



Product Disclosure Statement (PDS) and Policy Terms and Conditions

Introduction

This PDS has been prepared to help **you**:

- Decide whether this product will meet **your** needs; and
- Compare this product with any other products **you** may be considering.

This document tells **you** about Bondsure. It contains important information to assist **you** in deciding whether this insurance meets **your** needs.

Please note that any statements are of a general nature and do not take into account **your** personal objectives or financial situation.

The PDS should be read in conjunction with the attached **Policy** Terms and Conditions and any endorsements attaching to it.

These documents contain important information that **you** should read carefully before deciding to take out this insurance cover.

Please keep these documents in a safe place. Should **you** require any further information about this product, please contact **us**.

About Bondsure

Bondsure is a trading name of Bondsure Lending Pty Ltd (ABN 66 611 328 548), which is an authorised representative of Woodina Underwriting Agency Pty Ltd (ABN 24 151 854 698; AFSL 418 755). Woodina administer Bondsure under a binding authority from certain Underwriters at Lloyd's.

You can contact Bondsure at Level 13, 100 Edward Street, Brisbane, Qld 4001 or on 1300 333 007.

Cooling-off Period and Cancellation

If **you** decide this **policy** does not meet **your** needs **you** are entitled to cancel this **policy** prior to the expiration of 14 days from the earlier of:

- The date **you** received confirmation of the insurance transaction; or
- The end of the fifth day after the **policy** was issued to **you**.

A full refund of premium **you** have paid will be made to **you** (inclusive of Government Taxes and charges) unless **you** have made a claim under this **policy**.

You can also cancel the **policy** at other times in accordance with the terms shown in the **policy**, including if you are taking out insurance only without a bond loan and are paying the premium by instalments, you have the right to cancel the policy at any time with no liability to make further payments due after that date.

Your Privacy

The Privacy Act 1988 and its amendments seeks to ensure the confidentiality, accuracy and security of any personal information Bondsure may collect, use or disclose.

Details of how **we** comply with **our** privacy obligations regarding personal information **we** hold, use or collect are available on request from Bondsure. **You** have the right to access and correct **your** personal information. If **you** would like to do this, please contact Bondsure on 1300 333 007 Level 13, 100 Edward Street, Brisbane, Qld 4001.

Information in this PDS

The **policy** provides cover to **you** as a retail client under the Corporations Act (C'th). Information in this PDS may need to be updated from time to time if changes occur where required and permitted by law. **We** will issue **you** with a new or supplementary PDS to update the relevant information except where the change is not something that would impact a reasonable person considering whether to buy this insurance.

All documents and communications about **your policy** will be in English. If **you** have any disability that makes communications difficult, please tell **us** and **we** will be pleased to help.

Some words and phrases used in this PDS and the **Policy** Terms & Conditions have special meanings. These words and phrases are typed in bold. Please refer to the **Policy** Terms & Conditions for the full details of all definitions.

We, Us, Our

Means:

- (a) For section 1 – Lloyd's Syndicate 4444, which is managed by Canopus Managing Agents Limited;
- (b) For section 2 – Prosight Syndicate 1110 at Lloyd's.

You/ your

Means:

the policyholder as named in the **policy schedule**.

Summary of Covers

Section 1 (underwritten 100% by Lloyd's Syndicate 4444, which is managed by Canopus Managing Agents Limited) of this policy is an optional cover and protects **you** for **accidental damage** to the **building** and **fixtures and fittings** during the **period of insurance** and **extra cleaning** costs as a result of the final inspection by the estate agent. In the event of a claim **we** will pay once **you** have paid the **excess** stated in the **policy schedule**. If **you** have purchased this **accidental damage** and **extra cleaning cover** it will be shown on **your policy schedule**.

Section 1 does not cover **your contents** (see Section 2).

The maximum **we** will pay is up to the amount of **your** bond.

