditions

- Conditions Clause '6. Jurisdiction' and Conditions Clause '12. Subrogation' are General Conditions and located accordingly.

Definitions

- The definition for 'Business' has been deleted.