Toowoomba STRATA

fact sheet

insurance

Product Disclosure Statements (PDS)

Quick Tip

Read the Product Disclosure Statement (PDS)
(every insurance policy is slightly different)

Don't have a copy of the PDS telephone or email us and we will send a copy to you.

If you still have questions – then the best person to talk to is the insurer – they are the experts in insurance.

Building Insurance – By the Body Corporate

The Body Corporate is required to insure the building(s) if your lot has a wall which adjoins another lot.

By definition, building(s) includes all property owned by the Body Corporate and includes internal building items such as kitchen benches, bench tops, cooktops, stoves, ovens, cisterns, sinks, shower screens, internal walls, glass windows, glass sliding doors and mirrors which were in the lot at the time of registration.

Any improvements or alterations to these items from the date of registration should be notified in writing to the Body Corporate as required under The Act to ensure total protection of the improvements. Any extra premiums necessary to cover the improvements must be paid for by the owner of the lot.

WARNING!

Sometimes it is necessary to check the plan, for example, if the scheme was created as a Standard Format Plan (Group Title) then the building is not automatically covered by the body corporate and building coverage will depend on the scheme's individual structure eg are the dwellings completely detached.

Common Area Contents Insurance

The Body Corporate is required to insure common area contents. Common Area Contents include foyer carpets, pot plants in common areas, common area appliances, common area equipment.

Most small bodies corporate have no Common Area Contents.

Private Contents Insurance (OWNER RESPONSIBILITY)

There are items which have been pre-determined by The Insurance Council of Australia as not being the responsibility of the Body Corporate.

These items should therefore be covered under a personal contents policy which all owners should affect which include:-

- carpets,
- curtains,
- light fittings,
- dishwashers,
- air conditioners,
- furniture,
- appliances such as fridges, washing machines,
- personal belongings such clothing, jewellery, sporting equipment, and
- general chattel items located within your lot.

Failure to implement an insurance policy to cover these items will mean the individual owner has effectively chosen to "self-insure" and will therefore be liable for the replacement costs associated with these items.

Under **NO** circumstances will the Body Corporate insurers provide protection for damage to items within your lot as they are specifically excluded under The Act. Put differently, it does not matter how the damage happens to your personal contents the owner needs to insure them.

Quick Tip

TAKE OUT A PERSONAL CONTENTS INSURANCE POLICY!

Public Liability Insurance

The Body Corporate has protection for any bodily injury or property damage to third parties where they are found to be legally liable. Incidents occurring within your lot or found to have occurred because of your ownership are not covered on this policy. Lot owners should ensure that your contents policy is extended to include your personal / public liability.

Should your lot be let furnished or unfurnished, you should ensure that you have a contents policy to protect the risks. Contents and liability for injury occurring within your lot is **NOT** the responsibility of the Body Corporate.

Insurance Excess

The Act requires the owner to pay an insurance excess should the claimable event affect only one lot unless the Body Corporate decides it is unreasonable in all circumstances for the owner to bear the liability.

Quick Tip

MAKE YOURSELF AWARE OF THE INSURANCE EXCESS

Claims

1. What You must do

As soon as You discover that an Event likely to result in a claim has occurred, You must:

a. take all reasonable steps to reduce the damage and to prevent any further damage;

b. inform the Police immediately following theft, vandalism, malicious damage or misappropriation of money or property.

2. What You must not do

Whatever the circumstances You must not:

a. admit guilt or fault (except in court or to the Police);

b. offer or negotiate to pay a claim;

c. admit or deny liability;

d. dispose of any damaged items without first seeking the insurer's approval.

3. How to make a claim

When you make a claim you must:

a. promptly inform the insurer by telephone, in writing or in person. You may have to contribute towards Your claim if Your notification is late and results in higher costs for the insurer or harms the insurers investigation opportunities;

b. provide details of the Event and when requested complete and return the insurers claim form promptly together with all letters, documents, valuations, receipts or evidence of ownership that You have been asked to provide;

c. provide written statements under oath if the insurers require it;

d. be interviewed about the circumstances of the claim, if insurers require this;

e. allow insurers to inspect Your Insured Property and take possession of any damaged item to deal with it in a reasonable way;

f. provide the insurer as soon as possible with every notice or communication received concerning a claim by another person or concerning any prosecution, inquest or other official inquiry arising from the Event.

4. Claim preparation costs and fees

The insurer may pay reasonable costs of fees You necessarily incur with the insurers written consent in the preparation of a claim under the Policy.

5. The insurers approval needed for repairs

Except for essential temporary repairs permitted under the policy You are not authorised to commence repairs without the insurers approval.

6. Repairs or Replacement

The insurer has the right to nominate the repairer or supplier to be used.

7. You must assist Insurer

Before the insurer will pay anything under the Policy, You must:

a. comply with all the requirements of this Policy; and

b. give the insurer all information and assistance which the insurer reasonably requires in relation to the claim and any proceedings.

8. False or misleading information

The insurer may deny part or all your claim if you are not truthful and frank in any statement You make in connection with a claim or if a claim is fraudulent or false in any respect.

They may also report any suspected fraudulent act to the Police for further investigation.

9. Salvage value

The insurer is entitled to any salvage value on recovered items and damaged items that have been replaced.

10. Other insurance

If at the time any claim arises under the Policy there is any other insurance in force covering the same liability, in part or in full, You must promptly notify the insurer of full details of such other insurance, including the identity of the insurer(s) and the policy number(s), and such further information as the insurer may reasonably require.

Subject to the *Insurance Contracts Act 1984* (Cth), the insurer reserves the right to seek a contribution from the other insurer(s).

Examples of Typical Exclusions

Some typical examples of exclusions:-

- Burst and broken pipes (including sewerage and water pipes)
- Tree and plant root invasion of pipes
- Building subsidence including normal settlement
- Lack of maintenance to the building
- Rusting gutters
- Failed roof sheeting
- Replacement of shower trays
- Failure of wet sealing to old bathrooms and balconies
- Vermin attack
- Wet sealing outside walls
- Retaining wall damage
- Building defects caused by the builder or others
- Rust, Oxidation & Corrosion
- Mould
- Wear and Tear
- Fading
- Concrete or Brick Cancer
- Lifting driveways
- Pot holes or cracks in driveways
- Gradual deterioration
- Landscaping
- Commercial Office Fit-outs

Quick Tip

GENERALLY A CLAIM FOR THESE ITEMS WILL NOT BE SUCCESSFUL

BUT THAT DOES NOT MEAN A CLAIM CAN NOT BE ATTEMPTED