The **excess** is payable in respect of each instance of **accidental damage** and/or **extra cleaning** costs. A maximum of two **excesses** will apply during the **period of insurance** and only one **excess** will apply if the **accidental damage** and/or the costs of **extra cleaning** are identified as part of the final inspection by the estate agent.

Section 2 (underwritten 100% by Prosight) of the **policy** is an optional cover and protects **your contents** up to AUD25,000 or such amount stated in the **policy schedule** for damage or loss caused by an insured event such as fire, storm, theft or malicious acts. An **excess** of AUD200 (or such amount as stated in the **policy schedule**) applies to each claim during the **period of insurance**. If **you** have purchased **contents** cover it will be shown on **your policy schedule**.

Please note that cover for flood is not included, so if **you** live in an area prone to flooding, **you** may wish not to take this Contents cover and insure your Contents with an insurer which can cover flood.

The Exclusions sections of the **policy** set out the situations where cover is not provided. Please read these carefully. The Conditions section of the **policy** sets out certain rights and obligations that **you** and **we** have. If **you** do not meet **your** obligations, this could affect **our** ability to settle **your** claim.

Application Process

You apply for the **policy** by completing **our** application, normally prior to the time of signing **your** lease with **your** estate agent. **You** need to decide if the sum insured and type of cover under Section 2 is appropriate for **you**. If not, **you** may be underinsured and **you** may have to bear the part of any loss for which there is no cover. The details of **your** cover are shown in the **policy schedule**.

The base premium **we** charge varies according to **your** risk profile, including **your** property type (unit or house), location, amount of cover required and claims history.

You will also have to pay compulsory Government charges (stamp duty and goods and services tax) plus additional fees for BondSure/Woodina and other parties in the chain, including the estate agent, which will be set out in the **policy schedule** as part of the total premium payable.

This **policy** is valid for the period of tenancy and subject to the **policy** being renewed/extended at the end of each 12 month period, cover will continue until cancelled or until the end of **your** tenancy.

Your Duty of Disclosure

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

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

You have this duty until **we** agree to insure **you**.

If you do not tell us something

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

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

Privacy

We and **your** agent are committed to protecting the privacy of the personal information **you** provide. **Your** personal information is collected, used and retained in accordance with the National Privacy Principles.

We need to collect the personal information on the application form to consider **your** application for insurance and to determine the premium. This information will also be used if **you** lodge a claim under the **policy**. **We** may also need to request additional information from **you** in connection with **your** application or a claim. If **you** do not provide **us** with this information, or any additional information **we** request, **we** may not be able to process **your** application or offer **you** insurance cover or respond to any claim.

You may request access to **your** personal information, and where necessary, correct any errors in this information. If **you** would like to access a copy of **your** personal information or **you** wish to correct or update **your** personal information, please contact BondSure on 1300 333 007.

By completing the application form or providing **us** with any additional information in connection with **your** application, **you** agree to **us** using and disclosing **your** information as set out above. This consent to the use and disclosure of **your** personal information remains valid unless **you** alter or revoke it by giving **us** written notice.

From time to time, **we** may use **your** personal information to send **you** details of new insurance products or other

insurance related information that may be of interest to **you**. If **you** do not wish to receive such information, please advise BondSure on 1300 333 007.

Code of Practice

This **policy** is compliant with the Insurance Council of Australia's General Insurance Code of Practice. The purpose of the Code is to raise standards of practice and service in the general insurance industry. A copy of the code is available from the Insurance Council of Australia's website at www.insurancecouncil.com.au or from the Code's dedicated website at www.codeofpractice.com.au.

