

ALTERATIONS TO YOUR STRATA INSURANCE POLICY

QUS has revised its QUS Strata Select Product Disclosure Statement in accordance with new policy wording. The following alterations apply to all policies contained in the Schedule of Policies below.

This document is designed to provide a brief description of how the policy cover has changed from your old policy version to the new version. Please note that this is a summary only and does not form part of your policy.

Please read your new policy wording thoroughly for full details of cover, conditions and exclusions, and to ensure that your new policy meets your insurance requirements.

The following is a summary of the amendments to cover:

1. The following paragraph has been inserted in your Product Disclosure Statement:

Financial Claims Scheme

In the unlikely event that Calliden Insurance Limited were to become insolvent and unable to meet its obligations under this Policy, eligible policyholders and other claimants may be entitled to receive payment for valid claims under the Financial Claims Scheme. APRA is responsible for the administration of the Financial Claims Scheme and access is subject to an eligibility criteria. For further information on this Scheme please refer to the APRA website at <http://www.apra.gov.au> or contact APRA on 1300 55 88 49.

2. The paragraphs under the heading “Excess” in your Product Disclosure Statement have been deleted and the following has been inserted:

Excess

The Excess is the amount You must contribute towards the cost of any claim You make.

If We agree to pay Your claim, We will deduct the Excess from the amount of the claim then pay You, or We will ask You to pay the Excess to a supplier, repairer, or to Us.

The Excess payable by You is shown in Your Policy unless it is specifically noted in the Schedule to be otherwise.

Excess Applicable to Section 1 – Property Insured

Type of Claim	Excess Payable
Earthquake	For each claim or series of claims during a period of 72 hours for loss or damage caused by Earthquake or tsunami: i. \$250 where the Building(s) Sum Insured is up to \$5,000,000 and the Building is occupied solely for residential purposes ; or ii. \$20,000 or 1% of the Sum Insured for Building (whichever is the lesser) where the Building(s) Sum Insured is greater than \$5,000,000 and the Building is occupied solely for residential purposes; or iii. \$20,000 or 1% of the Sum Insured for Buildings (whichever is the lesser) where the Building is occupied partly or solely for commercial purposes.
Malicious Damage	\$250 for each claim for loss or damage caused by a malicious act
Unoccupied Lots/Units	\$500 for each claim for loss or damage (other than caused by Earthquake) when more than 60% of Lots/Units are unoccupied
All Other Claims under Section 1	\$250 for all other types of claims for loss or damage under Section 1 not specified above

Excess Applicable to Other Policy Sections:

Policy Section	Excess Payable
Section 2 – Property Owners Legal Liability	\$250 for each claim for loss of damage to property
Section 3 – Fidelity Guarantee	\$250 for each claim
Section 4 – Voluntary Workers Personal Accident	In respect of Compensation Event 2.6 the excess period is seven days, which means We will not pay the Weekly Benefit for the first seven days of disablement
Section 5 - Office Bearers' Liability	\$250 for each claim
Section 6 - Machinery Breakdown	\$250 for each claim for loss of damage to machines
Section 7 - Legal Expenses	You must pay the first 10% of all Legal Expenses or \$1,000 for each claim, whichever is the greater.
Section 8 - Audit Expenses	\$250 for each claim

3. Under **General Definitions** the definition of Earthquake has been amended to include 'tsunami' as follows:

Earthquake means earthquake, tsunami, subterranean fire, volcanic eruption or fire occasioned by or happening through or in consequence of earthquake, subterranean fire or volcanic eruption.

4. Under **General Conditions** the following condition has been inserted:

18. Failure to Pay Your Insurance Premium

It is a condition of this contract of insurance that You pay the insurance premium. This insurance contract will not be in force until Your premium payment is made and We will not be liable to pay for any claims before We receive Your premium."

5. Under **General Exclusions:**

"1. Warlike Activities, Nuclear Material and Terrorism" the following paragraph has been inserted:

"revolution, military or usurped power, or confiscation or nationalisation or requisition or destruction of or damage to property by or under the order of any government or public or local authority"

"2. Consequential Loss" is deleted.

6. Under **Section 1 – Property Insured** some of the Item 3. Additional Benefits limits have been increased:

- < Trees, Shrubs, Plants, Lawns and Rockwork increased limit to \$20,000 per Incident
- < Personal Property increased limit to \$10,000 per Incident
- < Mortgage Discharge increased limit to \$50,000 per Incident
- < Maintenance Fees increased up to \$2,000 per Incident
- < Emergency Accommodation increased limit to \$1,500 per Incident
- < Temporary Accommodation for Pets increased limit to \$5,000 per Incident

7. Additional Benefit 3.15 Exploratory cost has been revised to read:

"We will pay to You the reasonable costs You incur, of identifying and locating the source of damage, where the damage is caused by the escape of liquid"

This amendment will only apply to policies renewed or incepted from 1 August 2012

8. Under **Section 1 – Property Insured**, additional benefit 3.1.C Failure of Supply Services the following sentence has been inserted in paragraph one:

“as the result of an Incident covered under Section 1 of the Policy,”

9. Under **Section 2 – Property Owners Legal Liability** the exclusion 3.17 has been renumbered and replaced with:

4.17 Personal Injury or Property Damage caused by or arising directly or indirectly out of or in connection with:

- < the application of any fertiliser, pesticide or herbicide which is not in accordance with any Public or Statutory Authority requirement or, in the absence of any such requirement, not in conformity with the manufacturer’s recommendations;*
- < loss or damage to the Situation or the Property Insured, or its improvements including gardens and lawns, to which the fertiliser pesticide or herbicide was being applied;*

10. Under **Section 6 - Machinery Breakdown** subheading “8. Specific Exclusions applying to Section 6 - Machinery Breakdown” the following exclusion has been inserted in 8.3:

“ any chemical explosion (except flue gas explosion in boilers).”

11. Under **Section 7 - Legal Expenses** under item “2. Definitions Applicable to Section 7 – Legal Expenses” the reference to Trade Practices Act 1974 is deleted and replaced with “Competition and Consumer Act 2010 and its provisions”.

Schedule of Policies to which the above amendments apply:

Policy Code	Product Disclosure Statement	PDS Date
CCQUS ST 0711	QUS Strata Select Product Disclosure Statement	21 July 2011
CCQUS ST 0612	QUS Strata Select Product Disclosure Statement	1 June 2012

If you require additional copies of your new policy wording (CCQUS ST 0212 or CCQUS ST 0612) or for any other assistance, please contact your broker.