Complaints Procedure

We will do everything possible to provide a quality service. However, **we** recognise that occasionally there may be some aspect of service or decision making that **you** wish to query. Any enquiry or complaint relating to this insurance should, in the first instance, be referred to BondSure at Level 13, 100 Edward Street, Brisbane, Qld 4001. Telephone: 1300 333 007

If this does not resolve the matter or **you** are not satisfied with the way a complaint has been dealt with, **you** should contact:

Lloyd's Underwriters' General Representative in Australia

Level 9, 1 O'Connell Street,
Sydney NSW 2000

ldraustralia@lloyds.com

Telephone Number: (02) 8298 0700

Facsimile Number: (02) 8298 0788

A dispute can be referred to the Financial Ombudsman Service (FOS) subject to its terms of reference. It provides a free and independent dispute resolution service for consumers who have general insurance disputes falling within its terms and its contact details are:

The Financial Ombudsman Service

Local call: 1800 367 287

Post: GPO Box 3, Melbourne, Victoria 3001

Website: www.fos.org.au

If the complaint is not covered by the FOS scheme, **you** will be advised of other options for resolution.

The **insurers** agree that:

- i. In the event of a dispute arising under this Insurance, the underwriters at the request of the insured will submit to the jurisdiction of any competent Court in the Commonwealth of Australia. Such dispute shall be determined in accordance with the law and practice applicable in such Court;
- ii. Any summons notice or process to be served upon the underwriters may be served upon Lloyd's General Representative in Australia, at the address above, who has the authority to accept service and to enter an appearance on the underwriters' behalf;
- iii. If a suit is instituted against any one of the underwriters, all underwriters on the particular binding authority will abide by the final decision of such Court or any competent Appellate Court.

Policy Terms and Conditions

Some words and phrases used in this document have special meanings. These words and phrases are typed in bold. Some others also have special meanings of their meanings are shown below.

General definitions

Period of insurance

Means:

the period during which the **policy** is current as stated in the **policy schedule**.

Policy

Means:

this document together with the **policy schedule** and any applicable endorsements or conditions issued to **you** in written or electronic form.

Policy Schedule

Means:

the latest **policy schedule** we issue **you**.

We, Us, Our

Means:

- (a) For section 1 – Lloyd’s Syndicate 4444, which is managed by Canopius Managing Agents Limited;
- (b) For section 2 – Prosignit Syndicate 1110 at Lloyd’s.

You/ your

Means:

the policyholder as named in the **policy schedule**.

Section 1: Accidental Damage and Extra Cleaning

(Underwritten 100% by Lloyd’s Syndicate 4444, which is managed by Canopius Managing Agents Limited)

Definitions

Accidental damage

Means:

sudden and unforeseen event resulting in damage.

Building

Means:

- (a) the dwelling house, unit, townhouse and all outbuildings;
- (b) paths, driveways, terraces, walls, gates, fences, masts, aerials, clothes lines and permanently fixed swimming pools, saunas, spas and associated equipment;
- (c) blinds, awnings and fixed wall, floor or ceiling coverings (including curtains).

Extra cleaning

Means:

cleaning of walls, ceilings, floors, carpets, curtains, bathrooms, kitchen appliances (including ovens and refrigerators) to remove excessive dirt, grime or other residue which, in the opinion of the estate agent or inventory clerk are in excess of the levels associated with the ordinary wear and tear of the property and therefore require **extra cleaning**.

It does not include maintenance repairs, such as repainting, where the area to be repainted has suffered normal wear and tear and it is the landlord's decision to repaint rather than simply clean. This does not cover replacement of carpets, where the landlord decides to replace the carpets rather than clean them, although damaged carpets (if there has been **accidental damage**) may be the subject of a claim.

Fixtures and fittings

Means:

- (a) built in furniture, fittings and carpets;
- (b) pipes, wires, ducts, cables, meters and switches, which service the **building**;
- (c) fixed appliances owned by the landlord including heaters, air conditioners, fans, light fittings, hot water systems, electronic equipment, refrigerators, stoves, washing machines and clothes dryers; but
- (d) excluding **contents**.

Excess

Means:

The amount stated in the **policy schedule** which **we** require **you** to pay towards any claim made under the **policy**. A maximum of two **excesses** will apply during the **period of insurance** and only one **excess** will apply if the **accidental damage** and/or the costs of **extra cleaning** are identified as part of the final inspection by the estate agent.

Cover

We will provide cover up to the amount of the rental bond as stated in the **policy schedule** for;

- 1) **Accidental damage** to the **building** or **fixtures and fittings** during the tenancy period; and
- 2) The cost of **extra cleaning** of the **building** and **fixtures and fittings** at the end of the tenancy in excess of the level of cleaning reasonably expected of the tenant and ordinary wear and tear being the responsibility of the landlord, as identified in the Final Inspection Report.

This Section will not respond to **accidental damage** arising from an intentional or deliberate act by **you** or **your** authorised guests, or **accidental damage** occurring when **you** are acting in breach of the provisions of **your** tenancy agreement.

The cover afforded by this Section is at all times subject to the landlord's contractual obligation under the tenancy to maintain the premises in a state of good repair. To that extent, this **policy** will not respond to any claim involving the breakdown or failure of any appliance or equipment not caused by **accidental damage**. The **fixtures and fittings** are assumed to be in working order unless otherwise noted in the Initial Inventory Report.

This Section will cover **accidental damage** to:

- (a) a telephone handset;
- (b) fixed glass, shower base, basin, sink, bath, lavatory pan or cistern;
- (c) fixed mirrors or glass forming part of furniture (including fixed glass table tops);

but will not cover **accidental damage** of:

- a) a TV screen;
- b) an electronic visual display unit screen;
- c) a ceramic or glass cooking top unless caused by physical impact by an object;
- d) tiles;
- e) glass in a picture frame, radio or clock; or
- f) anything covered in Section 2: Contents.

Section 2: Contents

(Underwritten 100% by Prosight)

Definitions

Contents

Means:

- (a) items not permanently attached or fixed to the **building** owned by **you** or for which **you** are responsible;
- (b) furniture, furnishings, clothing, home computers, printers, unfixed electrical goods, toys, surfboards, plants in pots, rugs and garden equipment and tools; but
- (c) excluding motor vehicles, motorcycles, caravans, trailers, watercraft and aircraft (other than models), plants or trees in gardens, animals, pets, documents, **buildings, fixtures and fitting** or **extra cleaning**.

Sums Insured

The most **we** will pay for contents is:

Item	Limit for any one item
(a) Jewellery, watches other items containing precious metals and stones including gold and silver articles	AUD 1,000
(b) Money, smart cards, phone cards, vouchers, stamps documents able to be cashed or traded	AUD 250
(c) Paintings, pictures, works of art, antiques, sculptures, Ornaments, rugs and tapestries	AUD 1,000
(d) Bicycles	AUD 1,000
(e) Entertainment equipment including portable sound or visual entertainment equipment	AUD 1,000
(f) Photographic equipment	AUD 1,000
(g) Tools of trade	AUD 1,000
(h) Collections of any kind	AUD 1,000
(i) Computer equipment	AUD 2,500

Or up to the amount as stated in the **policy schedule**.

Excess

Means:

The amount stated in the **policy schedule** which **we** require **you** to pay towards any claim made under the **policy**.

Cover

We will provide cover up to the sum insured in the **policy schedule** for **contents** owned by **you** or for which **you** are responsible and which are located in the **building**, which are destroyed or damaged by the following insured contingencies occurring during the tenancy period:

1. Fire, explosion or lightning

But excluding damage:

- (a) which arises gradually out of repeated exposure to fire or smoke;
- (b) resulting from the property undergoing a process necessarily involving the application of heat;
- (c) to heat resistant items (such as cooking appliance, iron, toaster, microwave oven, heater, clothes dryer, kettle and oven) if the fire, explosion or lightning only caused damage to those items;
- (d) to the item that exploded (as opposed to other resultant damage).

2. Earthquake and tsunami

All damage that occurs within a period of 48 hours will be regarded as one incident.

3. Storm

But excluding loss or damage caused by:

- (a) flood;

- (b) erosion, subsidence or landslide;
- (c) water entering the **building** unless through openings in walls or roofs made by the storm (not through openings due to renovations or repairs being carried out);
- (d) water seeping through walls, roofs or floors including due to a design fault, structural defect or defective workmanship;
- (e) **you** or the landlord's or property manager's failure to maintain the property in a good state of repair, failure to fix damage or deterioration or due to a defect which **you** or the landlord or the property manager were aware of or should reasonably have been aware of.

4. **Burst pipes**

Covering bursting, leaking, discharging or overflowing of fixed guttering, tanks or pipes or other apparatus used to hold or carry liquid, but excluding damage caused by the porous condition of grout or by a leaking shower base which has not been fitted with a tray or waterproof membrane.

We will not cover the costs to repair any defective item that caused the leak, damage as a result of a gradual process or rising damp.

5. **Theft**

By a third party not residing with **you** at the time of the theft, excluding theft by any tenant, sub-tenant or servant of such tenant or subtenant.

6. **Malicious acts**

Malicious acts of a person not residing with **you**, or acting with **your** express or implied consent, at the time of the act, including through riot or civil commotion.

7. **Impact**

By:

- (a) aircraft or space debris;
- (b) any vehicle (including a waterborne craft) or animal (other than a pet or animal kept on the site);
- (c) a falling tree, including by storm or tempest, but excluding damage caused by tree lopping by or authorised by **you**.

The **excess** under this Section of the **policy** shall be AUD200 for each claim or such other amount as stated in the **policy schedule**.

Basis of settlement

1. **Items less than 5 years old**

Provided that **you** can substantiate that the damaged item is less than 5 years old at the time of a claim **we** shall replace damaged items on a new for old basis which means **we** replace or repair with new items or new materials that are available at the time of replacement or repair from Australian suppliers. No allowance will be given for wear, tear or depreciation. **We** will not pay any additional cost of replacing or purchasing an extended warranty on any item, or replace or repair to a better standard, specification or quality than when new.

2. **Item over 5 years old**

If at the time of loss the damaged item is over five years old **we** will pay the cost of replacement less an amount for wear, tear and depreciation.

Policy Exclusions

In addition to any exclusions referred to under Sections 1 and 2, this **policy** does not cover loss or damage caused by, resulting or arising from:

- (1) wear and tear or gradual deterioration;
- (2) ionising, radiation or contamination by radioactivity from any nuclear fuel or from any nuclear waste from the combustion of nuclear fuel;
- (3) any pollutant or contaminant being discharged;

- (4) war, invasion, acts of foreign enemies, hostilities, (whether war is declared or not), civil war, rebellion, revolution, insurrection or military or usurped power or an act of terrorism;
- (5) asbestos;
- (6) the use or operation, as a means for inflicting harm, of any computer, computer system, computer software programme, malicious code, computer virus or process or any other electronic system; or
- (7) any damage caused by a third party, unless substantiated by a police report.

Complaints Procedure

We will do everything possible to provide a quality service. However, **we** recognise that occasionally there may be some aspect of service or decision making that **you** wish to query. Any enquiry or complaint relating to this insurance should, in the first instance, be referred to BondSure at Level 13, 100 Edward Street, Brisbane, Qld 4001. Telephone: 1300 333 007

If this does not resolve the matter or **you** are not satisfied with the way a complaint has been dealt with, **you** should contact:

Lloyd's Underwriters' General Representative in Australia

Level 9, 1 O'Connell Street

Sydney NSW 2000

ldraustralia@lloyds.com

Telephone Number: (02) 8298 0700

Facsimile Number: (02) 8298 0788

A dispute can be referred to the Financial Ombudsman Service (FOS) subject to its terms of reference. It provides a free and independent dispute resolution service for consumers who have general insurance disputes falling within its terms and its contact details are:

The Financial Ombudsman Service

Local call: 1800 367 287

Post: GPO Box 3, Melbourne, Victoria 3001

Website: www.fos.org.au

If the complaint is not covered by the FOS scheme, **you** will be advised of other options for resolution.

The **insurers** agree that:

- i. In the event of a dispute arising under this insurance, the underwriters at the request of the insured will submit to the jurisdiction of any competent Court in the Commonwealth of Australia. Such dispute shall be determined in accordance with the law and practice applicable in such Court;
- ii. Any summons notice or process to be served upon the underwriters may be served upon Lloyd's General Representative in Australia, at the address above, who has the authority to accept service and to enter an appearance on the underwriters' behalf;
- iii. If a suit is instituted against any one of the underwriters, all underwriters on the particular binding authority will abide by the final decision of such Court or any competent Appellate Court.

Legal, Regulatory and Other Information

Fraud

The **insurers** take a robust approach to fraud prevention in order to keep premium rates down so that **you** do not have to pay for other people's dishonesty. If any claim under this **policy** is fraudulent, deliberately exaggerated or is intended to mislead, or if any deliberately misleading or fraudulent means are used by **you** or anyone acting on **your** behalf to obtain benefit under this **policy**, **your** right to any benefit under this insurance will end, **your policy** will be cancelled without any premium refund and the **insurers** will be entitled to recover any benefit paid and costs incurred as a result of any such fraudulent or deliberately misleading claim. The **insurers** may also inform the police.

Subrogation

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

Where **you** have entered into an agreement with any other party which prevents or limits **your** or **our** right to recover compensation from that party, all benefits under the **policy** are null and void with respect to that loss or damage unless **you** have **our** prior written consent.

Several Liability

The subscribing insurers' obligations under contracts of insurance to which they subscribe are several and not joint and are limited solely to the extent of their individual subscriptions. The subscribing insurers are not responsible for the subscription of any co-subscribing insurer who for any reason does not satisfy all or part of its obligations.

Governing Law and Jurisdiction

Your policy is governed by the laws of Australia. Any dispute relating to **your policy** shall be submitted to the exclusive jurisdiction of an Australian Court within the State or Territory in which **your policy** was issued.

Sanctions

We shall not provide any benefit under this contract of insurance to the extent of providing cover, payment of any claim or the provision of any benefit where doing so would breach any sanction, prohibition or restriction imposed by law or regulation.

Claims procedure

If an insured event occurs which is likely to result in a claim, **you** must at **your** own expense:

- (a) advise **us** as soon as practicable;
- (b) provide **us** with all information **we** may require;
- (c) take all necessary precautions to prevent further loss or **accidental damage**;
- (d) upon discovery inform the police of any theft or malicious **accidental damage**.

If **you** do not meet **your** obligations, this could affect **our** ability to settle **your** claim.

Cancellation

You may cancel this **policy** at any time by telephoning BondSure on 1300 333 007.

We have the right to cancel the **policy** where permitted by law, including where **you** have:

- (1) failed to comply with **your** duty of disclosure;
- (2) made a misrepresentation;
- (3) made a fraudulent claim;
- (4) failed to pay the premium when due. Where **you** fail to pay premium when due, **we** will contact **you** in writing and request payment by a specific date. If **we** do not receive the payment by this date, **we** will issue a cancellation letter.

Goods and Services Tax (GST)

Where **you** are liable to pay GST on a purchase relevant to **your** claim (such as repairing an item), **we** will pay the GST in addition to the Sum Insured under the **Policy**. If **your** Sum Insured is not sufficient to cover **your** loss, **we** will only pay the GST relating to **our** payment. **We** will reduce the GST **we** pay for the amount of any input tax credits to which **you** are entitled. If **you** are registered for GST and **you** fail to tell **us** of **your** entitlement to an input tax credit on **your** premium, **you** may be liable for GST on a claim **we** pay.

Extension of period of insurance

This **policy** is valid for the period of tenancy and subject to the **policy** being renewed/extended at the end of each 12 month period, will continue until cancelled or until the end of **your** tenancy. **We** retain the option to offer or refuse renewal and at renewal to amend the terms and conditions of the cover.